



Western Riverside Council of Governments Executive Committee

AGENDA

**Monday, March 6, 2017
2:00 p.m.**

**County of Riverside
Administrative Center
4080 Lemon Street
1st Floor, Board Chambers
Riverside, CA 92501**

The following teleconference number is provided exclusively for members of the public wishing to address the Executive Committee directly during the public hearing portion of item 5.A on the agenda:

**Teleconference: (877) 336-1828
Access Code: 5233066**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Executive Committee meeting, please contact WRCOG at (951) 955-8320. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 4080 Lemon Street, 3rd Floor, Riverside, CA, 92501.

The Executive Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

- 1. CALL TO ORDER / ROLL CALL (Ben Benoit, Chair)**
- 2. PLEDGE OF ALLEGIANCE**
- 3. PUBLIC COMMENTS**

At this time members of the public can address the Executive Committee regarding any items within the subject matter jurisdiction of the Executive Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Executive Committee in writing and only pertinent points presented orally.

- 4. CONSENT CALENDAR**

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Executive Committee, any public comments on any of the Consent Items

will be heard. There will be no separate action unless members of the Executive Committee request specific items be removed from the Consent Calendar.

Action items:

- A. **Summary Minutes from the February 6, 2017, Executive Committee meeting** **P. 1**
are available for consideration.

Requested Action: 1. *Approve Summary Minutes from the February 6, 2017, Executive Committee meeting.*

- B. **2017/2018 Legislative Platform** **Jennifer Ward** **P. 11**

Requested Action: 1. *Adopt the 2017/2018 Legislative Platform.*

Information items:

- C. **Finance Department Activities Update** **Ernie Reyna** **P. 21**

Requested Action: 1. *Receive and file.*

- D. **Financial Report Summary through December 2016** **Ernie Reyna** **P. 23**

Requested Action: 1. *Receive and file.*

- E. **Regional Streetlight Program Activities Update** **Tyler Masters** **P. 29**

Requested Action: 1. *Receive and file.*

- F. **Western Riverside Energy Leader Partnership Update** **Tyler Masters** **P. 33**

Requested Action: 1. *Receive and file.*

- G. **Environmental Department Activities Update** **Dolores Sanchez Badillo** **P. 37**

Requested Action: 1. *Receive and file.*

- H. **Clean Cities Coalition Activities Update** **Christopher Gray** **P. 41**

Requested Action: 1. *Receive and file.*

- I. **Community Choice Aggregation Program Activities Update** **Barbara Spoonhour** **P. 45**

Requested Action: 1. *Receive and file.*

- J. **Public Service Fellowship Program** **Jennifer Ward** **P. 55**

Requested Action: 1. *Receive and file.*

- K. **BEYOND Framework Fund Program Activities Update** **Andrea Howard** **P. 57**

Requested Action: 1. *Receive and file.*

Requested Action: 1. *Receive and file.*

5. REPORTS / DISCUSSION

Action Items:

A. PACE Program Activities Update	Crystal Adams, WRCOG	P. 73

Requested Actions:

1. *Accept the Cities of Cupertino and Susanville as Associate Members of the Western Riverside Council of Governments.*
2. *Adopt WRCOG Resolution Number 03-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.*
3. *Adopt WRCOG Resolution 04-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of CaliforniaFIRST bonds, approving the Forms of a Professional Administration Agreement with Renew Financial Group, LLC, amending the Program Report, approving the Forms of Master Indentures, approving the Form of Bond Purchase Agreement, approving the Form of Master Assignment, approving the Form of Depository and Account Control Agreement, approving the Professional Services Agreement for Assessment Administration Services for the Issuance of Bonds for the WRCOG Renew Financial Program, and Appointing a Trustee.*

B. California Mandatory Conservation Framework Discussion and California WaterFix Update	Paul Jones, EMWD, and John Rossi, WMWD	P. 699

Requested Action: 1. *Adopt WRCOG Resolution Number 05-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments in support of the California Waterfix and California Eco-Restore Projects.*

C. Transportation Uniform Mitigation Fee (TUMF) Program Activities Update	Christopher Gray, WRCOG	P. 705

Requested Actions:

1. *Approve the Administration & Finance Committee recommendation to defer taking action on any potential changes to the TUMF Program until after adoption of the Nexus Study.*
2. *Direct staff to convene a TUMF Program Ad Hoc Committee composed of three members of the Executive Committee, three members of the Technical Advisory Committee, and three members of the Public Works Committee, to discuss potential management and administrative changes to the TUMF Program.*
3. *Ask the Chairman to appoint three members of the Executive Committee to serve on the TUMF Program Ad Hoc Committee.*

D. Regional Homelessness Dialogue	Jennifer Ward, WRCOG	P. 721

Requested Actions:

1. *Approve the Regional Homelessness Statement of Principles.*
2. *Request that the Administration & Finance Committee discuss and*

provide recommendations to the Executive Committee on the extent, if any, to which WRCOG can provide assistance to members as they continue to address homelessness in their communities and the region.

Information Items:

E. Report from the League of California Cities *Erin Sasse, League of California Cities* **P. 747**

Requested Action: 1. *Receive and file.*

6. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR *Gary Nordquist*

7. REPORT FROM COMMITTEE REPRESENTATIVES

SCAG Regional Council and Policy Committee representatives
SCAQMD, Ben Benoit
CALCOG, Brian Tisdale

8. REPORT FROM THE EXECUTIVE DIRECTOR *Rick Bishop*

9. ITEMS FOR FUTURE AGENDAS *Members*

Members are invited to suggest additional items to be brought forward for discussion at future Executive Committee meetings.

10. GENERAL ANNOUNCEMENTS *Members*

Members are invited to announce items / activities which may be of general interest to the Executive Committee.

11. NEXT MEETING: **The next Executive Committee meeting is scheduled for Monday, April 3, 2017, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.**

12. ADJOURNMENT

Western Riverside Council of Governments

4.A

Regular Meeting ~ Minutes ~

Monday, February 6, 2017

2:00 PM

County Administrative Center

1. Call to Order

Jurisdiction	Attendee Name	Status	Arrived / Departed
City of Banning	Debbie Franklin	Present	1:53 PM
City of Calimesa	Jeff Hewitt	Present	1:49 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	1:49 PM
City of Corona	Eugene Montanez	Present	1:56 PM
City of Eastvale	Adam Rush	Present	1:56 PM / 3:39 PM
City of Hemet	Bonnie Wright	Present	1:54 PM
City of Jurupa Valley	Laura Roughton	Present	1:50 PM
City of Lake Elsinore	Brian Tisdale	Present	1:55 PM
City of Menifee	John Denver	Present	1:49 PM
City of Moreno Valley	Yxstian Gutierrez	Present	1:52 PM / 3:20 PM
City of Murrieta	Kelly Seyarto	Present	1:54 PM
City of Norco	Kevin Bash	Present	1:56 PM
City of Perris	Rita Rogers	Present	1:50 PM
City of Riverside	Rusty Bailey	Present	1:57 PM
City of San Jacinto	Crystal Ruiz	Present	1:49 PM
City of Temecula	Mike Naggar	Present	1:56 PM / 3:26 PM
City of Wildomar	Ben Benoit	Present	1:52 PM
District 1	Kevin Jeffries	Present	2:04 PM / 2:59 PM
District 2		Absent	
District 3	Chuck Washington	Present	1:38 PM
District 5	Marion Ashley	Present	1:55 PM
EMWD	David Slawson	Present	1:55 PM / 2:10 PM
WMWD	Brenda Dennstedt	Present	1:50 PM
Morongo Band of Mission Indians		Absent	
Office of Education	Judy White	Present	1:51 PM
TAC Chair	Gary Nordquist	Present	1:51 PM
Executive Director	Rick Bishop	Present	1:51 PM

Note: Times above reflect when the member logged in; they may have arrived at the meeting earlier.

2. PLEDGE OF ALLEGIANCE

Committee member Kevin Jeffries led members and guests in the Pledge of Allegiance.

3. PUBLIC COMMENTS

Chairman Benoit welcomed Dr. Judy White, Riverside County Superintendent of Schools.

Daniel Soltero, WRCOG Fellow for the City of Murrieta, reported that for the past 8 1/2 months, he has been working in the City Manager's office, performing a variety of tasks with included attending public meetings, drafting administrative policies, and implementing regional programs, such as the Regional Homeless Alliance. The Alliance is comprised of five cities – Lake Elsinore, Menifee, Murrieta, Temecula, and Wildomar. Mr. Soltero worked to find housing within the region, as well as search for

funding. Mr. Soltero also worked on the Regional Streetlight Program, conducting a great deal of research for the City and attending meetings.

Mr. Soltero indicated that the Fellowship is a well-grounded Program and aims to keep local graduates working in this subregion.

Committee member Bonnie Wright indicated that the City hired its previous Fellow.

Arnold San Miguel reported that SCAG's annual regional conference is scheduled for May 4 and 5, 2017, in the City of Palm Desert. Registration is free for all elected officials and City Managers.

12. CLOSED SESSION

The Committee reorganized the agenda and adjourned to closed session. There were no reportable actions.

4. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED [UNANIMOUS]
MOVER:	City of San Jacinto
SECONDER:	City of Lake Elsinore
AYES:	Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 3, District 5, WMWD
ABSENT:	District 2, EMWD, Morongo

They City of Banning abstained from Item Number 4.G only.

A. Summary Minutes from the January 9, 2017, Executive Committee meeting are available for consideration.

Action: *Approved Summary Minutes from the January 9, 2017, Executive Committee meeting.*

B. 2nd Quarter Draft Budget Amendment for Fiscal Year 2016/2017

Action: *Approved the 2nd Quarter Draft Budget Amendment for Fiscal Year 2016/2017.*

C. Flabob Airport TUMF Appeal

Action: *Approved the appeal consistent with the recommendation from staff and the Administration & Finance Committee.*

D. RIVCOconnect Broadband Initiative

Action: *Adopted WRCOG Resolution Number 02-17; a Resolution of the Executive Committee of the Western Riverside Council of Governments to Support Riverside County Information Technology's Broadband Initiative – RIVCOconnect.*

E. Finance Department Activities Update

Action: *Received and filed.*

F. Financial Report Summary through November 2016

Action: *Received and filed.*

G. Regional Streetlight Program Activities Update

Action: *Received and filed.*

H. Western Riverside Energy Leader Partnership Update

Action: *Received and filed.*

I. Environmental Department Activities Update

Action: *Received and filed.*

J. Clean Cities Coalition Activities Update

Action: *Received and filed.*

K. Single Signature Authority Report

Action: *Received and filed.*

L. Public Service Fellowship Program

Action: *Received and filed.*

M. Report from the League of California Cities

Action: *Received and filed.*

5. ITEMS PULLED FOR DISCUSSION

There were no items pulled for discussion.

6. REPORTS / DISCUSSION**A. PACE Program Activities Update**

Barbara Spoonhour, Director of Energy and Environmental Programs, reported that over 361 cities and counties are participating in the California HERO Program. Over 161,000 applications have been accepted, and over 105,000 have been approved. Since inception of the Program, nearly 35,000 applications within the WRCOG subregion have been approved, over 37,000 projects have been completed, providing for over \$427 million in funding.

In January, the Administration & Finance Committee received a presentation on implementing some new rate options, which resulted in a referral to the PACE Ad Hoc Committee to receive and review additional information. The Ad Hoc Committee recommends moving forward in implementing some new rate options.

Over the past few months, staff has been working with Renovate America to look for ways to reduce interest rates for the HERO Program. Existing rates are lower than a credit card but higher than a home equity line of credit or a second mortgage. By adding an additional rate

structure, the HERO Program can remain competitive, add more options for contractors, and improve the overall consumer experience.

Staff is proposing to implement reduced interest rates through a contractor / dealer fee model. Based on an \$18,100 assessment, for example, the consumer will experience a savings of \$6,700 over 20 years.

In the contractor / dealer fee model, the contractor pays a percentage of project cost back to financier, thereby allowing the contractor to offer a lower interest rate. This is comparable to when a homeowner pays points to reduce interest rates.

Staff is proposing three dealer fee, which range from 3.49% to 12.39%. The current 20-year interest rate is 8.35%, and can potentially be lowered to 5.49%, depending on which rate set the contractor selects. To prevent the contractor from offering different interest rates, the contractor has to select a specific rate for a minimum of 90 days. The average contractor / dealer fee under this proposal is 7.5%, whereas other fees are roughly 12.14%.

Anticipated benefits to the homeowner and the community include lower payments for the consumer, higher consumer satisfaction with lower payments and interest rates, and an increase in projects that deliver energy and water savings.

Fees will not be passed on to the consumer. Renovate America will add a ban on direct fee passages to its existing contractor agreements. Renovate will also perform confirmed terms calls ensuring the homeowner was not offered different rates. Projects will be tracked to ensure there are no spikes in pricing, and will be reviewed on a monthly basis. If costs are found to be passed along to a consumer, the contractor will be required to reimburse the difference to the property. Additionally, if a contractor is found to not be in compliance, their contract can be suspended or they can be removed from the Program.

Renovate will prepare and provide monthly reports on the implementation of fee; staff will meet with Renovate on a quarterly basis to review projects and contractors. Any necessary changes would be brought back to this Committee for approval.

Committee member Jeff Hewitt indicated that telling a contractor it cannot pass that fee along, 10% is a chunk – can contractors afford this?

Ms. Spoonhour responded that is why different rates are being offered. Of those contractors spoken to, for those which work off a single rate sheet, those costs are already captured in their pricing.

Chairman Benoit indicated that the Ad Hoc Committee posed that very same question to a contractor who attended that meeting. The contractor indicated that the cost is already built into the pricing.

Ari Matusiak of Renovate America added that a number of conversations have been held with contractors. For those which offer financing, the fee is worked into the price, for the most part. The HERO Program historically has not, which makes the Program not as attractive to those who have access to lower interest rates. Additionally, contractors are not able to use the HERO product across their entire consumer base. Contractors can select only one term set. The proposed rate is a much lower fee than other forms of financing. The proposed model does not allow the contractor to double-dip and pass on the fee to a homeowner when compared to cash.

Committee member Hewitt indicated that in competing with more traditional contractors which have these costs built in, why should the Program be pushing them out? Is it the goal to use

HERO for any type energy saving improvement? It appears that HERO is now competing with other financial entities. Committee member Hewitt is not certain that that is our part to do as a governmental agency.

Mr. Matusiak responded that the overall consumer experience that HERO offers is the perception of high interest rates and payments. The mechanism other forms of financing have in order to provide a lower interest rate is via contractor or dealer fee. This is a way to offer a lower rate to homeowners, which ultimately saves them money, approximately \$6,700, over the life of an approximately \$18,000 assessment. Lower rates benefits contractors as well; they can increase their options. This also enables lower interest rates contractors can chose from across the board, no matter the homeowners' credit.

Ms. Spoonhour indicated that the report in 90 days will show the number of any contractors which do not take advantage of this model or feel that it is not a viable option for them.

RESULT:	APPROVED [18 TO 2]
MOVER:	City of Perris
SECONDER:	District 5
AYES:	Banning, Canyon Lake, Corona, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 3, District 5, WMWD
NAYS:	City of Calimesa, City of Eastvale
ABSENT:	District 1, District 2, EMWD, Morongo

Action: *Supported the WRCOG PACE Ad Hoc Committee's recommendation for the HERO Program to implement some new rate options, and directed staff to return in 90 days with a report on Program revisions and impacts.*

B. Community Choice Aggregation Program Activities Update

Barbara Spoonhour, Director of Energy and Environmental Programs, reported that a Community Choice Aggregation (CCA) Program allows local governments to combine energy loads in order to purchase power for its constituents. The Investor Owned Utility (IOU), Southern California Edison (SCE) for this subregion, retains control over distribution, billing, and transmission lines. CCAs are generally created to offer lower energy costs, provide a greener power supply than IOU, and to offer consumers choice in who they receive power from.

Staff has been working with CVAG and SBCOG in preparing a feasibility study for both Riverside and San Bernardino Counties. Several iterations have been presented over the past few months, and the final draft is being presented today for approval. The Study, using very conservative numbers, indicates that either a one-county, two-county, or a three-COG geographical area CAA is favorable.

The Study reveals a combined 2-county CCA would realize net savings of 4.9% with a 33% renewable mix. This is comparable to SCE's 28% renewable mix. The Study addresses a number of governance structures, the body which will make decisions for the CCA; not how the Program will operate.

Startup costs can vary, depending on if the Program is managed in-house, a mixture of in-house staff and consultants, or through a third party. WRCOG will be releasing a Request for Proposals (RFP) in order to accurately determine what the costs will be.

The RFP will include power supply costs; data management; billing; and marketing and outreach. A CCA could potentially launch as early as November 2017, depending on the type of structure chosen.

Staff has provided presentations to the Administration & Finance Committee, as well as the Technical Advisory Committee. Continued discussions will focus on a governance structure.

Committee member Laura Roughton asked Ms. Spoonhour to expand on the meaning of the power cost indifference adjustment (PCIA).

Ms. Spoonhour responded that when a CCA forms and leaves the IOU, the IOU is left holding the bag for the power it had already purchased and existing contracts. The California Public Utilities Commission has required IOUs to remain indifferent to the formation of a CCA, and cannot pass along any costs to existing rate holders.

Committee member Jeff Hewitt indicated that there are a few jurisdictions throughout the subregion which are not participating in the CCA. How does this change the numbers?

Ms. Spoonhour responded that the numbers used are very conservative and take into consideration those jurisdictions that we are aware of that have chosen to not participate in the CCA.

- Actions:**
1. *Received the final draft Inland Choice Power Community Choice Aggregation Business Plan.*
 2. *Directed the Executive Director to prepare and issue a Request for Proposals for CCA contract services.*

RESULT:	APPROVED AS RECOMMENDED [17 TO 0]
MOVER:	City of Hemet
SECONDER:	City of Eastvale
AYES:	Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, Temecula, Wildomar, District 5, WMWD
ABSTAIN:	City of Banning, District 3
ABSENT:	San Jacinto, District 1, District 2, EMWD, Morongo

C. Potential WRCOG Agency Office Relocation

Ernie Reyna, WRCOG Chief Financial Officer, reported that after the last Executive Committee meeting, staff had further conversations with County staff, and the County was able to work with WRCOG on acceptable tenant improvements and move-in costs.

Committee member Eugene Montanez asked if the cost of parking at the presented location will increase.

Mr. Reyna responded that it will not increase.

- Action:**
1. *Approved staff's recommendation to relocate the WRCOG offices to the Pacific Premiere Bank building and seek a 10-year lease agreement with the County of Riverside.*

RESULT:	APPROVED [18 TO 1]
MOVER:	City of Temecula
SECONDER:	City of San Jacinto
AYES:	Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 3, District 5
NAYS:	WMWD
ABSENT:	Moreno Valley, District 1, District 2, EMWD, Morongo

D. Transportation Uniform Mitigation Fee (TUMF) Program Activities Update

Christopher Gray, Director of Transportation, reported that updated growth projections from SCAG have been added to the Nexus Study; an additional 650,000 people are anticipated to live in this subregion within the next 25 years. It has been determined that projects are costing more, which prompted a Nexus Study update. There has been no increase in TUMF over last 9 years; however, costs to deliver projects have increased. Staff have updated the way fees are calculated.

It is a very challenging environment for both the developers and the public sector, and staff is trying to find balance. A modest increase in fees is being recommended, as well as various phase-in options. Staff meets frequently with the member jurisdictions and private sector partners to address everyone's concerns.

There are negative consequences to not adopting Nexus Study. There are currently six projects underway and in jeopardy of not receiving funding. If the City of Beaumont comes back into the Program, proposed fee increase will raise by approximately 1% or 2%, because there are no projects from the City listed in the Nexus Study since 2011.

The TUMF Ad Hoc Subcommittee has recommended the phase-in of any retail fee increase.

A draft Nexus Study will be released in February, and presentations will be provided to the Committee structure. Staff anticipates a 30-day comment period; comments will be shared with the Committee structure. It is anticipated that this Committee will take an action on a final Nexus Study and recommendations on fees in May. Any fee increase will go into effect in July / August.

Committee member Chuck Washington asked if there must be a majority to implement any changes, or can each jurisdiction adopt whatever change it wants?

Mr. Gray responded that each jurisdiction has a different schedule. Some have a 30-day waiting period between the reading of ordinances, some have a 60-day waiting period.

Steve DeBaun, WRCOG Legal Counsel, indicated that a date is typically set in each ordinance for 3 to 4 months out in order to avoid having different fees affective in different jurisdictions at different times.

Rick Bishop added that the goal is to have all fees go into effect at the same time. Jurisdictions can also adopt less than recommended fee, so long as that jurisdiction makes up the difference by paying the fee delta.

Committee member Washington suggested revisiting with each jurisdiction the requirement for the jurisdiction to make up any difference.

Committee member Laura Roughton asked if adding the City of Beaumont would increase fees by 1% to 2% across the board?

Mr. Gray responded that yes, it would, because that City was removed from Nexus Study.

Committee member Roughton indicated that the staff report mentioned the possibility of RCTC assuming the TUMF Program responsibilities, and asked what the reasoning behind that is.

Mr. Gray responded that discussion will occur at the next Administration & Finance Committee meeting. Supervisor Kevin Jeffries, at a recent RCTC meeting, asked that this matter be discussed and considered by that Agency's Board.

Committee member Crystal Ruiz expressed concerns with the increase in retail fees, and asked why an increase is being considered, especially if WRCOG's retail fees are the highest in the subregion.

Mr. Gray responded that when the fee increase is calculated, it is a combination of how much development will occur in that development type, the cost of the Network, etc. The previous Nexus Study had non-residential fee increases of 60% across the board, and has decreased substantially. The TUMF Ad Hoc Subcommittee enthusiastically supported a minimum 2-year freeze in retail.

The average retail fee in the WRCOG subregion is \$25 / sq. ft.; \$10 of that is TUMF, \$10 is water fees, and on average \$5 in fees by the city. The high in the WRCOG subregion is approximately \$35 / sq. ft. because some cities charge between \$10 and \$15 / sq. ft. Jurisdictions in the San Bernardino subregion charge approximately \$15 / sq. ft. Recognizing that delta, staff is proposing to freeze any retail fee increase for two years.

Committee member Ruiz asked how that will affect retail in this subregion.

Mr. Gray responded that one option this Committee has is to allow for a longer phase-in. From a Program perspective, retail accounts for approximately 5% of all the fees. A fee increase can be frozen, phased-in, etc., and it will not significantly affect the overall bottom line of Program. Again, the Ad Hoc Subcommittee suggested a return in two years to see if that delta still exists. If it is, this Committee can act to keep that freeze in place.

Committee member Ruiz would like to revisit this in 2 years before increasing the fee.

Mr. Gray indicated that each Committee will discuss this matter at least three times. Staff is happy to meet with jurisdictions to discuss the TUMF Program.

Rick Bishop elaborated that this matter will be vetted through the WRCOG Committee structure before coming back to this Committee for consideration.

Action: *Received and filed.*

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

Gary Nordquist reported that the Technical Advisory Committee had a meeting on January 19, 2017, and received presentations from the water districts and the Riverside County Flood Control.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Debbie Franklin, SCAG Community, Economic, and Human Development (CEHD) representative, reported that the CEHD received several presentations at its last meeting and the presentations available on SCAG website. Topics included the mobility of millennials in California; an active transportation, health, and economic impact study; and building cities for people.

Bonnie Wright, SCAG Energy & Environment Committee representative, reported that two hours of that Committee's meeting was spent on the pros and cons of building desalters. The presentations are available on SCAG website. The con indicated that desalters are not cost-effective.

Jordan Ehrenkranz, SCAG Energy & Environment Committee representative, added that the presentations were very informative.

Chairman Benoit, South Coast Air Quality Management District (AQMD) representative for cities in Riverside County, reported that many people provided comments on the draft Air Quality Management Plan. AQMD held 186 public meetings. The public comments portion has closed. Supervisor Marion Ashley was appointed as a new AQMD Board member.

Brian Tisdale, California Association of Councils of Governments (CALCOG), representative, reported that the next CALCOG meeting is scheduled for the end of March.

9. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop indicated that he will be sending notices of the pending SCAG Regional Council District elections later today to those in the WRCOG subregion on an odd-year election cycle. Elections will be conducted mid-March.

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

11. GENERAL ANNOUNCEMENTS

Committee member Debbie Franklin announced that the City of Banning is providing a presentation by Dr. Lucy Jones on earthquake preparation on February 28, 2017, at 11 a.m.

12. CLOSED SESSION

This item was heard immediately following Public Comments.

13. NEXT MEETING: The next WRCOG Executive Committee meeting is scheduled for Monday, March 6, 2017, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.**14. ADJOURNMENT**

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: 2017/2018 Legislative Platform

Contact: Jennifer Ward, Director of Government Relations, ward@wrcog.cog.ca.us, (951) 955-0186

Date: March 6, 2017

The purpose of this item is to share the final draft 2017/2018 Legislative Platform for review and consideration by Committee members.

Requested Action:

1. Adopt the 2017/2018 Legislative Platform.

The WRCOG 2017/2018 Legislative Platform is designed to provide guidance to WRCOG and its member jurisdictions on legislation that focuses on issues of mutual concern.

Background

At the start of each legislative session, WRCOG adopts a set of priorities in its Legislative Platform that serve to guide staff on actions related to monitoring, tracking, and recommending Agency positions on various legislation. Typically, items of legislative interest are brought to staff's attention by WRCOG's member agencies, who from time to time desire to have the Agency take a position in order to demonstrate a subregional commitment to a particular issue. By adopting this Platform, the Executive Committee provides guidance to staff in expressing its member interests to State and Federal legislators. Attached is the Final Draft WRCOG 2017/2018 Legislative Platform consideration by the Executive Committee members. This draft was shared with the Technical Advisory Committee, Administration & Finance Committee, and stakeholders in each of the industries affected by the Platform Components. The Final Draft attached incorporates comments and feedback received to date.

Legislative Platform Components

In 2010, WRCOG established the following Agency priorities: economic development, education, energy and environment, health, transportation, water, and legislative advocacy. The Legislative Platform will build upon these established goals and guide WRCOG's role in addressing these and other issues at the subregional level. Working in coordination with its member jurisdictions, and within the regional context of inland Southern California, WRCOG will pursue the following general advocacy goals:

- Pursue state and federal funding to establish or enhance existing programs that promote quality of life and prosperity for Western Riverside County.
- Oppose legislation that seeks to limit local control or reduce funding opportunities to local jurisdictions.
- Coordinate advocacy efforts to promote the interests of Western Riverside County to decision makers at all levels of government.
- Collaborate with public and private sector stakeholders on policy and funding matters that enhance economic development and quality of life in the Inland Empire region.

Prior Actions:

- February 16, 2017: The Technical Advisory Committee received the draft 2017/2018 Legislative Platform and was asked to provide feedback to staff by Thursday, February 23, 2017.
- February 8, 2017: The Administration & Finance Committee received the draft 2017/2018 Legislative Platform and was asked to provide feedback to staff by Thursday, February 23, 2017.

Fiscal Impact:

Staff activities related to monitoring, tracking, and adopting Agency positions on legislation are programmed in the FY 2016/2017 Agency Budget under the Government Relations Department.

Attachment:

1. Final Draft 2017/2018 WRCOG Legislative Platform.

Item 4.B

2017/2018 Legislative Platform

Attachment 1

Final Draft 2017/2018 WRCOG
Legislative Platform

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS 2017/2018 LEGISLATIVE PLATFORM

INTRODUCTION

The 2017/2018 WRCOG Legislative Platform (Platform) is designed to provide guidance to WRCOG and its member jurisdictions on legislation that focuses on issues of mutual concern. Positions adopted by the WRCOG Executive Committee will be forwarded to Sacramento, Washington D.C., and interested parties as appropriate. By adopting this Platform, the Executive Committee provides guidance to WRCOG staff in expressing its member interests to State and Federal legislators. The Platform is adopted by WRCOG at the start of the State's two-year legislative season.

Typically, items of legislative interest are brought to WRCOG's attention by WRCOG's member agencies, who desire to have the Agency take a position in order to demonstrate a subregional commitment to a particular issue. WRCOG does not currently employ full time legislative staff or lobbyists, therefore has limited ability to commit significant time to legislative activities. Staff will, to the extent possible, monitor legislation that falls within the scope of the adopted Platform and use the Platform as a guide to respond to issues and/or requests raised by WRCOG's member agencies. Staff will strive to also provide information on the impacts of such legislation to member agencies through WRCOG's existing Committee structure.

If urgent action is needed, the WRCOG Executive Director and/or the Executive Committee Chair may submit position letters and/or undertake other tasks that may be necessary on legislative matters that are consistent with the areas identified in this Platform. These actions will be reported at subsequent meetings of the WRCOG Committees.

In 2010 WRCOG established the following Agency priorities: economic development, education, energy and environment, health, transportation, water, and legislative advocacy. The following Platform will build upon these established goals and guide WRCOG's role in addressing these and other issues at the subregional level.

GENERAL ADVOCACY

The purpose of WRCOG is to unify Western Riverside County so that it can speak with a collective voice on issues of mutual concern that cross jurisdictional lines. The goal of the Agency is to respect local control while providing regional perspective. Working in coordination with its member jurisdictions, and within the regional context of inland Southern California, WRCOG will pursue the following advocacy goals:

- Pursue state and federal funding to establish or enhance existing programs that promote quality of life and prosperity for Western Riverside County.
- Oppose legislation that seeks to limit local control or reduce funding opportunities to local jurisdictions.
- Coordinate advocacy efforts to promote the interests of Western Riverside County to decision makers at all levels of government.
- Collaborate with public and private sector stakeholders on policy and funding matters that enhance economic development and quality of life in the Inland Empire region.



PLATFORM COMPONENTS

1. Economic Development

Western Riverside County is a subregion rich in diversity, resources, and labor. Key legislative priorities for WRCOG support establishing a common vision and brand identity for the subregion and enhancing the subregion's ability to attract new investment by improving the overall quality of life in the subregion.

- Support legislation that encourages technology to assist jurisdictions and the education system in attracting potential businesses and educating future workers (e.g., wireless internet access).
- Support legislative action that streamlines the California Environmental Quality Act (CEQA) process and modernizes CEQA law.
- Support legislation that would encourage employers to open satellite facilities for residents that work outside of Western Riverside County or commute long distances within the region for employment, implement telecommuting, and other transportation demand management strategies.
- Support legislation that expands marketability of the subregion, and provide opportunities to "brand" Western Riverside County as a destination location and a desirable place to live, work, and play.
- Support legislation that would institute an equitable geographic distribution of state funding for the development of programs that would improve the subregion.
- Support legislation that facilitates collaboration between local government, education, and business.
- Support legislation that would maintain and/or allocate grant funding for coordinated local and regional economic development efforts.
- Support legislation that would lead to job creation in the WRCOG subregion, especially permanent, living-wage jobs.
- Support legislation that encourages the creation of jobs near housing to improve the jobs / housing balance.
- Oppose legislation that would encourage or incentivize businesses to leave Western Riverside County.

2. Education

Education plays a pivotal role in the future of Western Riverside County. WRCOG supports legislative efforts that encourage collaboration between jurisdictions and education leaders to facilitate educational opportunities in Western Riverside County. An educated workforce will attract a broader level of employers and increase the earning capabilities of residents. Expanding higher educational and skilled labor training opportunities available to residents in Western Riverside County is vital.

- Support legislation that would improve the quality of and access to education for all students.
- Support legislation that encourages public / private partnerships to increase the number of students who are college-ready, enroll and graduate from college, and who achieve degrees that are in demand in Western Riverside County.
- Support legislation that provides funding to retrain individuals for workforce re-entrance.



- Support the development of curriculum geared towards preparing students for sustainable “green collar” and clean technology jobs.
- Support legislation that would allow for the joint use of high school facilities for post-secondary education to expand access to and enrollment in college.
- Support legislation that facilitates access to Career Technical Education to fulfil growing need of skilled labor.
- Oppose legislation that redirects funding from the K-12 and post-secondary education system in Western Riverside County.

3. Energy and Environment

WRCOG is committed to the conservation of natural resources and the advancement of alternative energy sources to promote ongoing sustainability of the subregion. Energy conservation and efficiency can help residents, businesses, and jurisdictions save money, improve air quality, and protect the environment. WRCOG supports legislative efforts which support innovative “green” technologies, facilitate energy conservation and efficiency, and promote alternative energy activities to extend the benefits of these actions throughout the subregion while meeting the demands of the growing population.

- Support legislation that allows for the responsible regulation of Property Assessed Clean Energy (PACE) Programs in a way that allows expansion with appropriate consumer protections.
- Support legislation that provides incentives for the private sector and local governments to voluntarily implement energy saving measures.
- Support legislation that establishes and preserves the role of local government in energy decisions, particularly for activities pertaining to electricity generation, supply, demand, and conservation to ensure adequate supply and reasonable costs for residents and businesses.
- Support legislation that encourages or provides incentives for the production and use of clean alternative energy sources.
- Support legislation that encourages emissions reductions from sources under federal control (e.g., caused by planes, trains, and ships) and increased emissions monitoring methods.
- Support the continuation of air quality management at the air basin level rather than at the statewide or individual county level.
- Support legislation that extends federal alternative fuel and vehicle tax credits and incentives.
- Support legislation that would encourage the development of alternative fuel facilities.
- Support legislation that encourages the expansion of solid waste conversion technologies.
- Support legislation that increases markets for recyclable or compostable materials.
- Support legislation to enable efficient recycling of organic material.
- Support legislation that implements programs to reduce litter and illegal dumping.
- Support the increase of fines and/or confiscation of vehicles for individuals and companies caught in the act of illegal dumping.
- Support state loans, grants, and loan guarantees for businesses implementing source reduction programs and utilizing post-consumer recycled materials in the manufacture of new products.
- Support legislation that encourages the proper disposal of hazardous waste.



- Support legislation that implements Extended Producer Responsibility principles aimed at removing the cost burden for disposal of products from local jurisdictions and agencies.
- Oppose waste management requirements that would put local jurisdictions at risk of not meeting AB 939 requirements, or create excessive costs absent funding.

4. Health

Health outcomes influence educational attainment, economic opportunity, and similar factors, critical to a high quality of life. Riverside County has a poor state and national ranking in several key health indicators. Contributing factors including a lack of clinical care (e.g., access to health care facilities, insurance, and professionals), social and economic conditions (e.g., income, education, jobs, and safety), and environmental quality (e.g., park access and air quality). WRCOG supports legislative activities that increase awareness of health challenges impacting Western Riverside County; foster a natural, social, and economic environment conducive to optimal health; and empower the subregion to address these challenges in a collaborative, sustainable manner through the provision of requisite tools and resources.

- Support legislation that reduces state regulatory barriers that impede the provision of health services in Western Riverside County.
- Support legislation that facilitates regional collaboration in addressing health and healthcare problems.
- Support legislation aimed at increasing institutions that offer training and residency opportunities for healthcare professionals in exchange for contractual services.
- Support legislation and legislative actions aimed at increasing the number of hospital beds in the region.
- Support legislation that increases local government authority to oversee location of community care facilities and transportation options to the care facilities.
- Oppose legislation that could potentially establish unnecessary barriers to the creation and construction of healthcare facilities.
- Support legislation that supports continued financing and development of the University of California, Riverside School of Medicine to attract and retain health care professionals in the region.
- Support legislation that provides funding and other assistance for the development of a Youth Master Plan that contains plans and programs for special needs children (i.e., parks, recreational needs, and housing opportunities for children with special needs).
- Support legislation that creates an information exchange or information network where residents can access available support services and data on specific issues.
- Support legislation that facilitates Office of Statewide Health Planning and Development (OSHPD) and California Environmental Quality Act (CEQA) streamlining for efficient hospital construction.
- Support legislation that promotes the development of walkable communities.
- Support legislation that coordinates health goals with economic development actions.
- Support legislation that seeks to improve the level of physical activity among adults and children.
- Support legislation that seeks to improve access to affordable, healthy foods.



5. Transportation

In order to meet the needs of Western Riverside County's current population and sustainably accommodate future growth, the subregion must expand the capacity and efficiency of its transportation network. WRCOG supports legislative efforts to direct investment towards transportation infrastructure, not only for roads and highways, but for transit, goods movement, and non-motorized transportation. WRCOG also supports collaboration with regional transportation agencies to impact transportation funding and regulatory policies to bring equity and fairness to the inland Southern California region.

- Support Federal and State efforts to provide sustainable and stable funding for the transportation system.
- Support efforts to ensure that communities in Riverside County receive fair and equitable allocations of transportation funding at the Federal, State, and regional level.
- Support legislation that gives priority to self-help and "super" self-help counties when allocating bond funding and other transportation funding mechanisms.
- Support legislation to improve access and funding to public transportation.
- Support legislation and funding mechanisms that support and encourage the use of transit and non-motorized transportation, including active transportation.
- Support legislation that enhances the safety of city streets and arterials for vehicular, bicycle, and pedestrian traffic.
- Support legislation that will reduce traffic congestion and support regional transportation programs.
- Support legislation that provides funding for goods movement-related projects and studies.
- Support legislation that would create funding opportunities for upgrades and/or separations for at-grade crossings.
- Support legislation that provides increased funding for non-motorized planning and projects.
- Support legislation that increases local flexibility in the allocation of transportation capital funds.
- Oppose legislation to eliminate or restrict the use of Riverside County State Improvement Transportation Funds, federal transportation funding, Measure A, or Gas Tax funding for local transportation projects.

6. Water

Western Riverside County's economic well-being and quality of life depend on securing a reliable supply of water to meet the existing and future demands of the subregion. WRCOG supports continued conservation efforts that can reduce water use, strengthening and improving the Sacramento-San Joaquin Bay Delta levees and ecosystem, and supporting the identification and construction of alternative means for conveying water to Southern California residents and businesses.

- Support legislation and legislative actions that promote alternative water resource development such as recycled water, storm water reclamation and groundwater desalination.
- Support efforts that preserve local control in addressing and mitigating the impacts of on-going drought.
- Support legislation that examines a variety of water storage methods.



- Support legislation that provides funding to local governments for water quality and conservation-related programs.
- Support legislation to improve the state's water infrastructure and delivery mechanisms without causing excessive financial burdens or delivery delays to Southern California.
- Oppose legislation that would delay implementation of the California WaterFix and California EcoRestore.
- Oppose legislation that shifts or re-aligns local ad valorem property tax revenues approved by local voters for vital water and wastewater infrastructure.

7. Other Local Government Issues

The active presence and vitality of local government continues to sustain the subregion. WRCOG supports legislative initiatives that preserves and expands local jurisdictional control. Further, recognizing that well-designed land use and planning decisions are vital to the successful growth and development of the subregion, WRCOG supports legislative efforts that promote strategic land use and development practices that maintain and/or increase local control. Finally, to promote the safety and well-being of all residents in the subregion, WRCOG supports legislative proposals that broaden access to timely public safety assistance and to the justice system.

- Support legislation that requires additional transparency and communication in state and federal legislative and commission activities.
- Support legislation and legislative actions that require the Governor and the legislature to pass an on-time budget that does not rely on borrowing or taking from local governments.
- Support legislative actions that protect the rights of jurisdictions to plan and govern their own communities.
- Support legislation that would restore funding to newly incorporated cities in Western Riverside County resulting from the loss of Motor Vehicle License Fee revenues.
- Oppose legislation that prevents a local government from entering into or negotiating a franchise agreement with a local service provider.
- Oppose legislation that reduces state funding for local activities but still requires local governments to maintain existing service levels and responsibilities.
- Oppose legislation that calls for additional state and/or federal mandates absent funding.
- Oppose legislation that seeks to take away local control and give more control to the State.
- Support legislation that provides ongoing state funding for mandated planning projects such as the Regional Housing Needs Assessment, Sustainable Communities Strategy (SCS), General Plan Housing Element updates, and other planning initiatives under AB 32 and SB 375.
- Oppose legislation that creates restrictions on local control of land use and development.
- Oppose legislative actions or reform measures that penalize jurisdictions for non-compliance with state-mandated Housing Element update schedules.



Western Riverside Council of Governments

Executive Committee

Staff Report

Subject: Finance Department Activities Update

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.coq.ca.us, (951) 955-8432

Date: March 6, 2017

The purpose of this item is to provide an update on the WRCOG audit of Fiscal Year 2015/2016, which resulted in a final Comprehensive Annual Financial Report issued on January 31, 2017. This report also provides an update on the next upcoming Agency budget amendment report, an update on the annual TUMF Audit for 2015/2016, and the RFP process of selecting financial auditors.

Requested Action:

1. Receive and file.

Financial Audit

Financial auditors from Vavrinek, Trine, Day, & Co (VTD) have completed the financials of the Comprehensive Annual Financial Report (CAFR). The CAFR was issued with a report date of January 31, 2017, and it is anticipated that the Finance Directors' Committee will receive a report on the audit and financial statements at its March 23, 2017, meeting. The Administration & Finance Committee will receive the report at its April 12, 2017, meeting, and the Executive Committee will receive the report at its May 1, 2017, meeting.

Budget Amendment

March 31, 2017, will mark the end of the third quarter of Fiscal Year 2016/2017, and it is anticipated the Administration & Finance Committee will be presented with a budget amendment at its April 12, 2017, meeting. The Technical Advisory Committee will also consider the amendment report at its April 20, 2017, meeting. The Executive Committee will consider the amendment report at its May 1, 2017, meeting.

Annual TUMF Audit for Fiscal Year 2015/2016

Staff has completed the TUMF audits of each jurisdiction and the final reports were issued the final week of February of 2017. The TUMF audits allow staff to ensure that member agencies are correctly calculating and remitting TUMF funds in compliance with the TUMF Program.

Request-for-Proposal of New Auditors

WRCOG staff has utilized the services of VTD for financial auditing services for the past five years. WRCOG has released a Request for Proposals (RFP) for future auditing services. RFPs from consultants are due to WRCOG by March 9, 2017. Staff will be forming an audit committee and interviewing the top candidates. It is anticipated that staff will be present the recommended audit firm to the Administration & Finance Committee at its April 12, 2017, meeting and to the Executive Committee on May 1, 2017.

Prior Actions:

February 16, 2017: The Technical Advisory Committee received report.

February 8, 2017: The Administration & Finance Committee received report.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Financial Report Summary through December 2016

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.cog.ca.us, (951) 955-8432

Date: March 6, 2017

The purpose of this item is to provide a monthly summary of WRCOG's financial statements in the form of combined Agency revenues and costs.

Requested Action:

1. Receive and file.

Attached for Committee review is the Financial Report Summary through December 2016.

Prior Actions:

February 16, 2016: The Technical Advisory Committee received report.
February 8, 2016: The Administration & Finance Committee received report.

Fiscal Impact:

This item is informational only; therefore there is no fiscal impact.

Attachment:

1. Financial Report Summary – December 2016.

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Item 4.D

Financial Report Summary through
December 2016

Attachment 1

Financial Report
Summary – December 2016

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending December 31, 2016

		Approved 6/30/2017 Budget	Thru 12/31/2016 Actual	Remaining 6/30/2017 Budget
Revenues				
40001	Member Dues	309,410	306,410	3,000
42001	Other Revenue	-	15	(15)
42004	General Assembly	300,000	5,000	295,000
40601	WRCOG HERO	1,963,735	726,327	1,237,409
40602	SCE Phase II	57,000		57,000
40604	CA HERO	7,615,461	3,490,796	4,124,665
40605	The Gas Company Partnership	62,000	31,398	30,602
40606	SCE WRELP	-	51,108	(51,108)
40607	WRCOG HERO Commercial	27,500	11,384	16,116
40609	SCE Phase III	-	10,634	(10,634)
40611	WRCOG HERO Recording Revenue	335,555	166,075	169,480
40612	CA HERO Recording Revenue	1,301,300	733,705	567,595
40614	Active Transportation	200,000	50,254	149,746
41201	Solid Waste	107,915	98,415	9,500
41401	Used Oil Opportunity Grants	250,000	264,320	(14,320)
41402	Air Quality-Clean Cities	139,500	128,000	11,500
41701	LTF	692,000	701,250	(9,250)
43001	Commercial/Service - Admin (4%)	37,074	31,492	5,582
43002	Retail - Admin (4%)	142,224	51,428	90,796
43003	Industrial - Admin (4%)	128,446	68,843	59,603
43004	Residential/Multi/Single - Admin (4%)	1,067,271	374,451	692,820
43005	Multi-Family - Admin (4%)	224,983	21,185	203,798
43001	Commercial/Service	889,786	756,087	133,698
43002	Retail	3,413,375	1,234,273	2,179,102
43003	Industrial	3,082,710	1,652,230	1,430,480
43004	Residential/Multi/Single	25,614,514	8,986,547	16,627,967
43005	Multi-Family	5,399,595	508,450	4,891,146
	Total Revenues	61,125,676	20,460,078	40,665,598
Expenditures				
Wages and Benefits				
60001	Wages & Salaries	1,981,159	1,161,465	819,694
61000	Fringe Benefits	579,477	364,290	215,187
	Total Wages and Benefits	2,620,636	1,525,754	1,094,882
General Operations				
63000	Overhead Allocation	1,518,136	759,068	759,068
65101	General Legal Services	410,673	386,565	24,108
65401	Audit Fees	25,000	10,300	14,700
65505	Bank Fees	25,500	7,904	17,596
65507	Commissioners Per Diem	46,500	26,850	19,650
73001	Office Lease	145,000	79,389	65,611
73003	WRCOG Auto Fuel Expense	178	329	(151)
73004	WRCOG Auto Maint Expense	16	33	(17)
73102	Parking Validations	3,650	2,835	815
73104	Staff Recognition	1,200	632	568
73107	Event Support	181,888	72,049	109,839
73108	General Supplies	20,833	8,683	12,150
73109	Computer Supplies	7,925	3,416	4,509
73110	Computer Software	13,705	21,388	(7,683)
73111	Rent/Lease Equipment	25,000	18,544	6,456
73113	Membership Dues	40,600	8,300	32,300
73114	Subscriptions/Publications	8,283	16,169	(7,886)
73115	Meeting Support/Services	14,098	4,935	9,163
73116	Postage	5,653	1,776	3,877
73117	Other Household Expenditures	2,354	2,813	(459)
73118	COG Partnership Agreement	40,000	10,254	29,746
73122	Computer Hardware	4,000	337	3,663
73126	EV Charging Equipment	-	49,605	(49,605)
73201	Communications-Regular	2,000	420	1,580
73203	Communications-Long Distance	1,200	114	1,086
73204	Communications-Cellular	11,186	5,619	5,567
73206	Communications-Comp Sv	17,000	36,486	(19,486)
73209	Communications-Web Site	15,600	627	14,973
73301	Equipment Maintenance - General	7,070	6,464	606
73302	Equipment Maintenance - Computers	3,267	10,188	(6,921)
73405	Insurance - General/Business Liason	63,520	73,020	(9,500)
73407	WRCOG Auto Insurance	345	1,570	(1,225)
73502	County RCIT	2,500	545	1,955
73506	CA HERO Recording Fee	1,636,855	788,816	848,039
73601	Seminars/Conferences	25,013	7,383	17,631
73605	General Assembly	300,000	1,822	298,178
73611	Travel - Mileage Reimbursement	21,252	8,841	12,411
73612	Travel - Ground Transportation	8,779	1,791	6,988
73613	Travel - Airfare	22,000	6,993	15,007
73620	Lodging	19,550	5,413	14,137
73630	Meals	10,091	4,624	5,467
73640	Other Incidentals	14,164	5,932	8,232
73650	Training	14,200	40	14,160
73703	Supplies/Materials	45,700	300	45,400
73706	Radio & TV Ads	44,853	34,683	10,170
XXXXX	TUMF Projects	38,399,980	18,957,329	19,442,651
85101	Consulting Labor	3,528,328	1,514,922	2,013,406
85102	Consulting Expenses	245,000	2,889	242,111
85180	BEYOND Expenditures	2,023,000	167,029	1,855,971
90101	Computer Equipment/Software	31,500	19,742	11,758
	Total General Operations	49,225,890	22,523,216	26,070,118
Total Expenditures		51,846,526	24,048,970	27,164,999

Ernie Reyes

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

Contact: Tyler Masters, Program Manager, masters@wrcog.cog.ca.us, (951) 955-8378

Date: March 6, 2017

The purpose of this item is to provide the Committee with an update on the Streetlight City Council Presentations and the next steps that member jurisdictions are taking as they consider participating in the Program.

Requested Action:

1. Receive and file.

WRCOG's Regional Streetlight Program will assist member jurisdictions with the acquisition and retrofit of their Southern California Edison (SCE)-owned and operated streetlights. The Program has three phases, which include: 1) streetlight inventory; 2) procurement and retrofitting of streetlights; and 3) ongoing operations and maintenance. The overall goal of the Program is to provide significant cost savings to the member jurisdictions.

Background

At the direction of the Executive Committee, WRCOG is developing a Regional Streetlight Program that will allow jurisdictions (and Community Service Districts) to purchase the streetlights within their boundaries that are currently owned / operated by SCE. Once the streetlights are owned by the member jurisdiction, the lamps will then be retrofitted to Light Emitting Diode (LED) technology to provide more economical operations (i.e., lower maintenance costs, reduced energy use, and improvements in public safety). Local control of the streetlight system allows jurisdictions opportunities to enable future revenue generating opportunities such as digital-ready networks, and telecommunications and IT strategies.

The goal of the Program is to provide cost-efficiencies for local jurisdictions through the purchase, retrofit, and maintain the streetlights within jurisdictional boundaries, without the need of additional jurisdictional resources. As a regional Program, WRCOG is working with jurisdictions to move through the acquisition process, develop financing recommendations, develop / update regional and community-specific streetlight standards, and implement a regional operations and maintenance agreement that will increase the level of service currently being provided by SCE.

City Council Presentations

To support the education of the Regional Streetlight Program staff has provided a number of presentations including City Council Study Sessions, Council Member briefings, and City Commissions, in addition to over 30 WRCOG Committee update presentations and City-specific cash flow meetings. Staff is working with member staff to set additional presentations and/or meetings as requested.

To date, the following member jurisdictions have approved City Council Action to acquire the SCE-owned streetlights in their Jurisdiction's boundaries:

October 18, 2016: City of Moreno Valley
 January 24, 2017: City of Lake Elsinore
 February 15, 2017: City of Menifee

Next Steps: Staff have been working with participating member jurisdictions and SCE to support jurisdictions through the acquisition processes to transition current SCE-owned streetlights to jurisdictional ownership. After assessing feasibility of acquiring its streetlights from SCE, one of the next major steps in order to complete the acquisition process is for each interested jurisdiction and SCE to mutually agree on a Purchase and Sales Agreement. The Sales Agreement would then need to be taken to City Council for approval. Several cities have scheduled City Council meetings to consider approval of their Sales Agreement:

February 27, 2017: JCSD – Board presentation followed by potential March decision.
 February 28, 2017: City of Temecula - Anticipated City Council consideration.
 March 7, 2017: City of Murrieta – Anticipated City Council consideration.
 March 8, 2017: City of Wildomar - Anticipated City Council consideration.
 March 13, 2017: JCSD – Anticipated Board consideration.
 March 14, 2017: City of Hemet - Anticipated City Council consideration.
 March 21, 2017: City of San Jacinto – Anticipated City Council consideration.
 March 22, 2017: Eastvale – Anticipated City Council consideration.
 March 28, 2017: City of Perris – Anticipated City Council consideration.

Upon jurisdiction approval of the Sales Agreement, SCE will then submit the Sales Agreement to the California Public Utilities Commission (CPUC) for final approval before the transfer of streetlights can occur. The CPUC could take anywhere between two to six months to approve.

Below are the next steps that will be taken by a WRCOG member jurisdiction during 2017:

Jurisdiction	Received SCE evaluation	Sales Agreement Distributed	Council Action on SCE Sales Contract	Selecting financing options	Anticipated CPUC application*	Anticipated CPUC approval*	Anticipated Retrofit*
Calimesa	12/15/15	10/19/16	TBD	TBD	TBD	TBD	TBD
Corona	No	The City already owns most of the streetlights within its City Boundaries					
Eastvale	12/15/15	10/19/16	March 2017	TBD	June 2017	Sept. 2017	Nov. 2017
Hemet	1/20/16	10/19/16	3/14/17	TBD	June 2017	Sept. 2017	Nov. 2017
Jurupa Valley	2/26/16	10/19/16	Jurupa Valley will not participate in the Program.				
Lake Elsinore	9/28/15	10/19/16	1/24/17 *Approved*	TBD	April 2017	July 2017	Sept. 2017
Menifee	1/8/16	10/19/16	2/15/17 *Approved*	TBD	May 2017	Aug. 2017	Oct. 2017
Moreno Valley	N/A	N/A	10/18/16 *Approved*	TBD	January 2017	April 2017	June 2017
Murrieta	10/23/15	10/19/16	3/7/17	TBD	May 2017	Nov. 2017	Jan. 2018
Norco	3/14/16	10/19/16	TBD	TBD	TBD	TBD	TBD
Perris	1/19/16	10/19/16	3/28/17	TBD	June 2017	Sept. 2017	Nov. 2017

San Jacinto	1/21/16	10/19/16	3/7/17	TBD	May 2017	Aug. 2017	Oct. 2017
Temecula	9/28/16	10/19/16	2/28/17	TBD	May 2017	Nov. 2017	Jan. 2018
Wildomar	1/19/16	10/19/16	3/8/17	TBD	May 2017	Aug. 2017	Oct. 2017
County of Riverside	3/16/16	10/19/16	County of Riverside will not participate in the Program.				
JCSD	12/15/16	10/19/16	March 2017	TBD	June 2017	Sept. 2017	Nov. 2017
RCSD	2/26/16	RCSD will support the City of Jurupa Valley if the City chooses to participate in the Regional Program					

**Anticipated CPUC Application, Approval, and Retrofit dates are estimates and subject to change based upon Council approval and execution of the Sales Agreement.*

WRCOG staff continues to schedule meetings with the remaining member cities to work with SCE on the finalization of the Sales Agreement and assist WRCOG member cities at City Council meetings for decision on the Sales Agreement. If interested in discussing where your jurisdiction is in the process and what the next steps are, please contact Tyler Masters, Program Manager, at (951) 955-8378 or masters@wrcog.coq.ca.us.

Demonstration Area Tour Update: In Partnership with the City of Hemet, WRCOG has installed a variety of LED streetlights from different vendors in five Demonstration Areas throughout the City. These five Demonstration Areas represent different street and land use types, from school, residential, and commercial areas, to low, medium, and high traffic street areas. A total of 12 outdoor lighting manufacturers are participating in these Demonstration Areas.

Input from local government officials, public safety staff, health experts, residents, business owners, and other community stakeholders is important before moving forward with a plan to upgrade streetlights in the subregion. The results obtained from the surveys from all five guided tours and Survey Monkey will be analyzed to help identify proper lighting systems to be implemented throughout Western Riverside County.

Staff expects to have a draft report presented for member jurisdictions review and input for upcoming Planning Directors' Committee (PDC) and Public Works Committee (PWC) on March 9, 2017. The PDC and PWC discussion and input will be compiled into the report before presentation to the Technical Advisory and Executive Committees. This report will provide WRCOG committees an overview of the Demonstration Area lighting results and guide suggested lighting fixtures that were based off the analysis of the physical and electronic surveys.

Prior Actions:

February 16, 2017: The Technical Advisory Committee received report.
February 9, 2017: The Public Works Committee received report.
February 9, 2017: The Planning Directors' Committee received report.

Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2016/2017 Budget. The additional costs associated with this contract amendment in the amount of \$70,779 will be reflected in an upcoming Agency Budget Amendment.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Riverside Energy Leader Partnership Update

Contact: Tyler Masters, Program Manager, masters@wrcog.cog.ca.us, (951) 955-8378

Date: March 6, 2017

The purpose of this item is to provide the Committee with information on the Local Government Challenge, highlight the advancements of several WRELP member jurisdictions in the Partnership and to provide an update on the upcoming California Green Summit that will be held on April 26 – 27, 2017.

Requested Action:

1. Receive and file.

The Western Riverside Energy Leader Partnership (WRELP) responds to Executive Committee direction for WRCOG, Southern California Edison (SCE), and the Southern California Gas Company (SoCal Gas) to seek ways to improve marketing and outreach to the WRCOG subregion regarding energy efficiency. WRELP is designed to assist local governments to set an example for their communities to increase energy efficiency, reduce greenhouse gas (GHG) emissions, increase renewable energy usage, and improve air quality.

WRELP Tier Level Update

One of the main goals of the WRELP Partnership is to help participating member cities move up in their tier levels in order to achieve higher incentives on energy efficiency projects from Southern California Edison (SCE). In 2016, four of the 14 WRELP member jurisdictions have moved up in tier levels through the implementation of energy efficiency projects and meeting community outreach requirements. The following cities listed below have achieved a higher tier status:

- City of Canyon Lake advances to Gold
- City of Norco advances to Gold
- City of Perris advances to Platinum
- City of Temecula advances to Platinum

The SCE tier level methodology is comprised of four levels: Value, Silver, Gold, and Platinum. SCE starts all partnership cities at Value level and in order to move on up in tier level status, member cities must complete several community requirements and implement energy efficiency projects to help reach their goal of kWh saved. Below is a snapshot of the WRELP member jurisdictions showcasing their current tier level and the amount of kWh saved that is needed to reach the next tier level status.

WRELP Tier Updates

WRELP Cities	Current Tier Level	kWh needed to reach next level
Calimesa	Platinum	0
Canyon Lake	Gold	23,908
Corona	Gold	4,083,899
Eastvale	Gold	1,180
Hemet	Gold	202,813
Lake Elsinore	Silver	49,860
Menifee	Value	6,160
Moreno Valley	Gold	167,152
Murrieta	Value	26,202
Norco	Gold	409,730
Perris	Platinum	0
San Jacinto	Silver	42,046
Temecula	Platinum	0
Wildomar	Value	5,294

WRELP staff will continue to provide support to all 14 members of the partnership to help identify and implement energy efficiency projects and engage in community outreach events to educate the residents of Western Riverside County on how to be leaders in the energy efficiency.

Local Government Challenge

In January 2017, the California Energy Commission (CEC) released a funding opportunity known as the “Local Government Challenge.” The Local Government Challenge encourages participation from both small and large local governments by separating funding into two categories: 1) the Small Government Leadership Challenge, and 2) the Energy Innovation Challenge. The total allocated amount of funding that has been made available for the Challenge program is \$10.2 million. Eligible participants from local governments include city or county governments or organizations connected to city or county governments such as joint power authorities, councils of governments and housing authorities that have a role in the development process.

The Small Government Leadership Challenge (SGLC) is geared toward local governments with populations that do not exceed 150,000 are eligible to apply. The SGLC works to aid smaller governments with fewer resources than larger governments to design and implement their climate action plans or other planning efforts advancing greenhouse gas reductions to meet state climate targets and goals. Types of projects include creating a Climate Action Plan (CAP) / Energy Action Plan (EAP) or to plan / implement the strategies set forth from the CAP/EAP. Preference will be made to those local governments with projects benefitting disadvantaged communities. The allocation amount for this portion of the SGLC is \$3 million.

The Energy Innovation Challenge (EIC) applies to local governments with the goal of implementing innovative energy efficiency projects. The EIC encourages participation from local governments that have already set climate and energy goals and are working to take the next steps in innovation and creativity. Types of projects include creating a plan to reduce energy use in buildings by implementing energy retrofits and looking to implement Zero Net Energy building retrofits in their communities. Preference will be given to projects that are implemented within or benefitting a disadvantaged community. The allocation amount for this portion of the EIC is \$7.2 million.

Applications for the Local Government Challenge are due on March 6, 2017 at 5 p.m. Additional funding may be available at a later time depending on the allocation of funding for this cycle. Further information about the Local Government Challenge can be found on the California Energy Commission website at <http://www.energy.ca.gov/contracts/GFO-16-404/>.

Green Summit

On April 26 and 27, 2017, Green Technology will be hosting the Green California Summit to discuss various items of importance to local governments and educators. This event will be held at the Sacramento Convention Center (1400 J St, Sacramento, CA 95814).

At this Summit, attendees will learn about the innovations in policy, technology, and best practices from speakers. The goal of the Summit is to support the sustainability initiatives that the State of California has set and looks to accomplish. Further information about this forum can be found on the Green California website at <http://www.green-technology.org/gcsummit17/index.html>.

Prior Action:

February 16, 2017: The Technical Advisory Committee received report.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Environmental Department Activities Update

Contact: Dolores Sanchez Badillo, Staff Analyst, badillo@wrcog.cog.ca.us, (951) 955-8306

Date: March 6, 2017

The purpose of this item is to provide an update on the Used Oil and Filter Exchange events and the progress of WRCOG's Pilot Litter Program being conducted in the City of Lake Elsinore.

Requested Action:

1. Receive and file.
-

WRCOG assists its member jurisdictions with addressing state mandates, specifically the Integrated Waste Management Act (AB 939, Chapter 1095, Statutes of 1989), which required 25% and 50% diversion of waste from landfills by 1995 and 2000, respectively. While certain aspects of AB 939 have been modified over the years with legislation defining what materials counted towards diversion and how to calculate the diversion rate for jurisdictions, the intent of the bill remains. Each year, a jurisdiction must file an Electronic Annual Report (EAR) with CalRecycle on the jurisdictions' achievements in meeting and maintaining the diversion requirements. The Environmental Department also has a Regional Used Oil component which is designed to assist member jurisdictions in educating and promoting proper recycling and disposal of used oil, oil filters, and household hazardous waste (HHW) to the community.

Recycling Program Activities Update

Used Oil Events: WRCOG's Used Oil and Oil Filter Exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters in various WRCOG jurisdictions. The primary objective of hosting the events is to educate "Do It Yourself" (DIY) individuals who change their own oil, promoting the recycling of used oil and oil filters; therefore, an auto parts store is a great venue for educating these individuals. In addition to promoting used oil / oil filter recycling, staff informs the DIYer about the County-wide HHW Collection Program in which residents can drop-off other automotive and household hazardous products for free.

WRCOG staff recently hosted four Used Oil events and participated/attended community events in the subregion:

Date	Event	Attendance	Filters	Radio / Guests
1/21/17	City of Jurupa Valley Used Oil Event	30	13	N/A
1/28/17	City of Lake Elsinore Used Oil Event	45	12	KATY
2/4/17	City of Norco Used Oil Event	50	17	KOLA
2/18/17	City of Riverside Used Oil Event	200	169	KCAL

Community Outreach

On February 23, 2017, Environmental Department staff participated in the Environmental Education Symposium at the Western Science Center Museum in the City of Hemet. The day-long event consisted of break-out sessions and guest speakers, which included a presentation from Riverside County Habitat Conservation Agency Administrative Services Officer, Princess Hester. Intern Kyle Rodriguez reported that the event's goal was to "engage, educate and inspire attendees with an environmental literacy blueprint that will continue to be developed in the coming years." Attendees consisted of educators, government agencies representatives as well as volunteers from Riverside and San Bernardino Counties.

Upcoming Used Oil Events

The following is a list of Used Oil and Oil Filter Exchange events that are presently scheduled. To request an event for your jurisdiction please contact Jorge Nieto, WRCOG Intern, at (951) 955-8328 or nieto@wrcog.cog.ca.us.

Date	Event	Location	Time
3/11/17	City of Eastvale Used Oil Event	Auto Zone, 14228 Schleisman Rd.	9 a.m. – 12 p.m.
3/18/17	City of Corona Used Oil Event	Auto Zone, 501 North McKinley Ave.	9 a.m. – 12 p.m.
4/1/17	City of Riverside Used Oil Event	Auto Zone, 4195 Van Buren Blvd.	9 a.m. - 1 p.m.
4/15/17	City of Hemet Used Oil Event	Auto Zone, 1550 W. Florida Ave.	9 a.m. - 12 p.m.

CalRecycle Grant Opportunities

The following are outlines of two current grant opportunities offered by CalRecycle to assist public and private entities in the safe and effective management of the waste stream. WRCOG provides grant assistance to member jurisdictions seeking to pursue funding opportunities. To request grant assistance for the grants listed below, please contact Dolores Sanchez Badillo, Staff Analyst, at (951) 955-8306 or badillo@wrcog.cog.ca.us.

LEA (Local Enforcement Agency) Grant Program (Fiscal Year 2017-18): The Department of Resources Recycling and Recovery (CalRecycle) administers a program to provide opportunities for the local enforcement agencies (LEA) in carrying out their solid waste facilities permit and inspection programs. Pursuant to [Public Resources Code, Section 43230](#), these grant awards are to be used solely for support of the solid waste facilities permit and inspection programs

Funding: Total funding is \$1,500,000 available for fiscal year (FY) 2017-18.

- \$96,000 is set aside for LEA training and outreach.
- The remaining \$1,404,000 will be distributed among grant applicants on a pro-rata basis.

The grant amount is established from a base grant award of \$15,000 per jurisdiction plus additional grant funds based on population and the number of permitted, active solid waste facilities in each LEA jurisdiction.

Application due date: March 16, 2017

Organics Grant Program (Fiscal Year 2016-2017): CalRecycle administers the Organics Grant Program pursuant to Public Resources Code section 42999. The purpose of this competitive grant Program is to reduce greenhouse gas emissions by expanding existing capacity or establishing new facilities in California to reduce the amount of California-generated green materials, food materials, or alternative daily cover being sent to landfills.

Funding: \$24,000,000 is available for Fiscal Year 2016-2017, to be distributed as follows:

- Compost Projects: \$12,000,000 allocation for compost projects with a maximum grant award of \$3,000,000 per application. This includes \$2,400,000 in requested infrastructure costs and \$600,000 in performance payments.
- Rural Programs: \$3,000,000 from the compost projects allocation is available for Rural Program applications. The maximum grant award is \$3,000,000 per application. This includes \$2,400,000 in requested infrastructure costs and \$600,000 in performance payments.

There is a \$12,000,000 allocation for a digestion project, with a maximum award of \$4,000,000 per application. This includes \$3,200,000 in requested infrastructure costs and \$800,000 in performance payments. If interested, information can be found at <http://www.calrecycle.ca.gov/Climate/GrantsLoans/Organics/FY201617/default.htm>.

Application due date: March 9, 2017

WRCOG Pilot and Regional Litter Initiative



The City of Lake Elsinore, WRCOG, and Riverside Flood Control and Water Conservation District are prepping for the Saturday, April 22, 2017, Annual Lake Elsinore Clean Extreme event! Plans are in the works for a vendor display at the Clean-Up Site, which will be directly across the highway from the Lake Elsinore Outlets. With well over 600 volunteers expected to clean, clear and paint on Earth Day 2017, the WRCOG team and its partners will supply Litter

Kits, have litter pledges available for all, and will provide a free drawing for prizes that all volunteers can take part. All parties are working together to make the Clean Extreme a successful community event.

The Business Component of the Lake Elsinore Pilot Program is gaining momentum as 30 Main Street businesses have been scheduled for visits by the Environmental Department to discuss their participation in the Pilot Program. They will first receive a phone call outlining the outreach Program, which will be followed-up with a visit. Main Street shops will be provided with Litter Kits, recycle baskets and Anti-Litter information. The overall goal is to make sure ALL Lake Elsinore commercial businesses have a Litter Program Window Sticker prominently displayed for all to see. Later in the Program, staff will follow up with the businesses and evaluate any changes in the downtown Main Street environment.

Lake Elsinore Litter Program
Business Window Sticker



Prior Actions:

February 16, 2017: The Technical Advisory Committee received report.
February 9, 2017: The Public Works Committee received report.

Fiscal Impact:

Solid Waste and Used Oil Program activities are included in the current adopted Agency budget. Costs identified in association with the Pilot Litter Initiative will come from WRCOG carryover funds within the Environment Department and reflected in an upcoming Agency Budget for Fiscal Year 2016/2017, as a quarterly budget amendment, if needed.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Clean Cities Coalition Activities Update

Contact: Christopher Gray, Director of Transportation, gray@wrcog.cog.ca.us, (951) 955-8304

Date: March 6, 2017

The purpose of this item is to provide a briefing for the Clean Cities Coalition, an on-going Program to encourage the purchase and use of alternative fueled vehicles within the WRCOG subregion.

Requested Action:

1. Receive and file.
-

The Clean Cities Coalition held its quarterly meeting on Tuesday, February 21, 2017. Below is a summary of the items discussed.

Clean Cities Coalition Member Assistance / Deliverables

Besides the quarterly meetings held for the Clean Cities Coalition, WRCOG intends to provide a few items of assistance to Coalition members. The first item is a newsletter that is intended to provide highlights of grant opportunities as it relates to Clean Cities. Grant opportunity announcements come up in a variety of means, such as email, meetings, etc., so it is the goal of WRCOG to have a central location for any-and-all grant opportunities to be nicely summarized in an email. As this process is undertaken, the consistency of these newsletters will become known. WRCOG does not want to inundate email inboxes with repetitive messages.

WRCOG has received requests from its member agencies for assistance as it relates to grant writing. Often times our member agencies are interested in grant opportunities, but the staff resources needed to complete the actual grant application is too burdensome. These grant funding opportunities are not seized by the region, and opportunities to further items such as alternative vehicle infrastructure are not taken advantage of. It is the goal of WRCOG to further the Clean Cities' mission for the subregion, and enabling Coalition members to apply for grant funding for projects like electric vehicle (EV) charging station helps achieve that mission.

WRCOG has conducted this assistance before, most recently with its support in applying for funding to purchase EV chargers from the South Coast Air Quality Management District. The funding was provided on a reimbursement basis and was able to fund the entire cost of a typical EV charger. WRCOG staff assisted in the application process and Western Riverside County agencies were able to secure over \$120,000 of the \$300,000 reimbursement opportunity.

At this point of the calendar year, WRCOG anticipates at least three distinct deliverables that will assist Coalition members:

1. In order to formalize this assistance, WRCOG would like to offer consultant assistance to each Coalition member agency of up to 20 hours per year to provide grant writing assistance for Clean Cities-related grants. WRCOG is in the process of releasing a Request for Proposals (RFP) that will include this assistance. After the firms are hired, WRCOG will follow-up with each Coalition member agency on the

process of assistance. This service will be included in WRCOG's On-Call Planning RFP, which is scheduled to be released in early March. There are a total of six sections the RFP will contain, and the grant writing assistance, as it relates to Clean Cities, will be included in the On-Call Transportation Planning section.

2. Update to Good Neighbor Guidelines for Siting New and/or Modified Warehouse / Distribution Facilities. WRCOG adopted a Good Neighbor Guidelines for Siting New and/or Modified Warehouse / Distribution Facilities to guide local jurisdictions in siting and to try to integrate the new / modified facility well with its surroundings previously in 2003. The original purpose of these Guidelines were to assist developers, property owners, elected officials, community organizations, and the general public in addressing some of the complicated choices associated with siting warehouse / distribution facilities and understanding the options available when addressing environmental issues.

WRCOG conducted an effort to update these guidelines in the summer of 2016. This update included three key elements:

- Identifying strategies used by other agencies to address similar issues
- Updating references to any technical documents in the guidelines
- Reviewing the guidelines to update them as appropriate

Through this update process, WRCOG noticed that other studies aimed to provide similar guidance are underway. In order to not duplicate efforts, WRCOG will be meeting with other parties, such as the South Coast Air Quality Management District to further update these guidelines and coordinate efforts.

3. EV Charging Station Analysis. WRCOG would like to conduct an analysis on EV charging station, so Coalition members are informed of where the EV charging infrastructure lacks, in order to target areas for grant opportunities.

WRCOG would also like request members of the Coalition to speak at WRCOG's Planning Directors' Committee and Public Works Committee meetings in the coming months. WRCOG believes the opportunity to present Coalition topics and discuss with city staff from all over Western Riverside County is a tremendous benefit for all parties involved. Even though staff from an individual city may communicate with each other on topics, the opportunity to discuss with staff from different jurisdictions does not present itself consistently. WRCOG will work with the appropriate Coalition members to schedule presentations at the proper time of the Committee agendas.

Volkswagen Group Settlement Discussion: As part of Volkswagen AG's (VW) First Partial Decree in its Diesel Emissions Settlement Program, VW is required to make an \$800 million investment in California as supplemental investments in zero-emission vehicle (ZEV) market support. This investment is not finalized, so this item is being provided to discuss what is possible, the future of funding for ZEVs, and what Coalition members can accomplish. Below is background information from ARB's website at https://www.arb.ca.gov/msprog/vw_info/vw_faq.htm.

WRCOG would like to encourage the Clean Cities Coalition members to act and get involved in the allocation of monies. Fuel providers, fleet managers, OEMs, and technology providers should review VW's strategic priorities and geographies. One possibility is to examine where your fleet wants to go and building relationships with state agencies – this will enable you to set the groundwork for advancing your company's goals and, ultimately, gaining access to the Volkswagen settlement funds.

Prior Action:

February 16, 2017: The Technical Advisory Committee received report.

Fiscal Impact:

This item is informational only; therefore there is no fiscal impact.

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Community Choice Aggregation Program Activities Update

Contact: Barbara Spoonhour, Director of Energy and Environmental Programs,
spoonhour@wrcog.cog.ca.us, (951) 955-8313

Date: March 6, 2017

The purpose of this item is to provide the Committee with an update on efforts to examine the feasibility of a Community Choice Aggregation Program for either the Western Riverside subregion, Riverside County, or two Counties (Riverside and San Bernardino).

Requested Action:

1. Receive and file.
-

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA (Assembly Bill 117) was chaptered in September 2002 and allows for local jurisdictions to form a CCA for this purpose. Several local jurisdictions throughout California are pursuing formation of CCAs as a way to lower energy costs and/or provide "greener" energy supply. WRCOG's Executive Committee has directed staff to pursue the feasibility of Community Choice Aggregation for Western Riverside County. WRCOG, the San Bernardino Associated Governments (SANBAG), now known as San Bernardino Council of Governments (SBCOG), and Coachella Valley Association of Governments (CVAG) have funded a joint, two-county feasibility study in response to the Executive Committee's direction; the study has recently been completed.

CCA Activities Update

In January 2016, staff received direction from the Executive Committee to pursue a Feasibility Study for the potential formation of a CCA Program. To achieve economies of scale and resource efficiencies, San Bernardino Associated Governments, now known as San Bernardino Council of Governments (SBCOG), and the Coachella Valley Association of Governments (CVAG) joined WRCOG's effort to have a multi-county study completed. To complete the Feasibility Study, WRCOG entered into an agreement with BKi.

On February 6, 2017, the Executive Committee accepted the final draft of the Study and directed staff to release a Request for Proposals (RFP) for CCA Contract Services. The Study concluded that the development and implementation of a CCA at a number of geographic scales and with a number of conservative assumptions will yield savings to CCA participants (residential and business consumers of electricity).

On February 8, 2017, the Administration & Finance Committee received a presentation on various governance structures and was in agreement to move forward with a single county CCA for Riverside County that involves CVAG and WRCOG providing some level of staff support, but will keep the door open so that jurisdictions within San Bernardino County could participate if desired, and all interests can come together on an appropriate governance structure. (More detail on the governance structures that were examined is provided below.) The Committee also created an Ad Hoc Committee comprised of the WRCOG Chair, Mayor Pro Tem Ben Benoit; Councilmember Brian Tisdale; Councilmember Bonnie Wright; and Councilmember Laura

Roughton, to work with WRCOG staff, legal counsel, and perhaps a similar CVAG Ad Hoc Committee (if formed by CVAG) to evolve this potential governance structure further.

On February 16, 2017, the Technical Advisory Committee received a presentation on the actions taken by the Administration & Finance Committee regarding the various governance structures available to a CCA.

On February 27, 2017, CVAG's staff will be providing a presentation to its Executive Committee to finalize the Feasibility Study and to request that staff work with the Chair of its Energy & Environment Committee to form an Ad Hoc Working Group or Committee to evaluate CCA options. WRCOG staff will provide a verbal update as to the outcome of CVAG's Executive Committee meeting.

The governance structure will outline who is going to make the decisions for the CCA; it is not necessarily related to a CCA's operational structure, which will involve operations (i.e., internal staff, consultants, or a combination of the two). To assist with the development of the operational structure, staff will be releasing an RFP on behalf of WRCOG, CVAG, and SBCOG to gain input and proposals from the private sector regarding costs associated with operating a CCA. The RFP will include a Scope of Services for a comprehensive list of tasks necessary for successful implementation of a CCA. Proposers will be asked to address how they will work with each geographical area (WRCOG, CVAG, and SBCOG, and in one- and two-county combined scenarios to meet the needs of ongoing CCA operations after launch, and how the Proposer's approach would be economically and operationally advantageous to each entity.

Governance structures: Staff has developed a number of different CCA governance scenarios and is providing a list of "benefits and constraints" that was presented at the February Administration & Finance (A&F) Committee. While the A&F Committee has provided direction on moving forward with the examination of a single-county CCA, staff wanted to provide members of the Executive Committee an overview of the scenarios.

Outside of the individual jurisdictional scenario (where a single city or county operates its own CCA for that jurisdiction only), a Joint Powers Authority (JPA) must be formed or already exist. CPUC language is clear that if more than one jurisdiction desires to combine its energy load to form a CCA, it must be done through a JPA structure. Through the development of the JPA, the voting structure would be determined.

Two-County Scenario - One JPA is formed that represents all participating jurisdictions within Riverside and San Bernardino Counties. Governance (voting structure) could range from "one member = one vote" to "one region = one vote" (perhaps in a manner similar to SCAG's Regional Council Districts, for example).

*Option 1: The JPA is formed **with** COG involvement.*

- Benefits: Large size of CCA provides best economies of scale.
- Provides highest cost savings to the consumer.
- Lower implementation costs since it could utilize existing COG resources.
- Constraints: Potentially the "bulkiest" governance structure, given that members from each of the participating jurisdictions from two counties could constitute the CCA Governance Board.
- Governing Board would need to decide how workload among the COG's would be shared, unless it is determined to assign responsibilities to a single COG.

*Option 2: The JPA is formed **without** COG involvement.*

- Benefits: Large size of CCA provides best economies of scale.
- Provides highest cost savings to the consumer.
- Constraints: Organization starts from "scratch"; who takes the lead to pull this together?

Possible higher implementation costs given it might not utilize any resources from any of the member jurisdictions or from the COGs (i.e., staff, office space, computers, etc.).

Potentially the “bulkiest” governance structure, given that members from each of the participating jurisdictions from two counties could constitute the CCA Governance Board.

One-County Scenario - Separate JPAs are formed for each of the counties.

*Option 1: The JPAs are formed **with** COG involvement.*

- Benefits:
- Provides economies of scale but less than the two-county models.
 - Provides savings to the consumer but at a lower rate than the two-county models.
 - Lower implementation costs since it would utilize existing COG resources.
 - Greater local control compared to the two-county model.
- Constraints:
- For Riverside County, new Governing Board would need to decide how workload among the COG’s would be shared, unless it is determined to assign responsibilities to a single COG.

*Option 2: The JPAs are formed **without** COG involvement.*

- Benefits:
- Provides economies of scale but lower than the two-county models.
 - Provides savings to the consumer but at a lower rate than the two-county models.
 - Greater local control compared to the two-county model.
- Constraints:
- Possible higher implementation costs given it might not utilize any resources from any of the member jurisdictions or from the COGs (i.e., staff, office space, computers, etc.).

Individual Subregion Scenario – three separate JPAs would be formed for the Western Riverside, Coachella Valley, and San Bernardino areas.

*Option 1: The JPAs are formed **with** COG involvement.*

For WRCOG, there are two ways to implement this scenario. WRCOG could amend its current JPA or WRCOG could create a new JPA.

- Benefits:
- Provides economies of scale but lower than the one or two-county models.
 - Provides savings to the consumer but at a lower rate than the one or two-county models.
 - Provides more local control on Program design than the one or two-county models.
 - Governing Board would be relatively consistent with the WRCOG Executive Committee.
 - Lower implementation costs since it could utilize existing WRCOG resources and committee structures, etc.
 - Does not create another “layer of governance” if amended JPA is pursued.
- Constraints:
- Some might not like WRCOG or the other COGs taking on additional responsibilities.

*Option 2: The JPAs are formed **without** COG involvement.*

- Benefits: Provides economies of scale but lower than the one or two-county models.
- Provides savings to the consumer but at a lower rate than the one or two-county models.
- More local control on Program design than the one or two-county models.
- Constraints: Possible higher implementation costs given it might not utilize any resources from any of the member jurisdictions or from the COGs (i.e., staff, office space, computers, etc.).
- Starts from scratch; who takes lead to pull this together (all staffing and related start-up)?
- Could be viewed as being structurally duplicative of WRCOG (“another layer of bureaucracy / governance”).

Individual Jurisdiction Scenario - A single jurisdiction establishes and administers its own CCA.

- Benefits: Likely faster to implement.
- Provides highest level of local control.
- Constraints: Possible that overall economies of scale compared to larger-scale models might not be as great.

Next Steps: The following are steps that need to occur before a CCA can be operational. These steps could take anywhere from 8 to 12 months to complete and include:

1. Release RFP for CCA implementation assistance
2. Develop JPA agreement
3. Outreach to the communities and jurisdictions on JPA agreement
4. CCA Governing Board adopt Resolution of Intent and File Implementation Plan with CPUC
5. Select power supply and data management vendor
6. File Notice of Intent with SCE
7. Arrange financing of start-up costs
8. SCE data testing
9. Opt-out notice – 1 and 2
10. Launch phase 1
11. Opt-out notices – 3 and 4

The Business of Local Energy Symposium

On May 5, 2017, the Center for Climate Protection along with the partnership between the Local Government Commission and the Local Government Sustainable Energy Coalition will be hosting its third Business of Clean Energy Symposium at the Hyatt Regency in Long Beach (200 S Pine Ave, Long Beach, CA 90802) (Attachment 1).

At this event, attendees will learn about California’s goal to accelerate its shift to a clean energy economy. Topics of discussion at this event will include Community Choice Energy Programs, energy policy, regulations, markets, upcoming technology in the field of energy efficiency. This event is highly recommended for government officials, businesses, and community leaders. Important Community Choice Energy Topics will include:

1. What makes a successful Community Choice Energy (CCE) Program.

2. Starting a Community Choice program: Procurement, risk assessment, financing, community outreach, operations.
3. Different governance and business models for developing CCEs.
4. Policy and regulatory trends that will affect local energy efforts.
5. How to design a program that is an economic development driver, including new business opportunities.
6. Opportunities and challenges of developing distributed energy resources.
7. Reducing emissions and serving customers better through innovative private partnerships.
8. What local energy and efficiency programs are most effective.

Further information about the Business of Local Energy Symposium can be found on the website at <https://climateprotection.org/our-work/symposium-2017/>.

Prior Action:

February 8, 2017: The Administration & Finance Committee 1) directed staff to pursue a One-County scenario, leaving the door open for future inclusion for the Counties of Riverside and San Bernardino; and 2) convened an Ad Hoc Committee consisting of Chairman Benoit, Councilmember Brian Tisdale, Councilmember Bonnie Wright, and Councilmember Laura Roughton to work with WRCOG staff, legal counsel, and CVAG staff to develop a governance structure outline that will be discussed at a future meeting.

Fiscal Impact:

WRCOG's portion for Phase 1 is estimated to be \$130,000 to cover the costs of the CCA Feasibility Study, SCE data request, and WRCOG staffing. The costs for this will come from existing carryover funds and will be reflected in an upcoming Quarterly Budget Amendment.

Attachment:

1. Business of Local Energy Symposium Flyer.

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Item 4.I

Community Choice Aggregation
Program Activities Update

Attachment 1

Business of Local Energy
Symposium Flyer

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localenergybiz.com
Registration opens in early January

COMMUNITY CHOICE ENERGY

It's All About Impact

THE BUSINESS OF LOCAL ENERGY SYMPOSIUM

FRIDAY, MAY 5, 2017

HYATT REGENCY IN LONG BEACH



ABOUT THE EVENT

Join Community Choice Energy (CCE) experts and leaders from across the state in Spring 2017 for a day-long event about accelerating CCE adoption and creating more benefits for our local communities. This event brings together business, government, and community leaders to exchange ideas, share information, and learn about what's next for CCEs and effective program implementation.

ECONOMIC OPPORTUNITY

Local energy resources present a huge economic development opportunity. Done correctly they can provide business opportunities, create jobs and circulate dollars in the local economy that are now leaving the community. How do we get there? And what do CCE leaders have to share as best practices for this growing sector?

WHO SHOULD ATTEND

CCE operators and advocates, elected officials, electric service providers, cleantech entrepreneurs, businesses in the renewable energy industry and anyone interested in the energy system of the future.

Organized by:



Local
Government
SUSTAINABLE ENERGY
Coalition



Local Government Commission
Leaders for Livable Communities



COMMUNITY CHOICE ENERGY

It's All About Impact

THE BUSINESS OF LOCAL ENERGY SYMPOSIUM

FRIDAY, MAY 5, 2017

HYATT REGENCY IN LONG BEACH

TOPICS COVERED:

1. What makes a successful Community Choice Energy (CCE) program?
2. Starting a Community Choice program: Procurement, risk assessment, financing, community outreach, operations
3. Different governance and business models for developing CCEs
4. Policy and regulatory trends that will affect local energy efforts
5. How to design a program that is an economic development driver, including new business opportunities
6. Opportunities and challenges of developing distributed energy resources
7. Reducing emissions and serving customers better through innovative private partnerships
8. What local energy and efficiency programs are most effective?
9. Innovative program development from storage to electric vehicles
10. CCE 2.0: What does the future look like? How do we get to IDER Nirvana?

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Barry Vesser: bvesser@climateprotection.org or Margaret Bruce: mbruce@lge.org

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Public Service Fellowship Program

Contact: Jennifer Ward, Director of Government Relations, ward@wrcog.coq.ca.us, (951) 955-0186

Date: March 6, 2017

The purpose of this item is to make Committee members aware of the second round of WRCOG's Public Service Fellowship, conducted in partnership with University of California, Riverside, and California Baptist University.

Requested Action:

1. Receive and file.

In partnership with higher education institutions, WRCOG launched a Public Service Fellowship Program that provides local university graduates with career opportunities with local governments and agencies in a way that is mutually beneficial to both the Fellow and Agency.

Fellowship Program Overview

In early 2016, WRCOG launched a Public Service Fellowship Program in Western Riverside County, administered by WRCOG in partnership with University of California, Riverside (UCR) and California Baptist University (CBU). The Technical Advisory Committee (TAC) directed WRCOG staff to expand the Fellowship Program to include students from California State University, San Bernardino (CSUSB), and during the next several months staff will continue developing a relationship with the CSUSB Career Center in preparation to offer the Fellowship to those students in subsequent rounds. The goal of this Program is to retain local students in Western Riverside County to fulfill the subregion's needs for a robust public sector workforce and to combat the often-mentioned "brain drain" that Riverside County experiences when local students graduate but then leave the region to seek full-time employment elsewhere. The Fellowship Program targets students graduating from UCR and CBU, and engages them in career opportunities with local governments and agencies in a way that is mutually beneficial to both the Fellow and agency. The first round of Fellows began working within WRCOG's member agencies in July 2016 and will conclude their Fellowships in February or March 2017.

Fellowship Program Second Round

Based on the success of the Fellowship thus far as indicated by feedback from both the Fellows, university partners, and participating jurisdictions, WRCOG is proceeding with a second round of the Fellowship. The academic institutions will continue to provide high-caliber students that can contribute valuable assistance to agencies and ensure these students are prepared with the necessary skills, understanding, and education to succeed in the public sector. As of this writing, 40 applications from potential Fellows have been submitted for Round II of the Program.

Once a review process has been conducted by WRCOG and its University partners, member agencies will again be able to draw from a "pre-screened" pool of qualified candidates that are likely to want to pursue a

career in local government in Western Riverside County. WRCOG, UCR, and CBU will conduct a first round of interviews with the students who applied to the Fellowship to determine eligibility, and then the member agencies will have an opportunity to also interview potential candidates for their particular jurisdiction.

In order to facilitate the most successful Fellow placements, staff requested feedback from the Technical Advisory Committee through an Agency Interest Form. The information requested in the Agency Interest Form will provide valuable input to WRCOG, UCR, and CBU, and will aid in the process of recommending compatible Fellows for placement at the agencies.

Program Structure

WRCOG will continue operating the Fellowship by hiring the Fellows as temporary employees of WRCOG. WRCOG will also oversee the human resources and payroll aspects of the Program. Under this structure, Fellows can work up to 30 hours per week at their host Agency for a total of up to 960 hours per fiscal year. WRCOG staff are working with UCR and CBU to adhere to the following schedule for the second round of the Fellowship Program.

Timeline:

- January 2017: Collect feedback from WRCOG member agencies and finalize the pilot Program structure.
- February 2017: Notify students at UCR and CBU about the Fellowship and solicit interested applicants.
- March 2017: WRCOG, UCR, and CBU review applications, interview top candidates, and recommend agency placements.
- April 2017: Agencies interview and confirm Fellow placements. Fellows participate in Program orientation.
- May – July 2017: Fellowships begin.

Program Funding: WRCOG has allocated \$400,000 in its Fiscal Year 2016/2017 Budget to initiate this Program. For this year, a small portion of funds will be allocated toward administration / operational costs, and the majority of funds will be allocated for compensation for the Fellows.

Prior Action:

February 6, 2017: The Executive Committee received report.

Fiscal Impact:

A total of \$400,000 was allocated under the Agency Fiscal Year 2016/2017 Budget for the Public Service Fellowship Program, under the Government Relations budget.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: BEYOND Framework Fund Program Activities Update

Contact: Andrea Howard, Staff Analyst, howard@wrcog.cog.ca.us, (951) 955-8515

Date: March 6, 2017

The purpose of this item is to inform members of the Executive Committee of the process and schedule for submitting applications for Round II of the BEYOND Program.

Requested Action:

1. Receive and file.
-

Background

BEYOND is an economic development and sustainability local assistance funding Program designed to enable member agencies to develop and implement plans and programs aimed at improving quality of life in Western Riverside County by addressing six critical factors of quality of life: economic development, water, education, environment, health, and transportation. More than 30 projects funded through Round I of BEYOND began in February 2016 and are scheduled to be completed by no later than August 31, 2017.

On June 24, 2017, the Executive Committee approved funding a second Round of BEYOND and expanding the Program to include two competitive funding categories in addition to the central pot of non-competitive funding. The funding for BEYOND comes from WRCOG's Fiscal Year (FY) 2015/2016 Agency Carryover Funds, which has been allocated as follows:

Agency Carryover Funds FY 16/17	
Contribution to WRCOG Agency Reserves	\$ 1,047,083.00
BEYOND Core - Round II	\$ 2,052,917.00
BEYOND Team - Regional Collaboration Set Aside	\$ 175,000.00
BEYOND Health - Healthy Communities Set Aside	\$ 75,000.00
Funding for WRCOG Agency Activities	\$ 700,000.00
Funding for Regional Economic Development Initiative	\$ 250,000.00
Total Funds Available	\$ 4,300,000.00

Accessing BEYOND Round II Funding

WRCOG staff released the BEYOND Round II Guidelines and BEYOND Core Call for Proposals on February 28, 2017. As indicated above, there will be three distinct funding categories under the BEYOND umbrella, exclusively available to WRCOG member agencies: "BEYOND Core," "BEYOND Team," and "BEYOND Health."

"BEYOND Core" is the central category of non-competitive funding that is functionally the same format as the

Round I Program. A fixed amount of funding has been allocated to each of the WRCOG member agencies as detailed in Attachment 1. WRCOG will again employ a two-step application process beginning with a brief concept proposal to confirm project eligibility. Once a project has been approved in concept, staff will ask member agencies to complete a full application which will include a detailed scope of work, budget, and timeline.

“BEYOND Team” is a new funding stream under BEYOND designed to promote collaboration within the WRCOG subregion. BEYOND Team has been allocated a total of \$175,000. To apply for these funds, two or more member agencies must jointly submit a project application.

“BEYOND Health” is another new funding stream under BEYOND specifically created to address the pernicious health challenges afflicting the subregion. BEYOND Health has been allocation \$75,000. Applicants will be able to apply specifically for BEYOND Health, or if funding for a health-related project is also being sought under BEYOND Core, member agencies may request to have that project considered for additional funding under BEYOND Health. There is no limit to the number of projects that can be funded through BEYOND Health; however, the maximum total amount that each individual applicant can request from BEYOND Health is \$7,500.

To apply for the competitive funding available through BEYOND Team and BEYOND Health, member agencies will only submit a completed application and will not be required to submit a concept proposal. Once submitted, applications will be reviewed by a panel which will forward funding recommendations to the Administration & Finance Committee for final determination.

All applications must meet the minimum eligibility requirements pertaining to WRCOG’s Economic Development and Sustainability Framework, and outlined in Attachment 2, to be considered for funding. The application and award notice schedule is detailed in Attachment 3.

Prior Actions:

February 16, 2017: The Technical Advisory Committee received report.
February 9, 2017: The Planning Directors’ Committee received report.
January 26, 2017: The Finance Directors’ Committee received report.

Fiscal Impact:

Funding for Round II of the BEYOND Framework Fund has been programmed accordingly under the Fiscal Year 2016/2017 Agency Budget, in the General Fund.

Attachments:

1. BEYOND Core Funding Allocation.
2. BEYOND Round II Project Eligibility.
3. BEYOND Round II Program Schedule.

Item 4.K

BEYOND Framework Fund Program
Activities Update

Attachment 1

BEYOND Core Funding Allocation

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BEYOND Round II

BEYOND Core Funding Allocation Distribution

Jurisdiction	Allocation
Banning	\$ 62,664.24
Calimesa	\$ 35,000.00
Canyon Lake	\$ 39,488.29
Corona	\$ 150,868.24
Eastvale	\$ 94,576.24
Hemet	\$ 107,257.24
Jurupa Valley	\$ 120,837.49
Lake Elsinore	\$ 92,959.24
Menifee	\$ 113,957.74
Moreno Valley	\$ 161,049.24
Murrieta	\$ 129,101.74
Norco	\$ 58,135.54
Perris	\$ 102,496.24
Riverside	\$ 190,877.49
San Jacinto	\$ 82,009.54
Temecula	\$ 126,736.24
Wildomar	\$ 67,648.34
County of Riverside	\$ 177,254.30
Eastern Municipal Water District	\$ 35,000.00
Western Municipal Water District	\$ 35,000.00
Riverside County Superintendent of Schools	\$ 35,000.00
Morongo Band of Mission Indians	\$ 35,000.00
Total BEYOND Core Allocation	\$ 2,052,917.31

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Item 4.K

BEYOND Framework Fund Program
Activities Update

Attachment 2

BEYOND Round II Project Eligibility

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BEYOND Round II Project Eligibility

Applicants to BEYOND Core and BEYOND Team must demonstrate how the proposed project(s) addresses one or more of the six goals articulated in WRCOG's Economic Development and Sustainability Framework (the Framework). Applicants to BEYOND Health must demonstrate how the proposed project(s) specifically addresses the Health goal articulated in the Framework.

The WRCOG Economic Development and Sustainability Framework, approved by the Executive Committee on December 3, 2012, can be downloaded here:

www.wrcog.cog.ca.us/community/sustainability, and the specific goals are listed below.

Economic Development:

- Goal ED-1: Vision and Branding: A common understanding of, and unified voice for, economic development needs, services, assets, and challenges.
- Goal ED-2: Subregional Capacity Building: A diversified, robust, and well-known array of economic development service providers supporting the growth and expansion of local businesses.
- Goal ED-3: Economic Development Activities: Effective and coordinated local and regional economic development activities.

Education:

- Goal E-1: New Partnerships: Unite with education and business leaders to increase the number of students who are college ready, enroll and graduate from college, and who achieve technical degrees that are in demand in Western Riverside County.
- Goal E-2: Education First Culture: Unite with education and business leaders to create an education first culture in Western Riverside County.
- Goal E-3: WRCOG Leadership: Integrate education into the WRCOG mission to improve partnerships between K–12 schools, colleges and universities, government, and businesses.

Health:

- Goal H-1: Health Care Access: Facilitate the conditions needed for a growing, viable, and integrated health care system in Western Riverside County.
- Goal H-2: Health Care Workforce: Advocate for a trained, home-grown workforce to serve the healthcare needs of Western Riverside County.
- Goal H-3: Healthy Environment: Support efforts of local jurisdictions, business, and regional government to improve the health of our region's environment.
- Goal H-4: Community Design: Facilitate local efforts to improve the opportunities and choices for a healthy and active lifestyle.
- Goal H-5: Implementation + Action: Facilitate local strategic planning that improves the health and wellness of residents and communities.



Transportation:

- Goal T-1: Transportation Programs: Continue to address regional transportation needs through ongoing collaboration and program administration.
- Goal T-2: Vehicle Miles Traveled: Reduce vehicle miles traveled and improve mobility for pedestrians, transit users, and bicyclists.
- Goal T-3: Goods Movement: Support efforts to improve the sustainable and efficient movement of goods through Western Riverside County.
- Goal T-4: Air Transportation: Maintain and improve air transportation access.

Water:

- Goal W-1: Agency Coordination: Advocate for and support regional, state, and federal initiatives pertinent to the mission of the Riverside County Water Task Force.
- Goal W-2: Water Reliability: Advocate for and support efforts of local water districts to ensure long-term reliability of water supply for Western Riverside County.
- Goal W-3: Water Quality: Preserve and improve regional water quality.
- Goal W-4: Water Efficiency: Serve as a communication link and information clearinghouse on water efficiency issues for the benefit of member agencies, businesses, and residents.

Energy / Environment:

- Goal EE-1: Energy Efficiency Programs: Develop and support programs to reduce energy use and GHG emissions.
- Goal EE-2: Climate Action Planning: Provide assistance to the region on climate action planning and implementation.
- Goal EE-3: Air Quality Improvements: Partner with state and regional agencies to advocate and support efforts for cleaner air.
- Goal EE-4: Environment Conservation and Enhancement: Support regional plans and programs to maintain or improve the quality of the natural environment.
- Goal EE-5: Local Food Production: Advocate for and support regional efforts to maintain access to local food sources.

Item 4.K

BEYOND Framework Fund Program
Activities Update

Attachment 3

BEYOND Round II Program Schedule

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BEYOND Program

Round II Program Schedule

Program Milestones Option 1		
	BEYOND Core	BEYOND Team BEYOND Health
Call for Concept Proposals	February 28, 2017	-
Concept Proposals Due	March 10, 2017	-
Notification of Concept Approval Status By	March 24, 2017*	-
Call for Applications	March 24 2017*	March 6, 2017
Full Applications Due	April 21, 2017	April 7, 2017
Notice of Project Application Approval Status By	May 12, 2017	May 12, 2017
BEYOND Funding Agreement Provided By	May 19, 2017	May 19, 2017
Projects Completed By	November 15, 2018	November 15, 2018

*BEYOND Core Concept Proposals will be approved on a rolling basis from the time they are submitted. Staff will follow-up with applicants no later than March 24, 2017 to approve the project in concept or to request clarifications or revisions. Once a project is approved in concept, WRCOG staff will invite the applicant to submit a full Application.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Memorandum of Understanding with the Riverside Transit Agency for TUMF Revenue Disbursement

Contact: Christopher Gray, Director of Transportation, gray@wrcog.cog.ca.us, (951) 955-8304

Date: March 6, 2017

The purpose of this item is to provide an update on the Memorandum of Understanding (MOU) with the Riverside Transit Agency (RTA) to provide TUMF revenues.

Requested Action:

1. Receive and file.

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA).

Memorandum of Understanding (MOU) with the Riverside Transit Agency (RTA)

During the development of the TUMF Program, it was identified that public transportation plays an important role in serving future travel demand of the subregion. Since the Program's inception, WRCOG has allocated a share of TUMF for programming on the Riverside Transit Agency's Transportation Improvement Program (TIP) for reimbursement of expenses incurred to meet public transportation needs that serve future travel demand. Improvements that have been identified in the TUMF Nexus Study include transit centers, express bus stop upgrades, and capital improvements to develop express bus service. Currently, the TUMF Nexus Study allocates a 1.64 percent share of TUMF for the transit component of the Program.

Staff and RTA coordinated on an effort to allocate RTA's TUMF share directly to RTA rather than through the TIP process. WRCOG prepared an MOU that would provide an efficient process for RTA to deliver public transportation improvements included in the TUMF Nexus Study. As the provider of public transportation in the subregion, RTA delivers improvements with a variety of specialized funding sources and staff believes this process will better serve RTA in facilitating improvements with TUMF contribution.

At its December 5, 2016 meeting, the Executive Committee approved the MOU between WRCOG and RTA to set forth a process for WRCOG to allocate RTA's TUMF Share to RTA. As of the effective date of the MOU, all existing executed Reimbursement Agreements have been terminated, which provided the transition of TUMF revenue directly to RTA. Additionally, WRCOG has disbursed the share of RTA funds for projects in the TUMF Nexus Study and RTA will provide annual reporting of all relevant information regarding TUMF share expenditures and project delivery. Below is a table of a Reimbursement Agreements between WRCOG and RTA that have been terminated:

Reimbursement Agreements	
09-HS-RTA-1130	Hemet Transit Facility
12-NW-RTA-1131	UCR Mobility Hub (Formerly Northwest Transit Center)
09-SW-RTA-1132	Twin Cities/Promenade Mall Mobility Hub
12-HS-RTA-1159	Hemet Transit Enhancements
11-NW-RTA-1143	Long Range Planning Study (COA)
13-NW-RTA-1168	Northwest Zone Route 1 Rapid Link Express Bus Stops (Formerly Northwest Zone Enhancements)
13-HS-RTA-1169	Hemet / San Jacinto Zone Enhancements

Prior Action:

December 5, 2016: The Executive Committee 1) authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Moreno Valley for the Nason Street / SR-60 Interchange Project in an amount not to exceed \$11,261,500; 2) approved the TUMF Administrative Plan revision to include an additional process in which developers receive credit against TUMF obligations; and 3) approved the Memorandum of Understanding between WRCOG and Riverside Transit Agency (RTA) to set forth a process for WRCOG to allocate RTA's TUMF Share to RTA.

Fiscal Impact:

TUMF activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: PACE Program Activities Update

Contact: Crystal Adams, Staff Analyst II, adams@wrcog.cog.ca.us, (951) 955-8312

Date: March 6, 2017

The purpose of this item is to provide the Committee with an update on the PACE Programs that WRCOG oversees. This includes the HERO Program, CaliforniaFIRST, and Spruce Finance.

Requested Actions:

1. Accept the Cities of Cupertino and Susanville as Associate Members of the Western Riverside Council of Governments.
2. Adopt WRCOG Resolution Number 03-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.
3. Adopt WRCOG Resolution 04-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of CaliforniaFIRST bonds, approving the Forms of a Professional Administration Agreement with Renew Financial Group, LLC, amending the Program Report, approving the Forms of Master Indentures, approving the Form of Bond Purchase Agreement, approving the Form of Master Assignment, approving the Form of Depository and Account Control Agreement, approving the Professional Services Agreement for Assessment Administration Services for the Issuance of Bonds for the WRCOG Renew Financial Program, and Appointing a Trustee.

WRCOG's PACE Programs provide financing to property owners to implement a range of energy saving, renewable energy, and water conserving improvements to their homes and businesses. Improvements must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and has been expanded (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate. The CaliforniaFirst and Spruce Programs are anticipated to launch in the 1st Quarter 2017.

Overall HERO Program Activities Update

Residential: As of February 21, 2017, over 159,900 applications in both the WRCOG and California HERO Programs have been approved to fund more than \$1.4 billion in eligible renewable energy, energy efficiency and water efficiency projects.

WRCOG Subregion: As of February 21, 2017, a total of 22,551 projects, totaling over \$436 million, have been completed (Attachments 1 & 2).

Statewide Program: As of this writing, 364 jurisdictions outside the WRCOG and San Bernardino Council of Governments (formerly known as San Bernardino Associated Governments) subregions have adopted

Resolutions of Participation for the California HERO Program. Over 43,500 projects have been completed, totaling over \$929 million (Attachment 3).

The table below provides a summary of the total estimated economic and environmental impacts for projects completed in both the WRCOG and the California HERO Programs to date:

Economic and Environmental Impacts Calculations	
KW Hours Saved – Annually	605 GWh
GHG Reductions – Annually	156,931 Tons
Gallons Saved – Annually	407 Million
\$ Saved – Annually	\$79.2 Million
Projected Annual Economic Impact	\$2.37 Billion
Projected Annual Job Creation/Retention	11,598 Jobs

The table below provides a summary of the estimated work breakdown of projects completed in both the WRCOG and the California HERO Programs:

Project Data	
HVAC	30%
Windows / Doors	19.4%
Solar	19.3%
Roofing	11%
Landscape	9%

New Associate Members: The following jurisdictions have adopted or will be adopting resolutions consenting to the inclusion of such city in the California HERO Program and approving the “Amendment to Joint Powers Agreement Adding the City/County of XXX as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City” (the “JPA Amendment”), by and between Authority and such City/County to as an Associate Member of WRCOG for the purposes of implementing the California HERO Program prior to the March 6, 2017, Executive Committee meeting.

City of Cupertino – February 1, 2017
City of Susanville – February 7, 2017

The next step in the California HERO Program is for the Executive Committee to adopt Resolution Number 03-17 (Attachment 4), which accepts the above mentioned Cities as Associate Members of WRCOG for the purposes of participating in the Program and approve the execution of the Joint Powers Agreement Amendment for each such City and County and set their public hearing for April 3, 2017.

At the April 3, 2017, Executive Committee meeting, staff will bring forward the revised Appendix B “Boundary Map” from Program Report for consideration and potential approval; the Executive Committee will hold the Program’s required public hearing and, following the closing of the public hearing, will be asked to consider the adoption of a WRCOG resolution approving the revised Appendix B “Boundary Map” from the Program Report.

Additional PACE Providers

CaliforniaFIRST has met with the PACE Ad Hoc Committee and has held multiple site visits and meetings with WRCOG staff to discuss the operations and rollout of the Program in the subregion. Staff have worked with Best Best & Krieger to ensure that all administrative agreements, bond purchase agreements, master indentures, and Program Reports have been updated to reflect these changes for the introduction of the

CaliforniaFIRST residential and commercial PACE Program. These redlined revisions are attached for the Committee's review and action through Resolution Number 04-17 (Attachments 7-21).

Jurisdictions in Western Riverside County continue to retain the right to allow any PACE Program provider to operate in their city or county, regardless of whether that provider is operating under WRCOG's PACE Program umbrella.

WRCOG is scheduling meetings with staff from each member agency go to over the new eligible PACE Programs and to provide opt out resolutions, as needed.

Additional consumer protections update

WRCOG has begun implementing a quality assurance call with property owners participating in our PACE Programs. WRCOG believes that adding a quality assurance call will provide the homeowner with an additional opportunity to ask questions and/or receive clarification regarding their improvements, funding amounts, payments, etc. WRCOG believes this additional call will further improve the Program and consumer experience.

WRCOG has hired three Call Center Representatives, reconfigured an office to house these individuals, and purchased computer and phone equipment. WRCOG will be utilizing the same software RCIT has in place for other County Call Center Operations and is working with RCIT staff during the roll out to ensure proper implementation. Staff is currently working with our partners to finalize the outgoing call script and anticipates making calls to property owners beginning in March.

New Providers: Who will be under WRCOG's umbrella and who will not?

CSCDA serves as the bond issuer and government oversight authority for multiple PACE Programs. Two of these Programs, CaliforniaFIRST and Spruce PACE, have been approved to operate under the WRCOG PACE Program umbrella. It was originally intended that WRCOG would oversee these Programs in the 18 member jurisdictions (assuming those jurisdictions do not choose to opt out with these additional Providers).

However, due to administrative agreements between CSCDA, CaliforniaFIRST, and Spruce, there are a few scenarios that will or may affect our member jurisdictions. The four WRCOG member jurisdictions (Moreno Valley, Riverside, San Jacinto, and the County of Riverside) that participate in the CSCDA Program (which includes CaliforniaFIRST and Spruce) will remain under the purview of CSCDA administration and not WRCOG.

In the future, if a jurisdiction adopts into the CSCDA Program, both CaliforniaFIRST and Spruce will be pulled out of the WRCOG PACE Program umbrella to operate under CSCDA's governance and authority.

Prior Actions:

February 16, 2017: The Technical Advisory Committee received report.

February 8, 2017: The Administration & Finance Committee authorized the WRCOG Chair, Vice-Chair, and WRCOG staff to travel to Washington, D.C., to discuss its PACE Programs with Congressional representatives and other interests.

Fiscal Impact:

Travel expenditures for these anticipated trips are included in the adopted Fiscal Year 2016/2017 Budget under the Energy Department.

Attachments:

1. HERO Program Summary.
2. WRCOG HERO Snapshot.
3. CA HERO Snapshot.
4. WRCOG Resolution Number 03-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.
5. Opt Out Resolution.
6. WRCOG Resolution 04-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of CaliforniaFIRST bonds, approving the Forms of a Professional Administration Agreement with Renew Financial Group, LLC, amending the Program Report, approving the Forms of Master Indentures, approving the Form of Bond Purchase Agreement, approving the Form of Master Assignment, approving the Form of Depositary and Account Control Agreement, approving the Professional Services Agreement for Assessment Administration Services for the Issuance of Bonds for the WRCOG Renew Financial Program, and Appointing a Trustee.
7. WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report Amended March 2017 - addition of CaliforniaFIRST
8. Professional Administration Agreement with Renew Financial Group, LLC.
9. Residential Master Indenture.
10. Commercial Master Indenture.
11. Renew Financial Bond Purchase Agreement.
12. Renew Financial Master Assignment and Assumption Agreement.
13. Renew / WRCOG Depositary and Account Control Agreement.
14. Renew Financial Administration Agreement.
15. CaliforniaFIRST Residential Assessment Contract.
16. CaliforniaFIRST Commercial Assessment Contract (PPA).
17. CaliforniaFIRST Commercial Assessment Contract (PPA, V.2).
18. CaliforniaFIRST Commercial Assessment Contract (Non-PPA).
19. CaliforniaFIRST Commercial Assessment Contract (Non-PPA V.2).
20. David Taussig & Associates Professional Services Agreement.
21. CaliforniaFIRST Residential Handbook

Item 5.A

PACE Program Activities Update

Attachment 1

HERO Program Summary

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HERO Program Summary Update

(Launch through 2/21/17)

City	Approved Apps	Approved Amount
Banning	501	\$13,649,020
Calimesa	132	\$6,518,261
Canyon Lake	524	\$27,512,261
Corona	2,987	\$163,593,430
County	5,791	\$287,577,788
Eastvale	817	\$51,907,542
Hemet	1,079	\$27,582,687
Jurupa Valley	1,948	\$80,040,051
Lake Elsinore	1,314	\$50,621,021
Menifee	2,421	\$86,821,244
Moreno Valley	4,482	\$152,096,006
Murrieta	2,564	\$120,701,842
Norco	695	\$40,234,454
Perris	922	\$29,891,305
Riverside	5,775	\$245,860,749
San Jacinto	680	\$19,538,068
Temecula	2,422	\$126,764,405
Wildomar	851	\$33,475,647
	35,935	\$1,574,385,782

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Item 5.A

PACE Program Activities Update

Attachment 2

WRCOG HERO Snapshot

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19,302

Homes Improved

12/14/2011

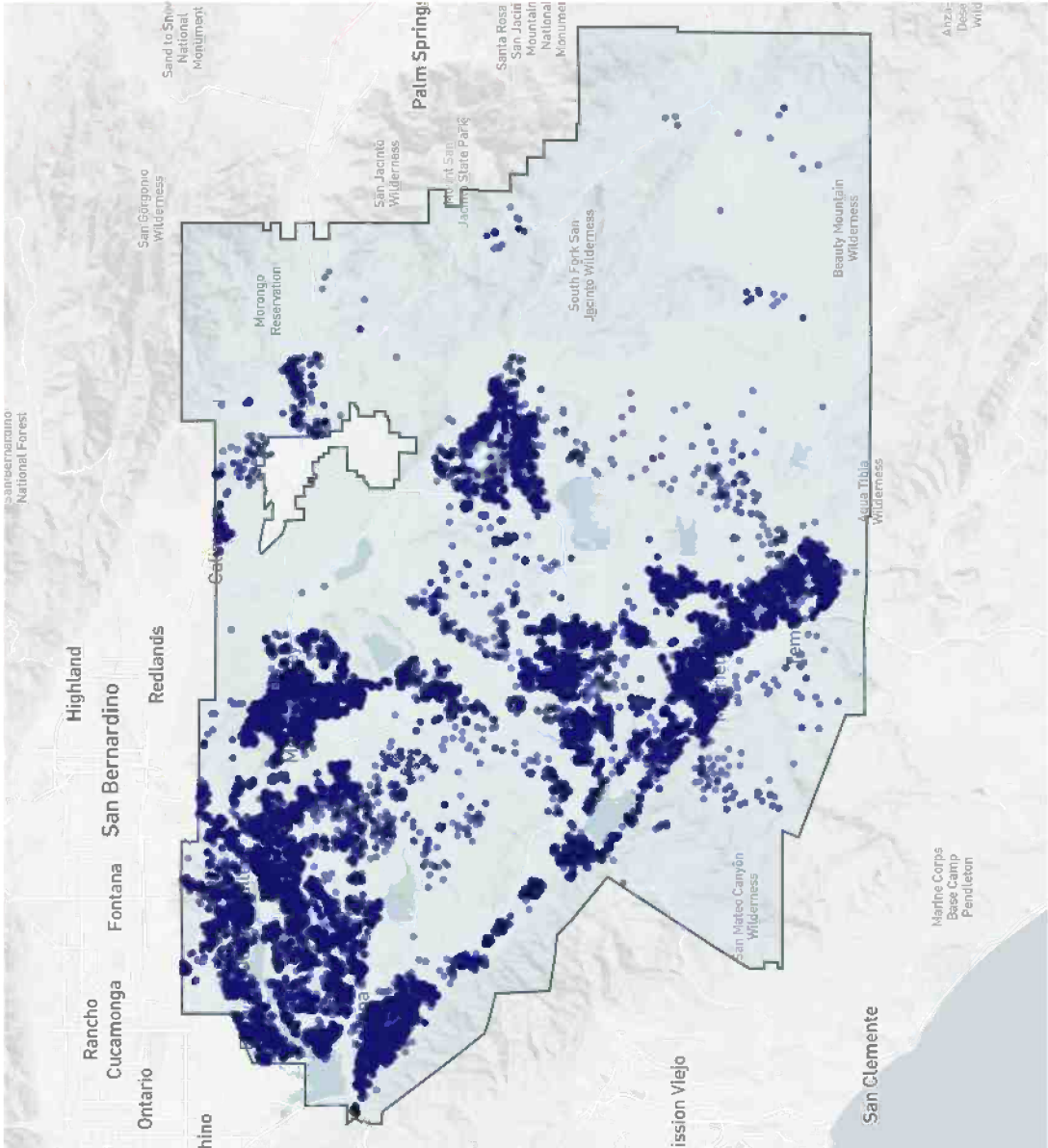
HERO Launch Date

460,713

Housing Count

01/01/2011 - 02/21/2017

Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	25.7K	\$297M
Solar	12.4K	\$523M
Water	1,767	\$13.1M

Lifetime Impact

Applications Submitted	52.9K
Applications Approved	35.9K
Funded Amount	\$436M
Economic Stimulus	\$755M
Jobs Created	3,703
Energy Saved	3.19B kWh
Emissions Reduced	863K tons
Water Saved	1.42B gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>

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Item 5.A

PACE Program Activities Update

Attachment 3

CA HERO Snapshot

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California HERO Program

38,559

Homes
Improved

02/10/2014

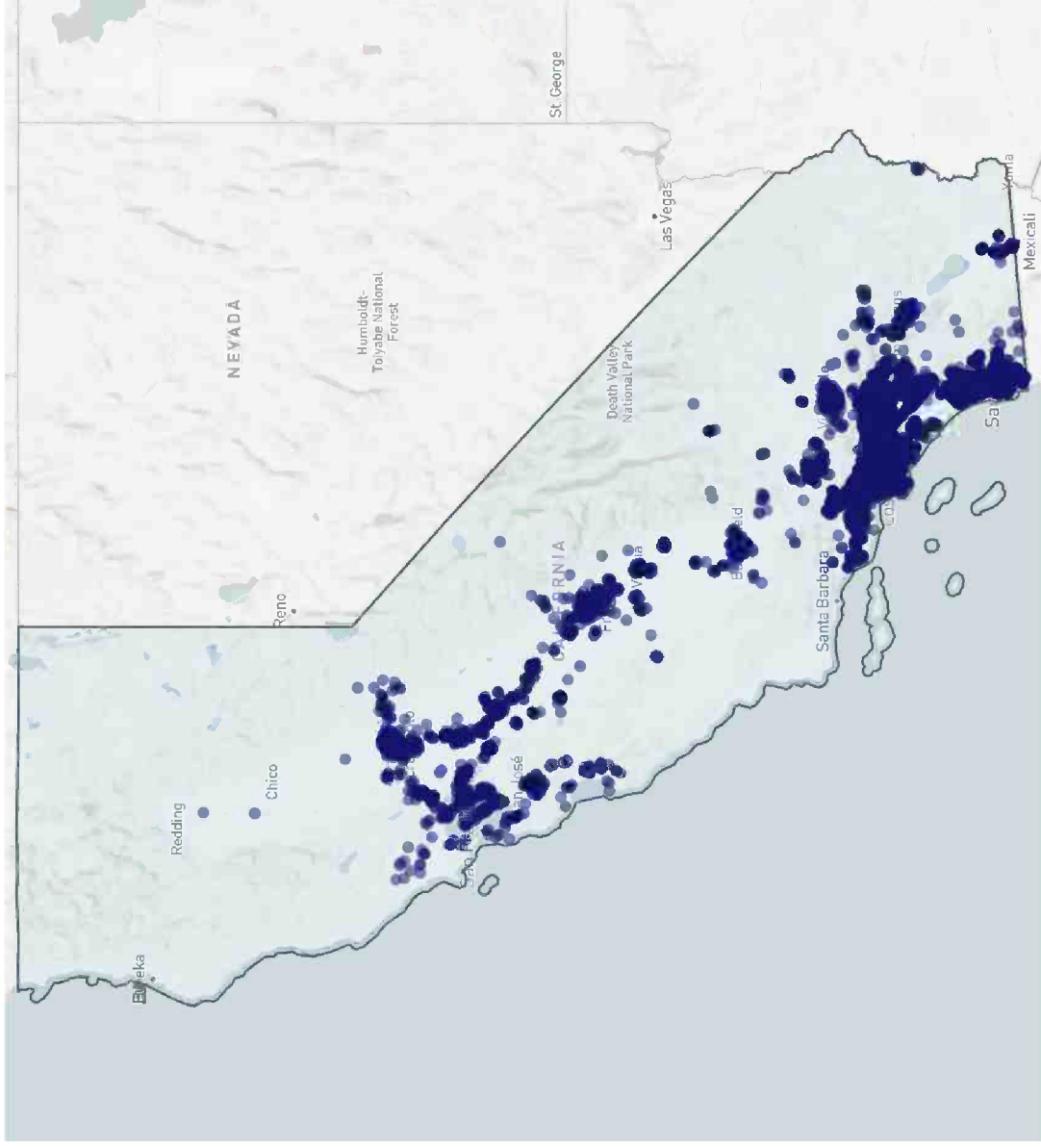
HERO Launch Date

5,894,787

Housing Count

02/10/2014 - 02/21/2017

Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	54.2K	\$651M
Solar	22.0K	\$1.02B
Water	4,112	\$33.0M

Lifetime Impact

Lifetime Impact

Applications Submitted	107K
Applications Approved	79.1K
Funded Amount	930M
Economic Stimulus	\$1.61B
Jobs Created	7,895
Energy Saved	5.94B kWh
Emissions Reduced	1.57M tons
Water Saved	3.54B gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>

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Item 5.A

PACE Program Activities Update

Attachment 4

WRCOG Resolution Number 03-17;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Declaring Its
Intention to Modify the California
HERO Program Report so as to
Increase the Program Area within
Which Contractual Assessments may
be Offered and Setting a Public
Hearing Thereon

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Western Riverside Council of Governments

County of Riverside • City of Banning • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale • City of Hemet • City of Jurupa Valley
City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco • City of Perris • City of Riverside • City of San Jacinto
City of Temecula • City of Wildomar • Eastern Municipal Water District • Western Municipal Water District • Morongo Band of Mission Indians
Riverside County Superintendent of Schools

RESOLUTION NUMBER 03-17

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS DECLARING ITS INTENTION TO MODIFY THE CALIFORNIA HERO PROGRAM REPORT SO AS TO INCREASE THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED AND SETTING A PUBLIC HEARING THEREON

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously initiated proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of Property Assessed Clean Energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings and did, by the adoption of its Resolution Number 10-13 on June 3, 2013, (the "Resolution Confirming the Program Report"), approve a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29 and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative bodies of the Cities of Cupertino and Susanville, have taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider modifying the Program Report by increasing the Program Area to include the jurisdictions of such Additional Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee desires to initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the Cities of Cupertino and Susanville, (the "Additional Associate Members") in the Program Area.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. The Executive Committee declares its intention to remove the Counties as Association Members and modify the Program Report so as to modify the Program Area within which contractual assessments may be offered pursuant to the California HERO Program to include the jurisdictions of the Additional Associate Members.

Section 2. Public Hearing. Pursuant to Chapter 29, the Executive Committee hereby orders that a public hearing to be held before the Executive Committee in the First Floor Board Chambers, County of Riverside Administration Center, 4080 Lemon Street, Riverside, California, at 2:00 p.m. on April 3, 2017, on the proposed modification to the Program Report to increase the Program Area. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed modifications to the Program Report to increase the Program Area.

Section 3. Notice of Public Hearing. The Secretary of the Executive Committee is hereby directed to provide notice of the public hearing by publishing such notice once a week for two weeks, pursuant to Section 6066 of the California Government Code, and the first publication shall occur not later than 20 days before the date of such hearing in a newspaper of general circulation published within the jurisdiction of each of the Additional Associate Members or, if there is no such newspaper of general circulation published within any such jurisdiction of any such Additional Associate Member, then in a newspaper of general circulation published nearest thereto.

Section 4. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on March 6, 2017.

Ben Benoit, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

Item 5.A

PACE Program Activities Update

Attachment 5

Opt Out Resolution

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RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE
[FILL IN THE BLANK: CITY OF _____],
CALIFORNIA, EXCLUDING [FILL IN NAME:
_____] AS AN AUTHORIZED
PROGRAM MANAGER OF THE WESTERN
RIVERSIDE COUNCIL OF GOVERNMENT
CONTRACTUAL ASSESSMENT PROGRAM TO
FINANCE DISTRIBUTED GENERATION
RENEWABLE ENERGY SOURCES AND ENERGY
EFFICIENCY IMPROVEMENTS WITHIN THE
BOUNDARIES OF THE CITY

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (the "Executive Committee") has established the "Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County" (the "WRCOG Program") pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), the Joint Exercise of Powers Agreement of the Western Riverside Council of Governments ("WRCOG"), originally made and entered April 1, 1991, as further amended to date (the "Joint Exercise of Powers Agreement"), and, as to the WRCOG Program, Implementation Agreements by and between WRCOG and its Regular Members, separate voluntary contractual assessment programs to assist property owners within the jurisdictional boundaries of the WRCOG Program Area (defined below), as to the WRCOG Program, with the cost of installing distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure ("Authorized Improvements"), as further described in the program report adopted by the Executive Committee in establishing the WRCOG Program, that are permanently affixed to their property; and

WHEREAS, WRCOG initially appointed Renovate America to administer the WRCOG Program for residential properties and Samas Commercial for commercial properties; and

WHEREAS, subsequently Renovate America was authorized by the Executive Committee to be an additional provider for the WRCOG Program for commercial properties; and

WHEREAS, the City of _____ (the "City") is committed to development of renewable energy sources and energy efficiency improvements, reduction of greenhouse gases, protection of our environment, and reversal of climate change; and

WHEREAS, on _____, 20____ this City Council adopted Resolution No. _____ entitled "Resolution of the City Council of the City of

_____, California, consenting to Inclusion of Properties within the City's Incorporated Area in the Western Riverside Council of Government Contractual Assessment Program to finance distributed generation renewable energy sources and energy efficiency improvements;" and

WHEREAS, on _____, 2016, the Executive Committee approved _____ as an additional program administrator (the "Additional Program Administrator") for the WRCOG Program; and

WHEREAS, the City desires to exclude the Additional Program Administrator from providing services within the incorporate boundaries of the City;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This City Council finds and declares that the Additional Program Administrator shall not be authorized to provide services pursuant to the WRCOG Program to any properties in the incorporated area of the City.

2. The City Clerk is directed to send a certified copy of this resolution to the Secretary of the WRCOG Executive Committee.

(Insert Voting Block for particular Member Agency City)

Item 5.A

PACE Program Activities Update

Attachment 6

WRCOG Resolution 04-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of CaliforniaFIRST bonds, approving the Forms of a Professional Administration Agreement with Renew Financial Group, LLC, amending the Program Report, approving the Forms of Master Indentures, approving the Form of Bond Purchase Agreement, approving the Form of Master Assignment, approving the Form of Depository and Account Control Agreement, approving the Professional Services Agreement for Assessment Administration Services for the Issuance of Bonds for the WRCOG Renew Financial Program, and Appointing a Trustee

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Western Riverside Council of Governments

County of Riverside • City of Banning • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale • City of Hemet • City of Jurupa Valley
City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco • City of Perris • City of Riverside • City of San Jacinto
City of Temecula • City of Wildomar • Eastern Municipal Water District • Western Municipal Water District • Morongo Band of Mission Indians
Riverside County Superintendent of Schools

RESOLUTION NUMBER 04-17

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

AUTHORIZING THE ISSUANCE OF CALIFORNIAFIRST BONDS, APPROVING THE FORMS OF A PROFESSIONAL ADMINISTRATION AGREEMENT WITH RENEW FINANCIAL GROUP, LLC, AMENDING THE PROGRAM REPORT, APPROVING THE FORMS OF MASTER INDENTURES, APPROVING THE FORM OF BOND PURCHASE AGREEMENT, APPROVING THE FORM OF MASTER ASSIGNMENT, APPROVING THE FORM OF DEPOSITORY AND ACCOUNT CONTROL AGREEMENT, APPROVING THE PROFESSIONAL SERVICES AGREEMENT FOR ASSESSMENT ADMINISTRATION SERVICES FOR THE ISSUANCE OF BONDS FOR THE WRCOG RENEW FINANCIAL PROGRAM, AND APPOINTING A TRUSTEE

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (the "Executive Committee") has undertaken proceedings to establish and has established the "Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County" (the "WRCOG Program") pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), the Joint Exercise of Powers Agreement of the Western Riverside Council of Governments ("WRCOG"), originally made and entered April 1, 1991, as further amended to date (the "Joint Exercise of Powers Agreement"), and, Implementation Agreements by and between WRCOG and its Regular Members, separate voluntary contractual assessment programs to assist property owners within the jurisdictional boundaries of the Program Area (defined below), with the cost of installing distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure ("Authorized Improvements"), as further described in the Program Reports (defined below) adopted by the Executive Committee in establishing the Program, that are permanently affixed to their property; and

WHEREAS, by the adoption of Resolution Number 09-10, the Executive Committee provided that one or more series of improvement bonds would be issued under the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "1915 Act") or other financing relationships would be entered for the purpose of financing the installation Authorized Improvements on properties within the Program Area; and

WHEREAS, on January 12, 2011, the Executive Committee also adopted its Resolution Number 08-11 (the "Original Resolution of Issuance") authorizing the issuance of limited obligation improvement bonds pursuant to Chapter 29, the 1915 Act and the Original Resolution of Issuance upon the security of voluntary contractual assessments levied on participating parcels in the WRCOG Program and approving and directing the execution of related documents and approving related actions; and

WHEREAS, the Executive Committee authorized Renew Financial Group LLC to serve as an additional program administrator for the WRCOG Program and there has been submitted to the Executive Committee a form of a Professional Administration Agreement which set forth the terms and conditions of the performance by Renew Financial Group LLC of such services; and

WHEREAS, there has been submitted to the Executive Committee forms of a Master Indenture and a Supplemental Indenture providing for the issuance of limited obligation improvement bonds to be designated as the "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (MI ____)" (the

"CaliforniaFIRST Residential Bonds") in one or more series (each such series of bonds referred to as a "Series") pursuant to Chapter 29, the 1915 Act, and the use of the proceeds of such bonds to finance the installation of Authorized Improvements on residential parcels that are participating in the WRCOG Program, and this Executive Committee, with the aid of its staff, has reviewed those documents and found them to be in proper order; and

WHEREAS, there has been submitted to the Executive Committee forms of an Indenture providing for the issuance of limited obligation improvement bonds to be designated as the "Western Riverside Council of Governments Limited Obligation Improvement Bonds (WRCOG CaliforniaFIRST Program) (First Commercial Property Tranche) (the "CaliforniaFIRST Commercial Bonds" and, together with the CaliforniaFIRST Residential Bonds, the "Bonds") in one or more Series pursuant to Chapter 29, the 1915 Act, the Original Resolution of Issuance as amended by Resolution Nos. 04-12, 07-12 and 08-13 (collectively, the "Resolution of Issuance") and the use of the proceeds of such bonds to finance the installation of Authorized Improvements on commercial parcels that are participating in one of the WRCOG Program and this Executive Committee, with the aid of its staff, has reviewed the document and found it to be in proper order;

WHEREAS, there has been submitted to the Executive Committee the form of a Master Assignment and Assumption Agreement for commercial properties providing for the terms and conditions for the assignment of interest in one or more assessment contracts and this Executive Committee, with the aid of its staff, has reviewed the document and found it to be in proper order; and

WHEREAS, there has been submitted to the Executive Committee the form of a Bond Purchase Agreement providing for the terms and conditions for the purchase of the Bonds by Renew Financial Group LLC and this Executive Committee, with the aid of its staff, has reviewed the document and found it to be in proper order; and

WHEREAS, there has been submitted to the Executive Committee the form of a Depository and Account Control Agreement providing for the terms and conditions for deposit of assessments which have been subordinated and purchased by Renew Financial Group LLC and this Executive Committee, with the aid of its staff, has reviewed those documents and found them to be in proper order; and

WHEREAS, there has been submitted to the Executive Committee the form of a Professional Services Agreement providing for the terms and conditions for the provision of assessment administration services by David Taussig & Associates, Inc.

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. Authorization of the Issuance of the Bonds. The Executive Committee hereby authorizes the issuance of one or more Series of the Bonds under and pursuant to Chapter 29, the 1915 Act, the Resolution of Issuance and this Resolution in an amount not to exceed \$100,000,000.

Section 2. Approval of Renew Financial Group LLC as Program Administrator. The Executive Committee hereby approves (i) Renew Financial Group LLC as an additional program administrator for the Program; and (ii) the form of Professional Administration Agreement in substantially the form on file with the Secretary of the Executive Committee, together with any changes therein or additions thereto approved by the Executive Director of WRCOG and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes the delivery and performance of the Professional Administration Agreement.

Section 3. Approval of Modification of the WRCOG Program Report. The Executive Committee hereby approves the modification of the WRCOG Program Report to incorporate the amendments to the Program Report presented to the Executive Committee at this meeting.

Section 4. Approval of Forms of Master Indenture and Supplemental Indenture for Residential Property and Indenture for Commercial Property. The Executive Committee hereby approves the form of Master Indenture for residential property in substantially the forms on the file with the Secretary of the Executive Committee, together with any changes therein or additions thereto approved by the Executive Director of WRCOG, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes the Executive Director of WRCOG to enter into any ancillary or supplemental agreements as maybe necessary or for convenience to perform its duties under the Master Indenture. The Executive Committee hereby authorizes and directs the Chair or Vice Chair of the Executive Committee (each, an "Authorized Officer") to execute the final forms of the Master Indenture, and any other related agreements, for an in the name of WRCOG. The Executive Committee hereby authorizes the delivery and performance of the Master Indenture.

The Executive Committee hereby approves the form of the Supplemental Indenture for residential properties in substantially the forms on file with the Secretary of the Executive Committee, together with any changes therein or additions thereto approved by the Executive Director of WRCOG, required for the issuance of each Bond (as such term is defined in the Master Indenture), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes and directs an Authorized Officer to execute the final form of each Supplemental Indenture for and in the name of WRCOG for each series of the Bonds. The Executive Committee hereby authorizes the delivery and performance of each Supplemental Indenture.

The Executive Committee hereby approves the form of the Indenture for commercial properties in substantially the forms on file with the Secretary of the Executive Committee, together with any changes therein or additions thereto approved by the Executive Director of WRCOG, required for the issuance of each Bond (as such term is defined in the Indenture), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes the Executive Director of WRCOG to enter into any ancillary or supplemental agreements as maybe necessary or for convenience to perform its duties under the Indenture. The Executive Committee hereby authorizes and directs an Authorized Officer to execute the final form of each Indenture, and any other related agreements, for and in the name of WRCOG for each series of the Bonds. The Executive Committee hereby authorizes the delivery and performance of each Indenture.

Section 5. Approval of Form of Bond Purchase Agreement. The Executive Committee hereby approves the form of Bond Purchase Agreement in substantially the form on file with the Secretary of the Executive Committee, together with any changes therein or additions thereto approved by the Executive Director of WRCOG and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes the delivery and performance of the Bond Purchase Agreement.

Section 6. Approval of Form of Master Assignment and Assumption Agreement. The Executive Committee hereby approves the form of Master Assignment and Assumption Agreement in substantially the form on file with the Secretary of the Executive Committee, together with any changes therein or additions thereto approved by the Executive Director of WRCOG and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes the delivery and performance of the Master Assignment and Assumption Agreement.

Section 7. Approval of Form of Depository and Account Control Agreement. The Executive Committee hereby approves the form of Depository and Account Control Agreement in substantially the form on file with the Secretary of the Executive Committee, together with any changes therein or additions thereto approved by the Executive Director of WRCOG and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes the delivery and performance of the Depository and Account Control Agreement.

Section 8. Approval of Form of Professional Services Agreement for Assessment Administration Services. The Executive Committee hereby approves to form of Professional Services Agreement with David Taussig & Associates, Inc. in substantially the form on file with the Secretary of the Executive Committee, together with any charges therein or additions thereby approved by the Executive Director of WRCOG and execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes therein or additions. The Executive Committee hereby authorizes the delivery and performance of the Professional Services Agreement.

Section 9. Appointment of Trustee. Wilmington Trust National Association is appointed as Trustee pursuant to each Master Indenture, Indenture and each Supplemental Indenture, to take any and all actions provided for therein to be taken by the Trustee.

Section 10. Amendment of the Resolution of Issuance. Except as expressly provided in Section 2 hereinabove, all terms and conditions of the Resolution of Issuance shall remain in full force and effect.

Section 11. Additional Action. The Executive Director of WRCOG is hereby authorized and directed to approve any other documents related to the Program necessary in the judgment of the Executive Director of WRCOG to conform such documents to the actions taken by the adoption of this Resolution.

Section 12. Effective Date. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on March 6, 2017.

Ben Benoit, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

Item 5.A

PACE Program Activities Update

Attachment 7

WRCOG Energy Efficiency and
Water Conservation Administrative
Guidelines and Program Report
Amended March 2017 - addition of
CaliforniaFIRST

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ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY



ADMINISTRATIVE GUIDELINES AND PROGRAM REPORT

ADOPTED: JUNE 7, 2010 - AMENDED: JANUARY 12, 2011 - AMENDED: JUNE 6, 2011
AMENDED: JULY 29, 2011 - AMENDED: SEPTEMBER 12, 2011 - REVISED OCTOBER 7, 2011
REVISED OCTOBER 11, 2011 - REVISED JUNE 3, 2013 - REVISED FEBRUARY 3, 2014
AMENDED JUNE 9, 2014 - AMENDED AUGUST 4, 2014
AMENDED OCTOBER 6, 2014 – REVISED NOVEMBER 4, 2014
AMENDED DECEMBER 1, 2014 – REVISED APRIL 4, 2016 – REVISED – JUNE 6, 2016 —
AMENDED SEPTEMBER 12, 2016 – REVISED MARCH 6, 2017



PREPARED BY:
Western Riverside Council of Governments
4080 LEMON STREET, 3RD FLOOR
RIVERSIDE, CA 92501
PHONE: (951) 955-7985
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WWW.WRCOG.COG.CA.US



Table of Contents

I.	INTRODUCTION	3
II.	PROGRAM REQUIREMENTS FOR PARTICIPATION IN HERO FINANCING FOR RESIDENTIAL	10
	PROGRAM REQUIREMENT	10
III.	PROGRAM REQUIREMENTS FOR PARTICIPATION IN HERO COMMERCIAL FINANCING FOR COMMERCIAL PROPERTIES	14
IV.	PROGRAM REQUIREMENTS FOR PARTICIPATION IN SAMAS COMMERCIAL FINANCING FOR COMMERCIAL PROPERTIES	18
V.	PROGRAM REQUIREMENTS FOR PARTICIPATING IN RENEW FINANCIAL PACE FINANCING FOR RESIDENTIAL PROPERTIES	22
VI.	PROGRAM REQUIREMENTS FOR PARTICIPATING IN RENEW FINANCIAL OPEN-MARKET COMMERCIAL PACE FINANCING FOR COMMERCIAL PROPERTIES	27
VII.	PROGRAM REQUIREMENTS FOR PARTICIPATING IN STANDARD FINANCING	31
VIII.	APPEAL PROCESS	36
IX.	TRACKS FOR PARTICIPATION	37
X.	PROGRAM PARAMETERS	38
XI.	THE FINANCIAL STRATEGIES	41
X.	GLOSSARY OF TERMS	43

Appendices

APPENDIX A-1	ELIGIBLE IMPROVEMENTS HERO / SAMAS	47
APPENDIX A-2	ELIGIBLE IMPROVEMENTS RENEW FINANCIAL	69
APPENDIX B	– MAP OF AREA	74
APPENDIX C-1	DRAFT ASSESSMENT CONTRACT – HERO RESIDENTIAL	75
APPENDIX C-2	DRAFT ASSESSMENT CONTRACT - SAMAS	90
APPENDIX C-3	DRAFT ASSESSMENT CONTRACT – HERO COMMERCIAL	91
APPENDIX C-4	DRAFT ASSESSMENT CONTRACT – RENEW FINANCIAL RESIDENTIAL	92
APPENDIX C-5	DRAFT ASSESSMENT CONTRCT – RENEW FINANCIAL COMMERCIAL	105



EXHIBITS

EXHIBIT A	158
EXHIBIT B	162
Exhibit C	168
EXHIBIT D	175
EXHIBIT E	179
EXHIBIT F	181



I. INTRODUCTION

This report, as amended, is prepared pursuant to Section 5898.22 and 5898.23 of the California Streets and Highways Code in connection with the establishment of the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County (Program). This is the Guiding Document for the Program and fulfills the Section 5898.22 and 5898.23 requirements and contains:

- A map showing the boundaries of the territory within which contractual assessments are proposed to be offered is provided in Appendix B;
- Draft assessment contracts between an owner of residential or commercial property and WRCOG are provided in Appendix C-1 and C-2, and each assessment contract is incorporated herein in its entirety;
- WRCOG policies required pursuant to Section 5898.22 and 5898.23 concerning contractual assessments are provided in the following Sections:
 - Identification of types of facilities, distributed generation renewable energy sources, or energy or water conservation products that may be financed through the use of contractual assessments are found in Appendix A-1 and A-2 (Section 5898.22(c)(1));
 - Identification of public agency official authorized to enter into voluntary contractual assessments is found in Section I.D (Section 5898.22(c)(2));
 - A maximum aggregate dollar amount of voluntary contractual assessments is found in Section VIII.C. (Section 5898.22(c)(3); and
 - A method for setting requests from property owners for financing through voluntary contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount is found in Section VIII.B;
 - The description of the underwriting requirements for contractual assessments, including the safeguards to ensure that the total annual property tax and assessments on a property participation in the Program, is found in Sections II.A, III.A, IV.A, and V.A (Section 5898.23); and.
- The plans for raising the capital amounts to pay for the work performed are provided in Section IX.
- A report on the results of the consultations with the County auditor's office or County controller's office concerning the additional fees, if any, that will be charged to the city or county for incorporating the proposed voluntary contractual assessments into the assessments of the general taxes of the city or county on real property, and a plan for financing the payment of those fees is found in Section II.D, III.D, IV.D, and V.D.

The Program described herein is designed to help property owners save energy and water, considering that these resources are finite, increasingly costly, and are necessary for the region's future growth and prosperity.

A. BACKGROUND

The Program provides an option for residential, commercial and industrial property owners within participating jurisdictions within Western Riverside County to finance the installation of eligible renewable energy, energy efficiency and water conservation/efficiency products under contractual assessment agreements. Property owners will repay the financing through a contractual assessment levied against their property which is payable through their property tax bills. The terms "residential" and "commercial" as used herein shall have the meanings given such terms in Section X.



In July, 2008, the California Legislature approved Assembly Bill 811 amending Chapter 29 of the Improvement Act of 1911 (Streets and Highways Code Section 5898.12 and following) (Chapter 29), authorizing cities and counties to establish voluntary contractual assessment programs to fund an array of conservation and renewable energy projects proposed by property owners. The California Legislature declared that a public purpose will be served by such programs, giving local governments the authority to finance the installation of distributed generation renewable energy sources – such as solar – and energy efficiency products that are permanently affixed to residential, commercial, industrial, or other real property. To make energy efficiency improvements more affordable and to promote their installation, Chapter 29 provides procedures for authorizing voluntary contractual assessments to finance the cost of these improvements (the term “contractual assessment” as used herein means a “voluntary contractual assessment” as such term is used in Chapter 29).

In October, 2009, the California Legislature approved Assembly Bill 474 further amending Chapter 29, which expands provisions to authorize the legislative body of any public agency, as defined, to determine that it would be in the public interest to designate an area within which authorized city officials and free and willing property owners may enter into contractual assessments to finance the installation of water conservation/efficiency Improvements that are permanently fixed to real property, as specified. The bill modifies its definitions and requires a legislative body to perform additional record keeping duties and provide specified notice to any entity that provides energy or water within the boundaries of the area within which contractual assessments may be entered into.

In September, 2010, the California Legislature approved AB 44 still further amending Chapter 29 to, among other provisions, require that the report required pursuant Section 5898.23 contain (i) a brief description of criteria for determining the underwriting requirements and (ii) safeguards that will be used to ensure that the total annual property tax and assessments on a property participating in a voluntary contractual assessment program will not exceed 5% of the property’s market value.

On June 7, 2010, the WRCOG Executive Committee adopted Resolution 13-10 which formally adopted the Program’s Administrative Guidelines and Program Report in accordance with Chapter 29.

On January 12, 2011, the WRCOG Executive Committee formally adopted Resolution 07-11 which formally amended the Program’s Administrative Guidelines and Program Report to incorporate provisions related to Home Energy Renovation Opportunity (HERO) and the Structured Finance Associates, LLC (Structured Finance) plans for raising capital to pay for the work performed pursuant to certain contractual assessments described herein and to comply with the requirements of AB 44.

On June 6, 2011, the WRCOG Executive Committee formally adopted Resolution 13-11 which formally amended the Program Administrative Guidelines and Program Report to modify the boundaries of the territory within which assistance would be authorized to be provided to property owners to finance the installation of distributed generation renewable energy sources and energy or water efficiency improvements that are permanently affixed to real property by extending such boundaries to include the City of Eastvale and the City of Riverside.



On July 29, 2011, the WRCOG Executive Committee formally amended the Program Administrative Guidelines and Program Report to bifurcate the Program into two separate programs: the HERO Financing Plan for residential properties and the Commercial Energy Retrofit Application Financing Plan (the “CERA Financing Plan”) as for commercial properties.

On September 12, 2011, the WRCOG Executive Committee formally adopted Resolution 06-12 which formally amended the Program Administrative Guidelines and Program Report to modify the boundaries of the territory within which assistance would be authorized to be provided to property owners to finance the installation of distributed generation renewable energy sources and energy or water efficiency improvements that are permanently affixed to real property by extending such boundaries to include the City of Jurupa Valley.

On June 3, 2013, the WRCOG Executive Committee adopted changes to the Program Report to change name of the Commercial Program, offered by Samas Capital, LLC, from CERA Financing to HERO Commercial Financing.

On April 4, 2016, the WRCOG Executive Committee formally adopted Resolution 11-16 which formally amended the Program Administrative Guidelines and Report to provide that the commercial portion of the Program for commercial properties to be administered and financed through Samas Capital, LLC, to be amended from the HERO Financing Plan to the “Samas Commercial.”

On June 6, 2016, the WRCOG Executive Committee formally adopted Resolution 14-16 which formally amended the Program Administrative Guidelines and Report to authorize Renovate America, Inc. (“Renovate America”) to administer and finance the installation of Eligible Products on Commercial Properties through the HERO Commercial portion of the Program.

On June 6, 2016, the WRCOG Executive Committee authorized WRCOG staff to work with additional PACE Providers to allow them to operate under WRCOG’s umbrella for administration and bonding capabilities.

On September 12, 2016, the WRCOG Executive Committee directed and authorized the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include Renew Financial Group LLC (“Renew Financial”) under WRCOG’s PACE umbrella.

B. GOAL

WRCOG will assist property owners of improved real property with making significant investments in the long-term health of the local, state, and national economy and global environment by providing a financing mechanism for eligible renewable energy, energy efficiency, and water conservation/efficiency improvements.

The overall goal of the Program is to retrofit 10% of pre-2000 constructed homes in the subregion and save the region approximately 464 billion Btu’s or 45 million kWhs and assist non-residential property owners with the construction of renewable energy improvements, such as solar photovoltaic systems, that allow the generation of electricity by alternative and renewable resources.



C. PROGRAM BENEFITS

The Program provides multiple benefits by enabling property owners to take responsible energy and conservation actions, and potentially reduce their utility bills. Concurrently, the Program will boost the local economy, maximize the effectiveness of the California power grid and water supply, address protection of national and global energy interests, and make it possible for Western Riverside County to fulfill energy and water conservation/efficiency and climate protection commitments.

From WRCOG's perspective, the Program will be a key element in achieving greenhouse gas reduction and water conservation/efficiency goals. The Program provides a significant tool to provide practical resources in the region's transition to greater energy and water conservation/efficiency and renewable energy. Lower energy and water use translates directly into reduced greenhouse gas emissions and helps secure our energy future.

For property owners, the Program offers:

- Access to financing that may not be readily available through traditional means, such as equity loans
- A low cost means of financing eligible renewable energy, energy efficiency and water conservation/efficiency Products
- Fixed-rate financing over a period not to exceed 25 years for energy efficient and water conservation improvements and not to exceed 30-years for solar generation systems that monitor performance with Renew Financial PACE Financing
- Financing based on a less costly borrower qualification process
- A streamlined financing and repayment process
- Highest set of consumer protections

D. PROGRAM ADMINISTRATION

The WRCOG Executive Director and/or his designee are designated as the Program Administrator and are authorized to enter into contractual assessments on behalf of the participating jurisdictions. The participating jurisdictions initially include the cities of Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Wildomar, Temecula, and the western unincorporated portion of the County of Riverside. Jurisdictions within the Program boundaries that are not currently participating may choose to do so at a later date.

WRCOG's responsibilities will include:

- Community outreach
- Responding to property owner inquiries
- Processing applications
- Managing and tracking available funds
- Tracking individual and collective energy and water conservation/efficiency
- Working and coordinating with participating jurisdictions

The intent of this effort is to provide a "turnkey" service for property owners who would otherwise be unable or unwilling to finance energy and water conservation/efficiency measures and renewable energy options. Their participation is critical for the region to



meet its energy and water conservation/efficiency goals and for the State to meet greenhouse gas commitments to reduce CO2 emissions to 1990 levels by 2020.

E. FINANCING PLANS

There could be up to four different plans of financing for the Program.

- 1) *HERO Residential Financing Plan for Residential Properties*
WRCOG intends to utilize HERO financing provided by Renovate America to finance Eligible Products for residential property owners.
- 2) *HERO Commercial Financing Plan for Commercial Properties*
WRCOG intends to utilize financing provided by Renovate America, Inc. to finance renewable energy projects plus eligible energy efficiency and water conservation products for all types of commercial properties.
- 3) *Samas Commercial Financing Plan for Commercial Properties*
WRCOG intends to utilize financing provided by Samas Capital, LLC to finance renewable energy projects plus eligible energy efficiency and water conservation products for all types of commercial properties.
- 4) *Renew Financial PACE Financing for Residential Properties*
WRCOG intends to utilize financing provided by Renew Financial to finance renewable energy projects plus eligible energy efficiency and water conservation products for all types of residential properties.
- 5) *Renew Financial Open-Market Commercial PACE Financing for Commercial Properties*
WRCOG intends to utilize financing facilitated by Renew Financial to finance renewable energy projects plus eligible energy efficiency and water conservation products for all types of commercial properties.
- ~~76)~~ *Standard Financing Plan*
WRCOG further intends to preserve the ability to issue other municipal bonds pursuant to Chapter 29 to finance Eligible Products for residential and commercial properties not encompassed by ~~the HERO and SAMAS Financing Plans~~ any of the above listed financing plans when the Program launches.

F. CHANGES TO REPORT

The Program Administrator may make changes to this Report determined as reasonable and necessary to clarify its provisions, to effectuate the purposes of the Program or to conform the Program to applicable federal or state law or regulations. Any changes to this Report that materially modify the Program shall only be made after approval by the WRCOG Executive Committee, except as specifically otherwise stated herein. Any changes to the Report will not affect the amounts payable under existing Assessment Contracts between a property owner and WRCOG.

The Program Administrator may modify from time to time the Eligible Products List and Sample Assessment Contract and Application attached hereto as Appendix A-1 and A-2 and Appendix C-1 and C-2, respectively, as deemed reasonable and necessary to effectuate the goal and purposes of the Program.



G. ENERGY AND/OR WATER AUDITS

Residential Properties: Energy and/or water audits of the home are highly recommended but not required. By participating in the Program, the property owner is investing in the future by making improvements to its property that will lead to renewable energy production, reduced energy or water usage, and reduced greenhouse gas emissions. The property owner is also making a financial investment; this decision should be made based on both the energy and/or water conservation/efficiency benefits, and the cost effectiveness of the Eligible Products. WRCOG staff recommends that property owners have an energy and/or water audit to assess water conservation/efficiency, energy efficiency, and renewable energy opportunities for the property.

On-site audits by trained professionals can provide the property owner valuable information on how to maximize energy savings for the dollars invested. The auditor will make an on-site inspection of the property, evaluate the condition of the building, and recommend an energy or water savings priority list which will provide the greatest benefit for the money invested. These audits also provide valuable data on energy usage, water conservation/efficiency, potential savings and GHG emissions reductions, all of which are goals of WRCOG. Costs incurred to conduct onsite audits or surveys can be included in the application for financing. Residential property owners can also obtain an on-site survey by hiring a Building Performance Institute ("BPI") building analyst, Home Energy Rating System ("HERS") rater, or equivalent.

Online surveys can be conducted through Southern California Edison's (SCE) website [<http://www.sce.com>]. Property owners can also check with their local utility and/or water provider to see if free audits are available. Contact information is provided for:

City of Banning: (951) 922-3260
City of Corona: (951) 736-2234
City of Riverside: (951) 782-0330
Elsinore Valley Municipal Water District: (951) 674-3146
Rancho California Water District: (951) 296-6900
Eastern Municipal Water District: (951) 928-3777
Western Municipal Water District: (951) 789-5000
Beaumont Cherry Valley Water District: (951) 845-9581
Jurupa Community Services District: (951) 685-7434
Lee Lake Water District: (951) 277-1414

Commercial Properties: On-site energy and/or water audits are highly recommended but not required for commercial properties. If the local utility offers a free, on-site energy evaluation or audit, commercial properties ~~must~~should complete such energy evaluation or audit prior to applying to the Program. Costs incurred to conduct on-site audits or surveys can be included in the application for financing.

Contact information is provided for:

City of Banning: (951) 922-3260
City of Corona: (951) 736-2234
City of Riverside: (951) 782-0330
Elsinore Valley Municipal Water District: (951) 674-3146
Rancho California Water District: (951) 296-6900



Eastern Municipal Water District: (951) 928-3777
Western Municipal Water District: (951) 789-5000
Beaumont Cherry Valley Water District: (951) 845-9581
Jurupa Community Services District: (951) 685-7434
Lee Lake Water District: (951) 277-1414



II. PROGRAM REQUIREMENTS FOR PARTICIPATION IN HERO FINANCING FOR RESIDENTIAL

If HERO financing is provided for the Program by Renovate America, Inc., the following eligibility requirements will apply to HERO financing applicants:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of residential property which pays real property taxes. Certain eligibility criteria must be satisfied and financing may be approved only if the all of the following criteria are met. This criteria is consistent with meeting the California Alternative Energy and Advanced Transportation Finance Authority (CAEATFA) PACE Loss Reserve Program:

- Property owner(s) must be the property owner(s) of record.
- Property owner(s) must be current on their property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property taxes more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt of the subject property at the time of application and cannot have had more than one 30 day mortgage late payment over the prior 12 months.
- Property must not have any liens other than lender debt or liens recorded by community facilities districts or similar financing districts.
- The property is not subject to any notices of default.
- Property owner(s) have not been involved in a bankruptcy proceeding during the past seven (7) years and the property may not currently be an asset in a bankruptcy proceeding; provided, however, that if the bankruptcy is more than two years old, and if the property owner has no additional late payments more than 60 days past due in the last 24 months, the property owner may be approved.
- Mortgage-related debt on the property must not exceed 90% of the value of the property. For projects funding on or after January 1, 2015, the maximum assessment amount shall not exceed the lesser of (a) than 15% on the first \$700,000 value of the property and, if applicable, less than 10% of any value of the property thereafter or (b) a combined mortgage and Assessment Contract amount of 100% of the value of the property. For projects funding prior to January, 2015, the maximum assessment amount shall not exceed the lesser of (a) less than 10% of the value of the property or (b) a combined mortgage and Assessment Contract amount of 100% of the value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.

Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Property owners may make more than one application for funding under the Program if additional energy and water improvements are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

Manufactured homes or mobile homes on a permanent foundation pursuant to Health & Safety Code Section 18551, and the owner of the manufactured home or mobile home



owns the underlying land upon which the manufactured home or mobile home has been installed, and such manufactured home or mobile home is subject to the payment of real property taxes (not DMV fees nor personal property taxes) are eligible. Mobile homes not meeting the foregoing requirements are not eligible to participate in the Program. Condominium owners and/or property owners with properties subject to HOA regulations are solely responsible for (a) determining (i) if the proposed Eligible Products are authorized to be installed on such owners' properties and (ii) if the installation of such Eligible Products requires the approval or authorization from the applicable association and (b) applying for and obtaining such approval or authorization, if applicable. Such owners may, upon request by the Program Administrator or any financing provider, be required to provide written authorization from the condominium or HOA management or association stating that the applicant is authorized to install certain Eligible Products under the CC&R's or other governing documents.

The eligibility requirements for HERO financing may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirements.

B. ELIGIBLE PRODUCTS

The Program affords property owners in Western Riverside County the opportunity to take advantage of a wide range of eligible renewable energy systems and energy-savings and water conservation/efficiency products, consistent with the following provisions:

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy. However, the Program is also available for purchasers of new homes and businesses that wish to add eligible energy efficiency, renewable energy, and water conservation/efficiency Products to such homes after taking title of the property.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:
 - a. Water Conservation/Efficiency
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Approved Custom Products
4. The property owner must ensure that any and all permits required by the jurisdiction for the installation of the Eligible Products are acquired.
5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency and renewable energy improvements. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets, and install a photovoltaic system as part of a single project.



C. ELIGIBLE COSTS

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges.

The cost of installation of Eligible Products shall be eligible to be financed under the HERO Financing Plan only if such installation is completed by a contractor that is registered with the Program or by the property owner if self-installing subject to the limitation in the last sentence of this paragraph. A list of contractors that are registered with the Program shall also be located on the Program website; however, WRCOG will not make recommendations for contracting assistance. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

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

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by Program staff, and may be reviewed by the Program Administrator.

All available public utility, federal and state rebates should be deducted from the assessment amount at the time of financing. State or federal tax credits and performance-based incentives such as the CSI PBI rebate do not need to be deducted from the assessment amount, but property owners may wish to consider these additional benefits in determining the amount of their financing request.

D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section II.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request, not to exceed 7%. In addition, there are six other costs that are not covered in the expense component and will be borne by the property owners, however, may be waived by Renovate America. These costs include:



1. An application fee may be required and will not exceed \$100.00 per application or the actual cost of processing the application, whichever is less. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated.
2. Title and recording costs, including title insurance, where required, will be paid by the property owner.
3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.
6. The Program may offer multiple disbursements for assessments in excess of \$50,000 if feasible. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee not to exceed \$150 and an inspection fee not to exceed \$300 per partial disbursement; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The Program will allow for up to two partial disbursements, if available, plus the final payment, as is appropriate for the particular assessment. A draft Assessment Contract is provided in Appendix C of this report.



III. PROGRAM REQUIREMENTS FOR PARTICIPATION IN HERO COMMERCIAL FINANCING FOR COMMERCIAL PROPERTIES

If financing is provided for the Program by Renovate America, Inc. for commercial properties, the following eligibility requirements will apply:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

HERO Commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, and water conservation improvements, using Renovate America financing.

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. Certain eligibility criteria must be satisfied and financing may be approved only if all of the following criteria are met:

- Applicant property owner(s) must be the property owner(s) of record.
- Mortgage debt lender(s) have given consent to Program financing, exempting projects that are 4-units.
- Property owner(s) must be current on property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if the property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, assessment contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Property must not have any liens other than lender debt or liens recorded by community facility districts or similar financing districts.
- Eligible Product costs are reasonable in relation to property value. Proposed Eligible Products must not exceed 20% of the market value of the property.
- Mortgage-related debt on the property plus the principal amount of the contractual assessment does not exceed 90% of the market value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.

Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Program financing may, however, be available to such properties if assessments levied on such properties may be placed on the tax roll. Property owners may make more than one application for funding under the Program if additional energy and water



improvements are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

The eligibility requirements for HERO Commercial financing may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirements.

B. ELIGIBLE PRODUCTS

The Program affords commercial property owners in Western Riverside County the opportunity to take advantage of a wide range of energy-savings and water conservation/efficiency measures, consistent with the following provisions:

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy. However, the Program is also available for purchasers of new businesses that wish to add eligible energy efficiency, renewable energy, and water conservation/efficiency Products to such homes or businesses after taking title to the property.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:
 - a. Water Conservation/Efficiency Eligible Products
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Approved Custom Eligible Products
4. The property owner must ensure that any and all permits required by the jurisdiction for the installation of the Eligible Products are acquired,
5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency and renewable energy measures. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets and install a photovoltaic system as part of a single project.

C. ELIGIBLE COSTS

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges.

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program or by the property owner is self-installing subject to the limitation in the last sentence of this paragraph. A list of contractors registered with the Program shall also be located on the Program website; however, WRCOG will not make recommendations for contracting



assistance. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

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

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by Program staff, and may be reviewed by the Program Administrator.

All available reservation rebates will be deducted from the assessment amount at the time of financing. State or federal tax credits and performance-based incentives such as the CSI PBI rebate will not be deducted from the assessment amount, but property owners may wish to consider these additional benefits in determining the amount of their financing request.

D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section III.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request, not to exceed 7%. In addition, there are six other costs that are not covered in the expense component and will be borne by the property owners. These costs include:

1. An application fee may be required and will not exceed the greater of \$250 or one percent (1%) of the financing amount per application for commercial properties; provided however, such fee may not exceed the actual cost of processing the application. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by Renovate America.
2. Title and recording costs, including title insurance, where required, will be paid by the property owner.



3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Environmental Reports and/or appraisals, as required by the Program.
6. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.
7. The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C of this report.



IV. Program Requirements for Participation in SAMAS Commercial Financing for Commercial Properties

If financing is provided for the Program by Samas Capital, LLC for commercial properties, the following eligibility requirements will apply:

A. *ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES*

SAMAS Commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, and water conservation improvements, using Samas Capital financing.

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. Certain eligibility criteria must be satisfied and financing may be approved only if all of the following criteria are met:

- Applicant property owner(s) must be the property owner(s) of record.
- Mortgage debt lender(s) have given consent to Program financing, exempting projects that are 4-units.
- Property owner(s) must be current on property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if the property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, assessment contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Property must not have any liens other than lender debt or liens recorded by community facility districts or similar financing districts.
- Eligible Product costs are reasonable in relation to property value. Proposed Eligible Products must not exceed 20% of the market value of the property.
- Mortgage-related debt on the property plus the principal amount of the contractual assessment does not exceed 90% of the market value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.

Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Program financing may, however, be available to such properties if assessments levied on such properties may be placed on the tax roll. Property owners may make more than one application for funding under the Program if additional energy and water



improvements are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

The eligibility requirements for SAMAS Commercial financing may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirements.

B. ELIGIBLE PRODUCTS

The Program affords commercial property owners in Western Riverside County the opportunity to take advantage of a wide range of energy-savings and water conservation/efficiency measures, consistent with the following provisions:

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy. However, the Program is also available for purchasers of new businesses that wish to add eligible energy efficiency, renewable energy, and water conservation/efficiency Products to such homes or businesses after taking title to the property.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:
 - a. Water Conservation/Efficiency Eligible Products
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Approved Custom Eligible Products
4. The property owner must ensure that any and all permits required by the jurisdiction for the installation of the Eligible Products are acquired,
5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency and renewable energy measures. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets and install a photovoltaic system as part of a single project.

C. Eligible Costs

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges.

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program or by the property owner is self-installing subject to the limitation in the last sentence of this paragraph. . A list of contractors registered with the Program shall also be located on the Program website; however, WRCOG will not make recommendations for contracting



assistance. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

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

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by Program staff, and may be reviewed by the Program Administrator.

All available reservation rebates will be deducted from the assessment amount at the time of financing. State or federal tax credits and performance-based incentives such as the CSI PBI rebate will not be deducted from the assessment amount, but property owners may wish to consider these additional benefits in determining the amount of their financing request.

D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section IV.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request, not to exceed 7%. In addition, there are six other costs that are not covered in the expense component and will be borne by the property owners. These costs include:

1. An application fee may be required and will not exceed the greater of \$250 or one percent (1%) of the financing amount per application for commercial properties; provided however, such fee may not exceed the actual cost of processing the application. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by SAMAS Capital.
2. Title and recording costs, including title insurance, where required, will be paid by the property owner.



3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Environmental Reports and/or appraisals, as required by the Program.
6. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.
7. The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C of this report.



V. Program Requirements for Participating in Renew Financial PACE Financing for Residential Properties

If financing is provided for the Program by Renew Financial for residential properties, the following eligibility requirements will apply:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

For residential properties:

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of residential property which pays real property taxes. Certain eligibility criteria must be satisfied and financing may be approved only if the all of the following criteria are met. This criteria is consistent with meeting the California Alternative Energy and Advanced Transportation Finance Authority (CAEATFA) PACE Loss Reserve Program:

- Property owner(s) must be the property owner(s) of record.
- Property owner(s) must be current on their property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property taxes more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt of the subject property at the time of application and cannot have had more than one 30 day mortgage late payment over the prior 12 months.
- Property must not have any liens other than lender debt or liens recorded by community facilities districts or similar financing districts.
- The property is not subject to any notices of default or foreclosure in the past 2 years.
- Property owner(s) have not been involved in a bankruptcy proceeding during the past seven (7) years and the property may not currently be an asset in a bankruptcy proceeding; provided, however, that if the bankruptcy is more than two years old, and if the property owner has no additional late payments more than 60 days past due in the last 24 months, the property owner may be approved.
- Mortgage-related debt on the property must not exceed 90% of the value of the property. The maximum assessment amount shall not exceed the lesser of (a) than 15% on the first \$700,000 value of the property and, if applicable, less than 10% of any value of the property thereafter or (b) a combined mortgage and Assessment Contract amount of 100% of the value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.
- Minimum financing amount is \$5,000 and the maximum financing amount is \$250,000.

Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Property owners may make more than one application for funding under the Program if additional energy and water Eligible Products are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.



Manufactured homes or mobile homes on a permanent foundation pursuant to Health & Safety Code Section 18551, and the owner of the manufactured home or mobile home owns the underlying land upon which the manufactured home or mobile home has been installed, and such manufactured home or mobile home is subject to the payment of real property taxes (not DMV fees nor personal property taxes) are eligible. Mobile homes not meeting the foregoing requirements are not eligible to participate in the Program. Condominium owners and/or property owners with properties subject to HOA regulation are solely responsible for (a) determining (i) if the proposed Eligible Products are authorized to be installed on such owners' properties and (ii) if the installation of such Eligible Products requires the approval or authorization from the applicable association and (b) applying for and obtaining such approval or authorization, if applicable. Such owners may, upon request by the Program Administrator, need to provide written authorization from the condominium management or association stating that the applicant is authorized to install certain Eligible Products under the CC&R's or other governing regulations.

These eligibility regulations may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirement.

B. ELIGIBLE PRODUCTS

The Program affords property owners in Western Riverside County the opportunity to take advantage of a wide range of eligible energy-savings and water conservation/efficiency improvements, consistent with the following provisions:

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy. However, the Program is also available for purchasers of new homes and businesses that wish to add eligible energy efficiency, renewable energy, and water conservation/efficiency Products to such homes after taking title of the property.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A-2 of the report. Broadly, these include:
 - a. Water Conservation/Efficiency
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Approved Custom Products
4. The property owner must ensure that any and all permits required by the jurisdiction for the installation of the Eligible Products are acquired.
5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency and renewable energy improvements. For instance, a property owner may choose to replace an aging and



inefficient furnace, install weather stripping, install low flow toilets, and install a photovoltaic system as part of a single project.

The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C of this report.

C. ELIGIBLE COSTS

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges.

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program ~~or by the property owner is self-installing subject to the limitation in the last sentence of this paragraph.~~ A list of contractors that are registered with the Program will be located on various Provider's website; however, WRCOG will not make recommendations for contracting assistance. ~~Eligible costs do not include labor costs for property owners that elect to do the work themselves.~~

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

WRCOG staff will evaluate conditions in the construction and installation market for the Eligible Products and may require the property owner to obtain additional bids to determine whether costs for the proposed Eligible Products are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by WRCOG, and may be reviewed by the Program Administrator.

~~Only CSI-EPBB rebates will be deducted from the assessment amount.~~ No other rebates will be deducted from the assessment amount, except upon written request by the property owner. If the property owner requests the deduction of a rebate that later becomes unavailable, this request is at the property owner's risk. State or federal tax credits and performance-based incentives ~~such as the CSI PBI rebate~~ will not be deducted from the assessment amount, but property owners may wish to consider these additional benefits in determining the amount of their financing request.



D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section V.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request, not to exceed 7%. In addition, an assessment loss reserve (not to exceed 10% and to be added to the assessment amount) may be required by bond holders or other investors. If available, the assessment loss reserve will be applied to payments at the end of the financing term. However, there are six other costs that are not covered in these expense and reserve components and will be borne by the property owners. These costs include:

1. An application fee will be required and will not exceed \$100 per application for residential properties and will not exceed the greater of \$250 or one percent (1%) of the financing amount per application for commercial properties' provided, however, such fees shall not exceed the actual cost to process the applicable application. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by the Provider.
2. Title and recording costs, including title insurance, where required, will be paid by the property owner.
3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed energy efficiency, water efficiency, and/or renewable generation systems were actually installed prior to funding; provided, however, that such fee may not exceed the actual cost to undertake such validation.
6. If the property owner desires to have multiple disbursements (only on Eligible Products in excess of \$50,000), the multiple disbursements will be subject to an additional processing fee not to exceed \$150 and an inspection fee not to exceed \$300 per partial disbursement, provided, however, that such fee may not exceed the



actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The Program will allow for up to two partial disbursements plus the final payment, as is appropriate for the particular assessment. A draft Assessment Contract is provided in Appendix C-2 of this report.



VI. Program Requirements for Participating in Renew Financial Open-Market Commercial PACE Financing for Commercial Properties

If financing is provided by the Renew Financial Open-Market Commercial PACE Financing for commercial properties, Renew Financial Group LLC will work with a variety of investors to provide financing on projects, including investors that a property owner or contractor may identify who are eligible based on regulatory rules and legal requirements. The advantage of open-market financing is that property owners may choose which investor they wish to work with based on financing terms or relationship. Each investor may use additional underwriting criteria, but at a minimum the following eligibility requirements will apply:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. Certain eligibility criteria must be satisfied and financing may be approved only if all of the following criteria are met:

- ☐ Applicant property owner(s) must be the property owner(s) of record.
- ☐ Mortgage debt lender(s) have given consent or acknowledgement to Program financing.
- ☐ Property owner(s) must be current on property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- ☐ Property owners must be current on all property debt for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if the property has been owned less than six (6) months by the current owner(s)), through funding.
- ☐ Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- ☐ All individual property owners must sign the application, assessment contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required. For properties owned by trusts, trust documents listing trustees are required.
- ☐ Eligible Product costs are reasonable in relation to property value. Typically, Eligible Products must not exceed 20% of the market value of the property, although there may be significantly greater leverage allowed where the property owner presents suitable creditworthiness.
- ☐ Mortgage-related debt on the property plus the principal amount of the contractual assessment does not exceed 90% of the market value of the property.
- ☐ The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.



- Minimum financing is limited by demand by open-market investors. The current minimum amount of financing is \$200,000. Amounts between \$50,000 - \$199,999 maybe eligible for financing based on investor demand.

Renew Financial may allow for exceptions to the underwriting criteria where there is evidence that the property is otherwise suitable for financing.

Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Program financing may, however, be available to such properties if assessments levied on such properties may be placed on the tax roll. Property owners may make more than one application for funding under the Program if additional energy and water improvements are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

The eligibility requirements for Renew Financial Open-Market Commercial PACE financing may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirements.

B. ELIGIBLE PRODUCTS

The Program affords commercial property owners in Western Riverside County the opportunity to take advantage of a wide range of energy-savings and water conservation/efficiency measures, consistent with the following provisions:

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy. However, the Program is also available for purchasers of new businesses that wish to add eligible energy efficiency, renewable energy, and water conservation/efficiency Products to such properties after taking title.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing for Eligible Products specified in Appendix A-2 of the report. Broadly, these include:
 - a. Water Conservation/Efficiency Eligible Products
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Approved Custom Eligible Products

Custom measures proposed by the property owner are available so long as they conform to law and Renew Financial can place the project financing with a qualified investor.

4. The property owner must ensure that any and all permits required by the jurisdiction for installation of the Eligible Products are acquired.



5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency and renewable energy measures. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets and install a photovoltaic system as part of a single project.

C. Eligible Costs

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges.

Property owners who elect to engage in broader projects – such as business remodeling – may only receive Program financing for that portion of the cost related to renewable energy, energy efficiency and water conservation/efficiency improvements.

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by Program staff, and may be reviewed by the Program Administrator.

D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section IV.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request and listed in the closing statement to the property owner prior to execution of the Assessment Contract. In addition, there are six other costs that are not covered in the expense component and will be borne by the property owners. These costs include:

1. An application fee may be required and will not exceed the greater of \$250 or one percent (1%) of the financing amount per application for commercial properties; provided however, such fee may not exceed the actual cost of processing the application. The owner may be reimbursed this cost in the financing. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by Renew Financial.
2. Title and recording costs, including title insurance, where required, will be paid by the property owner.



3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed energy efficiency, water efficiency, and/or renewable generation systems were actually installed prior to funding; provided, however, that such fee may not exceed the actual cost to undertake such validation. Onsite validation fees, if required, shall be identified prior to the execution of the assessment contract and the property owner may elect to include them in the financing or pay them outside of the transaction.
6. Environmental Reports and/or appraisals, as required by the Program.
7. The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C-2 of this report.

7



V.VII. Program Requirements for Participating in Standard Financing

If financing for the Program (or a particular group of applicants within the Program) is provided through the issuance of municipal bonds other than through the HERO, Samas, or Renew Financial PACE-Financing Plans, the following Program requirements will apply:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

For residential properties:

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of residential property which pays real property taxes. Certain eligibility criteria must be satisfied and financing may be approved only if the all of the following criteria are met. This criteria is consistent with meeting the California Alternative Energy and Advanced Transportation Finance Authority (CAEATFA) PACE Loss Reserve Program:

- Property owner(s) must be the property owner(s) of record.
- Property owner(s) must be current on their property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property taxes more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt of the subject property at the time of application and cannot have had more than one 30 day mortgage late payment over the prior 12 months.
- Property must not have any liens other than lender debt or liens recorded by community facilities districts or similar financing districts.
- Property owner(s) have not been involved in a bankruptcy proceeding during the past seven (7) years and the property may not currently be an asset in a bankruptcy proceeding; provided, however, that if the bankruptcy is more than two years old, and if the property owner has no additional late payments more than 60 days past due in the last 24 months, the property owner may be approved.
- Mortgage-related debt on the property must not exceed 90% of the value of the property. The maximum assessment amount shall not exceed the lesser of (a) than 15% on the first \$700,000 value of the property and, if applicable, less than 10% of any value of the property thereafter or (b) a combined mortgage and Assessment Contract amount of 100% of the value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.

For Commercial properties:

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. Certain eligibility criteria must be satisfied and financing may be approved only if all of the following criteria are met:



- Applicant property owner(s) must be the property owner(s) of record.
- Mortgage debt lender(s) have given consent to Program financing.
- Property owner(s) must be current on property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property tax more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt for a period of six (6) months prior to the application, including no payment defaults or technical defaults (or since purchase if the property has been owned less than six (6) months by the current owner(s)), through funding.
- Property owner(s) or their affiliated companies have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding.
- All individual property owners must sign the application, assessment contract and all required notices. For properties owned by corporations, LLC's or LLP's, signatures by authorized representatives and/or corporate resolutions are required.
- Property must not have any liens other than lender debt or liens recorded by community facility districts or similar financing districts.
- Eligible Product costs are reasonable in relation to property value. Proposed Eligible Products must not exceed 20% of the market value of the property.
- Mortgage-related debt on the property plus the principal amount of the contractual assessment does not exceed 90% of the market value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.

Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Property owners may make more than one application for funding under the Program if additional energy and water Eligible Products are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

Manufactured homes or mobile homes on a permanent foundation pursuant to Health & Safety Code Section 18551, and the owner of the manufactured home or mobile home owns the underlying land upon which the manufactured home or mobile home has been installed, and such manufactured home or mobile home is subject to the payment of real property taxes (not DMV fees nor personal property taxes) are eligible. Mobile homes not meeting the foregoing requirements are not eligible to participate in the Program. Condominium owners and/or property owners with properties subject to HOA regulation are solely responsible for (a) determining (i) if the proposed Eligible Products are authorized to be installed on such owners' properties and (ii) if the installation of such Eligible Products requires the approval or authorization from the applicable association and (b) applying for and obtaining such approval or authorization, if applicable. Such owners may, upon request by the Program Administrator, need to provide written authorization from the condominium management or association stating that the applicant is authorized to install certain Eligible Products under the CC&R's or other governing regulations.



These eligibility regulations may be clarified as deemed necessary by the Program Administrator without amending the Administrative Guidelines and Program Report if such clarification will not result in a substantial revision of such eligibility requirement.

B. ELIGIBLE PRODUCTS

The Program affords property owners in Western Riverside County the opportunity to take advantage of a wide range of eligible energy-savings and water conservation/efficiency improvements, consistent with the following provisions:

The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy. However, the Program is also available for purchasers of new homes and businesses that wish to add eligible energy efficiency, renewable energy, and water conservation/efficiency Products to such homes after taking title of the property.

2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:
 - a. Water Conservation/Efficiency
 - b. Energy Efficiency Eligible Products
 - c. Renewable Energy Systems
 - d. Approved Custom Products
4. The property owner must ensure that any and all permits required by the jurisdiction for the installation of the Eligible Products are acquired.
5. Financing is also available for projects that combine Eligible Products, such as bundling of water conservation/efficiency, energy efficiency and renewable energy improvements. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets, and install a photovoltaic system as part of a single project.

The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C of this report.

C. ELIGIBLE COSTS

Eligible costs of the improvements include the cost of equipment and installation. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges.



The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program or by the property owner is self-installing subject to the limitation in the last sentence of this paragraph. A list of contractors that are registered with the Program will be located on various Provider's website; however, WRCOG will not make recommendations for contracting assistance. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

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

WRCOG staff will evaluate conditions in the construction and installation market for the Eligible Products and may require the property owner to obtain additional bids to determine whether costs for the proposed Eligible Products are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited to an amount determined reasonable by WRCOG, and may be reviewed by the Program Administrator.

Only CSI-EPBB rebates will be deducted from the assessment amount. No other rebates will be deducted from the assessment amount, except upon written request by the property owner. If the property owner requests the deduction of a rebate that later becomes unavailable, this request is at the property owner's risk. State or federal tax credits and performance-based incentives such as the CSI PBI rebate will not be deducted from the assessment amount, but property owners may wish to consider these additional benefits in determining the amount of their financing request.

D. ADMINISTRATIVE COSTS/FEES

As required pursuant to Section 5898.22 of Chapter 29, WRCOG met and consulted with the staff of the County Auditor-Controller's office on March 29, 2010 concerning the additional fees, if any, that will be charged to WRCOG for incorporating the proposed contractual assessments into the assessments of the general taxes on real property. The consultations revealed that the Auditor-Controller will charge WRCOG the same fees applicable to other fixed charges to be placed on the secured property tax roll as are established from time to time by the Board of Supervisors. The payment of such fees shall be included as a part of annual assessment administration and collection costs which will be added each year to the annual assessment on property tax bills. Such annual administration and collection costs are described below and in Section V.D.

The Program will cover all or a portion of its costs through an expense component to be added to the amount of the financing request, not to exceed 7%. In addition, an assessment loss reserve (not to exceed 10% and to be added to the assessment amount) may be required by bond holders or other investors. If available, the assessment loss reserve will be applied to payments at the end of the financing term. However, there are six other costs that are not covered in these expense and reserve components and will be borne by the property owners. These costs include:



1. An application fee will be required and will not exceed \$100 per application for residential properties and will not exceed the greater of \$250 or one percent (1%) of the financing amount per application for commercial properties' provided, however, such fees shall not exceed the actual cost to process the applicable application. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by the Provider.
2. Title and recording costs, including title insurance, where required, will be paid by the property owner.
3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.
4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.
5. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed energy efficiency, water efficiency, and/or renewable generation systems were actually installed prior to funding; provided, however, that such fee may not exceed the actual cost to undertake such validation.
6. If the property owner desires to have multiple disbursements (only on Eligible Products in excess of \$50,000), the multiple disbursements will be subject to an additional processing fee not to exceed \$150 and an inspection fee not to exceed \$300 per partial disbursement, provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The Program will allow for up to two partial disbursements plus the final payment, as is appropriate for the particular assessment. A draft Assessment Contract is provided in Appendix C of this report.



VI.

VII.VIII. APPEAL PROCESS

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

1. The parties who are participating in the Program shall attempt in good faith to promptly resolve any dispute arising out of or relating to any Assessment Contract under the Program by negotiations between the Program Administrator or his or her designated representative and the Property Owner.
2. Either party may give the other party or parties written notice (sent by certified mail) of any dispute. Within thirty (30) calendar days after delivery of the notice, the WRCOG Executive Director and the Property Owner shall meet at a mutually acceptable time and place, and shall attempt to resolve the dispute.
3. If the matter has not been resolved within thirty (30) calendar days of the first meeting, any party may pursue other remedies, including mediation. All negotiations and any mediation conducted pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations, to which Section 1152.5 of the California Evidence Code shall apply, and Section 1152.5 is incorporated herein by reference.
4. Notwithstanding the foregoing provisions, a party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo. Each party is required to continue to perform its obligations under the Assessment Contract pending final resolution of any dispute arising out of or relating to the Assessment Contract.

Property Owners who have not signed a formal assessment contract but who wish to dispute decision(s) made by ~~the~~ WRCOG shall use a similar process.

1. Written notice may be sent by certified mail to WRCOG at 4080 Lemon Street, 3rd Floor, Riverside, CA 92501. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), the section in the Handbook that the issue(s) pertain(s) to, and a timeline of events.
2. Within thirty (30) calendar days after delivery of the notice, the Program Administrator shall meet at the headquarters of WRCOG office in Riverside with the Property Owner, and shall attempt to resolve the dispute.

The decision of the Program Administrator shall render a written decision in 30 calendar days and send that decision to the Property Owner. The decision of the Program Administrator is final.



VIII.IX. Tracks for Participation

There are four categories of improvements under which property owners may participate in this Program. Minimum energy efficiency specifications are set at EnergyStar, California Title 24 and Title 20, and WaterSense standards, as applicable among other equivalent rating agencies. Efficiency standards will “ratchet-up” with EnergyStar, WaterSense, California Title 24 and Title 20 standards, or other new standards as may be appropriate and as agreed upon by WRCOG Executive Committee. A complete list of Eligible Products can be found in Appendix A-1 and A-2.

a. **WATER CONSERVATION/EFFICIENCY**

Water Conservation/Efficiency covers a wide range of water conserving fixtures, including but not limited to, low flow toilets, low flow shower heads, and irrigation controllers.

b. **ENERGY EFFICIENCY**

Energy Efficiency covers a wide range of energy efficiency fixtures including, but not limited to, windows and doors, attic insulation, and HVAC equipment that are rated by EnergyStar or an equivalent rating agency rated. Most Eligible Products in this category must meet specified minimum efficiencies.

c. **RENEWABLE ENERGY**

Solar Systems cover solar energy generation, and solar hot water systems, and solar pool heating systems. Small wind turbines, fuel cell system, and advanced energy storage may also be eligible under this category.

d. **CUSTOM PRODUCTS**

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

Applicants wishing to install a Custom Product must provide a written explanation describing the improvement as well as how the improvement increases energy efficiency, increases water conservation/efficiency and/or produces renewable energy. The Program will then determine what documentation is required to submit an application for the proposed Custom Products. Custom Products will be eligible if approved by the WRCOG Executive Committee. The Applicant will be expected to bear the cost of such consultation. Cost reimbursement and estimates will be discussed with the Applicant before the project is reviewed.



IX.X. PROGRAM PARAMETERS

MINIMUM ENERGY FINANCING AMOUNT AND DURATION OF ASSESSMENT

For HERO (Residential and Commercial) and Samas Commercial - Assessment Contracts are available for up to 25-year terms to accommodate a wide range of efficiency measures and renewable energy investments for residential and commercial. The minimum amount for an Assessment Contract is \$5,000. All residential and commercial assessment contracts are subject to a 5-, 10-, 15-, 20-year, or 25- assessment repayment period, as requested by the property owner and agreed to by the Program Administrator and/or his designee. Assessment repayment periods cannot exceed the estimated reasonable useful life of the installed improvement(s). Solar PV systems may have a 20- or 25-year assessment repayment period. The WRCOG Executive Committee reserves the right to approve a 25-year assessment repayment period for other residential and commercial property Eligible Products if deemed appropriate or amend the minimum energy financing amount and duration of assessment.

For Renew Financial PACE Programs (Residential and Commercial) - Assessment Contracts are available for up to 30-year terms to accommodate a wide range of efficiency measures and renewable energy investments for residential and commercial. The minimum amount for the Residential Assessment Contract is \$5,000. All residential and commercial assessment contracts are subject to a 5-, 10-, 15-, 20-, 25-, or 30-year* assessment repayment period, as requested by the property owner and agreed to by the Program Administrator and/or his designee. Assessment repayment periods cannot exceed the estimated reasonable useful life of the installed improvement(s). Solar PV systems may have a 20-, 25-, or 30-year* assessment repayment period. The WRCOG Executive Committee reserves the right to approve a 25-year assessment repayment period for other residential and commercial property Eligible Products if deemed appropriate or amend the minimum energy financing amount and duration of assessment.

*30-year terms are available solely for projects including solar generation systems that monitor performance within the Renew Financial PACE Financing Plan for Residential Properties. Renew Financial Open-Market Commercial PACE financing for Commercial Properties facilitates 30-year terms for solar generation systems plus other technologies with expected useful lives of 30+ years.

PRIORITY IN APPLICATION PROCESSING

In the case where upfront funding is available, complete and eligible applications will be processed on first-come, first-served basis until funds are no longer available. Once funds are no longer available, additional applications may be placed on a waitlist.

MAXIMUM PORTFOLIO

The maximum aggregate dollar amount of contractual assessments available under the Program is \$3 billion. If this amount is exceeded, WRCOG may, in its sole discretion, pass a resolution to increase the maximum aggregate dollar amount of contractual assessments.



ASSESSMENT INTEREST RATE

Any changes to interest rates proposed by any Program Administrator shall be subject to the approval of the Executive Director and/or Executive Committee of WRCOG.

HERO Financing Plan for Residential: The Program Administrator will set the interest rate for a contract assessment financed through the HERO Financing Plan at the time that the application is approved and when the assessment contract is signed. The current rate will always be available on the Program website and any variations from that estimated rate will be based solely on market fluctuations. The Program Administrator will review the interest rates on an annual basis.

HERO Commercial Financing for Commercial: The Program Administrator will set the interest rate for contract assessment financed at the time that the Eligible Products are funded. Renovate America, Inc., will provide ongoing pricing feedback from the capital markets to aid in adjusting product pricing. The Program Administrator will review the interest rates on an annual basis.

SAMAS Commercial Financing for Commercial: The Program Administrator will set the interest rate for contract assessment financed at the time that the Eligible Products are funded. Samas Capital will provide ongoing pricing feedback from the capital markets to aid in adjusting product pricing. The Program Administrator will review the interest rates on an annual basis.

Renew Financial PACE Financing for Residential Properties. The Program Administrator will set the interest rate for a contract assessment financed through the standard financing plan at the time the application is approved and the assessment contract is signed. The interest rate for each of the Providers will be available on their website. The Program Administrator will review the interest rates on an annual basis.

Renew Financial Open-Market Commercial PACE Financing for Commercial Properties: The Program Administrator will set the interest rate for contract assessment financed at the time that the Eligible Products are funded. Renew Financial will provide ongoing pricing feedback from the capital markets to aid in adjusting product pricing. The Program Administrator will review the interest rates on an annual basis.

Standard Financing Plan: The Program Administrator will set the interest rate for a contract assessment financed through the standard financing plan at the time the application is approved and the assessment contract is signed. The interest rate for each of the Providers will be available on their website. The Program Administrator will review the interest rates on an annual basis.

PROPERTY ASSESSMENT LIEN

As part of the approval of the financing amount for each property owner who applies to the Program, the Program will, as part of its application review, calculate the total annual property taxes and assessments on the property, including the maximum assessment amount available through the Program, to ensure that such total will not exceed five percent (5%) of the market value of the property as required by California law.

All property owners must sign, notarize or provide such verification as may be required by WRCOG, and return the Assessment Contract to WRCOG within the time period specified



in the approval notice. Upon execution of the Assessment Contract, the Program will place a lien for the full amount of the assessment on the property that secures the assessment. If the lien is recorded before the first business day in July, the assessment will appear on the next tax bill. For liens recorded made after the first business day of July, the assessment will not appear on the tax bill until the following tax year, but interest will accrue on the outstanding balance. A direct bill and/or additional tax bill or other method of payment (including capitalized interest) may be required, as determined by the Program, during the first tax year.

DELINQUENT ASSESSMENT COLLECTIONS

In general, it is expected that assessment installments will be collected on the *ad valorem* tax bills sent to property owners by the County Treasurer-Tax Collector, and therefore delinquency information will generally be available from the Treasurer-Tax Collector's office. In order to attract financing, WRCOG will covenant to commence and pursue judicial foreclosure proceedings with respect to parcels that are delinquent in the payment of assessment installments. The precise terms of such a covenant will be determined at the time of bond issuance. If the assessments levied in connection with the Program are covered by the County's Teeter Plan, the County will have an important role in determining the language of the foreclosure covenant.

SUBORDINATIONS

All residential Providers operating will offer the ability to subordinate the assessment upon request from a property owner for a sale and/or refinancing of a property.

DISCLOSURES

All residential Providers operating will offer disclosures to the property owners that are similar in nature to Appendix D or consistent with State law.

PREPAYMENT PENALTIES

All residential Providers will not charge prepayment penalties to property owners for early pay-off. However, the accrued interest until the next payment date to bond holders must be paid by the property owner at time of prepayment. Renew Financial Open-Market Commercial PACE Financing may include prepayment penalties as negotiated with the property owner.

~~All residential Providers will not charge prepayment penalties to property owners for early pay-off.~~



XI. THE FINANCIAL STRATEGIES

The Program includes the following financial strategies. These include the use of one or more of the following: the Riverside County Treasurer Teeter Program, requirement of a 10% reserve fund, participation in the State pooled reserve funding program, the use of the HERO Financing Plan for Residential, the use of the HERO Financing Plan for commercial, SAMAS Commercial Financing Plan for Commercial, Renew Financial PACE Financing for Residential Properties, Renew Financial Open-Market Commercial PACE Financing~~SAMAS Commercial Financing Plan for Commercial~~, and exploration of other potential funding sources. An example of each strategy is provided below. WRCOG is a joint powers agency formed to assist participating jurisdictions with financings. WRCOG intends to cooperate in a financing arrangement whereby the Authority issues a bond or a series of bonds in an aggregate principal amount not to exceed \$3 million.

Strategy One: WRCOG will establish the “WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County Fund” (the “WRCOG Fund”) and may accept funds from any available source. Repayments will be made pursuant to Assessment Contracts between the property owners and WRCOG and will be collected through the property assessment mechanism in the Riverside County property tax system, and, if approved by the County of Riverside, included in the Riverside County Teeter Program. WRCOG will manage or cause the County of Riverside to manage the WRCOG Fund in one enterprise fund with multiple sub-funds.

Strategy Two: The Program may require that inclusion of a 10% reserve fund be paid by the property owner and captured through the assessment charges, financing proceeds, grant resources or other sources as necessary and available to support the financing process.

Strategy Three: The Program may modify its eligibility criteria as needed to participate in the State’s pooled reserve funding program.

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

Strategy Five: The Program will utilize the HERO Commercial Financing Plan for Commercial to fund installations of Eligible Products for commercial properties. Pursuant to such financing plans, Renovate America, Inc., will provide a revolving credit line to finance the installation of Eligible Products to commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section III above. In consideration for funding the installation of such Eligible Products WRCOG shall issue and deliver to Renovate America, Inc., as applicable, one or more municipal bonds secured by the contractual assessments payable by the properties to be improved.

Strategy Six: The Program will utilize both the SAMAS Commercial Financing Plan for Commercial to fund installations of Eligible Products for commercial properties. Pursuant



to such financing plans, Samas Capital, LLC, will provide a revolving credit line to finance the installation of Eligible Products to commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section IV above. In consideration for funding the installation of such Eligible Products WRCOG shall issue and deliver to Samas Capital, as applicable, one or more municipal bonds secured by the contractual assessments payable by the properties to be improved.

Strategy Seven: The Program will utilize the Renew Financial PACE Financing for Residential Properties to fund installations of Eligible Products for residential properties. Pursuant to such financing plans, Renew Financial will provide a warehouse to finance the installation of Eligible Products to residential properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section V above. In consideration for funding the installation of such Eligible Products WRCOG shall issue and deliver to Renew Financial, as applicable, one or more municipal bonds secured by the contractual assessments payable by the properties to be improved.

Strategy Eight: The Program will utilize both the Renew Financial Open-Market Commercial PACE Financing for Commercial to fund installations of Eligible Products for commercial properties. Pursuant to such financing plans, Renew Financial, will facilitate private capital investment to finance the installation of Eligible Products to commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section VI above. In consideration for funding the installation of such Eligible Products WRCOG shall issue and deliver through Renew Financial, as applicable, one or more municipal bonds or assignments secured by the contractual assessments payable by the properties to be improved.

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



X. GLOSSARY OF TERMS

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

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

ASSEMBLY BILL 474: Approved in October 2009 by the California legislature, expands provisions to authorize the legislative body of any public agency, as defined, to determine that it would be in the public interest to designate an area within which authorized city officials and free and willing property owners may enter into contractual assessments to finance the installation of eligible water conservation Products that are permanently fixed to real property.

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

BUILDING PERFORMANCE INSTITUTE (BPI): BPI is a national standards development and credentialing organization for residential energy efficiency retrofit work – providing training through a network of training affiliate organizations, individual certifications, company accreditations and quality assurance programs. BPI certifications include building analysts (for energy audits) as well as building envelope professionals (envelope or manufactured housing) and mechanical professionals (heating or cooling).

BUILDING PERMITS: Formal approval of building plans by the designated government agency as meeting the requirements of prescribed codes. It is an authorization to proceed with the construction or reconfiguration of a specific structure at a particular site, in accordance with the approved drawings and specifications.

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

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

Building standards that have been adopted by state agencies without change from building standards contained in national model codes;

Building standards that have been adopted and adapted from the national model code standards to meet California conditions;

Building standards, authorized by the California legislature, that constitute extensive additions not covered by the model codes that have been adopted to address particular California concerns.

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



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

COMMERCIAL: Commercial entities are defined as all non-residential properties and include apartment buildings with four units or more and industrial properties.

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

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

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

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

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

ELIGIBLE PRODUCTS: All Eligible Products provided in Appendix A-1 and A-2.

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

EXPECTED PERFORMANCE-BASED BUY-DOWN (EPBB): In 2008-9, systems smaller than 50kW in capacity can receive a one-time, up-front incentive based on expected performance, and calculated by equipment ratings and installation factors (geographic location, tilt and shading). EPBB payments are provided on a \$ per watt basis. EPBB is available for systems under 30 KW after 2010. Systems eligible for EPBB can choose to opt-in to the PBI system.

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

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

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

INTERCONNECTION AGREEMENT: A legal document authorizing the flow of electricity between the facilities of two electric systems. Under the CSI Program, eligible renewable energy systems must be permanently interconnected and operating in parallel to the electrical



distribution grid of the utility serving the customer's electrical load. Portable systems are not eligible. **INVESTOR-OWNED UTILITY (IOU):** For purposes of the Program, this refers to Southern California Edison Company.

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

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

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

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

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

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

PARTICIPATING JURISDICTIONS: The initial participating jurisdictions are the Cities of Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, and the western unincorporated portion of the County of Riverside. Other member agencies of WRCOG may elect to participate in the future.

PROGRAM: The WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County.

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

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

PERFORMANCE BASED INCENTIVE (PBI): As of January 1, 2008, all systems over 50 kW must take the PBI, and by 2010 all system over 30 kW must be on PBI. Any sized system can elect to take PBI. The PBI pays out an incentive, based on actual kWh production, over a period of five years. PBI payments are provided on a \$ per kilowatt-hour basis.

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



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

RESIDENTIAL: Single family home, fewer than three (3) residential units.

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

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

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

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

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

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

WRCOG: Western Riverside Council of Governments.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS: Is a joint powers authority representing the 16 cities, the Riverside County Board of Supervisors, and the Eastern and Western Municipal Water Districts. Together they take up regional matters critical to our future, from air quality to solid waste and from transportation to the environment.



APPENDIX A-1

ELIGIBLE PRODUCTS

HERO RESIDENTIAL / COMMERCIAL FINANCING

SAMAS COMMERCIAL FINANCING

The WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County offers financing for a number of eligible equipment types, energy efficiency measures, solar systems, and other innovative, energy-saving and energy generation custom products for residential and commercial property owners.

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

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



RESIDENTIAL ELIGIBLE PRODUCTS LIST

ENERGY EFFICIENCY PRODUCTS

PRODUCT CATEGORY	PRODUCT TYPE	ELIGIBILITY SPECIFICATIONS	MAXIMUM TERM (YEARS)
Solar Photovoltaic	Solar Panels	Product must be listed as California Solar Initiative incentive-eligible photovoltaic module in compliance with CA-SB1 guidelines. Installation Contractor must be registered with the California Solar Initiative Program and have the correct CSLB licensure to install solar systems. System must be grid connected unless the property is not currently connected to the grid. Installed per manufacturer's specifications.	20
	Solar Inverters	Product must be listed as California Solar Initiative eligible inverter in compliance with CA-SB1 guidelines. Installation contractor must be registered with the California Solar Initiative Program and have the correct CSLB licensure to install solar systems. System must be grid connected unless the property is not currently connected to the grid. Installed per manufacturer's specifications.	20
Solar Thermal	Solar Water Heating	System must have the OG-300 System Certification by either the Solar Rating and Certification Corporation (SRCC) or the International Plumbing and Mechanical Officials (IAPMO). System Solar Fraction (SF) must be ≥ 0.5 . Auxiliary tank must be residential class. Installed per manufacturer's specifications.	15
	Solar Pool Heating	Product must have the OG-100 Collector Certification by the Solar Rating and Certification Corporation (SRCC). Installed per manufacturer's specifications.	15
Alternative Energy	Small Wind Turbines	Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook. System must be grid connected unless the property is not currently connected to the grid. Installed per manufacturer's specifications.	20
	Advanced Energy Storage Systems	Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook. System must be grid connected unless the property is not currently connected to the grid. Installed per manufacturer's specifications.	10



	Electric Vehicle Charging Station	Product must be a Level 2 charger with SAE J1772 standard charging plug. Product must be Underwriters Laboratory (UL) listed. Installation contractor must have the appropriate CSLB licensure to and install in compliance with local codes, permitting, and inspection requirements. Installed per manufacturer's specifications.	10
Heating, Ventilation, and Air Conditioning (HVAC)	Central Air Conditioner	Product must be AHRI Certified and AHRI number must be provided. Product must be ENERGY STAR Qualified: Split System: ≥ 8.2 HSPF and ≥ 14.5 SEER and ≥ 12 EER Packed System: ≥ 8.0 HSPF and ≥ 14 SEER and ≥ 11 EER Product must replace an existing cooling product; no new cooling. Installed per manufacturer's specifications.	15
	Air-Source Heat Pump	Product must be AHRI Certified and AHRI number must be provided. Product must be ENERGY STAR Qualified: Split System: ≥ 14.5 SEER and ≥ 12 EER Packed System: ≥ 14 SEER and ≥ 11 EER Product must replace an existing product. Installed per manufacturer's specifications.	15
	Furnace	Product must be ENERGY STAR Qualified ($\geq 90\%$ AFUE). Natural Gas and Propane systems are eligible. Product must replace an existing product. Installed per manufacturer's specifications.	15
	Boiler	Product must be ENERGY STAR Qualified ($\geq 85\%$ AFUE). Natural Gas and Propane systems are eligible. Product must replace an existing product. Installed per manufacturer's specifications.	20
	Whole House Fan	Product must be listed in California Energy Commission Appliance Efficiency Database. Installed per manufacturer's specifications.	20
Heating, Ventilation, and Air Conditioning (HVAC)	Evaporative Cooler	Product must be listed in California Energy Commission Appliance Efficiency Database. Product must have separate ducting system— independent of the air conditioning and heating duct system. Product must be permanently installed through wall or on the roof; window installed product is not eligible. Installed per manufacturer's specifications.	10
	Ventilating Fans	Product must be ENERGY STAR Qualified. Installed per manufacturer's specifications.	10



	Geothermal Heat Pump	Product must be ENERGY STAR Qualified: Closed Loop Water-to-Air: ≥ 14.1 EER and ≥ 3.3 COP Open Loop Water-to-Air: ≥ 16.2 EER and ≥ 3.6 COP Closed Loop Water-to-Water: ≥ 15.1 EER and ≥ 3.0 COP Open Loop Water-to-Water: ≥ 19.1 EER and ≥ 3.4 COP DGX: ≥ 15.0 EER and ≥ 3.5 COP Product must replace an existing product. Installed per manufacturer's specifications.	15
	Attic Fan	Product must have thermostat control. Fan exterior opening must be properly sealed and insulated during winter months. Solar-powered fans permitted. Installed per manufacturer's specifications.	15
	Ceiling Fan	Product must be ENERGY STAR Qualified. Installed per manufacturer's specifications.	10
	Duct Replacement and/or Sealing	Duct system leakage: Existing system repair: $\leq 10\%$ total system nominal flow New system replacement: $\leq 6\%$ total system nominal flow HERS test is required and copy of the CF6R Form required as part of the Completion Certificate.	20
Heating, Ventilation, and Air Conditioning (HVAC)	Duct Insulation	Installed insulation value must be $\geq R-6$.	15
	Programmable Thermostat Control	Product must be shipped with a default energy saving program that is capable of maintaining two separate programs (to address the different comfort needs of weekdays and weekends) and four temperature settings or more for each day. Installed per manufacturer's specifications.	15
	Radiant Heating and/or Cooling (Floor, Wall, Ceiling)	Product must be powered by a HERO Program-qualified heating or cooling source. Installed per manufacturer's specifications.	15
Windows, Doors, and Skylights	Windows	Product must be ENERGY STAR and NFRC Certified: U-Factor ≤ 0.32 and SHGC ≤ 0.30 . Product must replace existing product; no new windows. NFRC label for each different product to be submitted with Completion Certificate. Installed per manufacturer's specifications.	20
	Doors	Product must be ENERGY STAR and NFRC Certified: Opaque: U-Factor ≤ 0.21 and SHGC = Any $\leq 1/2$ -Lite: ≤ 0.27 and SHGC ≤ 0.30 $1/2$ -Lite: ≤ 0.32 and SHGC ≤ 0.30 Product must replace existing product; no new windows. NFRC label for each different product to be submitted with Completion Certificate. Installed per manufacturer's specifications.	20
Windows, Doors, and Skylights	Skylights and Tubular Daylighting Devices	Product must be ENERGY STAR and NFRC Certified: U-Factor ≤ 0.55 and SHGC ≤ 0.30 NFRC label for each different product to be submitted with Completion Certificate. Installed per manufacturer's specs.	20



	Applied Window Film	Product must be NFRC Certified. NFRC label for each different product to be submitted with Completion Certificate. Installed per manufacturer's specs.	10
Envelope	Cool Roof - Prescriptive	Product must be ENERGY STAR Qualified: Low-Slope Roofs: Aged (3 yrs) Solar Reflectance Steep-Slope Roof: ≥ 0.15 Aged Solar Reflectance Product must comply with applicable standards from the current California Title 24 prescriptive code requirements. Installed per manufacturer's specifications.	20
	Cool Roof - Performance	If ENERGY STAR Qualified roofing product is not specified, one of the following cool roof performance criteria must be met: Air-space of 1" is provided between the top of the roof deck to the bottom of the roofing product The installed roofing product has a profile ratio of rise to width of 1 to 5 for 50 percent or greater of the width of the roofing product. Attic floor is insulated with an R-value ≥ 38 . Existing HVAC duct work in the attic is insulated to R-8 and sealed to $\leq 6\%$ leakage. Radiant barrier is installed per HERO Product specification. Insulation is installed above roof deck with R-value ≥ 8 . Roof construction has thermal mass over the roof membrane with a weight of at least 25 lb/ft ² Any project involving roofing may be subject to additional code compliance requirements such as those prescribed by the California Building Code, Title 24 code, or local codes. Project stakeholder is fully and solely responsible to meet any such additional requirements.	20
	Cool Wall	Product must be included on HERO Cool Wall Eligible Product List. Installed per manufacturer's specifications.	20
	Attic Insulation	R-value ≥ 38 . Installed per CEC QII Standards.	20
Envelope	Wall Insulation	R-value ≥ 13 to full framing cavity depth. Installed per CEC QII Standards.	20
	Floor Insulation (over unconditioned space)	R-value ≥ 19 to full joist depth. Installed per CEC QII Standards.	20
	Radiant Barrier	Product Emissivity ≤ 0.1 and Reflectivity ≥ 0.9 . Installed per manufacturer's specifications.	20
Water Heating	Gas Storage Tank Water Heater	Product must be ENERGY STAR Qualified: EF ≥ 0.67 Installed per manufacturer's specifications.	10
	Electric Heat Pump Tank Water Heater	Product must be ENERGY STAR Qualified: EF ≥ 2.0 Installed per manufacturer's specifications.	10
	Gas Tankless Water Heater	Product must be ENERGY STAR Qualified: EF ≥ 0.82 Installed per manufacturer's specifications.	10
Pool Equipment	Pool Pump & Motor	Product must be ENERGY STAR Qualified: Single Speed Pump: EF ≥ 3.8 for single speed Multi/Variable Speed/Flow: EF ≥ 3.8 for most efficient speed. Installed per manufacturer's specifications.	10



	Gas Pool Heater	Product must be listed in California Energy Commission Appliance Efficiency Database. Product must have Thermal Efficiency $\geq 83\%$. Installed per manufacturer's specifications.	10
Lighting Measures	Indoor Lighting Fixtures	Product must be ENERGY STAR Qualified. Product must be permanently installed. Installed per manufacturer's specifications.	10
	Outdoor Lighting Fixtures	Product must be ENERGY STAR Qualified. Product must be permanently installed. Installed per manufacturer's specifications.	10

Electric Vehicle Infrastructure

Product	Eligibility Specifications	Max. Term
Electric Vehicle Charging Stations	Must be a Level 2 charger with the SAE J1772 charging plug. The charger must be UL (Underwriters Laboratories, Inc.) listed and installed by a qualified and licensed electrician in compliance with local codes, permitting and inspection requirements.	10 years

Water Efficiency Products

PRODUCT CATEGORY	PRODUCT TYPE	ELIGIBILITY SPECIFICATIONS	MAX. TERM
Indoor Water Efficiency	Toilets	Product must be Water Sense Qualified: ≤ 1.28 GPF. Installed per manufacturer's specifications.	20
	Hot Water Delivery Systems	Product meets the definition of one of the following water delivery options: Dedicated Recirculation Line Whole House Manifold System Demand-initiated Recirculating System Core Plumbing System Installed per manufacturer's specifications.	15
Outdoor Water Efficiency	Weather-Based Irrigation Control Systems	Product must be WaterSense Qualified. Installed per manufacturer's specifications.	10
	Drip Irrigation	Product installed in installed in turf, garden, planter, and/or flower bed areas. Installed per manufacturer's specifications.	10
	Rainwater Catchment Systems	Product must be sized to hold all roof water from a 1" rainfall event or 0.62 gallons per square foot of roof area used to capture. Product must be permanently installed. Installed per manufacturer's specifications.	20
	Greywater Systems	Product must meet Chapter 16A of the California Plumbing Code. Product must comply with local code and permitting requirements. Installation contractor must have the appropriate CLSB licensure to install the system. Installed per manufacturer's specifications.	15



Outdoor Water Efficiency	Artificial Turf	Product must be water and air permeable. Product must be non-toxic and lead free. Product must be recyclable. Product installation must carry ≥ 10 year warranty. Installed per manufacturer's specifications. Product infill material must be one of the following: Acrylic Covered Sand Crumb Rubber Zeolite	10



COMMERCIAL ELIGIBLE PRODUCTS LIST

Note: Many Products on the residential list may be eligible for Program financing for commercial properties as well, depending on the size and type of building or property.

ENERGY EFFICIENCY

Improvement		Eligibility Specifications				Max. Term																																																																			
Lighting	Lighting fixture replacement	Color rendering index and rated life, as reflected in Table 1. Table 1: Eligible Fluorescent Lamp Characteristics (From California IOUs SPC manual)				15 Years																																																																			
	<table><tr><th>Lamp Type & Size</th><th>Ballast Type</th><th>CRI</th><th colspan="2">Minimum Rated Lamp Life (3hrs/start)</th></tr><tr><td>T8 – 2-ft, 3-ft, 4-ft</td><td>Offeringmed Start/ Offeringmed Rapid-start</td><td>>=80</td><td colspan="2">24,000 hours</td></tr><tr><td>T8 – All Sizes</td><td>Instant Start</td><td>>=82</td><td colspan="2">18, 000 hours</td></tr><tr><td>T5 – All Sizes</td><td>Offeringmed Start/ Offeringmed Rapid-start</td><td>>=82</td><td colspan="2">20,000 hours</td></tr></table>				Lamp Type & Size		Ballast Type	CRI	Minimum Rated Lamp Life (3hrs/start)		T8 – 2-ft, 3-ft, 4-ft	Offeringmed Start/ Offeringmed Rapid-start	>=80	24,000 hours		T8 – All Sizes	Instant Start	>=82	18, 000 hours		T5 – All Sizes	Offeringmed Start/ Offeringmed Rapid-start	>=82	20,000 hours																																																	
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Dimmable Controls Based on Outside Light Intensity	Capable of reducing power consumption in the area by 2/3.																																																																								
Skylight (Addition and Controls)	As reflected in Table 2 and Table 3. Table 2: Fenestration Products and Exterior Door U-factor (From Title 24 table 116-A)																																																																								
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1. For all dual-glazed fenestration products, adjust the listed U-factors as follows:
 - a. Add 0.05 for products with dividers between panes if spacer is less than 7/16 inch wide.
 - b. Add 0.05 to any product with true divided lite (dividers through the panes).
2. Translucent or transparent panels shall use glass block values.

Table 3: Solar Heat Gain Coefficients (From Title 24 table 116-B)

FRAME TYPE	PRODUCT	GLAZING	TOTAL WINDOW SHGC		
			Single Pane	Double Pane	Glass Block ¹
Metal	Operable	Clear	0.80	0.70	0.70
	Fixed	Clear	0.83	0.73	0.73
	Operable	Tinted	0.67	0.59	N.A.
	Fixed	Tinted	0.68	0.60	N.A.
Metal, Thermal Break	Operable	Clear	N.A.	0.63	N.A.
	Fixed	Clear	N.A.	0.69	N.A.
	Operable	Tinted	N.A.	0.53	N.A.
	Fixed	Tinted	N.A.	0.57	N.A.
Nonmetal	Operable	Clear	0.74	0.65	0.70
	Fixed	Clear	0.76	0.67	0.67
	Operable	Tinted	0.60	0.53	N.A.
	Fixed	Tinted	0.63	0.55	N.A.

1. Translucent or transparent panels shall use glass block values.

Occupancy, Motion, Vacancy Sensors

Automatically turn off all lights in area no more than 30 minutes after the area has been vacated.

De-lamping

Only as a part of a retrofit which involves one of the other listed lighting measure.

Insulation

Refrigerated Coolers

R-28 minimum for walls and roof/ceiling.

Water Heaters

R-12 minimum.

Pipe

As reflected in Table 4.

Table 4: Pipe Insulation Thickness (From Title 24 table 123-A)

FLUID TEMPERATURE RANGE (°F)	CONDUCTIVITY RANGE (in Btu-inch per hour per square foot per °F)	INSULATION MEAN RATING TEMPERATURE (°F)	NOMINAL PIPE DIAMETER (in inches)					
			Runs up	1 and less	1.25-2	2.50-4	5-6	8 and larger



		<table><tr><td></td><td></td><td></td><td colspan="6">INSULATION THICKNESS REQUIRED (in inches)</td></tr><tr><td colspan="9">Space heating systems (steam, steam condensate and hot water)</td></tr><tr><td>Above 350</td><td>0.32-0.34</td><td>250</td><td>1.5</td><td>2.5</td><td>2.5</td><td>3.0</td><td>3.5</td><td>3.5</td></tr><tr><td>251-350</td><td>0.29-0.31</td><td>200</td><td>1.5</td><td>2.0</td><td>2.5</td><td>2.5</td><td>3.5</td><td>3.5</td></tr><tr><td>201-250</td><td>0.27-0.30</td><td>150</td><td>1.0</td><td>1.5</td><td>1.5</td><td>2.0</td><td>2.0</td><td>3.5</td></tr><tr><td>141.2</td><td>0.25-0.29</td><td>125</td><td>0.5</td><td>1.5</td><td>1.5</td><td>1.5</td><td>1.5</td><td>1.5</td></tr><tr><td>105.14</td><td>0.24-0.28</td><td>100</td><td>0.5</td><td>1.0</td><td>1.0</td><td>1.0</td><td>1.5</td><td>1.5</td></tr><tr><td colspan="9">Service water-heating systems (recirculating sections, all piping in electric trace tape systems and the first 8 feet of piping from the storage tank for nonrecirculating systems.</td></tr><tr><td>Above 105</td><td>0.24-0.28</td><td>100</td><td>0.5</td><td>1.0</td><td>1.0</td><td>1.5</td><td>1.5</td><td>1.5</td></tr><tr><td colspan="9">Space cooling systems (chilled water, refrigerant and brine)</td></tr><tr><td>40-60</td><td>0.23-0.27</td><td>75</td><td>0.5</td><td>0.5</td><td>0.5</td><td>1.0</td><td>1.0</td><td>1.0</td></tr><tr><td>Below 40</td><td>0.23-0.27</td><td>75</td><td>1.0</td><td>1.0</td><td>1.5</td><td>1.5</td><td>1.5</td><td>1.5</td></tr></table>				INSULATION THICKNESS REQUIRED (in inches)						Space heating systems (steam, steam condensate and hot water)									Above 350	0.32-0.34	250	1.5	2.5	2.5	3.0	3.5	3.5	251-350	0.29-0.31	200	1.5	2.0	2.5	2.5	3.5	3.5	201-250	0.27-0.30	150	1.0	1.5	1.5	2.0	2.0	3.5	141.2	0.25-0.29	125	0.5	1.5	1.5	1.5	1.5	1.5	105.14	0.24-0.28	100	0.5	1.0	1.0	1.0	1.5	1.5	Service water-heating systems (recirculating sections, all piping in electric trace tape systems and the first 8 feet of piping from the storage tank for nonrecirculating systems.									Above 105	0.24-0.28	100	0.5	1.0	1.0	1.5	1.5	1.5	Space cooling systems (chilled water, refrigerant and brine)									40-60	0.23-0.27	75	0.5	0.5	0.5	1.0	1.0	1.0	Below 40	0.23-0.27	75	1.0	1.0	1.5	1.5	1.5	1.5	
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	Doors	1.25	0.77	N.A.																																																																																																											
	Skylight	1.98	1.30	N.A.																																																																																																											
Metal, Thermal Break	Operable	N.A.	0.66	N.A.																																																																																																											
	Fixed	N.A.	0.55	N.A.																																																																																																											
	Greenhouse/garden window	N.A.	1.12	N.A.																																																																																																											
	Doors	N.A.	0.59	N.A.																																																																																																											
	Skylight	N.A.	1.11	N.A.																																																																																																											
Nonmetal	Operable	0.99	0.58	0.60																																																																																																											
	Fixed	1.04	0.55	0.57																																																																																																											
	Greenhouse/garden window	0.99	0.53	N.A.																																																																																																											
	Doors	1.94	1.06	N.A.																																																																																																											
	Skylight	1.47	0.84	N.A.																																																																																																											
Pools	High Efficiency Pool	Variable flow and/or multi-speed with controllers (motor must be above NEMA minimal standard as shown in Table 11.)																																																																																																													

Circulating Pump

Table 11: Minimum Nominal Full-Load Motor Efficiency for Single Speed Poly-Phase Motors

Number of Poles	2	4	6	8	2	4	6	8
Synchronous Speed	3600	1800	1200	900	3600	1800	1200	900
Motor HP	Open Motors				Enclosed			
1.0	-	82.5	90.0	74.0	75.5	82.5	80.0	74.0
1.5	82.5	84.0	84.0	75.5	82.5	84.0	85.5	77.0
2.0	84.0	84.0	85.5	85.5	84.0	84.0	86.5	82.5
3.0	84.0	86.5	86.5	86.5	85.5	87.5	87.5	84.0
5.0	85.5	87.5	87.5	87.5	87.5	87.5	87.5	85.5
7.5	87.5	88.5	88.5	88.5	88.5	89.5	89.5	85.8
10.0	88.5	89.5	90.2	89.5	89.5	89.5	89.5	88.5
15.0	89.5	91.0	90.2	89.5	90.2	91.0	90.2	88.5
20.0	90.2	91.0	91.0	90.2	90.2	91.0	90.2	89.5
25.0	91.0	91.7	91.7	90.2	91.0	92.4	91.7	89.5
30.0	91.0	92.4	92.4	91.0	91.0	92.4	91.7	91.0
40.0	91.7	93.0	93.0	91.0	91.7	93.0	93.0	91.0
50.0	92.4	93.0	93.0	91.7	92.4	93.0	93.0	91.7
60.0	93.0	93.6	93.6	92.4	93.0	93.6	93.6	91.7
75.0	93.0	94.1	93.6	93.6	93.0	94.1	93.6	93.0
100.0	93.0	94.1	94.1	93.6	93.6	94.5	94.1	93.0
125.0	93.6	94.5	94.1	93.6	94.5	94.5	94.1	93.6
150.0	93.6	95.0	94.5	93.6	94.5	95.0	95.0	93.6
200.0	94.5	95.0	94.5	93.6	95.0	95.0	95.0	94.1
250.0	94.5	95.4	95.4	94.5	95.4	95.0	95.0	94.5
300.0	95.0	95.4	95.4	-	95.4	95.4	95.0	-
350.0	95.0	95.4	95.4	-	95.4	95.4	95.0	-
400.0	95.4	95.4	-	-	95.4	95.4	-	-
450.0	95.8	95.8	-	-	95.4	95.4	-	-
500.0	95.8	95.8	-	-	95.4	95.8	-	-

The general formula to calculate the energy savings is: kWh = Baseline kWh – proposed kWh. Often the kWh is calculated by multiplying the power demand (kW) by the number of operation in the year. The calculation of the kW can be the simple difference of power efficiency. For example a lighting retrofit that changes 80W per fixtures with a 56W per fixture and same light output will save 24W. Then you will multiply by the number of fixtures and number of hour of operations to find the kWh savings in a year. In other cases the efficiency of the equipment has to be taken into consideration. For example a chiller retrofit has one more calculation step. First the efficiency in kW/ton has to be established and then the load on the chiller has to be calculated in ton. Finally the result must be multiplied by the number of hours to find again the kWh savings. kWh savings = (baseline efficiency – proposed efficiency) * load * hours.



Water Heating	Natural Gas Storage Water Heater	As reflected in Table 9. Table 9: Gas- and Oil-Fired Boilers (From Energy Star)									
		<table><tr><th>Equipment Type</th><th>Eligible Specifications</th></tr><tr><td>Gas Furnace</td><td>90% AFUE</td></tr><tr><td>Oil Furnace</td><td>85% AFUE</td></tr><tr><td>Gas Boiler</td><td>85% AFUE</td></tr></table>	Equipment Type	Eligible Specifications	Gas Furnace	90% AFUE	Oil Furnace	85% AFUE	Gas Boiler	85% AFUE	
	Equipment Type	Eligible Specifications									
	Gas Furnace	90% AFUE									
	Oil Furnace	85% AFUE									
Gas Boiler	85% AFUE										
Gas Hot Water Supply Boilers	As reflected in Table 9. Table 9: Gas- and Oil-Fired Boilers (From Energy Star)										
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Equipment Type	Eligible Specifications										
Gas Furnace	90% AFUE										
Oil Furnace	85% AFUE										
Gas Boiler	85% AFUE										
Electric Heat Pump Water Heater	Apply either boiler standards (table 9) or Heat Pumps standards (Tables 7 and 8) Table 7: Packaged Terminal Air Conditioners and Heat Pumps (Extract of Title 24 table 112-E)										
	<table><tr><th>Equipment Type</th><th>Eligible Specifications</th></tr><tr><td>Packaged Terminal Air Conditions</td><td>12.5 - (0.213 x Cap./1000) EER</td></tr><tr><td>Packaged Terminal Heat Pumps</td><td>12.3 - (0.213 x Cap./1000) EER</td></tr></table>	Equipment Type	Eligible Specifications	Packaged Terminal Air Conditions	12.5 - (0.213 x Cap./1000) EER	Packaged Terminal Heat Pumps	12.3 - (0.213 x Cap./1000) EER				
Equipment Type	Eligible Specifications										
Packaged Terminal Air Conditions	12.5 - (0.213 x Cap./1000) EER										
Packaged Terminal Heat Pumps	12.3 - (0.213 x Cap./1000) EER										
	Table 8: Geothermal Heat Pumps (From Energy Star)										
	<table><tr><th>Equipment Type</th><th>Eligible Specifications</th></tr><tr><td>Closed loop water sources heat pump (condenser is a closed loop, closed cooling tower)</td><td>14.1 EER</td></tr><tr><td>Open loop water sources heat pump (open cooling tower)</td><td>16.2 EER</td></tr><tr><td>Ground sourced heat pump (condenser pipes are buried in the ground)</td><td>15 EER</td></tr></table>	Equipment Type	Eligible Specifications	Closed loop water sources heat pump (condenser is a closed loop, closed cooling tower)	14.1 EER	Open loop water sources heat pump (open cooling tower)	16.2 EER	Ground sourced heat pump (condenser pipes are buried in the ground)	15 EER		
Equipment Type	Eligible Specifications										
Closed loop water sources heat pump (condenser is a closed loop, closed cooling tower)	14.1 EER										
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Equipment Type	Eligible Specifications										
Gas Furnace	90% AFUE										
Oil Furnace	85% AFUE										
Gas Boiler	85% AFUE										
Gas Instantaneous Water Heater	As reflected in Table 9. Table 9: Gas- and Oil-Fired Boilers (From Energy Star)										
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Equipment Type	Eligible Specifications										
Gas Furnace	90% AFUE										
Oil Furnace	85% AFUE										
Gas Boiler	85% AFUE										



**Air Heating,
Ventilation,
and Air
Conditioning
Systems**

**Furnaces
and Boilers**

As reflected in Table 9.

Table 9: Gas- and Oil-Fired Boilers (From Energy Star)

Equipment Type	Eligible Specifications
Gas Furnace	90% AFUE
Oil Furnace	85% AFUE
Gas Boiler	85% AFUE

**Air
Conditioners
and
Condensing
Units**

As reflected in Table 5.

Table 5: Air Conditioners and Condensing Units (From Title 24 Table 112-A)

Equipment Type	Size Category	Efficiency ^a		Test Procedure
		Before 1/1/2010	After 1/1/10	
Air Conditions, Air Cooled	≥ 65,000 Btu/h and <135,000 Btu/h	10.3 EER ^b	11.2 EER ^b	ARI 340/360
	≥ 135,000 Btu/h and < 240,000 Btu/h	9.7 EER ^b	11.0 EER ^b	ARI 340/360
	≥ 240,000 Btu/h and < 760,000 Btu/h	9.5 EER ^b and 9.7 IPLV ^b	10.0 EER ^b and 9.7 IPLV ^b	
	≥ 760,000 Btu/h	9.2 EER ^b and 9.4 IPLV ^b	9.7 EER ^b and 9.4 IPLV ^b	
Air Conditioners, Water and Evaporatively Cooled	> 240,000 Btu/h	11.0 EER ^b and 10.3 IPLV ^b		ARI 210-240 ARI 340-360
Condensing Units, Air Cooled	≥ 135,000 Btu/h	10.1 EER and 11.2 IPLV		ARI 365
Condensing Units, Water or Evaporatively Cooled	≥ 135,000 Btu/h	13.1 EER and 13.1 IPLV		

^a IPLVs are only applicable to equipment with capacity modulation.

^b Deduct 0.2 from the required EERs and IPLVs for units with a heating section other than electric resistance heat.

**Water
Chilling
Packages**

As reflected in Table 6.

Table 6: Water Chilling Packages (From Title 24 table 112-D)

Equipment Type	Size Category	Efficiency	Test Procedure
Air Cooled, With Condenser, Electrically Operated	<150 Tons	2.80 COP	ARI 500-590
	≥ 150 Tons	3.05 IPLV	
Air cooled, Without condenser, Electrically Operated	All Capacities	3.10 COP	ARI 500-590
		3.45 IPLV	
Water cooled, Electrically Operated,	All Capacities	4.20 COP	ARI 500-590

		<table><tr><td>Positive Displacement (Reciprocating)</td><td></td><td>5.05 IPLV</td><td></td></tr><tr><td>Water Cooled,</td><td><150 Tons</td><td>4.45 COP 5.20 IPLV</td><td rowspan="4">ARI 500-590</td></tr><tr><td rowspan="2">Electrically Operated, Positive Displacement (Rotary Screw and Scroll)</td><td>≥ 150 Tons and < 300 Tons</td><td>4.90 COP 5.60 IPLV</td></tr><tr><td>≥ 300 Tons</td><td>5.5 COP 6.15 IPLV</td></tr><tr><td rowspan="3">Water Cooled, Electrically Operated, Centrifugal</td><td><150 Tons</td><td>5.00 COP 5.25 IPLV</td><td rowspan="3">ARI 500-590</td></tr><tr><td>≥ 150 Tons and < 300 Tons</td><td>5.55 COP 5.90 IPLV</td></tr><tr><td>≥ 300 Tons</td><td>6.10 COP 6.40 IPLV</td></tr><tr><td>Air Cooled Absorption Single Effect</td><td>All Capacities</td><td>0.60 COP</td><td rowspan="5">ARI 560</td></tr><tr><td>Water cooled Absorption Single Effect</td><td>All Capacities</td><td>0.70 COP</td></tr><tr><td>Absorption double Effect, Indirect-Fired</td><td>All Capacities</td><td>1.00 COP 1.05 IPLV</td></tr><tr><td>Absorption Double Effect, Direct-Fired</td><td>All Capacities</td><td>1.00 COP 1.00 IPLV</td></tr><tr><td>Water Cooled Gas Engine Driven Chiller</td><td>All Capacities</td><td>1.2 COP 2.0 IPLV</td><td>ANSI Z21.40.4</td></tr></table>	Positive Displacement (Reciprocating)		5.05 IPLV		Water Cooled,	<150 Tons	4.45 COP 5.20 IPLV	ARI 500-590	Electrically Operated, Positive Displacement (Rotary Screw and Scroll)	≥ 150 Tons and < 300 Tons	4.90 COP 5.60 IPLV	≥ 300 Tons	5.5 COP 6.15 IPLV	Water Cooled, Electrically Operated, Centrifugal	<150 Tons	5.00 COP 5.25 IPLV	ARI 500-590	≥ 150 Tons and < 300 Tons	5.55 COP 5.90 IPLV	≥ 300 Tons	6.10 COP 6.40 IPLV	Air Cooled Absorption Single Effect	All Capacities	0.60 COP	ARI 560	Water cooled Absorption Single Effect	All Capacities	0.70 COP	Absorption double Effect, Indirect-Fired	All Capacities	1.00 COP 1.05 IPLV	Absorption Double Effect, Direct-Fired	All Capacities	1.00 COP 1.00 IPLV	Water Cooled Gas Engine Driven Chiller	All Capacities	1.2 COP 2.0 IPLV	ANSI Z21.40.4	
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Geothermal and Water Source Heat Pump	As reflected in Table 8. Table 8: Geothermal Heat Pumps (From Energy Star) <table><tr><th>Equipment Type</th><th>Eligible Specifications</th></tr><tr><td>Closed loop water sources heat pump (condenser is a closed loop, closed cooling tower)</td><td>14.1 EER</td></tr><tr><td>Open loop water sources heat pump (open cooling tower)</td><td>16.2 EER</td></tr><tr><td>Ground sourced heat pump (condenser pipes are buried in the ground)</td><td>15 EER</td></tr></table>			Equipment Type	Eligible Specifications	Closed loop water sources heat pump (condenser is a closed loop, closed cooling tower)	14.1 EER	Open loop water sources heat pump (open cooling tower)	16.2 EER	Ground sourced heat pump (condenser pipes are buried in the ground)	15 EER																														
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Heat
Rejection
Equipment
(Replacement)

As reflected in Table 10.

Table 10: Heat Rejection Equipment (From Title 24 table 112-G)

Equipment Type	Total System Heat Rejection Capacity at Rated Conditions	Subcategory or Rating Condition	Performance Required ^{ab}	Test Procedure ^c
Propeller or Axial Fan Open Cooling Tower	All	95°F Entering Water 85°F Leaving Water 75°F wb Outdoor Air	≥ 38.2 gpm/hp	CTI ATC-105 and CTI STD-201
Centrifugal Fan Open Cooling Towers	All	95°F Entering Water 85°F Leaving Water 75°F wb Outdoor Air	≥ 20.0 gpm/hp	CTI ATC-105 and CTI STD-201
Air Cooled Condensers	All	125°F Condensing Temperature R22 Test Fluid 190°F Entering Gas Temperature 15°F Subcooling 95°F Entering Drybulb	≥ 176,000 Btu/h-hp	ARI 460

a For purposes of this table, open cooling tower performance is defined as the maximum flow rating of the tower divided by the fan nameplate rated motor power.

b For the purposes of this table air-cooled condenser performance is defined as the heat rejected from the refrigerant divided by the fan nameplate rated motor power.

c Open cooling towers shall be tested using the test procedures in CTI ABT-105. Performance of factory assembled open cooling towers shall either certified as base models as specified in CTI STD-201 or verified by testing in the field by a CTI approved testing agency. Open factory assembled cooling towers with custom options added to a CTI certified base model for the purpose of safe maintenance or to reduce environmental or noise impact shall be rated at 90% of the CTI certified performance of the associated base model or at the manufacturer's stated performance, whichever is less. Base models of open factory assembled cooling towers are open cooling towers configured in exact accordance with the Data of Record submitted to CTI as specified by CTI-STD-201. There are no certification requirements for field erected cooling towers.

d The efficiencies for open cooling towers listed in Table 112-G are not applicable for closed-circuit cooling towers.

	Compressor Controls Upgrades	Variable Speed Drive retrofit, multiple compressor staging, floating head pressure controls.	
	Condenser Water Pump Upgrades	Variable Speed Drive retrofit, motor upgrade, downsizing.	
	Chilled Water Pump Upgrade	Variable Speed Drive retrofit, motor upgrade, downsizing.	
	Cooling Tower Fan Upgrade	Two speed or variable speed drive upgrade.	
	Air Handler Unit Fan Upgrade	Variable Speed Drive retrofit, motor upgrade.	
	Equipment Scheduling (EMS)	Building occupancy, Optimal start/stop.	
	Economizer	Dry bulb Temperature Reset, Enthalpy Reset.	
	Supply Air Temperature Resets (EMS)	Cold air reset (warmest zone, outside air) and Warm air reset (coldest zone, outside air) if applicable.	
	Condenser Water Temperature Reset	Cooling tower strategy change.	
	Chilled Water Supply	Load Reset, Outside Air Reset.	

	Temperature Reset																																																																																																																																																																																																																																																													
	Hot Water Supply Temperature Resets	Load Reset, Outside Air Reset.																																																																																																																																																																																																																																																												
	Programmable Thermostat (EMS)																																																																																																																																																																																																																																																													
Motors	Premium Efficient Motor Replacements	Must exceed minimum equipment efficiency from Table 11 below. Table 11: Minimum Nominal Full-Load Motor Efficiency for Single Speed Poly-Phase Motors																																																																																																																																																																																																																																																												
		Number of Poles	2	4	6	8	2	4	6		8	Synchronous Speed	3600	1800	1200	900	3600	1800	1200	900	Motor HP	Open Motors				Enclosed				1.0	-	82.5	90.0	74.0	75.5	82.5	80.0	74.0	1.5	82.5	84.0	84.0	75.5	82.5	84.0	85.5	77.0	2.0	84.0	84.0	85.5	85.5	84.0	84.0	86.5	82.5	3.0	84.0	86.5	86.5	86.5	85.5	87.5	87.5	84.0	5.0	85.5	87.5	87.5	87.5	87.5	87.5	87.5	85.5	7.5	87.5	88.5	88.5	88.5	88.5	89.5	89.5	85.8	10.0	88.5	89.5	90.2	89.5	89.5	89.5	89.5	88.5	15.0	89.5	91.0	90.2	89.5	90.2	91.0	90.2	88.5	20.0	90.2	91.0	91.0	90.2	90.2	91.0	90.2	89.5	25.0	91.0	91.7	91.7	90.2	91.0	92.4	91.7	89.5	30.0	91.0	92.4	92.4	91.0	91.0	92.4	91.7	91.0	40.0	91.7	93.0	93.0	91.0	91.7	93.0	93.0	91.0	50.0	92.4	93.0	93.0	91.7	92.4	93.0	93.0	91.7	60.0	93.0	93.6	93.6	92.4	93.0	93.6	93.6	91.7	75.0	93.0	94.1	93.6	93.6	93.0	94.1	93.6	93.0	100.0	93.0	94.1	94.1	93.6	93.6	94.5	94.1	93.0	125.0	93.6	94.5	94.1	93.6	94.5	94.5	94.1	93.6	150.0	93.6	95.0	94.5	93.6	94.5	95.0	95.0	93.6	200.0	94.5	95.0	94.5	93.6	95.0	95.0	95.0	94.1	250.0	94.5	95.4	95.4	94.5	95.4	95.0	95.0	94.5	300.0	95.0	95.4	95.4	-	95.4	95.4	95.0	-	350.0	95.0	95.4	95.4	-	95.4	95.4	95.0	-	400.0	95.4	95.4	-	-	95.4	95.4	-	-	450.0	95.8	95.8	-	-	95.4	95.4	-	-	500.0	95.8	95.8	-	-	95.4	95.8	-	-
		Number of Poles	2	4	6	8	2	4	6		8																																																																																																																																																																																																																																																			
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		2.0	84.0	84.0	85.5	85.5	84.0	84.0	86.5		82.5																																																																																																																																																																																																																																																			
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		The general formula to calculate the energy savings is: $\text{kWh} = \text{Baseline kWh} - \text{proposed kWh}$. Often the kWh is calculated by multiplying the power demand (kW) by the number of operation in the year. The calculation of the kW can be the simple difference of power efficiency. For example a lighting retrofit that changes 80W per fixtures with a 56W per fixture and same light output will save 24W. Then you will multiply by the number of fixtures and number of hour of operations to find the kWh savings in a year. In other cases the efficiency of the equipment has to be taken into consideration. For example a chiller retrofit has one more calculation step. First the efficiency in kW/ton has to be established and then the load on the chiller has to be calculated in ton. Finally the result must be multiplied by the number of hours to find again the kWh savings. $\text{kWh savings} = (\text{baseline efficiency} - \text{proposed efficiency}) * \text{load} * \text{hours}$.	



WATER CONSERVATION/EFFICIENCY

All applicable Water Conservation/Efficiency Eligible Products listed for “residential” are eligible for commercial buildings.

Other measures that save water may be eligible under the Custom Eligible Products option.

Improvement		Eligibility Specifications	Max. Term
Indoor	Restrooms and Plumbing		
	Toilet (tank type)	WaterSense qualified (≤ 1.28 gpf).	
	Toilet (flush valve)	EPA high efficiency qualified (≤ 1.28 gpf).	
	Urinal	EPA high efficiency qualified (≤ 0.5 gpf).	
	Waterless Urinals		
	Food Service		
	Return Condensate for Steam Kettles	Note: Requires piping to form the return loop.	
	Industrial Laundries and Dry Cleaning (for institutions such as hospitals, etc.)		
	Recycling Laundry Rinse Water	i.e., stream splitting, gravity settling, or chemical removal	
	Ozone Laundry System		
	Carbon Dioxide or Silicon Based Dry Cleaning System		
	Medical		
	Closed Loop Condenser Water System for Vacuum and Compressor Cooling	Replaces a water cooled heat exchanger using water coming from the municipal water system and then flushed down the drain.	

	Condensate Tempering for Steam Sterilizing	Replaces steam sterilizers (autoclaves) that continuously use cold water to temper the steam condensate.	
	Closed Loop Cooling for Lab Equipment	Replaces a water cooled heat exchanger with water coming from the municipal water system and then flushed down the drain.	
	Dry Hood Exhaust System	Replaces a wet scrubber type system where water is sprayed to collect pollutants and then either flushed down the drain or treated (it depends on the type of chemicals removed).	
	Other		
	Steam Boiler Conductivity Controllers		
	On-site Treatment of Gray and Wastewater	Gray water defined by CA T24 "is untreated waste water which has not come into contact with toilet waste. Gray water includes waste water from bathtubs, showers, bathroom wash basins, clothes washing machines, and laundry tubs, or an equivalent discharge as approved by the Administrative Authority. It also does not include waste water from kitchen sinks, photo-lab sinks, dishwashers, or laundry water from soiled diapers." Requires project by project analysis. Sample usage is to treat effluent to a quality useful for toilet/urinal flushing.	
Outdoor	Storm Water Recovery	Storage in soil, storage in onsite tanks, or storage in a pond.	
	Air Conditioner Condensate Recovery		
	Foundation Drain Water Recovery	With installation of tank and piping for irrigation.	
	Retreat Pool Backwash Water	Must install pool backwash filter to retreat backwash water to be reused in the pool or for other purposes such as irrigation.	
	Cooling Tower Conductivity Controllers		
	Cooling Tower Drift Eliminators		



RENEWABLE ENERGY

Improvement	Eligibility Specifications	Max. Term
Solar Photovoltaic (PV)	System must be installed by a contractor registered with the California Solar Initiative Program who has the correct contractor's license to install solar systems. System owner must utilize equipment that has been approved by the California Solar Initiative rebate program. Systems must be grid-connected unless the property is not connected to the grid.	
Fuel Cells	Fuel Cells capable of producing electrical power through electro-chemical means, including but not limited to Micro Combined Heat and Power ("MicroCHP") systems with ancillary equipment to produce and distribute power created from the system.	
Small Wind Turbines	Equipment must be listed in on the California Energy Commission List of Eligible Small Wind Turbines. Must have a nameplate capacity of no more than 50 kilowatts.	



CUSTOM PRODUCTS

Custom Products is a process by which WRCOG staff can evaluate and fund projects that are not “off the shelf” Eligible Products listed in the Energy Efficiency, Renewable Energy or Water Conservation/Efficiency Eligible Products. These custom projects may involve large scale industrial or commercial energy efficiency improvement projects, such as process or industrial mechanical systems, renewable energy sources and energy generation, other than the solar system (photovoltaic), such as geothermal, and potentially fuel cells, as well as more complex and cutting edge energy management solutions and emerging technologies. Custom Products will be evaluated and provided funding, if appropriate, for these innovative projects.

Applicants wishing to install Custom Products must provide a written explanation describing the improvement as well as how the improvement increases energy efficiency, increases water conservation/efficiency and/or produces renewable energy. The Program will then determine what documentation is required to submit an application for the proposed Custom Eligible Products. WRCOG will need to meet and review the engineering documents and data for custom and emerging technology projects. WRCOG may require an additional administrative fee for project evaluation by a technical review expert. In all cases, WRCOG reserves the right to decline funding of a Custom Products. Custom Products will be eligible if approved by the WRCOG Executive Committee.

The following types of measures – among others – will be considered for WRCOG funding through Custom Products:

ENERGY EFFICIENCY CUSTOM ELIGIBLE PRODUCTS

- Alternative energy generation (other than photovoltaic)
- Building energy management controls
- HVAC duct zoning control systems
- Irrigation pumps and controls
- Lighting controls
- Industrial and process equipment motors and controls

As these “Custom Products” become Energy Star rated they will be included in the List of Eligible Products.

ENERGY GENERATION CUSTOM ELIGIBLE PRODUCTS

- Fuel Cells
- Natural gas
- Hydrogen fuel
- Other fuel sources (emerging technologies)
- Co-generation (heat and energy)



APPENDIX A-2

ELIGIBLE PRODUCTS

[RENEW FINANCIAL PACE FINANCING]

The WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County offers financing for a number of eligible equipment types, energy efficiency measures, solar systems, and other innovative, energy-saving and energy generation custom products for residential and commercial property owners.

Minimum energy efficiency specifications are set at EnergyStar, California Title 24 and Title 20, and WaterSense standards, among other equivalent rating agencies, as applicable. Efficiency standards will "ratchet-up" with EnergyStar, WaterSense, California Title 24 and Title 20 standards, or other new standards as may be appropriate and as agreed upon by WRCOG.

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

ELIGIBLE PRODUCT LIST



In addition to the CaliforniaFIRST Product Eligibility Criteria listed below, all product specifications and installation quality must meet or exceed applicable local and state permitting, codes (including Title 24) and health and safety standards. CaliforniaFIRST requires permits for many of the products below if required by the local jurisdiction. All products must be installed per manufacturer's specifications. All products must be permanently installed and remain at the property upon sale or transfer.

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Energy Efficiency	Appliances	Clothes Dryer	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	10
Energy Efficiency	Appliances	Clothes Washer	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	10
Energy Efficiency	Appliances	Dishwasher	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	10
Energy Efficiency	Appliances	Freezer	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	15
Energy Efficiency	Appliances	Microwave Oven	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	10
Energy Efficiency	Appliances	Refrigerator	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	15
Energy Efficiency	HVAC	Air-Source Heat Pump	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Attic Fan	1. Product must have a thermostat control.	15
Energy Efficiency	HVAC	Boiler	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Ceiling Fan	1. Product must comply with Title 24.	10
Energy Efficiency	HVAC	Central Air Conditioner	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Duct Insulation	1. Product must comply with Title 24.	20
Energy Efficiency	HVAC	Duct Replacement	1. Product must comply with Title 24.	20
Energy Efficiency	HVAC	Duct Sealing	1. Product must comply with Title 24.	20
Energy Efficiency	HVAC	Ductless Mini-Split	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Ductless Mini-Split Air Conditioner	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Energy Recovery Ventilation (ERV) System	1. Product must be certified by the Home Ventilating Institute (HVI).	15
Energy Efficiency	HVAC	Evaporative Cooler	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	15
Energy Efficiency	HVAC	Furnace	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Gas Fireplace	1. Product must comply with Title 24.	20
Energy Efficiency	HVAC	Geothermal Heat Pump	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Heat Recovery Ventilation (HRV) System	1. Product must be certified by the Home Ventilating Institute (HVI).	15

ELIGIBLE PRODUCT LIST

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Title 24
Energy Efficiency	HVAC	Heating and Air Conditioning Package Unit	1. Product must comply with Title 24.	15
Energy Efficiency	HVAC	Pellet Stove or Insert	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Programmable Thermostat	1. Product must be on the List of EPA Certified Wood Stoves.	
Energy Efficiency	HVAC	Control	1. Product must comply with Title 24.	15
Energy Efficiency	HVAC	Radiant Heating (Floor, Wall, Ceiling)	1. Product must comply with Title 24.	
Energy Efficiency	HVAC	Ventilating Fans	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Whole House Fan	1. Product must comply with Title 24.	10
Energy Efficiency	Insulation and Air Sealing	Air Sealing	1. Product must comply with Title 24.	20
Energy Efficiency	Insulation and Air Sealing	Attic Insulation	1. Product must comply with Title 24.	25
Energy Efficiency	Insulation and Air Sealing	Floor Insulation (over unconditioned space)	1. Product must comply with Title 24.	
Energy Efficiency	Insulation and Air Sealing	Foam Insulation - Attic or Roof	1. Product must comply with Title 24.	25
Energy Efficiency	Insulation and Air Sealing	Wall Insulation	1. Product must comply with Title 24.	25
Energy Efficiency	Lighting	Indoor Lighting Fixtures	1. Product must comply with Title 24.	20
Energy Efficiency	Lighting	Lighting Control	1. Product must comply with Title 24.	20
Energy Efficiency	Lighting	Outdoor Lighting Fixtures	1. Product must comply with Title 24.	20
Energy Efficiency	Pool Equipment	Automatic Pool Covers	1. Product must be automatic.	10
Energy Efficiency	Pool Equipment	Gas Pool Heater	1. Product must comply with Title 24.	
Energy Efficiency	Pool Equipment	Heat Pump Pool Heater	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Energy Efficiency	Pool Equipment	Pool Filter	1. Product must comply with Title 24.	
Energy Efficiency	Pool Equipment	Pool Pump and Motor	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	5
Energy Efficiency	Roofing and Siding	Cool Roof - Performance	1. Product must be a cartridge pool filter.	10
Energy Efficiency	Roofing and Siding	Cool Roof - Prescriptive	1. Product must comply with Title 24.	
Energy Efficiency	Roofing and Siding	Exterior Coating	1. Product must comply with Title 24 exception criteria in ALL climate zones and roof pitches.	25
Energy Efficiency	Roofing and Siding	Insulated Siding	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	
Energy Efficiency	Roofing and Siding	Radiant Barrier	1. Product must comply with Title 24 criteria for cool roofs in ALL climate zones.	25
Energy Efficiency	Water Heating	Electric Heat Pump Tank Water Heater	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	
Energy Efficiency	Water Heating	Gas Storage Tank Water Heater	1. Product must have solar reflectance ≥ 0.5 as tested by third-party laboratory using ASTM C1549-09 test method.	20
Energy Efficiency	Water Heating		2. Product color must be listed on the Renew Financial Exterior Coating Pre-Approval List.	
Energy Efficiency	Water Heating		1. One of the following performance criteria must be met: a. The siding includes an insulated backing with R-value ≥ 2 . b. Insulation with R-value ≥ 2 is installed beneath the siding.	25
Energy Efficiency	Water Heating		1. Product must comply with Title 24.	25
Energy Efficiency	Water Heating		1. Product must comply with Title 24.	
Energy Efficiency	Water Heating		2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Energy Efficiency	Water Heating		1. Product must comply with Title 24.	
Energy Efficiency	Water Heating		2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10

ELIGIBLE PRODUCT LIST

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Energy Efficiency	Water Heating	Gas Tankless Water Heater	1. Product must comply with Title 24.	20
Energy Efficiency	Water Heating	Hot Water Tank Insulation	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Energy Efficiency	Water Heating	Pipe Insulation - Hot Water	1. Product must comply with Title 24.	10
Energy Efficiency	Water Heating	Water Heat Recovery	1. Product must comply with Title 24.	25
Energy Efficiency	Water Heating	Water Softener	1. Heat exchanger must transfer waste heat from drain to hot water tank or hot water delivery system.	
Energy Efficiency	Windows and Doors	Applied Window Films	1. Product must be a central cation-exchange water softener. (Descalers, water conditioners, and other water treatment products do not qualify.)	20
Energy Efficiency	Windows and Doors	Doors	1. Product must be NFRC Certified.	10
Energy Efficiency	Windows and Doors	Doors	1. Product must comply with Title 24.	25
Energy Efficiency	Windows and Doors	Exterior Shade Products	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	
Energy Efficiency	Windows and Doors	Exterior Shade Products	1. Product must be permanently installed on the building exterior to shade at least one window or door.	
Energy Efficiency	Windows and Doors	Exterior Shade Products	2. The following products qualify:	
Energy Efficiency	Windows and Doors	Exterior Shade Products	a. Awning	
Energy Efficiency	Windows and Doors	Exterior Shade Products	b. Exterior window shade	
Energy Efficiency	Windows and Doors	Exterior Shade Products	c. Solar screen	
Energy Efficiency	Windows and Doors	Exterior Shade Products	d. Patio cover	
Energy Efficiency	Windows and Doors	Exterior Shade Products	e. Roof overhang	
Energy Efficiency	Windows and Doors	Exterior Shade Products	(Other exterior structural elements are not eligible.)	15
Energy Efficiency	Windows and Doors	Interior Window Treatment	1. Product must be permanently installed on the interior of a window or door.	
Energy Efficiency	Windows and Doors	Skylights and Tubular Daylighting Devices	2. The following products qualify:	
Energy Efficiency	Windows and Doors	Skylights and Tubular Daylighting Devices	a. Blinds	
Energy Efficiency	Windows and Doors	Skylights and Tubular Daylighting Devices	b. Shades	
Energy Efficiency	Windows and Doors	Skylights and Tubular Daylighting Devices	c. Interior Shutters	10
Energy Efficiency	Windows and Doors	Windows	1. Product must comply with Title 24.	20
Energy Efficiency	Windows and Doors	Windows	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	25
Renewable Energy	Electric Vehicle Charging Station	Electric Vehicle Charging Station	1. Product must be a Level 2 charger with SAE J1772 standard charging plug.	
Renewable Energy	Electric Vehicle Charging Station	Electric Vehicle Charging Station	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Renewable Energy	Fuel Cells	Stationary Fuel Cell Power System	1. System must be certified as meeting the ANSI/CSA America FC1 standard.	
Renewable Energy	Fuel Cells	Stationary Fuel Cell Power System	2. Installation must comply with the Standard for the Installation of Stationary Fuel Cell Power Plants (NFPA 853).	
Renewable Energy	Fuel Cells	Stationary Fuel Cell Power System	3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Renewable Energy	Solar Photovoltaic	Solar Inverters	1. Product must be on California Solar Initiative Eligible Products list.	
Renewable Energy	Solar Photovoltaic	Solar Inverters	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Renewable Energy	Solar Photovoltaic	Solar Panels - PPA	1. Product must be on California Solar Initiative Eligible Products list.	
Renewable Energy	Solar Photovoltaic	Solar Panels - PPA	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Renewable Energy	Solar Photovoltaic	Solar Panels - With Monitoring	1. Product must be on California Solar Initiative Eligible Products list.	
Renewable Energy	Solar Photovoltaic	Solar Panels - With Monitoring	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	
Renewable Energy	Solar Photovoltaic	Solar Panels - With Monitoring	3. To qualify for a 30-year term, the system must monitor performance. (Not available in Los Angeles County, unincorporated Sacramento County, or the City of Chula Vista).	30

ELIGIBLE PRODUCT LIST

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Renewable Energy	Solar Photovoltaic	Solar Panels - Without Monitoring	1. Product must be on California Solar Initiative Eligible Products list. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	25
Renewable Energy	Solar Thermal	Solar Pool Heating	1. System must have OG-100 System Certification by Solar Rating and Certification Corporation (SRCC).	15
Renewable Energy	Solar Thermal	Solar Water Heating	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Renewable Energy	Storage	Advanced Energy Storage Systems	1. Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Renewable Energy	Wind Energy	Small Wind Turbine	1. Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20



MAP OF AREA





APPENDIX C-1

Draft Assessment Contract

WRCOG HERO Program ASSESSMENT CONTRACT (RESIDENTIAL)

This Assessment Contract (this "Contract") is made and entered into as of this 1st day of August, 2014, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority"), and the record owner(s), **Jonathon Smith**, (the "Property Owner"), of the fee title to the real property identified on Exhibit A (the "Property").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities within the County of Riverside (the "County") and the County; and

WHEREAS, the Authority has established the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County (the "HERO Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure that are permanently fixed to real property (the "Authorized Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the California Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (California Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the City or the unincorporated area of the County identified in Exhibit A and which has elected to participate in the HERO Program (the "Participating Entity"); and

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

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described in **Exhibit A** (the "Improvements") and the Authority would agree to provide financing, all on the terms set forth in this Contract;



NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Contract for the purpose of financing the installation of the Improvements identified on Exhibit A on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit A.

Section 2. The Property. This Contract relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Contract on behalf of the Property Owner.

Section 3. Contract to Pay Assessment; Prepayment

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

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

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

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

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

Upon receipt of the fully executed and final Completion Certificate (as described in The WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County Residential HERO Program Handbook, Version 2.3, dated October 2014, Section 7 referred to herein as the "Handbook") the Authority shall calculate and disburse payments to those entitled to receive them (the "Actual Disbursement Amount") hereunder. If at any time after executing this Contract but before the Authority pays the Actual Disbursement Amount, the Property Owner changes the Improvements to be installed from those originally appearing on Exhibit A, but (i) the Improvement categories and the Improvement types do not change from those originally selected, and (ii) the "Revised Estimated Disbursement Amount" (which means the amount anticipated to be the Actual Disbursement Amount based on the changed Improvements) is less than or equal to the Estimated Disbursement Amount, the parties do not need to execute the Addendum described in Section 4 below, and this Contract shall remain unmodified and the Assessment shall be calculated as described above in this Section 3(b). If, however, any such change meets the provisions of Section 4 below, then an Addendum will be required.



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

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

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

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

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

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have such delinquent Assessment installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent installments, associated penalties and interest, and all costs of suit, including attorneys' fees. The Property Owner acknowledges that, if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of such bonds, to exercise its judicial foreclosure rights with respect to delinquent Assessment installments under circumstances specified in such covenant.

Section 6. Financing of the Improvements.

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



(b) Assessment Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Assessment installments set forth on Exhibit B is identified on Exhibit B. If the Authority determines in its reasonable discretion that the Assessment installments may be reduced because the applicable interest rate on the bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit B, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit B.

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

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

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

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

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

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

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

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

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

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



If the remaining balance of the Actual Disbursement Amount the Investor has deposited with the municipal trustee exceeds the amount reflected in the Final Installation Completion Certificate, the Authority shall cause such excess to be applied, at the discretion of the Investor, (i) to the Property Owner's next assessment payment due under this Contract, or (ii) to the reduction of the outstanding balance of the Assessment determined in accordance with Sections 3 and 4 of this Contract; or

If the remaining balance of the Actual Disbursement Amount the Investor has deposited with the municipal trustee is less than the amount reflected in the Final Installation Completion Certificate, the Property Owner shall be individually responsible for paying such difference to the applicable Contractor, and such payment shall be excluded from the Assessment under this Contract. If for any reason any one or more of the categories or types of Improvements planned to be installed under this Section 7 is not installed by the expiration date reflected in the Notice to Proceed, then the Investor shall have the option to declare the financing of the Improvements complete, in which case the municipal trustee shall be notified to apply any remaining balance of the Actual Disbursement Amount held by such municipal trustee to reduce the Property Owner's outstanding Assessment.

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

- (a) Except as otherwise set forth in this Contract, this Contract shall expire upon the final payment or prepayment of the Assessment.
- (b) This Contract establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.
- (c) In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to the newly-created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment will be assigned to each of the newly-created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment should be allocated in an alternate manner.

Section 9. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 10. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property, including any subdivision of the Property, of the obligation to pay the Assessment pursuant to this Contract.

Section 11. Waivers, Acknowledgment and Contract. Because this Contract reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIII D of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the HERO Program. The Property Owner hereby agrees that the Property Owner and its successors in interest to fee title in the Property shall be solely responsible for the installation, operation and maintenance of the



Improvements. The Property Owner hereby acknowledges that the Property will be responsible for payment of the Assessment regardless of whether the Improvements are properly installed, operated or maintained as expected.

The Property Owner hereby agrees that the Authority is entering into this Contract solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the Participating Entity have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the Participating Entity from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Contract that the Property Owner may now have or hereafter acquire against the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity.

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

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

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

Section 12. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or



indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the HERO Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Contract, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Contract.

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

Section 13. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

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

Section 15. HERO Program Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the HERO Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the HERO Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

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

Section 17. Binding Effect; Assignment. This Contract inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns. The Authority has the right to assign any or all of its rights and obligations under this Contract without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Contract is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

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

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

Section 20. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Contract.

Section 21. Governing Law: Venue. This Contract is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Contract must be instituted in the Superior Court of the County of Riverside, State of California.



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

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

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

By executing this Contract Property Owner acknowledges and agrees that:

- a. Property Owner has had sufficient time to review and has reviewed each of the Contract Documents and has had the opportunity to ask any questions to WRCOG that the Property Owner may have regarding such Contract Documents.
- b. Property Owner has reviewed, understands and agrees to each and every additional requirement and term contained in Appendix B to the HERO Residential Program Handbook (the "Handbook").
- c. Property Owner has reviewed, understands, agrees to and affirms each and every representation and warranty contained in the Property Owner's application and the Handbook.

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

Owner(s) must execute and return this Contract to WRCOG at the address set forth in the "Notice Information" section of Exhibit A hereto so that it is received by WRCOG not later than 08/01/2014. If the Property Owner fails to return the signed Assessment Contract to WRCOG by the indicated date the HERO Program reserves the right to require the Property Owner to enter into a new Contract. All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously successfully completed the identity verification process approved by WRCOG.

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

Owner 1:

Jonathon Smith, Signature

Date

:

Month/Day/Year

Identity Verification Code:



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

Name (*Please Print*)

WRCOG Signature

Date of Execution by WRCOG



EXHIBIT A

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

Description of Property:

Property Owner Name(s): Jonathon Smith
Property Address: 12345 Main St, Riverside, CA 92508
APN: 0000000000
Participating Entity: WRCOG
County: Riverside

Description of Products:

The Products include the following:

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

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

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

Notice Information:

Western Riverside Council of Governments
Attn: WRCOG HERO Program Manager
Riverside County Administrative Center Annex
4080 Lemon St, 3rd Floor, MS1032
Riverside, CA 92501-3609

Jonathon Smith
12345 Main St
Riverside, CA 92508



EXHIBIT B

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

List of Contract Documents:

The Contract shall consist of the following documents:

This Contract and the exhibits hereto:

Any Addendum entered into pursuant to Section 4 hereto:

The Application;

The Right to Cancel;

The Completion Certificate or, pursuant to Section 7, each applicable Completion Certificate;

The Assessment Cost and Payment Summary;

The Notice of Assessment;

The Payment of Contractual Assessment Required;

The WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County Residential HERO Program Handbook, Version 2.3, dated October 2014; and

The HERO Program website located at <https://www.heroprogram.com>.

Disbursement Amounts:

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

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

Schedule of Estimated Maximum Annual Assessment Installments:

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

1. WRCOG disburses the Estimated Disbursement Amount to Owner.
2. Interest totaling a maximum of \$_____ will accumulate until your first Payment. That amount will be added to Owner's Estimated Disbursement Amount.
3. WRCOG disburses to Owner on the Estimated Disbursement Date.
4. The Assessment Interest Rate is ____%.
5. The Annual Percentage Rate (APR) of your assessment is ____%. APR is the annual interest rate you will actually pay on your assessment, including fees required in order to participate in the HERO Program.
6. The total administrative fees, recording fees and annual assessment added to your assessment is \$_____.



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

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

**** Subject to change

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

Prepayment:

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



WRCOG HERO Program ADDENDUM TO THE ASSESSMENT CONTRACT Addendum No. 1

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

RECITALS:

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

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

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

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

Addendum.

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

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

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

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



the Contract as amended hereby.

Representations and Warranties.

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

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

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

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

Property Owner Information:

Date: **08/01/2014**
Property Owner: **Jonathon Smith**
Property Address: **12345 Main St, Riverside, CA 92508**
HERO ID: **RWR12345N**
Application Date: **08/01/2014**
Expiration Date: **11/19/2014**

Summary:

Financing Term	Interest Rate	Annual Amount Added to Property Tax Bill
5 years	_. %	\$_____.

Description of Products:

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



Payment Schedule:

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

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

**** Subject to change

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

Owner 1: _____

Jonathon Smith, Signature

Date: _____

Month/Day/Year

Identity Verification Code:

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

Name *(Please Print)*

WRCOG Signature

Date of Execution by WRCOG



APPENDIX C-2

DRAFT ASSESSMENT CONTRACT

WRCOG SAMAS COMMERCIAL ASSESSMENT CONTRACT (COMMERCIAL)



APPENDIX C-3

DRAFT ASSESSMENT CONTRACT

WRCOG HERO COMMERCIAL ASSESSMENT CONTRACT (COMMERCIAL)

PLACE HOLDER



APPENDIX C-4
RESIDENTIAL ASSESSMENT CONTRACT
RENEW FINANCIAL PACE

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
CALIFORNIAFIRST
(COUNTY OF RIVERSIDE)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "Agreement") is made and entered into as of this 17 day of February, 2017, by and between the Western Riverside Council Of Governments, a joint exercise of powers authority (the "Authority"), and the record owner(s) (the "Property Owner") of the fee title to the real property identified on Exhibit A (the "Property").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "Authorized Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the county identified on Exhibit A (the "County"); and

WHEREAS, the Property is located within the boundaries of unincorporated land of the County, or the incorporated city, identified in Exhibit A as the "Municipality" (the "Municipality"), and the Municipality has consented to (i) owners of property within its



jurisdiction participating in the CaliforniaFIRST Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described on Exhibit A (the “**Improvements**”) and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit A on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit A.

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment.

(a) Payment of Assessment. The Property Owner hereby freely and willingly agrees to pay the assessment shown as the “Assessment Amount” on Exhibit B, representing the amounts being financed (i) for purposes of installing the Improvements, which are shown as the “Cost of Improvements” in Exhibit B, and (ii) for the purposes described in Section 3(b) (the “Assessment”). The Authority will not provide financing for the benefit of the Property Owner in an amount in excess of the Assessment.

Except as otherwise set forth in this Agreement, the Assessment will be paid in the installments of principal (representing the amortization of the Assessment over the period shown on Exhibit B), except as provided in Section 3(b)(vi), and interest on the unpaid principal at the rate set forth on Exhibit B (collectively, the “**Financing Installments**”). Interest will begin to accrue on the date on which the Authority disburses money to the Property Owner, or its designee, to finance the installation of the Improvements. The interest rate is further described in Section 5(b) of this Agreement.



(b) Financing of Upfront Costs. In addition to financing installation of the Improvements, the Authority will finance the following amounts, which are included in the Assessment and shown as “Upfront Costs” on Exhibit B:

(i) Program-Related Fees. These include closing fees paid from a portion of bond proceeds to the Authority, any other entities responsible for program management and administration, and issuer and bond counsel to the Authority, and as well as any other related costs of issuance of any bond.

(ii) Lien Recording Fee. This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the Property.

(iii) Reserve Fund Deposit. This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by the Authority to finance installation of the Improvements on the Property and other Properties participating in the CaliforniaFIRST Program.

(iv) California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) PACE Loss Reserve Program Fee. This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the Property and other Properties participating in the CaliforniaFIRST Program. The fee will be paid from a portion of bond proceeds.

(v) Foreclosure Expense Reserve Account Deposit. This is a one-time deposit from a portion of bond proceeds into a reserve account that the Authority will use to pay for the costs of foreclosing on the Property and other properties participating in the CaliforniaFIRST program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.

(vi) Capitalized Interest. The Financing Installments and related Administrative Expenses may be billed either on or (to the extent permitted by law) off the County’s property tax roll at the sole discretion of the Authority. If on-roll billing is utilized, the CaliforniaFIRST Program’s deadline for placing the first year’s Financing Installment and related Administrative Expenses (as defined in Section 3(c)) on the County’s property tax roll is shown on Exhibit B as the “Applicable Tax Roll Deadline” (the “**Applicable Tax Roll Deadline**”). If the Authority issues a bond to finance installation of the Improvements on the Property *before* the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, then the first year’s Financing Installment and related Administrative Expenses will be billed on the Property Owner’s property tax bill for the related Tax Year (as defined in Section 5(c)). However, if the Authority issues such a bond *after* the Applicable Tax Roll Deadline occurring in the



same calendar year of the bond issuance, the first year's Financing Installment will not include a principal component, and a portion of the proceeds of the bond will be used to fund the payment of all of such year's interest component.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), the Authority may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the CaliforniaFIRST Program ("Administrative Expenses"). Exhibit B shows the estimated Administrative Expenses with the Financing Installments; **however, such estimated Administrative Expenses may increase if the cost of collecting the Financing Installments or administering the CaliforniaFIRST Program increase.** The Property Owner agrees to pay actual Administrative Expenses, which may be higher than such estimates. The Administrative Expenses, together with each Financing Installment and the Assessment, are referred to collectively as the "Assessment Obligations."

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or any other amount equal to at least \$2,500, at any time. Prepayments will be applied to cause the discharge of the portion of the lien of the Assessment prepaid at the end of the month in which funds are received. Upon request, the Authority will provide a payoff statement and payment instructions. The prepayment amount will include (i) a credit for any applicable refund of amounts financed for the reserve fund deposit described in Section 3(b)(iii); (ii) a credit for any applicable refund of amounts financed to pay interest described in Section 3(b)(vi), (iii) interest, which continues to accrue on the amount prepaid to the first bond interest payment date that is at least 65 days following the date of the prepayment, and (iv) the reasonable costs of the Authority related to the prepayment. On or prior to the June 30 next following a prepayment, the Authority will provide the Property Owner with an updated payment schedule that reduces subsequent annual installments so that the remaining scheduled payments will be sufficient to pay all amounts due under the Assessment throughout the original remaining term of this Agreement. **As a result of the updated payment schedule, the Property Owner will enjoy a lower annual installment following a prepayment, but the total amount of interest that the Property Owner pays over the term of the Assessment will be higher than if the Property Owner had continued, after the prepayment, to pay annual installments in accordance with the original payment schedule.** Due to circumstances outside the Authority's control, prepayments made after June 30 of any calendar year may result in Property Owner receiving a tax bill that does not reflect that prepayment. In these circumstances, Property Owner must pay the full tax bill and the Authority will refund overpayments to Property Owner when the Authority receives the amount overpaid from the tax collector.



(e) Absolute Obligation. The Property Owner hereby agrees that none of the Assessment Obligations will be subject to reduction, offset or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.

Section 4. Collection of Assessment; Lien. The Assessment Obligations, and the interest and penalties thereon imposed by law as a result of a delinquency in the payment of any Financing Installment and Administrative Expenses, shall constitute a lien against the Property until they are paid and shall be collected and have the lien priority set forth in Chapter 29.

The Property Owner acknowledges that if any Financing Installment and related Administrative Expenses are not paid when due, the Authority has the right to have the delinquent installment, 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 installment, associated penalties and interest, and all costs of suit, including attorneys' fees.

The Property Owner acknowledges that if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent Financing Installments and related Administrative Expenses under specified circumstances. Such a covenant would typically provide that no later than a specific date in each year, the Authority will determine whether the Property is delinquent in the payment of Financing Installments and related Administrative Expenses and, if so, will notify its legal counsel ("Authority Counsel") of any such delinquencies. Authority Counsel will commence, or cause to be commenced, the foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint by a specific date acceptable to the bond owner(s).

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the CaliforniaFIRST Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority. The Property Owner hereby acknowledges that the Improvements confer a special benefit to the Property in an amount at least equal to the Assessment.

(b) Financing Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements and other purposes described in Section 3(b). The interest rate used to calculate the interest component of the Financing Installments, as identified on Exhibit B, reflects the interest cost of the bonds. If the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to



the Property Owner, the Authority may provide the Property Owner with a schedule that provides for annual installments that are less than those set forth in the attached Exhibit B. The Property Owner hereby represents to the Authority that the cost of the Improvements as shown in a final invoice provided to the Authority by the Property Owner does not include any costs of constructing the Improvements for which the Property Owner will receive credits, incentives or rebates.

In the event the actual cost of acquisition, construction or installation of the Improvements exceeds the portion of the Assessment expected in this Agreement to be used to finance acquisition, construction and installation of the Improvements, then the Property Owner agrees to pay the additional costs and to complete acquisition, construction or installation of the Improvements.

(c) Initial Tax Year. The Financing Installments and related Administrative Expenses will be placed on the County property tax roll each “Tax Year” (being the period beginning July 1 and ending the immediately succeeding June 30), commencing with the first Tax Year in which the Financing Installments and related Administrative Expenses are placed on the Property Owner’s property tax bill prior to the Applicable Tax Roll Deadline for a Tax Year (the “Initial Tax Year on Roll”). The estimated Initial Tax Year on Roll is identified on Exhibit B.

Section 6. Term; Agreement Runs with the Land; Subdivision. (a) If the Authority has not received a completion certificate for the Improvements within 150 days of the date hereof, this Agreement shall automatically expire. The date of such expiration is shown as the “Expiration Date” on Exhibit B. Except as otherwise set forth in this Agreement, this Agreement shall also expire upon the final payment or full prepayment of the Assessment Obligations. The Authority will notify the Property Owner in writing (at the address specified in Exhibit A) when the lien of the Assessment Obligations has been removed from the property.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment Obligations remain unpaid, the Assessment Obligations will be assigned to the newly created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment Obligations will be assigned to each of the newly created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment Obligations should be allocated in an alternate manner.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded



against the Property, including but not limited to the Notice of Assessment and the Payment of Contractual Assessment Required.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property (including the purchasers of any subdivisions of the Property) of the obligation to pay the Assessment Obligations pursuant to this Agreement. Neither this Agreement nor the Program imposes limitations nor restrictions on the transfer of the Property and Assessment to a new Property Owner.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment Obligations following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner acknowledges its right to cancel this transaction within three (3) business days from the date of its executing this Agreement.

The Property Owner hereby waives its right to repeal the Assessment Obligations by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment Obligations or any aspect of the proceedings of the Authority undertaken in connection with the CaliforniaFIRST 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 Obligations regardless of whether the Improvements are properly installed, operated or maintained as expected.

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that any bond purchaser, the Authority and the city and county in which the Property is located have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases any bond purchaser, the Authority, the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority and the city and county in which the Property is located from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the bond purchaser, the Authority,



the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority or the city and county in which the Property is located.

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials:

GP

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Arbitration Agreement. Please read this Section 10 ("Arbitration Agreement") carefully. It is part of this Assessment Contract and affects the Property Owner's rights. It contains a JURY TRIAL WAIVER and procedures for MANDATORY BINDING ARBITRATION AND A CLASS ACTION WAIVER.

(a) Informal Dispute Resolution. Before asserting a claim in any proceeding, Property Owner ("Property Owner" includes any successor in interest to the Property Owner) and the Authority ("Authority" includes any of the Authority's parents, subsidiaries, affiliates, agents, privities, employees, predecessors, successors, assigns,



contractors and sub-contractors) agree that they shall engage in good faith to resolve the claim.

(b) Arbitration. All claims and disputes arising out of or relating to the CaliforniaFIRST Program, this Assessment Contract and/or the Authorized Improvements that cannot be resolved informally or in small claims court shall be resolved by binding arbitration on an individual basis under the terms of this Arbitration Agreement. This Arbitration Agreement applies to the Property Owner and the Authority.

(c) Waiver of Jury Trial. PROPERTY OWNER AND THE AUTHORITY HEREBY WAIVE THEIR CONSTITUTIONAL AND STATUTORY RIGHTS TO GO TO COURT AND HAVE A TRIAL IN FRONT OF A JUDGE OR JURY, instead electing that all claims and disputes shall be resolved by arbitration under this Arbitration Agreement.

(d) Arbitration Rules. The Federal Arbitration Act governs the interpretation and enforcement of this dispute resolution provision. Arbitration shall be initiated through JAMS, Inc., an established alternative dispute resolution provider ("ADR Provider"). If the selected provider is not available to arbitrate, the Parties shall select an alternative ADR Provider. The rules of the ADR Provider shall govern all aspects of this arbitration, except to the extent such rules are in conflict with this Assessment Contract ("Arbitration Rules") or to the extent that application of the Assessment Contract provisions would result in the unenforceability of this Arbitration Agreement. The JAMS rules governing the arbitration are available online at www.jamsadr.com or by calling JAMS at 1-800-352-5267. Any arbitration hearing will be held in the Property Owner's federal judicial district. Any judgment on the awarded rendered by the arbitrator may be entered in any court of competent jurisdiction.

(e) Decision of the Arbitrator. The arbitrator shall issue a written award and statement of decision describing the essential findings and conclusions of which the award is based. The arbitrator has the same authority to award relief on an individual basis that a judge in a court of law would have. The award of the arbitrator is final and binding upon the Property Owner and WRCOG.

(f) Waiver of Class or Consolidated Actions. ALL CLAIMS AND DISPUTES WITHIN THE SCOPE OF THIS ARBITRATION AGREEMENT MUST BE ARBITRATED ON AN INDIVIDUAL BASIS AND NOT ON A CLASS ACTION BASIS, AND ARBITRATION CLAIMS OF MORE THAN ONE PROPERTY OWNER CANNOT BE ARBITRATED OR LITIGATED JOINTLY OR CONSOLIDATED WITH THOSE OF ANY OTHER PROPERTY OWNER.

~~(b)~~(g) Severability. If any part or parts of this Arbitration Agreement other than the waiver of class or consolidated rights are found under the law to be invalid or



unenforceable, then such specific part or parts shall be of no force and effect and shall be severed and the remainder of the Arbitration Agreement shall continue in full force and effect. If the waiver of class or consolidated rights is found to be unenforceable, then as to the specific dispute in which that ruling of unenforceability was made, this entire Arbitration Agreement shall be unenforceable.

(h) Survival of Agreement. This Arbitration Agreement shall survive the termination of this Assessment Contract.

(i) Small Claims Court. Notwithstanding the foregoing, either Property Owner or the Authority may bring an individual action in small claims court.

(j) Property Owner's Right to Opt Out of Arbitration. Property Owner may opt out of this Arbitration Agreement by sending a written election of the Property Owner's election to do so, signed by all Property Owners, within 15 days of the date of this Assessment Contract. Such election shall be sent to Attn: WRCOG CaliforniaFIRST Program Manager, 4080 Lemon Street, 3rd Floor, MS1032 Riverside, CA 92501.

By initialing below, the Property Owner acknowledges and agrees to the terms set forth in this Section 10.

Property Owner's Initials:

GP

Section 11. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the city and county in which the Property is located, any bond purchaser and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority, the city and county in which the Property is located or any bond purchaser, 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 CaliforniaFIRST Program, (ii) the Assessment Obligations, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, 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 Agreement.



The provisions of this Section 11 shall survive the termination or expiration of this Agreement.

Section 12. Right to Inspect Property. The Property Owner hereby grants the Authority and 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 and its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 13. Carbon Credits. The Property Owner hereby agrees that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned by the Authority.

Section 14. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the CaliforniaFIRST 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 CaliforniaFIRST Program Application are true and correct as of the date hereof as if made on the date hereof.

Section 15. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner.

Section 16. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment Obligations set forth in this Agreement is an obligation of the Property, and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment Obligations lien or the right to enforce the collection of the Assessment Obligations or any installment thereof against the Property.

Section 17. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 18. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.



Section 19. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 20. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, that actions to foreclose delinquent Financing Installments and related Administrative Expenses will be instituted in the superior court of the County or as otherwise provided by law.

Section 21. Existing Instruments. BEFORE ENTERING INTO THIS ASSESSMENT CONTRACT, THE PROPERTY OWNER SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) ("EXISTING INSTRUMENTS") THAT AFFECT THE PROPERTY OR TO WHICH THE PROPERTY OWNER IS A PARTY. THE PROPERTY OWNER'S ENTERING INTO THIS AGREEMENT WITHOUT THE CONSENT OF AN EXISTING LENDER COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH EXISTING INSTRUMENTS. DEFAULTING UNDER AN EXISTING INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE PROPERTY OWNER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH 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.

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

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: Authorized Signatory



Prior to executing this Agreement, I have received and understand (a) the Financing Application Disclosures, (b) the Privacy Policy, (c) this Agreement, (d) the Program Handbook, and (e) the Financing Estimate and Disclosures.

The following are the authorized signatories of the Property Owner:

Name: Golden Path

By:_____

Its: Authorized Signatory

Date:_____



APPENDIX C-5

DRAFT COMMERCIAL ASSESSMENT CONTRACTS UTILIZED WITH RENEW FINANCIAL

- 1. NON RESIDENTIAL PPA**
- 2. PPA ASSIGNMENT**
- 3. NON –RESIDENTIAL NON PPA**
- 4. AGREEMENT TO PAY**



Sample 1 - DRAFT
**Agreement to Pay Assessment and Finance Improvements
(Power Purchase Agreement/Lease)**

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
(CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "Agreement") is made and entered into as of this _____ day of _____, 2017, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority"), and the record owner(s) (the "Property Owner") of the fee title to the real property identified on Exhibit A (the "Property").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "**Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "**City/County**") ; and

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of property within its jurisdiction (the "**Participating Property Owners**") participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and



WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described in Exhibit B (the “Improvements”) and the Authority would agree to provide financing, all on the terms set forth in this Agreement; and

WHEREAS, Section 5899.2 of Chapter 29 provides that, for the purpose of financing the installation of distributed generation renewable energy sources pursuant to Chapter 29, “permanently fixed” includes, but is not limited to, systems attached to a residential, commercial, industrial, agricultural, or other real property pursuant to a power purchase agreement or lease between the owner of the system and the owner of the assessed property, if the power purchase agreement or lease contains certain provisions, including, among other things, that after installation, the power purchase agreement or lease is paid, either partially or in full, using the funds from the contractual assessment program; and

WHEREAS, the Property Owner has informed the Authority that it intends to finance the installation of the Improvements on the Property by entering into a power purchase agreement or lease with a third party selected by the Property Owner and that the power purchase agreement or lease contains the provisions required by Section 5899.2 of Chapter 29;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B.

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the “Initial Assessment”). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues a bond to finance installation of the Improvements on the Property before the County’s



deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's installments will be billed on the Property Owner's property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues a bond to finance installation of the Improvements on the Property after the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority issues bonds to finance the installation of the Improvements (the "**Improvement Bonds**").

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

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid Initial Assessment, (b) the accrued but unpaid interest on the unpaid Initial Assessment through the redemption date of the Improvement Bonds, (c) a prepayment premium in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds.



(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the 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, if Improvement Bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the Improvement Bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances.

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

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to the issuance of the Improvement Bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. If the Authority determines in its reasonable discretion that the Initial Assessment installments may be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C.

(c) Unused Bond Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds secured by the Assessment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds.



(d) Installation of Improvements. The Property Owner agrees to cause installation of the Improvements on the Property by paying all or a portion of a power purchase agreement or lease with the proceeds of the bonds secured by the Assessment. The Property Owner hereby represents and warrants that the terms of the power purchase agreement or lease comply with the provisions of Section 5899.2 of Chapter 29, and that an executed copy of the power purchase agreement has been submitted to the Authority as part of the Property Owner's application for financing from the Program.

Section 6. Term; Agreement Runs with the Land; Subdivision.

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

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the Program. The Property Owner hereby agrees that the Property Owner and its successors in interest to fee title



in the Property shall be solely responsible for the installation, operation and maintenance of the Improvements. The Property Owner hereby acknowledges that the Property will be responsible for payment of the Assessment regardless of whether the Improvements are properly installed, operated or maintained as expected.

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the [City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County]



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 Agreement, 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 Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 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.

Section 12. Carbon Credits. The Property Owner and the Authority hereby agree that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned in the manner set forth in the power purchase agreement or lease.

Section 13. CaliforniaFIRST 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.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.



Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: _____



The following are the authorized signatories of the Property Owner:

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



EXHIBIT A

Property Owner:

Property (APN/Legal Description):

Prepayment Premium: The prepayment premium shall be equal to the redemption premium, if any, payable on the applicable redemption date for the Improvement Bonds.

Interest Rate Used to Calculate Initial Assessment Installments:

Reserve Fund Deposit: \$. The Authority will fund a deposit to a debt service reserve fund for Improvement Bonds. The reserve fund deposit will be in an amount equal to 0% of the Initial Assessment.



EXHIBIT B

IMPROVEMENTS

The Improvements are described on the attached documentation.

EXHIBIT C

SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS

[to come]

[\[Attach notary pages\]](#)

Sample 2
PPA Assignment

Draft

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
(CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "Agreement") is made and entered into as of this _____ day of _____, 20____, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority"), and the record owner(s) (the "Property Owner") of the fee title to the real property identified on Exhibit A (the "Property").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code ("Chapter 29") authorizes the financing of the installation of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "Authorized Improvements"), which includes, pursuant to Chapter 29, distributed generation renewable energy systems attached to real property pursuant to a power purchase agreement or lease between the owner of the system and the owner of the real property; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program (the "Program") to provide financing for the installation of Authorized Improvements through the levy of contractual assessments pursuant to Chapter 29 and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the owner of the real property and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "City/County"); and

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of real property within its jurisdiction participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the installation of the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment, which payment constitutes funds from the contractual assessment program, to satisfy payments due under a lease of the Authorized Improvements entered into between the owner of the Authorized Improvements and the Property Owner in order to finance the installation on the Property of the Authorized Improvements described in Exhibit B (the “**Improvements**”) and the Authority would agree to provide financing, all on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B. The Authority may finance installation with one or both of the following: (i) bonds it issues that are payable in whole or in part from the installments set forth on Exhibit C (as described below) (“**Improvement Bonds**”) and (ii) as interim financing for the financing of the Improvements in anticipation of the issuance of Improvement Bonds, one or more assignments of all or a portion of the installments set forth on Exhibit C (as described below) (each, an “**Assignment**”). The Property Owner and the Authority acknowledge that, although the Improvements are attached to the Property (within the meaning of Chapter 29), the Improvements constitute personal property, including for purposes of Division 9 of the California Commercial Code, and are not a part of, an accession or addition to, or a fixture on the Property.

Section 2. The Property. This Agreement relates to the Property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the “**Initial Assessment**”). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C.

(b) Interest Rate. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. Interest will accrue beginning on the date on which the Authority first makes funds available to the Property Owner to finance the installation of the Improvements.

(c) Payment of Non-Completion Assessment. The Property Owner hereby freely and willingly agrees to pay an additional assessment (the “**Non-Completion Assessment**”) in the event that the Property Owner fails to install the Improvements in compliance with the

Program rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds, including but not limited to any portion of the prepayment premium, that is not paid from the unused cash proceeds of the Improvement Bonds, (ii) if the Authority makes an Assignment as interim financing in anticipation of issuing the Improvement Bonds, the payment of any costs associated with the reassignment of all or a portion of the installments payable under this Agreement, including but not limited to any portion of the prepayment premium, that is not paid from the unused cash proceeds of the Assignment, and (iii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(d) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(e) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (i) the whole or a portion of the unpaid principal component of the Initial Assessment, (ii) the accrued but unpaid interest on the unpaid principal component of the Initial Assessment through the redemption date of the Improvement Bonds or the prepayment date if there are no Improvement Bonds outstanding, (iii) a prepayment premium, calculated by multiplying the percentage set forth on Exhibit A by the amount of principal prepaid and (iv) the reasonable costs of the Authority related to such prepayment. Upon any partial prepayment, the amount of the Assessment remaining shall be re-amortized to provide for equal installments over the remainder of the term of this Agreement and Exhibit C shall be revised accordingly. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds or the prepayment of the assignee under an Assignment.

(f) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien.

(a) The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

(b) The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the delinquent installment and its associated penalties and interest removed from 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. Removal of a tax year's delinquent installment and its associated penalties and

interest from the secured property tax roll does not result in the removal of the lien or change the obligation to pay future installments. The Property Owner acknowledges that if Improvement Bonds are sold to finance installation of the Improvements, the Authority may obligate itself, through a covenant with the owners of the Improvement Bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances and that California law may be amended in the future to grant to the Authority the right to take similar actions for the benefit of an assignee under an Assignment.

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the installation of the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to one or both of the following to finance the installation of the Improvements: (i) the issuance of the Improvement Bonds by the Authority and (ii) an Assignment of all or a portion of the installments hereunder. If the Authority determines in its reasonable discretion that the Initial Assessment installments (x) should be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or (y) should be reduced, if the size (measured in kilowatts) of the Improvements, as shown in a final notice provided to the Authority by either the Property Owner or the installer of the Improvements, is less than the size (measured in kilowatts) of the Improvements shown on Exhibit B, then the Authority shall provide the Property Owner with a revised schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C, which revised schedule shall be prepared using the same methodology that is used to prepare the first Initial Assessment under the lease between the installer of the Improvements and the Property Owner.¹

(c) Unused Financing Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds or an Assignment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds or prepay the assignee under the Assignment, as applicable. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds or an Assignment will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds or prepay the assignee under the Assignment, as applicable.

Section 6. Term; Agreement Runs with the Land; Subdivision.

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

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to California Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the Notice of Assessment and other documents and notices required by Chapter 29 and other applicable laws to be recorded against the Property. Upon the recordation of the Notice of Assessment, the Assessment shall become a lien upon the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement.

(a) Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article 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 Authority has no responsibility for the installation, operation or maintenance of the Improvements. The Property Owner hereby acknowledges that the Property Owner will be responsible for payment of the Assessment and other charges hereunder regardless of whether the Improvements are properly installed, operated or maintained as expected.

(c) The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of financing the installation of the Improvements, and that the Authority and the [City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

(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, the Property Owner agrees to waive the provisions of Section 1542 of the California Civil Code in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

(e) The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification.

(a) The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] 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 Agreement, 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 Agreement.

(b) The provisions of this Section 10 shall survive the termination of this Agreement.

Section 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 prior written notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 12. Carbon Credits. The Property Owner and the Authority hereby agree that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned in the manner set forth in the power purchase agreement.

Section 13. CaliforniaFIRST 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.

Section 14. Amendment. Except as set forth in Section 5(b) of this Agreement, this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment or the assignee under an Assignment if the amendment will, in the sole opinion of the owner(s) of the Improvement Bonds or the assignee under the Assignment, adversely impact the owner(s) of the Improvement Bonds or the assignee under the Assignment.

Section 15. Binding Effect; Assignment.

(a) This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

(b) The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation that runs with the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

<u>Name:</u> _____	<u>Name:</u> _____
<u>By:</u> _____	<u>By:</u> _____
<u>Its:</u> _____	<u>Its:</u> _____
<u>Name:</u> _____	<u>Name:</u> _____
<u>By:</u> _____	<u>By:</u> _____
<u>Its:</u> _____	<u>Its:</u> _____

EXHIBIT A
THE PROPERTY

Property Owner:

[Prepayment Premium: The prepayment premium shall be equal to []%.]

Property (APN/Legal Description):

Interest Rate Used to Calculate Initial Assessment Installments:

Please note: the interest rate shown on the previous line assumes interest accrues on the unpaid Initial Assessment through the applicable interest payment date for Improvement Bonds, but the Authority initially may provide financing for the Improvements through an Assignment, in which case the interest rate shown above may not reflect the accrual of interest on the unpaid Initial Assessment through the date on which the assignee under an Assignment receives the assigned installments.

Reserve Fund Deposit: \$ _____

EXHIBIT B

IMPROVEMENTS: POWER PURCHASE AGREEMENT

1. Power Purchase Agreement: < name > dated as of _____, 2017
2. Description of Improvements: The Improvements are described below.

EXHIBIT C

SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS

[to come]

EXHIBIT C

SCHEDULE 2
INITIAL ASSESSMENT INSTALLMENTS

[\[Attach notary pages\]](#)

Sample 3
Non PPA

Draft

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
(CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____, 2017, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "**Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "**City/County**") ; and

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of property within its jurisdiction (the "**Participating Property Owners**") participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described in Exhibit B (the "**Improvements**") and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B.

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the “**Initial Assessment**”). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues a bond to finance installation of the Improvements on the Property before the County’s deadline for placing the first year’s installments of the Initial Assessment on the County’s property tax roll, then the first year’s installments will be billed on the Property Owner’s property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues a bond to finance installation of the Improvements on the Property after the County’s deadline for placing the first year’s installments of the Initial Assessment on the County’s property tax roll, then the first year’s Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority issues bonds to finance the installation of the Improvements (the “**Improvement Bonds**”).

(b) Payment of Non-Completion Assessment. The Property Owner hereby freely and willingly agrees to pay an additional assessment (the “**Non-Completion Assessment**”) in the event that the Property Owner fails to install the Improvements in compliance with the Program rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds from the unused proceeds of the Improvement Bonds, including but not limited to any portion of the prepayment premium that is not paid from the unused proceeds and

(ii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid Initial Assessment, (b) the accrued but unpaid interest on the unpaid Initial Assessment through the redemption date of the Improvement Bonds, (c) a prepayment premium in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds.

(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the 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, if Improvement Bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the Improvement Bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances.

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

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to the issuance of the Improvement Bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. If the Authority determines in its reasonable discretion that the Initial

Assessment installments may be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C.

(c) Unused Bond Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds secured by the Assessment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds.

(d) Installation of Improvements. The Property Owner agrees to install the Improvements on the Property and that the Improvements will be permanently fixed to the Property.

Section 6. Term; Agreement Runs with the Land; Subdivision.

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

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the owners of a majority of any Improvement Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

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

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the [City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County]

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 Agreement, 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 Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 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.

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

Section 13. CaliforniaFIRST 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.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

<u>Name:</u> _____	<u>Name:</u> _____
<u>By:</u> _____	<u>By:</u> _____
<u>Its:</u> _____	<u>Its:</u> _____
<u>Name:</u> _____	<u>Name:</u> _____
<u>By:</u> _____	<u>By:</u> _____
<u>Its:</u> _____	<u>Its:</u> _____

EXHIBIT A

Property Owner:

Property (APN/Legal Description):

Prepayment Premium: The prepayment premium shall be equal to the redemption premium, if any, payable on the applicable redemption date for the Improvement Bonds.

Interest Rate Used to Calculate Initial Assessment Installments:

Reserve Fund Deposit: \$. The Authority will fund a deposit to a debt service reserve fund for Improvement Bonds. The reserve fund deposit will be in an amount equal to 0% of the Initial Assessment.

EXHIBIT B
IMPROVEMENTS

<u>IMPROVEMENT</u>	<u>AMOUNT</u>
	\$
<u>TOTAL PROJECT AMOUNT TO BE FINANCED</u>	\$

EXHIBIT C

SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS

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

*Subject to increase pursuant to Section 3(c) of the Agreement.

**Total Assessment accounts for interest accrued from transaction date to first payment date.

***Does not include interest accrued between the Closing Date identified on Exhibit A and [September 2, 2017] (the first date on which the Property Owner will be obligated to make an installment payment pursuant to this Exhibit C). Such interest (\$) was financed and retained by the Transferee on the Closing Date.

[\[Attach notary pages\]](#)

SAMPLE 4
Draft Agreement to Pay

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
(CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____, **2015**, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) [Insert name of the property owner] (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the “**Program**”) to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the “**Authorized Improvements**”) through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code (“**Chapter 29**”) and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the “**1915 Act**”) upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

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

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of property within its jurisdiction (the “**Participating Property Owners**”) participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described in Exhibit B (the “**Improvements**”) and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B. The Authority may finance installation with one or both of the following: (i) the proceeds of bonds it issues that are payable in whole or in part from the installments described below ("**Improvement Bonds**") and (ii) as interim financing for the financing of the Improvements in anticipation of the issuance of Improvement Bonds, the proceeds of one or more assignments of all or a portion of the installments described below (each, an "**Assignment**").

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the "**Initial Assessment**"). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues an Improvement Bond to finance installation of the Improvements on the Property before the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's installments will be billed on the Property Owner's property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues an Improvement Bond or makes an Assignment to finance installation of the Improvements on the Property after the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority first makes funds available to the Property Owner to finance the installation of the Improvements.

(b) Payment of Non-Completion Assessment. The Property Owner hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") in the event that the Property Owner fails to install the Improvements in compliance with the Program

rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds from the unused proceeds of the Improvement Bonds, including but not limited to any portion of the prepayment premium that is not paid from the unused proceeds, (ii) the payment of any costs associated with the assignment and reassignment of all or a portion of the installments payable under this Agreement, including any portion of the prepayment premium that is not paid from the unused Assignment proceeds, and (iii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid Initial Assessment, (b) the accrued but unpaid interest on the unpaid Initial Assessment through the redemption date of the Improvement Bonds or the prepayment date if there are no Improvement Bonds outstanding, (c) so long as Improvement Bonds are outstanding or an Assignment has not been discharged, a prepayment premium on the amount prepaid in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds or the prepayment of the assignee under an Assignment.

(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the 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, if Improvement Bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the Improvement Bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances and that California law may be amended in the future to grant to the Authority the right to take similar actions for the benefit of an assignee under an Assignment.

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to one or both of the following to finance the installation of the Improvements: (i) the issuance of the Improvement Bonds by the Authority and (ii) an Assignment of all or a portion of the installments hereunder. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. If the Authority determines in its reasonable discretion that the Initial Assessment installments may be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C.

(c) Unused Financing Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds or an Assignment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds or prepay the assignee under the Assignment, as applicable. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds or an Assignment will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds or prepay the assignee under the Assignment, as applicable.

(d) Installation of Improvements. The Property Owner agrees to install the Improvements on the Property and that the Improvements will be permanently fixed to the Property.

Section 6. Term; Agreement Runs with the Land; Subdivision.

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

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

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

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the [City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY

HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] 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 Agreement, 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 Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 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.

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

Section 13. CaliforniaFIRST 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.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds or Assignments secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds or Assignments.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Property Owner:

[Name of Entity]

By: _____

Name:

Title:

EXHIBIT A

Property Owner:

Property (APN/Legal Description):

Prepayment Premium: The prepayment premium shall be equal to % of the dollar amount of the Initial Assessment prepaid in accordance with the following schedule:

<u>Year</u>	<u>Prepayment Premium</u>
<u>< Date of Contract > - final installment</u>	<u>%</u>

Interest Rate Used to Calculate Initial Assessment Installments:

Please note: the interest rate shown on the previous line assumes interest accrues on the unpaid Initial Assessment through the applicable interest payment date for Improvement Bonds, but the Authority initially may provide financing for the Improvements through an Assignment, in which case the interest rate shown above may not reflect the accrual of interest on the unpaid Initial Assessment through the date on which the assignee under an Assignment receives the assigned installments.

Reserve Fund Deposit: \$_____.

EXHIBIT B
IMPROVEMENTS

_____ The Improvements are described on the attached documentation.
Include the capitalized/accrued interest \$ figure.

EXHIBIT C

SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS

[to come]

Exhibit A

RESIDENTIAL PROPERTIES PROGRAM APPLICATION



HERO Financing Program - Application

P: (855) HERO-411 F: (858) 385-0379 E: wrcop@heroprogram.com

A: 4080 Lemon Street 3rd Floor, MS1032
Riverside, CA 92501

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

Property Owner Acknowledgments

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

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

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

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

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

1. That the information provided in this Application is true and correct as of the date set forth opposite my signature on the Application and that I understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties including, but not limited to, imprisonment, liability for monetary damages to the Authority, its agents, or successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I have made in this Application, or both.
2. I have the authority to authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustee(s) whose social security number(s) is provided on this Application.
3. I understand that it is my responsibility to receive, read and understand all documents comprising the Program, which, in addition to information on the Program website, include the following:
 - a. This Application;
 - b. Privacy Policy Notice;
 - c. Assessment Contract; and
 - d. Program Handbook.

I have had an opportunity to ask Program representatives and/or my legal counsel any questions I have regarding the documents listed above. I understand I will be asked to sign the Assessment Contract, among other documents, as a pre-condition to the closing of the financing.

4. I am applying to participate in the Program. I have the authority, without the consent of any third party, to execute and deliver this Application, the Assessment Contract, and the various other documents and instruments referenced herein.
5. I understand that the financing provided pursuant to the Assessment Contract will be repayable through an assessment levied against the Property. I understand that an assessment lien will be recorded by the Authority against the Property in the office of the County Recorder of the County of Riverside upon execution of the Assessment Contract. The property tax bill (which will include the assessment payments) for the Property will increase by the amount of these assessment installment payments. The Assessment Contract will specify the amount of the assessment, the assessment installments and the interest on the assessment to be collected on the property tax bill for the Property each year during the term specified in the Assessment Contract. The assessment and the interest and any penalties thereon will constitute a lien against the Property until they are paid. As with all tax and assessment liens, this lien will be senior to all existing and future private liens against the Property, including mortgages, deeds of trust and other security instruments.

**Disclosures**

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. A full understanding of any item listed below can be gained only by reviewing the relevant laws, policy statements, and/or the contractual documents related to the Program. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or if you need copies of any document related to the Program.

I. Program Disclosures and Disclaimers

- a. **Existing Mortgage.** The Program establishes the manner by which the Authority may finance, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), the installation of Eligible Products. Eligible Products will be financed pursuant to an Assessment Contract between you and the Authority.

BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) WHICH AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO A PROGRAM ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY the Authority. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

If your lender requires an impound for your property taxes, please consider notifying them of the annual assessment payment amount so they can adjust your impound amount.

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



HERO Financing Program - Application

P: (855) HERO-411 F: (858) 385-0379 E: wrcoog@heroprogram.com

A: 4080 Lemon Street 3rd Floor, MS1032
Riverside, CA 92501

- j. **No Endorsement, Warranty or Liability.** The Authority, Renovate America, Inc., and the Program do not endorse any manufacturer, contractor, product, or system, or in any way warranty such equipment, installation, or the efficiency or production capability of any equipment. The Authority, Renovate America, Inc. and the Program make no representations and have no responsibility regarding the equipment and its installation, including the quality, safety, cost savings, efficiency or production capability of any equipment; or any compliance of the equipment or its installation with any applicable laws, regulations, codes, standards or requirements. Further, the Authority, Renovate America, Inc. and the Program shall not be in any way liable for any incidental or consequential damages resulting from the equipment or its installation.
- k. **Validation.** The Program may validate that installed Eligible Products meet Program eligibility requirements including requiring the applicant to provide additional sales receipts, contractor invoices, serial numbers or other identifying details, portions of packages or stickers originally attached to the installed Eligible Products beyond what the Program already requires to be provided. The Program reserves the right to perform independent on-site validation(s) of any Eligible Products financed by the Program even if permit inspections have already been completed. If a validation visit is required, Program staff will schedule any such on-site validation visit with the property owner, at any reasonable time and with reasonable notice. In addition, the Program reserves the right to perform online monitoring of any installed renewable energy systems' generation data. If applicable, as well the tracking of energy consumption impacts and utility usage for any installed/financed product via property utility bill data. You, by submitting this application, consent to any such onsite validations, online monitoring, and utility bill energy usage analysis. By submitting this application, you also agree to sign the authorization form to participate in utility billing energy usage analysis to measure Program impact savings and participant satisfaction.

2. Legal Disclosures

- a. **Equal Credit Opportunity Act (ECOA).** The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against Credit Applicant(s) on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant(s) income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Division of Credit Practices, Washington, D.C. 20580.
- b. **Fair Credit Reporting Act.** As part of assembling your Program application, the Authority has requested a consumer report bearing your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.
- c. **The Housing Financial Discrimination Act Of 1977.** It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:
 - i. trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice; or
 - ii. race, color, religion, sex, marital status, domestic partnership, national origin or ancestry.
- d. **Patriot Act Disclosure.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: As part of applying to the Program, the Authority may be required to ask for your name, address, date of birth, and other information that will allow it to identify you. The Authority may also need a copy of the driver's license or other identifying documents from any and all borrowers and guarantors.
- e. **Communications with Legal Advisers.** If you have any questions about any agreements or security instruments which affect the Property or to which you are a party, or about your authority to execute the Program Application or enter into an Assessment Contract with the Authority without the prior consent of your existing lender(s), the Program strongly encourages you to consult with your own legal counsel and your lender(s). Program staff cannot provide you with advice about existing agreements or security instruments.
- f. **Monitoring and Recording Telephone Calls.** The Program may monitor or record telephone calls for security and customer service purposes. By applying for HERO Financing, you consent to have any phone conversations with the Program recorded or monitored.

Property Owner Signature(s)

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

	_____	_____	_____
	Date		Date
	_____	_____	_____
	Date		Date



HERO Financing Program - Application

P: (355) HERO-411 F: (355) 355-0379 E: wrcoag@heroprogram.com

A: 4080 Lemon Street 3rd Floor, MS1032
Riverside, CA 92504

FOR CONTRACTOR CALL IN ONLY

Property Address

Property Owner



Ownership Type:	

Property Owner 2

Property Owner Signature(s)

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

	_____	_____	_____	_____
		Date		Date
	_____	_____	_____	_____
		Date		Date

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

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

Exhibit B

**HERO COMMERCIAL
COMMERCIAL PROPERTIES
PROGRAM APPLICATION**

**SAMAS COMMERCIAL
COMMERCIAL PROPERTIES
PROGRAM APPLICATION**

APPLICATION DATE:

____ / ____ / ____

FOR OFFICIAL USE ONLY

DATE

RECEIVED: ____ / ____ / ____

FILE #: _____

PROPERTY ADDRESS:

☐ Both **OCCUPANCY TYPE:** ☐ Owner-Occupied ☐ Tenant-Occupied

**DESCRIBE OCCUPANTS'
BUSINESSES:**

PROPERTY TYPE:

☐ Multi-Family ☐ Small ☐ Large ☐ Industrial ☐ Agricultural ☐ Other: _____
 (5+ units) Commercial Commercial

MAILING ADDRESS:

(if different from property address)

PROPERTY OWNER TYPE:

☐ Individual ☐ Trust ☐ Corporation ☐ Partnership ☐ Other: _____

PROPERTY OWNER #1 INFORMATION (Should be person/entity who handles all program contacts):

PROPERTY OWNER #2 INFORMATION:

(If there are additional Property Owners or Trustees, please provide additional sheet(s) with property owner information.)

Assets	Amount	Liabilities	Amount
Cash in Banks		Notes Payable	
Accounts Receivable		Accounts Payable	
Notes Receivable		Income Tax Payable	

Securities Owned		Other Taxes Payable	
Real Estate		Mortgages or Liens on Real Estate	
Other Assets		Other Liabilities	
Total		Total	

Property Income (Annual)	Amount	Property Expenses (Annual)	Amount
Rent		Maintenance and Repairs	
Other Income		Property Taxes	
Interest		Property Insurance	
Total		Total	

Commercial Real Estate Schedule						
Address / Type of Property	Title in Name of	How Held	Cost / Year Acquired	Monthly Income	Present Market Value	Total Balance Owed

Mortgages and Liens on Commercial Real Estate							
Property ID	To Whom Payable	1 st or 2 nd Mtg.?	Monthly Paymt.	Current?	Security	Maturity Date	Principal Remaining

Notes Payable				
Name of Debtor	Collateral	Monthly Paymt.	Maturity Date	Total Amount Due

Commercial Property Insurance						
Property ID	Insured	Coverage	Insurance Co.	Effective Dates	Date Premium Paid Through	Annual Premium

FINANCIAL STATEMENT QUESTIONS

Please explain all "yes" answers on a separate sheet.

- ☐ ☐ Do(es) the Property Owner(s) have any outstanding judgment(s)?
☐ ☐ Do(es) the Property Owner(s) have any tax obligations, including payroll or real estate taxes, that are past due?

- ☐ ☐ Is/Are the Property Owner(s) a party in any active or threatened lawsuit(s) or other legal action(s)?
☐ ☐ Has(ve) the Property Owner(s) had property foreclosed or give title or deed in lieu thereof?
☐ ☐ Has(ve) the Property Owner(s) compromised a debt or modified a mortgage loan in the last 12 months?
☐ ☐ Is the subject Property cross-collateralized?

PROPOSED BUILDING IMPROVEMENTS

	DESCRIPTION	CONTRACTOR PROVIDING BID	ESTIMATED COST
1	Description: _____ Brand: _____ Model #: _____ Quantity: _____ Efficiency Level: _____	_____	\$ _____
2	Description: _____ Brand: _____ Model #: _____ Quantity: _____ Efficiency Level: _____	_____	\$ _____
3	Description: _____ Brand: _____ Model #: _____ Quantity: _____ Efficiency Level: _____	_____	\$ _____
ITEMIZED ESTIMATED COST OF IMPROVEMENT(S) (i) Construction contract(s) (bid price for cost of materials and labor less any applicable rebates): and/or (ii) If self-installing, cost of equipment (less applicable rebates; do not include any labor costs): Energy assessment/audit costs Draft, engineering and/or plan preparation costs: Estimated Permit fees: Recording Fee for Assessment Lien documents and assessment contract. Set by state law and the County Recorder's Office Title Costs Other Please list (Attach separate sheet(s) explaining other costs if needed.) Other: _____ Other: _____			\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____
Requested Financing Amount: This requested amount is the maximum amount that can be funded.			\$ _____
Loan Term (5, 10, 15, 20 years):			_____

APPLICANT(S) SIGNATURES

By signing this Application, the undersigned hereby declares under penalty of perjury under the laws of the State of Missouri that all property owner(s) and/or trustees have read, understand, and agree to all sections of the Program Handbook and that all information set forth in this Application is true, accurate, and complete.

_____ (Applicant Signature)	_____ (Date)	_____ (Applicant Signature)	_____ (Date)
_____ (Printed Name, Business Name, Title (if applicable))		_____ (Printed Name, Business Name, Title (if applicable))	
_____ (Applicant Signature)	_____ (Date)	_____ (Applicant Signature)	_____ (Date)
_____ (Printed Name, Business Name, Title (if applicable))		_____ (Printed Name, Business Name, Title (if applicable))	

COMMERCIAL APPLICATION RENT ROLL DETAILS FORM

[illegible]

Rent Roll Certification:

I/We certify that the attached rent roll(s) dated _____ for the property located at _____ is/are true and correct.

By: _____

Exhibit C

RENEW FINANCIAL PACE RESIDENTIAL PROGRAM APPLICATION

Renew Financial FINANCING APPLICATION

1) Application Information

<u>CF-00065876</u> Application ID	<u>February 17, 2017</u> Application Date	

2) Property Information

<u>Single Family Residential</u> Property Type		
<u>978 Stannage Ave</u> Street Address		
<u>Albany</u> City	<u>CA</u> State	<u>94706</u> Zip

3) Contractor Information

☒ <u>Contractor-Install</u> ☐ <u>Self-Install</u>		
<u>180 Solar Power</u> Company Name (Not Applicable if Self Install)		
<u>320 east 2nd ave, Suite 101</u> Street Address		
<u>escondido</u> City	<u>CA</u> State	<u>92025</u> Zip

4) Owner Information

<u>individual</u> Owner Type		<u>yes</u> Is Primary Contact for Application?
<u>Golden</u> First Name	<u>Path</u> Last Name	<u>XXX-XX-XXXX</u> SSN
<u>XX-XX-XXXX</u> Birth Date	<u>(XXX)XXX-XXXX</u> Phone	<u>mhernandez@renewfinancial.com</u> Email
<u>978 Stannage Ave</u> Mailing Street Address		
<u>Albany</u> Mailing City	<u>CA</u> Mailing State	<u>94706</u> Mailing Zip

5) Maximum Eligible Project Amount

The Maximum Eligible Project Amount is the highest possible project amount for which you qualify with CaliforniaFIRST financing. Below is a list of requested products you want to install. If your Total Project Amount increases, you may need to re-sign new Financing Documents.	<u>\$99,779.42</u>

6) Eligible Product(s)

	<u>Product Type</u>	<u>Requested Project Amount</u>
<u>1</u>	<u>Solar Panels - With Monitoring</u>	<u>\$10,000.00</u>
<u>Total Project Amount</u>		<u>\$10,000.00</u>

FINANCING APPLICATION DISCLOSURE

Application ID: CF-00065876
Property Address: 978 Stannage Ave
Albany, CA 94706

Under the Energy Efficiency and Water Conservation Program for Western Riverside County ("Program"), the Western Riverside Council of Governments ("WRCOG") finances installation of certain renewable energy, energy efficiency and/or water efficiency products that are permanently fixed to real property ("Eligible Products"). Eligible Products will be financed by levying a contractual assessment and placing a lien on your real property. The assessment will be repaid by collecting payments through annual installments that will be included on your property tax bill, consistent with an assessment contract between WRCOG and the property owner(s) ("Assessment Contract"). As discussed below, these installments will include interest, fees, annual costs and other costs. The Program is administered by Renew Financial Group LLC ("Program Administrator"). The Program Administrator manages the Program Call Center and daily activities of the Program.

All relevant information about the Program can be found in the CaliforniaFIRST Program Residential Property Owner Handbook ("Property Owner Handbook") including a list of Eligible Products and is discussed below. The list of cities and counties participating in the Program ("Participating Communities") is available on the Program website and in the Property Owner Handbook.

Program Requirements and Terms

The following requirements and terms apply to the Program. By signing this application, you acknowledge these requirements and terms and certify that, to the best of your knowledge, all applicable requirements have been satisfied. To verify that certain requirements have been satisfied, you authorize the Program Administrator to obtain a credit report for the property owner(s) and/or trustee(s) whose social security numbers are provided on this application.

The property identified above (the "Property") is within a Participating Community, is used for residential purposes, has three (3) units or fewer, and is not undergoing development.

There is at least 10% equity in the Property (in other words, mortgage-related debt is no more than 90% of the value of the Property). In addition, the amount financed under the Program is the lesser of \$200,000 or 15%² of the value of the Property and, when combined with any other debts or obligations secured by the Property, cannot exceed 100% of the value of the Property.³

Taxes on the Property must be current for the prior twelve (12) months and have not have been paid late more than once during the prior three (3) years (or since the purchase of the Property if owned by the current property owner(s) for less than 3 years). The Property is not subject to any current federal or state income tax liens, judgment liens, mechanic's liens, similar involuntary liens, or other liens/judgments.

All debts and obligations secured by the Property must be current and no mortgage payment can have been more than thirty (30) days late during the previous twelve (12) months. There have been no notices of default or foreclosure filed against the Property within the last two (2) years (or since the purchase of the Property if owned by the current property owner(s) for less than 2 years). The Property cannot be an asset in a bankruptcy proceeding and property owner(s) have not been involved in a bankruptcy proceeding during the past two (2) years.²

The Property's title is not subject to power of attorney, easements, or subordination agreements restricting authority of the property owner(s) to subject the Property to a PACE lien, other than issues related to standard mortgage loan agreements.

All owners of record of the Property have signed this application and all other required Program documentation.

The maximum term of the financing per Property is the lesser of a) the useful economic life of the greatest Eligible Product or approved Custom Product cost financed with respect to such Property and b) thirty (30) years.

The all in tax rate on the Property may not exceed 5% of the subject Property value.

State incentive and rebate programs are available and participating property owners must declare any rebates received for the project.

Program Rates, Fees, and Costs

Below are the rates, fees and costs of the Program. For rates, fees and costs specific to your application please see the Assessment Contract and Financing Statement.

² Note that 15% of Property Value is only available for the first \$700K of the property value, then 10% is applied.

RATES

Fixed Interest Rate. The rate will be set when the Assessment Contract is issued and will be locked for **90-120 days** (depending on the Eligible Products being financed). Installation of the Eligible Products must be completed and a Completion Certificate must be submitted to WRCOG by this date or the interest rate may change.

Set Daily.

Annual Percentage Rate (APR). Interest and certain other costs over the Assessment term expressed as a rate. This is not your interest rate.

Varies.
Based on interest rate and other costs.

UPFRONT COSTS

Program-Related Fees. One-time charges. Includes program administration, origination, program sponsor, bond counsel, and tax administration.

Not to exceed 6.40% of Assessment Amount

Lien Recording. The amount charged by the government for recording notice documents relating to the assessment on the Property.

Varies by county.
Not to exceed \$86.

Reserve Fund. One-time charge deposited into debt service reserve fund for bonds issued by WRCOG to finance projects in the Program.

0.25% of Assessment Amount

CAEATFA PACE Loss Reserve Program. One-time charge for participation in the CAEATFA PACE Loss Reserve Program.

\$0

Foreclosure Expense Reserve Account. One-time charge deposited into a reserve account that WRCOG will use to pay for the costs of foreclosing on the Property and other properties participating in the Program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.

Varies.
Not to exceed \$10 per transaction.

Capitalized Interest. A lump sum interest charge for the period prior to the first tax year in which payment is made.

Varies based on when financing begins.

ANNUAL COSTS

Estimated Administrative Expenses. An annual charge that will change based on the costs of the Program.

\$XX. May be increased over time.

Additional 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. Additional information regarding the Program is provided in the Assessment Contract and the other Program documents. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or for copies of any document related to the Program.

- 7) **Existing Mortgage.** The Program establishes the manner by which WRCOG 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 WRCOG. BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) THAT AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO AN 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 WRCOG. THIS MAY MEAN THAT PROPERTY OWNERS

WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS, AND ANY ASSOCIATED PREPAYMENT PENALTIES, AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING. RENEW FINANCIAL DOES NOT CHARGE A PERCENTAGE OF THE OUTSTANDING BALANCE TO THE PROPERTY OWNER AS A PENALTY BASED ON THE YEAR IN WHICH THEY MAKE PAYMENT. HOWEVER, DEPENDING ON WHEN THE PREPAYMENT IS MADE, ACCRUED INTEREST UNTIL THE NEXT PAYMENT DATE TO BOND HOLDERS – TWICE A YEAR IN SEPTEMBER AND MARCH – MUST BE PAID AT TIME OF PREPAYMENT. If your lender requires an impound for your property taxes, you should notify the lender of the annual assessment payment amount so they can adjust your impound amount.

- 8) **Valuation Disclosure.** We will order an automated valuation of the Property. We will promptly give you a copy of this valuation, even if your financing does not close. You can pay for an additional appraisal for your own use and to establish the property value at your own cost.

- 9) Foreclosure.** Not later than October 1 each year, WRCOG will determine whether any annual assessment obligation is not paid when due and will have the right and obligation to order that any such delinquent payment, penalties, interest, and associated costs be collected by an action brought in Superior Court to foreclose the lien of such delinquent assessment obligation in the manner provided and to the extent permitted by applicable law. By December 1 of the same year, WRCOG may initiate the order to foreclose.
- 10) No Endorsement, Warranty or Liability.** WRCOG, purchasers of bonds issued by WRCOG, and the Program Administrator 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. WRCOG, purchasers of bonds issued by WRCOG, and the Program Administrator 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, WRCOG, purchasers of bonds issued by WRCOG, and the Program Administrator shall not be in any way liable for any incidental or consequential damages resulting from the equipment or its installation.
- 11) Validation.** The Program Administrator may validate that installed Eligible Products meet Program eligibility requirements including requiring the applicant to provide additional sales receipts, contractor invoices, serial numbers or other identifying details, portions of packages or stickers originally attached to the installed Eligible Products beyond what the Program already requires to be provided. The Program Administrator may also conduct an inspection to validate installation of Eligible Products at qualified locations. You, by submitting this application, consent to any such onsite validations, which shall be conducted during normal business hours following advance notice to you. By submitting this application, you also agree to sign the authorization form to participate in billing energy usage analysis to measure Program impact savings and participant satisfaction.
- 12) Equal Credit Opportunity Act (ECOA).** The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants 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 an applicant's income derives from any public assistance program; or because an 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, Equal Credit Opportunity, Washington, D.C. 20580.
- 13) Fair Credit Reporting Act.** As part of assembling your Program application, WRCOG has requested 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.
- 14) Communications with Legal Advisers.** If you have any questions about any agreements or security instruments that affect the Property or to which you are a party, or about your authority to execute this application or enter into an Assessment Contract with WRCOG without the prior consent of your existing lender(s), we strongly encourage you to consult with your own legal counsel and your lender(s). Program staff cannot provide you with advice about existing agreements or security instruments.
- 15) Monitoring and Recording Telephone Calls.** The Program Administrator may monitor or record telephone calls for security and customer service purposes. By applying for CaliforniaFIRST Financing, you consent to have any phone conversations with the Program Administrator recorded or monitored.
- 16) Married Applicants.** A married applicant whose spouse does not have an ownership interest in the Property may apply for a separate account.

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.

THESE PROVISIONS GOVERN FINANCIAL ASSISTANCE FOR THE PURPOSE OF THE PURCHASE, CONSTRUCTION, REHABILITATION OR REFINANCING OF ONE- TO FOUR-UNIT FAMILY RESIDENCES OCCUPIED BY THE OWNER AND FOR THE PURPOSE OF THE HOME IMPROVEMENT OF ANY ONE- TO FOUR-UNIT FAMILY RESIDENCE.

IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS, OR IF YOU WISH TO FILE A COMPLAINT, CONTACT THE MANAGEMENT OF THIS FINANCIAL INSTITUTION OR:

SECRETARY OF BUSINESS, TRANSPORTATION AND HOUSING
980 9TH STREET, SUITE 2450
SACRAMENTO, CALIFORNIA 95814

Property Owner Declaration and Signature(s)

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

- 1) That the information provided in this Application is true and correct to the best of my knowledge as of the date set forth opposite my signature below and that I understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties including, but not limited to, imprisonment, liability for monetary damages to WRCOG, its agents, or successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I have made in this Application, or both.
- 2) I have provided information to the Program Administrator regarding other PACE liens on the subject property, if applicable.
- 3) 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.
- 4) I have the authority to authorize the Program Administrator to share relevant information on application and financing status with the contractor(s) indicated on this application. The Program Administrator will not share social security numbers with the contractor(s).
- 5) I understand that it is my responsibility to receive all necessary approvals from my homeowners' association and/or historical review board, as applicable to my Property and project.
- 6) I understand that it is my responsibility to receive, read and understand all documents regarding the Program, which, in addition to the information on the Program website, include without limitation the following:
 - a. Residential Property Owner Handbook;
 - b. Financing Application and Disclosure;
 - c. Assessment Contract;
 - d. Financing Statement;
 - e. Notice of Right to Cancel;
 - f. Electronic Record and Signature Disclosure;
 - g. Privacy Policy Notice;
 - h. Self-Install Agreement (if applicable);
 - i. Notice to Proceed; and
 - j. Completion Certificate.



I have had an opportunity to ask Program representatives and/or my legal counsel any questions I have regarding the documents listed above. I understand I will be asked to sign the Assessment Contract, among other documents, before receiving any funds.

I am applying to participate in the Program. I have the authority, without the consent of any third party, to execute and deliver this application, the Assessment Contract, and the various other documents and instruments referenced herein.

I understand that the financing provided pursuant to the Assessment Contract will be repayable through an assessment levied against the Property. I understand that a special priority assessment lien will be recorded by WRCOG against the Property in the office of the County Recorder of the County in which the Property is located upon execution of the Assessment Contract. The property tax bill for the Property will increase by the amount of installments sufficient to repay the assessment (with interest) and related administrative expenses. The Assessment Contract will specify the amount of the assessment and the assessment obligations (including principal, interest, and estimated administrative expenses) to be collected on the property tax bill for the Property each year during the assessment term specified in the Assessment Contract. The assessment obligations and any associated penalties will constitute a lien against the Property until they are paid. As with all tax and assessment liens, this lien will be senior to all existing and future private liens against the Property, including mortgages, deeds of trust and other security instruments.

I acknowledge receipt of a copy of The Housing Financial Discrimination Act of 1977 Fair Lending Notice.

I declare that: (i) I have the authority, without the consent of any third party which has not been previously obtained, to execute and deliver this application and attest to the accuracy of the information indicated in this application; (ii) I have received, read and understand the risks and characteristics of the Program described above; and (iii) I have been informed that I must take the sole responsibility to satisfy myself that executing the Assessment Contract, receiving financing for Eligible Products, and consenting to the assessment levied against the Property will not constitute a default under any other agreement or security instrument (including, specifically, the terms of any mortgage on the Property) which affects the Property or to which I am a party.

Golden Path signature

Golden Path date

Golden Path Signature

Date

1



Exhibit D



NOTICE OF ASSESSMENT

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO

Secretary to Executive Committee
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS1032
Riverside, CA 92501-3609

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

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

NOTICE OF ASSESSMENT

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BONDS
(ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR
WESTERN RIVERSIDE COUNTY)**

On January 12, 2011, the Executive Committee of the Western Riverside Council of Governments ("WRCOG"), County of Riverside, State of California, adopted its Resolution No. 07-11 (the "Resolution") whereby the Executive Committee approved a report (the "Program Report") prepared by the Executive Director, in accordance with Section 5898.22 of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), established the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County (the "Program") to be implemented as provided in the Program Report, confirmed that voluntary contractual assessments may be levied against parcels within the jurisdictions of the member agencies of WRCOG participating in the Program (the "Program Area") within the parameters of the Program Report to finance certain distributed generation renewable energy sources, energy or water efficiency improvements, or electrical vehicle charging infrastructure (the "Improvements").

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



administrative assessment levied against the Property to pay costs of WRCOG which result from the administration and collection of the Assessment and from the administration or registration of any associated bonds or other financing arrangement, as described in the Program Report, and from the administration of any reserve fund and other related funds (the "Annual Administrative Assessment"). The Annual Administrative Assessment shall not exceed the amount authorized pursuant to the HERO Residential Program Handbook.

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

Dated:

Western Riverside Council of Governments
Program Administrator

By: _____
Authorized Officer



EXHIBIT "A"

IDENTIFICATION OF PROPERTY OWNERS AND PROPERTY DESCRIPTION

Owner(s) Names:

Address:

APN(s):

County:

Legal Description:

A-1



Exhibit E

PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

RECORDING REQUESTED BY &
WHEN RECORDED RETURN TO:

Secretary to Executive Committee
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor. MS1032
Riverside, CA 92501-3609

PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

Pursuant to the requirements of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, as amended, commencing with Section 5898.10 (the "Act"), including without limitation Section 5898.24(d) of the Act, and in furtherance of Section 1102.6b of the California Civil Code, Western Riverside Council of Governments ("WRCOG") hereby provides notice of the levy and collection by WRCOG of a contractual assessment under the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County (the "Program"), established and authorized pursuant to the Act. Pursuant to the Act and the Program, WRCOG and the current owner(s) described below (the "Owners") of the real property (the "Property") described herein have entered into that certain assessment contract entitled, "Assessment Contract," dated as of, by and between WRCOG and the Owners (the "Assessment Contract"). Pursuant to the Assessment Contract and the Act, the Owners have requested and voluntarily agreed to WRCOG's imposition of a contractual assessment against the Property (the "Contractual Assessment"), which is generally collected by the County of Riverside, on behalf of WRCOG, through the consolidated property tax bill.

Current Owner(s):

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

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

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

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

Contact Information: The specific contact information for WRCOG and more information regarding the Contractual Assessment may be obtained from the Program Manager at 4080 Lemon Street, 3rd Floor, Riverside, California (address), tel: (951) 955-7985.

Dated:

Western Riverside Council of Governments
Program Administrator



By: _____ Authorized Officer



Exhibit F

COMBINED NOTICE OF ASSESSMENT AND PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO

Secretary to Executive Committee
Western Riverside Council of
Governments 4080 Lemon Street,
3rd Floor. MS1032 Riverside, CA
92501-3609

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

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

NOTICE OF ASSESSMENT AND PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

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

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

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

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



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

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

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

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

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

The specific contact information for WRCOG and more information regarding the Contractual Assessment may be obtained from the Program Manager at 4080 Lemon Street, 3rd Floor, Riverside, California (address), tel: (951) 955-7985.

Date of Assessment: 10/17/2014

Western Riverside Council of Governments Program Administrator
By: _____



Authorized Officer



EXHIBIT "A"

IDENTIFICATION OF PROPERTY OWNERS AND PROPERTY DESCRIPTION

Record Owner(s) Names: John
Smith

Address: 4141 Capital St, San Diego, CA 92115

APN(s): 123123124

County: San Diego

Legal Description:

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



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

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

**Subject to increase pursuant to the Assessment Contract.



EXHIBIT "C" ASSESSMENT CONTRACT

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Item 5.A

PACE Program Activities Update

Attachment 8

Professional Administration
Agreement with Renew Financial
Group, LLC

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RENEW FINANCIAL PROGRAM ADMINISTRATION AGREEMENT

1. PARTIES AND DATE.

This Renew Financial Program Administration Agreement is made and entered into as of _____, 2017, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and Renew Financial Group LLC, a Delaware limited liability company (“Renew”). WRCOG and Renew are sometimes individually referred to as a “Party” and collectively as the “Parties.” This agreement may be referred to herein as the “Administration Agreement” or the “Agreement.”

2. RECITALS.

2.1 The Executive Committee of WRCOG (the “Executive Committee”) has established a property assessed clean energy (“PACE”) program designated as the Energy Efficiency and Water Conservation Program for Western Riverside County (the “WRCOG Program” or “Program”) pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) (“Chapter 29”), the Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as further amended to date (as amended, the “JPA”), and separate Implementation Agreements entered into pursuant to the JPA by and between WRCOG and its member agencies that elected to participate in the WRCOG Program (the “Member Agencies”), to assist owners of commercial properties (the “Commercial Properties”) or residential properties (“Residential Properties”) within the jurisdictional boundaries of such Member Agencies to finance the cost of installation of distributed generation renewable energy sources or energy efficiency or water conservation improvements or electric vehicle charging infrastructure (the “Eligible Products”) that are permanently fixed to the properties of such owners.

2.2 As a part of such proceedings, the Executive Committee initially approved and has subsequently amended a report prepared pursuant to and addressing all of the matters set forth in Streets and Highways Code Section 5898.22 and 5898.23 (as amended, the “Program Report”), including a map showing the boundaries of the territory within which the voluntary contractual assessments may be offered (the “WRCOG Program Area”), a form of contract specifying the terms and conditions that would be agreed to by an owner of property within such boundaries and WRCOG (each, a “WRCOG PACE Program Assessment Contract”), a statement of policies of WRCOG concerning such voluntary contractual assessments and a plan for raising a capital amount required to pay for the work performed pursuant to the voluntary contractual assessments.

2.3 As a further part of such proceedings, the Executive Committee provided that one or more series of limited obligation improvement bonds would be issued under the Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State of

California (the “1915 Bond Act”) or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.4 As a part of such proceedings, the Executive Committee provided that one or more Series of Bonds would be issued under the 1915 Bond Act or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.5 Additionally, the Executive Committee authorized Renew to administer and finance a separate program (the “Renew Program”) to finance the installation of Eligible Improvements on Residential Properties and Commercial Properties within the WRCOG Program Area.

2.6 WRCOG and Renew now desire and intend to enter into this Agreement pursuant to which Renew shall provide administrative services for the Renew Program and to provide for and establish the terms and conditions pursuant to which WRCOG will sell to Renew and Renew or its designee shall purchase from WRCOG the limited obligation improvement bonds (“Bonds”) or assignments (“Assignments”) issued by WRCOG to finance the installation of Eligible Improvements on Residential Properties and Commercial Properties the owners of which elect to participate in the Renew Program.

2.7 The Parties hereto desire that this Administration Agreement, together with the Bond Purchase Agreements and Master Assignment Agreements (each as defined below) taken together represent the operating relationship between the parties pertaining to the Renew Program.

3. THE PURPOSE OF THE AGREEMENT.

WRCOG and Renew desire to enter into the Agreement to establish the terms and conditions pursuant to which Renew shall provide administration services to WRCOG for the Renew Program (the “Program Administration Services”) as set forth in Exhibit B attached hereto and incorporated herein by this reference. In respect to such services, Renew desires to perform and assume responsibility for the provision of such Program Administration Services on the terms and conditions set forth in this Agreement. Renew represents that it is legally qualified to provide such Program Administration Services, and has or will obtain all necessary licenses and authorizations from the State of California and any agency of the federal government with the authority to regulate the provision of such Program Administration Services. The Parties intend that terms and conditions providing for the purchase of the Bonds or Assignments to be issued by WRCOG to finance the installation of Eligible Products on Residential and Properties and Commercial Properties located within the Program Areas shall be incorporated in bond purchase agreements (each, a “Bond Purchase Agreement”) or master assignment and assumption agreements (each, a “Master Assignment Agreement”), as applicable, to be entered into between the Parties at the time of issuance of such Bonds and Assignments.

WRCOG desires to engage Renew to render such Program Administration Services as set forth in and pursuant to the terms and conditions of this Agreement.

4. TERMS.

4.1 Scope of Program Administration Services and Term of Agreement.

4.1.1 General Scope of Program Administration Services. Renew promises and agrees to provide Program Administration Services and to furnish financing necessary to provide labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately implement the provision of the Program Administration Services. All Program Administration Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

In the event that the Program Administration Services conflict with the Program Report, the provisions of the Program Report shall prevail; *provided that* WRCOG shall notify Renew of any changes to the Program Report subsequent to the date hereof, and no such changes shall be deemed to control pursuant to this Section 4.1.1. unless and until Renew expressly agrees to any such changes.

4.1.2 Term. The initial term of this Agreement shall commence on the date first written above and shall terminate on the date that is three (3) years following such date, and shall automatically extend for additional one-year terms unless earlier terminated as provided herein.

4.2 Responsibilities of Renew and WRCOG.

4.2.1 Control and Payment of Subordinates; Independent Contractor and Other Costs. The Program Administration Services shall be performed by Renew or its subcontractors in accordance with Section 4.5. Renew will determine the means, methods and details of performing the Program Administration Services subject to the requirements of this Agreement. WRCOG retains Renew on an independent contractor basis and not as an employee. Any personnel performing Program Administration Services under this Agreement on behalf of Renew shall not be employees of WRCOG and shall at all times be under Renew's exclusive direction and control. Renew shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Program Administration Services under this Agreement and as required by law. Renew shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

4.2.2 Rights to provide Program Administration Services to other entities and limitations thereon.

(a) Renew shall market the Renew Program to cities within the WRCOG Program Area and the County of Riverside (the "County"); provided, that Renew shall not be required to market the Renew Program to cities that have adopted PACE programs sponsored by California Statewide Communities Development Authority ("CSCDA").

(b) Renew hereby acknowledges that WRCOG has appointed and may, in its sole discretion, appoint additional administrators for the WRCOG Program.

(c) WRCOG hereby acknowledges that Renew has entered into a professional services agreement dated September 21, 2016 (the “CSCDA Agreement”) with CSCDA to provide program administration services to a competing PACE program.

(d) Renew may continue to provide administrative services to CSCDA outside of the WRCOG Program Area and to cities in the WRCOG Program Area that have adopted PACE programs sponsored by CSCDA as of the date of this Agreement. If, after the date of this Agreement, the County or a city currently part of the WRCOG Program requests, of its own accord, Renew to provide services similar to Program Administration Services for such city or county through CSCDA, (i) Renew shall provide WRCOG with notice of such a request, and (ii) if requested by WRCOG, Renew shall use commercially reasonable efforts to facilitate and attend a meeting with such city or the county to discuss such request. If such city or the County adopts a PACE program sponsored by CSCDA after the date of this Agreement and Renew is required to originate assessment contracts through CSCDA for such city or the County pursuant to the terms of the CSCDA Agreement, Renew shall immediately cease originating WRCOG PACE Program Assessment Contracts; provided however, Renew may continue to process and fund any applications for WRCOG PACE Program Assessment Contracts submitted prior to such city’s or the County’s adoption of a PACE program sponsored by CSCDA. Renew shall not commence originating assessment contracts for CSCDA in such city or County until it has received an acknowledgment from such city or the County that, as of the date of adoption of the PACE Program sponsored by CSCDA, Renew will be originating assessment contracts in such city or the County through CSCDA rather than through WRCOG. Notwithstanding the foregoing, in no event shall Renew be required to take any action pursuant to this Section 4.2.2(d) that would constitute or result in a breach of Renew’s obligations under the CSCDA Agreement.

(e) Additionally, Renew may enter into agreements to provide administrative services to other PACE programs operating in the WRCOG Program Area (each an “Other Issuer”); provided, however, Renew (a) must obtain prior written consent of WRCOG and (b) no term of such agreement shall limit Renew’s ability to originate WRCOG PACE Assessment Contracts through the WRCOG Program. For the avoidance of doubt, this Section 4.2.2(e) does not apply to the CSCDA Agreement.

4.2.3 Schedule of Responsibilities. Renew shall perform Program Administration Services and WRCOG shall perform the WRCOG Responsibilities (defined in 4.2.3 below) upon and pursuant to a Schedule of Responsibilities to be agreed upon by the WRCOG Representative (defined in 4.2.7 below) and the Renew Representative (defined in 4.2.8 below) which Schedule of Responsibilities shall be executed by both the WRCOG Representative and Renew Representative indicating the approval and acceptance of such schedule and the incorporation of such schedule into this Agreement, shall thereafter be attached to this Agreement as Exhibit C hereto and shall thereafter be incorporated herein by this reference. Renew represents that it has the professional and technical personnel and financial resources required to perform Program Administration Services in conformance hereto. WRCOG represents that it has the professional personnel and financial resources required to perform the WRCOG Responsibilities in conformance hereto.

4.2.4 WRCOG Responsibilities. In order to facilitate Renew's performance of Program Administration Services, WRCOG shall respond to Renew's requests and submittals in a timely manner including reviewing, approving, acting upon and/or executing documents listed in the Schedule of Responsibilities.

4.2.5 Compensation for Performance of Program Administration Services. WRCOG has no responsibility to directly pay Renew and the only payment to Renew for the provision or the performance of the Program Administration Services shall be from the proceeds of the Bonds and Assignments to be issued to finance the Eligible Improvements for a property participating in the Renew Program. Renew will be compensated for its Program Administration Services performed relating to the administration of the Renew Program as follows: at the time of the issuance of a Bond (or a Series of Bonds) or an Assignment to fund Eligible Improvements for Residential and Commercial Properties participating in the Renew Program, Renew will receive a one-time fee for its Program Administration Services in the amounts as shall be mutually agreed to by the Parties from time to time and payable solely from the proceeds of the Bonds or Assignments. As of the effective date of this Agreement, the Parties agree that such fee shall be an amount not to exceed 4.00% of project amount; provided, that nothing in this Section 4.2.5 is intended to limit Renew's right to be reimbursed for (a) amounts advanced by Renew on behalf of WRCOG to third parties, including without limitation annual payments to the Trustee or Program Assessment Administrator; or (b) amounts advanced by Renew to contractors to pay for work financed under a WRCOG PACE Program Assessment Contract.

4.2.6 Conformance to Applicable Requirements. At the beginning of each calendar year, Renew shall meet with the WRCOG Representative and other WRCOG representatives to review and approve Renew's marketing and customer service plans for the Renew Program. To the extent there are material changes to the marketing and customer service plans, Renew shall meet with the WRCOG Representative and other WRCOG representatives to review and approve the revised marketing and customer service plans. Renew and WRCOG shall schedule monthly meetings at Renew offices or via teleconference for an update on the Renew Program.

4.2.7 The WRCOG Representative. WRCOG hereby designates Rick Bishop, Executive Director, or his or her designee, to act as its representative for the performance of this Agreement (the "WRCOG Representative"). The WRCOG Representative shall have the power to act on behalf of WRCOG for all purposes under this Agreement. Renew shall not accept direction or orders from any person on behalf of WRCOG other than the WRCOG Representative or his or her designee. The WRCOG Representative shall provide written notice to Renew of the appointment or the rescission of the appointment of any designee of the WRCOG Representative hereunder.

4.2.8 The Renew Representative. Renew hereby designates Annie Henderson, or her designee, to act as its representative for the performance of this Agreement (the "Renew Representative"). The Renew Representative shall have full authority to represent and act on behalf of Renew for all purposes under this Agreement. The Renew Representative shall supervise and direct Program Administration Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for

the satisfactory coordination of all portions of Program Administration Services under this Agreement. The Renew Representative shall provide written notice to the WRCOG Representative of the appointment or the rescission of the appointment of any designee of the Renew Representative hereunder.

4.2.9 Coordination of Program Administration Services. Renew agrees to work closely with WRCOG staff and WRCOG's other consultants engaged to assist WRCOG in the Renew Program (the "Renew Program Consultants") in the performance of Program Administration Services and shall be reasonably available to WRCOG's staff and the Renew Program Consultants.

4.2.10 Standard of Care. Renew shall perform all Program Administration Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Renew represents and maintains that it is skilled in the professional calling and has the financial resources necessary to perform Program Administration Services. Renew warrants that all employees and/or agents of Renew shall have sufficient skill and experience to perform Program Administration Services assigned to them. Finally, Renew represents that it, its employees and agents have, or will have prior to the performance of Program Administration Services, all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform Program Administration Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. Renew shall perform, at its own cost and expense and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by Renew's failure to comply with the standard of care provided for herein.

4.2.11 Laws and Regulations. Renew shall keep itself fully informed of and in compliance in all material respects with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Renew Program or Program Administration Services, including without limitation, all Cal/OSHA requirements and all applicable federal and state securities laws and regulations, and shall give all notices required by law. Renew shall be liable for all violations of such laws, rules and regulations in connection with Program Administration Services. If Renew performs or fails to perform any work contrary to such laws, rules and regulations, Renew shall be solely responsible for all costs arising therefrom. Renew shall defend, indemnify and hold WRCOG, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure by Renew to comply with such laws, rules or regulations.

4.2.12 Bond/Assignment Placement and Issuance of Asset-Backed Securities. WRCOG agrees that Renew (or an affiliate designated by Renew) shall have the sole and exclusive right to purchase Bonds and Assignments related to WRCOG PACE Program Assessment Contracts originated by Renew hereunder, and all proceeds of such Bond issuances or Assignment closings shall be distributed to Renew. Renew may assign such right to close and fund the acquisition of the Bonds or Assignments to a third party. From time to time, a purchaser of the Bonds or Assignments may elect at its own expense to (a) securitize its interest in Bonds

or Assignments and sell such securities to the investment community or (b) sell the Bonds or Assignments. All fees and costs associated with such purchaser's issuance of asset-backed securities or selling the Bonds or Assignments, including costs of issuance and annual disclosure costs, shall be borne by the purchaser.

4.3 Accounting Records – Maintenance and Inspection.

Renew shall maintain complete and accurate records, consistent with its records retention policy, which policy shall be commercially reasonable and shall take into account the nature and duration of the instruments to be issued in connection with the Programs. All such records shall be clearly identifiable. Renew shall, at reasonable times and upon reasonable notice, allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Renew shall, at reasonable times and upon reasonable notice, allow inspection of all work, data, documents, proceedings, and activities related to the Agreement. Renew shall cooperate with WRCOG to facilitate WRCOG's compliance with its responsibilities under the California Public Records Act in relation to the Program Administration Services.

4.4 General Provisions.

4.4.1 Grounds for Termination – At Will. Either WRCOG or Renew may, by written notice to the other party, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to such party of such termination, and specifying the effective date thereof, at least ninety (90) days before the effective date of such termination (such date, the "Termination Date").

4.4.1.1 Effect of Termination. Renew shall cease originating WRCOG PACE Program Assessment Contracts on the Termination Date, and shall notify WRCOG of all pending applications for WRCOG PACE Program Assessment Contracts as of such date (each, a "Pending Renew Program Assessment Contract"). Renew shall have the right to process and fund such Pending WRCOG Assessment Contracts subject to the review of the appropriate documentation by WRCOG. Upon termination, Renew shall be compensated in the amount and from the sources set forth in Section 4.2.4 only for those Program Administration Services which have been adequately rendered (including with respect to any Pending Renew Program Assessment Contracts that are funded following the Termination Date), and Renew shall be entitled to no further compensation. If this Agreement is terminated as provided herein, WRCOG may require Renew to provide all finished or unfinished documents and data and other information of any kind prepared by Renew in connection with the performance of services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

4.4.1.2 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

4.4.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Renew: Renew Financial Group LLC
1221 Broadway, 4th Floor
Oakland, CA 94612
Attn: Annie Henderson
Email: annie@renewfinancial.com

With copy to: Email: notices@renewfinancial.com

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Rick Bishop
Facsimile: (951) 787-7991

With copy to: Best Best & Krieger LLP
3390 University Avenue, 5th Floor
Riverside, CA 92502
Attn: Steven DeBaun, Esq., General Counsel, WRCOG
Facsimile: (951) 686-3083

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

4.4.2 Confidentiality, Intellectual Property and Data Compilation.

(a) Confidentiality. Except as otherwise set forth in this Agreement, all ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other documents and data provided either Party to the other Party (including any copies or manuscripts of such information produced by a Party pursuant to this Agreement) or otherwise including any financial structure and financing approach of Renew Program in connection with the performance of this Agreement shall be held confidential by the other Party. Nothing furnished to either Party which is otherwise known to the receiving Party prior to such disclosure or is generally known, or has become known, to the related industry, shall be deemed confidential. Renew shall not use WRCOG's name or insignia in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of WRCOG. Notwithstanding the above, any documents prepared for the Renew Program that are intended to be provided to the public shall not be subject to the limitations of this Section 4.4.3.

(b) Intellectual Property. WRCOG expressly acknowledges and agrees that any and all computer software and all source code thereof, used or developed by Renew (“Proprietary Software”) in performing the Services is proprietary and Renew, or its licensors, shall at all times exclusively own all rights, title, and interest in such software and Proprietary Software, including all intellectual property rights contained therein.

(c) Data Compilation. WRCOG acknowledges and agrees that Renew, or its licensors, will have spent substantial time and effort in collection and compiling data and information (the “Data Compilations”) in connection with the Program Administration Services and that such Data Compilations may be used by Renew (or such licensors) for their own purposes, including, without limitation, sale or distribution to third parties; provided, however, that Renew will not, and shall ensure that its licensors will not, sell or distribute any of WRCOG’s confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

4.4.3 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be reasonably necessary, appropriate or convenient to attain the purposes of this Agreement.

4.4.4 Arbitration and Equitable Relief. This Section shall govern the resolution of all controversies or claims between WRCOG and Renew that arise from this Agreement and any modifications hereto. The provisions of this Section, and the entitlement of one party to obtain damages, or other such appropriate legal or equitable remedies, for a breach by the other party, shall survive termination of this Agreement. Wherever this Agreement makes reference to any means of resolving and dispute between the Parties or termination of the Agreement, the Parties agree to follow the below arbitration procedures.

(a) Arbitration. In consideration of rights and obligations set forth by each party in this Agreement, Renew and WRCOG agree that any and all controversies, claims, or disputes with anyone (including WRCOG and any employee, officer, director, volunteer of WRCOG in his, her or its capacity as such or otherwise), whether brought on any individual, group or class basis, arising out of, relating to, or resulting from Renew’s performance of the Program Administration Services under this Agreement or the termination of this Agreement, including any breach of this Agreement by either Party, shall be subject to binding arbitration in accordance with the Comprehensive Arbitration Rules & Procedures (the “Rules”) of the Judicial Arbitration and Mediation Services (“JAMS”), as they may be amended from time to time where not inconsistent with the further provisions hereof. The Parties hereby agree that judgment upon the award rendered by the arbitrator(s) may be entered in Riverside Superior Court. The Parties submit to the jurisdiction of the Riverside Superior Court for purposes enforcing any such award and entering judgment thereon.

(b) Procedure. Appointment of the arbitrator pursuant to this Section shall be in accordance with the provisions of the Rules, which Rules provide a procedure for the selection of an arbitrator, or arbitration panel if agreed to by the Parties. Renew and WRCOG agree that the arbitrator shall have the power to decide any motions brought by any Party to the arbitration, including motions for summary judgment and/or adjudication, motions to dismiss

and demurrers, and motions for class certification, prior to any arbitration hearing. Renew and WRCOG also agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the arbitrator shall award attorneys' fees and costs to the prevailing Party except as prohibited by law. Costs shall be allocated as set forth in the Rules. Renew and WRCOG agree that the decision of the arbitrator shall be in writing. The written opinion of the arbitrator or arbitrators, as the case may be, shall be governed by the Rules. The arbitrator(s) shall have the powers established by JAMS, as delineated in the Rules, but shall have no authority to revise or vary the terms of this Agreement or the Parties' respective rights and obligations hereunder. Except as provided by the Rules and this Agreement, arbitration shall be the sole, exclusive and final remedy for any dispute between Renew and WRCOG. Accordingly, except as provided for by the Rules and this Agreement, neither Renew nor WRCOG will be permitted to pursue court action regarding claims that are subject to arbitration.

(c) Availability of Injunctive Relief. Renew and WRCOG agree that either Renew or WRCOG may petition a court for provisional relief, including injunctive relief. Renew and WRCOG understand that any breach or threatened breach of such an agreement (including this Agreement) will cause irreparable injury and that money damages will not provide an adequate remedy therefor and both WRCOG and Renew hereby consent to the issuance of an injunction.

4.4.5 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

4.4.6 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

4.4.7 Time of Essence. Time is of the essence for each and every provision of this Agreement.

4.4.8 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

4.4.9 Assignment or Transfer. Renew shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG, provided, however, Renew may assign this Agreement in connection with a merger or the sale of all or substantially all of its assets provided that the successor entity expressly assumes all of the obligations and confirms all of the representations and warranties of Renew hereunder. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

4.4.10 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any

term referencing time, days or period for performance shall be deemed calendar days and not workdays. All references to Renew include all personnel, employees, agents, and subcontractors of Renew, except as otherwise specified in this Agreement. For the avoidance of doubt, references to subcontractors herein shall not be deemed to include contractors installing Eligible Improvements under a WRCOG PACE Program Assessment Contract. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

4.4.11 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

4.4.12 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

4.4.13 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

4.4.14 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

4.4.15 Prohibited Interests. Renew maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Renew or independent contractors and consultants engaged by Renew to perform services of the nature of those included on the Schedule of Responsibilities attached hereto to solicit or secure this Agreement. Further, other than its outside counsel, Renew warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Renew, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

4.4.16 Equal Opportunity Employment. Renew represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

4.4.17 Labor Certification. By its signature hereunder, Renew certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of Program Administration Services.

4.4.18 Authority to Enter Agreement. Renew has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

4.5 Subcontracting.

4.5.1 Prior Approval Required. Renew shall not subcontract any portion of Program Administration Services, except as expressly stated herein, without prior written approval of WRCOG; *provided that* Renew shall not be required to obtain consent in order to hire vendors or individuals that act as independent contractors or consultants with respect to the work such individuals perform for Renew. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

4.6 Insurance.

4.6.1 Time for Compliance. Renew shall not commence Program Administration Services under this Agreement until it has provided evidence satisfactory to WRCOG that it has secured all insurance required under this Section. In addition, Renew shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the subcontractor has secured all insurance required under this section.

4.6.2 Minimum Requirements. Renew shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by Renew, its agents, representatives, employees or subcontractors. Renew shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(a) ***Minimum Scope of Insurance.*** Coverage shall be at least as broad as the latest version of the following: (1) *General Liability:* Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability:* Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers Compensation and Employers Liability:* Workers Compensation insurance as required by the State of California and Employers Liability Insurance.

(b) ***Minimum Limits of Insurance.*** Renew shall maintain limits no less than: (1) *General Liability:* \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this

Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers Compensation and Employers Liability*: Workers Compensation limits as required by the Labor Code of the State of California. Employers Liability limits of \$1,000,000 per accident for bodily injury or disease.

4.6.3 Professional Liability. Renew shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of three (3) years following completion of Program Administration Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim, with a deductible not to exceed \$250,000, and shall be endorsed to include contractual liability.

4.6.4 Privacy/Network Security (Cyber) Liability Coverage. Renew shall procure and maintain insurance providing protection against liability for (1) privacy breaches (2) system breach (3) denial or loss of service (4) introduction, implantation, or spread of malicious software code (5) unauthorized access to or use of computer systems with limits of \$2,000,000. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

4.6.5 Insurance Endorsements. The insurance policies shall contain the following provisions, or Renew shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(a) ***General Liability.*** The general liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to Program Administration Services or operations performed by or on behalf of Renew, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Renew's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of Renew's insurance and shall not be called upon to contribute with it in any way.

(b) ***Automobile Liability.*** The automobile liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Renew or for which Renew is responsible; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Renew's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of Renew's insurance and shall not be called upon to contribute with it in any way.

(c) ***Waiver of Subrogation.*** The insurer shall agree to waive all rights of subrogation against WRCOG, its directors, officials, officers, employees, agents and

volunteers for losses paid under the terms of the insurance policy which arise from work performed by Renew; provided, that such waiver shall not be required with respect to the worker's compensation policy required pursuant to Section 4.6.2.

(d) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (1) the respective insurer (or in the case of professional liability insurance provided pursuant to Section 4.6.3, the respective insurer or Renew) shall provide WRCOG with written notice within thirty (30) days of any suspension, voiding or cancellation of the insurance policy; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to WRCOG, its directors, officials, officers, employees, agents and volunteers.

4.6.6 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its directors, officials, officers, employees, agents and volunteers.

4.6.7 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions in an amount greater than \$10,000 must be declared to and approved by the WRCOG. Except with respect to the deductible set forth in Section 4.6.3, at the option of WRCOG, Renew shall either: (1) reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its directors, officials, officers, employees, agents and volunteers; or (2) procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

4.6.8 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Bests rating no less than A:VII, licensed to do business in California.

4.6.9 Verification of Coverage. Renew shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

4.7 Indemnification.

4.7.1 Indemnification by Renew. Renew shall defend, indemnify and hold WRCOG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any allegedly negligent or wrongful acts or omissions or willful misconduct of Renew, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Renew Program or this Agreement, including without limitation, the negligent disclosure of

WRCOG's confidential information contained in Data Compilations under Section 4.4.2(c) of this Agreement. Such costs, expenses, liability, loss, damage or injury shall include without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Renew shall defend, at Renew's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against WRCOG, its directors, officials, officers, employees, agents or volunteers. Renew shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Renew shall reimburse WRCOG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Renew's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, employees, agents or volunteers.

4.7.2 Indemnification by WRCOG. WRCOG shall defend, indemnify and hold Renew, its officials, officers, employees, directors and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any reckless acts or omissions or willful misconduct of WRCOG, its officials, officers, volunteers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Renew Program or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. WRCOG shall defend, at WRCOG's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Renew, its directors, officials, officers, employees, agents or volunteers. WRCOG shall pay and satisfy any judgment, award or decree that may be rendered against Renew or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. WRCOG shall reimburse Renew and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. WRCOG's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Renew, its directors, officials, officers, employees, agents or volunteers.

4.7.3 Indemnification Procedures. In the event that any claim, action or proceeding is brought against any indemnified party with respect to which indemnity may be sought hereunder, the indemnifying party, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel selected by indemnifying party and reasonably acceptable to the indemnified party, and shall assume the payment of all expenses related thereto, with primary responsibility to control all aspects of the defense, negotiation, or settlement of any such claim; provided, however, that any terms of such compromise or settlement shall be reviewed and approved by the indemnified party. If a conflict of interest exists by reason of common representation, each indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the indemnifying party shall pay the reasonable fees and expenses of such separate counsel.

4.8 No Third-Party Beneficiaries Intended.

Except as otherwise provided in Section 4.7, this Agreement is made solely for the benefit of the Parties and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

RENEW FINANCIAL GROUP LLC

By: _____ By: _____
Rick Bishop, Executive Director [_____]

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

Exhibit “A”

**WRCOG
ADMINISTRATIVE GUIDELINES
AND
PROGRAM REPORT**

Exhibit A

EXHIBIT “B”

SCOPE OF PROGRAM ADMINISTRATION SERVICES

Renew shall provide the following Program Administrative Services:

Program Design

As part of Program Administration Services, Renew shall provide program design services which include: (1) draft policies relating to the Renew Program; (2) provide documentation, processes and procedures required for registering contractors, accepting, processing and approving property owner applications, reviewing eligibility of and approving proposed improvements, providing and tracking all financing disclosures and accepting, processing and approving funding requests, issuing and executing contractual assessment agreements (property owner and issuer), issuing and executing Bond and Assignment documents, and instructing the trustee when to issue payment for funding requests, including Renew Program Guidelines, Eligible Improvement Lists, contractor registration/approval forms, commercial applications, all financing disclosure forms, all forms required to approve improvements, funding request form(s), and contractual assessment agreement; (3) design and build the Renew Program’ website; (4) integration of Renew’s origination systems with the Renew Program website.

Origination

As part of Program Administration Services, Renew shall provide origination services which include: (1) process all applications, including accepting applications (online and hard copy), entering hard copy applications into online system, pulling all credit, title, valuation and other reports, reviewing eligibility of proposed property, applicants, equipment and contractors, tracking all financing disclosures, application and authorization forms, contacting applicants, contractors and other parties as needed, providing notifications of approval, denial or incomplete status; (2) with respect to commercial projects only, obtaining or assisting property owners to obtain consent of the first mortgage holder, if any; (3) process all funding requests for Residential Properties and Commercial Properties participating in the Renew Program, including accepting funding request forms, reviewing submitted forms and attachments, providing notification of funding request approval, denial or incomplete status; (4) process and finalize all contractual assessment documentation, including issuance of contractual assessment and financing disclosures; (4) provide telephone and email customer service support; (5) track and report to WRCOG key Renew Program statistics, including applications received, approved, WRCOG PACE Program Assessment

Contracts issued and signed; (6) periodically assess and/or adjust policies and procedures of the Renew Program as needed to resolve any recurring issues.

Marketing of Program:

As part of Program Administration Services, Renew shall work with WRCOG and its Members jurisdictions to promote the Renew Program including notices on appropriate governmental web sites, press interviews and public meetings and announcements. Renew shall also publicize the Renew Program on its web site as well as through direct contact with property owners. Renew shall maintain sufficient resources to answer any questions by potential participants in the Renew Program. Renew shall also use commercially reasonable efforts to work with WRCOG and Members within the WRCOG Program Area in order to utilize the Renew Program to help bring industry and developments to the areas in which the Renew Program are offered.

Documentation:

As part of Program Administration Services, Renew shall work with WRCOG to develop and produce a standard set of documents suitable to the parties that shall document the legal obligations associated with the contractual assessments and the issuance of Bonds and Assignments, and any other legal requirements of the transaction.

Assessment

Tax Roll Management:

Renew shall work with the Program Assessment Administrator, and the counties within which the Renew Program is offered to ensure that the proper contractual assessment installment are placed on the appropriate property owners' property tax bills and that the contractual assessment installments shall be collected promptly for the properties subject to such contractual assessments.

Regular reporting
Of complaints, claims
Or legal actions

Renew shall provide monthly reports to WRCOG showing all complaints and claims made by property owners who have applied and/or are participants in the Renew Program and any resolution thereto. In addition, Renew shall promptly notify WRCOG of any suits that have been filed against Renew relating to the Program Administration Services.

EXHIBIT “C”

SCHEDULE OF RESPONSIBILITIES

Responsibilities of Renew

Renew will prepare closing package and send to owner(s) of Residential Properties and Commercial Properties participating in the Renew Program (each, an “Owner”) for signature (the “Renew Closing Documents”), which package shall include:

- Financing Summary
- Application
- WRCOG PACE Program Assessment Contract
 - Exhibit A – Description of Property
 - Exhibit B – List of Documents
- Right to Cancel
- Website address where Program Handbook may be downloaded

Upon approval of a WRCOG PACE Program Assessment Contract, Renew will make available the Renew Closing Documents to WRCOG.

Renew will make available the Contractual Assessment Data File for each Bond (or Series of Bonds) or Assignment to be issued, along with all related Bond Documents or Assignment Documents, to Bond Counsel, the Trustee, David Taussig and Associates, and Public Financial Management for review and set-up.

Renew shall execute and make available the Renew Closing Documents (as such term is defined in this Exhibit C above) to Bond Counsel on or before the Closing Date.

Upon receipt of verification that all Closing Documents have been properly executed and, if applicable, recorded, Renew or any assign, affiliate, subsidiary, or any other person or entity that Renew designates will purchase the Bond (or Series of Bonds) or Assignment pursuant to the applicable Bond Purchase Agreement or Master Assignment Agreement. Said purchase will be accomplished via a wire transfer or ACH to the Trustee.

Responsibilities of WRCOG

WRCOG shall prepare, or cause to be prepared, the following documents for each Bond or Series of Bonds:

- Supplemental Indenture
- Improvement Bond
- Notice of Assessment
- Payment of Contractual Assessment Required
- Omnibus Closing Certificate of WRCOG
- Certificate of Trustee
- Instructions to Trustee Regarding Disbursement of Proceeds of Bond

Receipt for Bond Proceeds
Receipt for Improvement Bond
Opinion of Bond Counsel
Supplemental Opinion of Bond Counsel
Reliance Letter of Bond Counsel

WRCOG shall prepare, or cause to be prepared, the following documents for each Assignment:

Deposit and Account Control Agreement
Notice of Assessment
Payment of Contractual Assessment Required
Omnibus Closing Certificate of WRCOG
Certificate of Trustee
Instructions to Trustee Regarding Disbursement of Proceeds of Assignment
Receipt for Assignment Proceeds
Receipt for Assignment
Opinion of Bond Counsel

WRCOG will cause recordation of and notification to the financing team electronically of recordation of:

Notice of Assessment and Assessment Contract
Payment of Contractual Assessment Required

WRCOG will promptly send evidence of such recordation to Renew.

WRCOG will execute and deliver all WRCOG Closing Documents (as such term is defined in the applicable Bond Purchase Agreement) to Bond Counsel at the Closing Location or shall cause all such WRCOG Closing Documents to be so executed and delivered, as applicable, on or before the Closing Date.

WRCOG will execute, by facsimile or original signatures, and deliver the Bond (or Series of Bonds) or Assignment to the Trustee for authentication (with electronic copy to remainder of financing team) and delivery to Renew.

Item 5.A

PACE Program Activities Update

Attachment 9

Residential Master Indenture

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MASTER INDENTURE

between

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

and

WILMINGTON TRUST, NATIONAL ASSOCIATION
as Trustee

Dated as of _____, 2017,

Relating to:

**ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
CaliforniaFIRST**

(M1)

TABLE OF CONTENTS

ARTICLE I STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01.	WRCOG for this Master Indenture	3
Section 1.02.	Definitions	3
Section 1.03.	Interpretation	13
Section 1.04.	Indenture Constitutes Contract	13

ARTICLE II THE BONDS

Section 2.01.	Bonds Authorized	14
Section 2.02.	Procedures for Issuance of Bonds	14
Section 2.03.	Redemption	15
Section 2.04.	Execution of Bonds	17
Section 2.05.	Transfer of Bonds	17
Section 2.06.	Exchange of Bonds	18
Section 2.07.	Bond Register	18
Section 2.08.	Temporary Bonds	18
Section 2.09.	Bonds Mutilated, Lost, Destroyed or Stolen	19

ARTICLE III SECURITY; ISSUANCE OF BONDS

Section 3.01.	Security for the Bonds; Pledge of Assessments and Funds	20
Section 3.02.	Limited Obligation	21
Section 3.03.	Requirements for Issuance of Bonds	21
Section 3.04.	No Acceleration	23
Section 3.05.	Refunding of Bonds	23
Section 3.06.	Indenture for Benefit of Bond Owners	23
Section 3.07.	Release and Assignment of Assessments	23

ARTICLE IV FUNDS AND ACCOUNTS

Section 4.01.	Redemption Fund	33
Section 4.02.	Program Fund	36
Section 4.03.	Administrative Expense Fund	37
Section 4.04.	Reserve Fund	37
Section 4.05.	Costs of Issuance Fund	38

ARTICLE V REPRESENTATIONS AND COVENANTS OF WRCOG

Section 5.01.	Collection of Assessments	39
Section 5.02.	Foreclosure	40
Section 5.03.	Punctual Payment	41
Section 5.04.	Extension of Time for Payment	41
Section 5.05.	Against Encumbrance	41
Section 5.06.	Books and Accounts	41
Section 5.07.	Protection of Security and Rights of Owners	41

TABLE OF CONTENTS

Section 5.08.	Compliance with Law; Completion of Improvements	41
Section 5.09.	Further Assurances	41
Section 5.10.	Representations of WRCOG	42

ARTICLE VI INVESTMENTS; LIABILITY OF WRCOG

Section 6.01.	Deposit and Investment of Moneys in Funds	44
Section 6.02.	Limited Liability of WRCOG	44
Section 6.03.	Employment of Agents by WRCOG	44

ARTICLE VII THE TRUSTEE

Section 7.01.	Appointment of Trustee	46
Section 7.02.	Liability of Trustee	46
Section 7.03.	Reporting; Books and Accounts	48
Section 7.04.	Consultation with Counsel; Notice to Trustee	49
Section 7.05.	Compensation; Indemnification	49

ARTICLE VIII MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 8.01.	Conditions for Amendment	50
Section 8.02.	Procedure for Amendments	51
Section 8.03.	Disqualified Bonds	52
Section 8.04.	Effect of Supplemental Indenture	52
Section 8.05.	Endorsement or Replacement of Bonds Issued After Amendment	52
Section 8.06.	Amendatory Endorsement of Bonds	52
Section 8.07.	Execution of Supplemental Indenture	53
Section 8.08.	Special Amendments	53

ARTICLE IX EVENTS OF DEFAULT; REMEDIES

Section 9.01.	Events of Default	54
Section 9.02.	Remedies of Owners	54

ARTICLE X MISCELLANEOUS

Section 10.01.	Discharge of Indenture	56
Section 10.02.	Benefits of Indenture Limited to Parties	56
Section 10.03.	Successor is Deemed Included in All Reference to Predecessor	56
Section 10.04.	Execution of Documents and Proof of Ownership by Owners	57
Section 10.05.	Waiver of Personal Liability	57
Section 10.06.	Notices to and Demand on WRCOG and Trustee	57
Section 10.07.	Partial Invalidity	57
Section 10.08.	Unclaimed Moneys	58
Section 10.09.	Applicable Law	58
Section 10.10.	Conclusive Evidence of Regularity	58

TABLE OF CONTENTS

Section 10.11. Payment on Business Day	58
Section 10.12. Counterparts	58

Exhibit A	Form of Supplemental Indenture
Exhibit B	Form of Transfer Letter
Exhibit C	Form of Purchase Notice
Exhibit D	Form of Re-Conveyance Instrument

Appendix 1	Covered Jurisdictions

MASTER INDENTURE

THIS MASTER INDENTURE (this “**Master Indenture**”) is made and entered into as of _____, 2017, between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California (the “**WRCOG**”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America (the “**Trustee**”),

BACKGROUND:

WHEREAS, WRCOG is authorized to act under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “**Act**”) pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, the Executive Committee of WRCOG (the “**Executive Committee**”) previously adopted Resolution No. 09-10 on March 1, 2010 (the “**Resolution of Intention**”) to initiate proceedings under the Act in and for the territory within the County of Riverside (the “**County**”) and the cities listed in Appendix 1 (collectively, the “**Covered Jurisdictions**,” each a “**Covered Jurisdiction**”) (the “**Program Area**”) to establish the Energy Efficiency and Water Conservation Program for Western Riverside County (the “**Program**”), pursuant to which WRCOG would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolution of Intention;

WHEREAS, by the Resolution of Intention, the Executive Committee declared its intention to issue one or more series of bonds under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the “**Bond Law**”), and reference to the Resolution of Intention is hereby expressly made for further particulars;

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program’s particulars, the Executive Committee adopted Resolution No. 13-10 on June 7, 2010 (the “**Resolution Confirming Program Report**”), pursuant to which the Executive Committee, among other things, (i) confirmed and approved a report (as subsequently amended as described below, the “**Program Report**”) addressing all the matters required by the Act, including a draft agreement between WRCOG and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) Authorized Officers (as defined herein) to execute agreements (“**Assessment Contracts**”) with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements;

WHEREAS, under the Act and the Bond Law, the Executive Committee adopted Resolution No. 03-12, which has been subsequently amended (the “**Resolution of Issuance**”), which among other matters, authorized the issuance of one or more series of improvement bonds of WRCOG upon the security of assessments levied on the participating parcels within the Program Area under the Act and the Bond Law, and provided that the issuance of the Bonds

(as defined herein) would be in accordance with the Bond Law and a master indenture and authorized the execution thereof;

WHEREAS, on _____, 2017, WRCOG entered into the Master Indenture (as defined herein) to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the Assessments securing the Bonds and the administration and payment of the Bonds;

WHEREAS, WRCOG has determined that it is in the public interest and for the benefit of WRCOG and the owners of the Bonds that WRCOG enter into this Master Indenture, and that all things necessary to cause the Bonds, when authenticated by the Trustee and issued as provided in the Bond Law, the Resolution of Issuance, as amended and supplemented by one or more Supplemental Resolutions of Issuance (as defined in this Master Indenture) and this Master Indenture, to be legal, valid and binding limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Master Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. WRCOG for this Master Indenture. This Master Indenture is entered into under the Act, the Bond Law and the Resolution of Issuance.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 will, for all purposes of this Master Indenture, of any Supplemental Indenture (as herein defined), and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“ABS Trustee” means the entity specified by an Owner in a written notice to WRCOG and the Trustee as acting as trustee in respect of an issuance of asset-backed securities by such Owner, where such asset-backed securities are secured in whole or in part by one or more Bonds.

“Accredited Investor” means an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the United States Securities Act of 1933, as amended,

“Act” has the meaning ascribed to it in the recitals in this Master Indenture.

“Administrative Expense Fund” means the fund designated “WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1), Administrative Expense Fund,” established and administered pursuant to Section 4.03.

“Administrative Expenses” means costs directly related to the administration of the Program, as determined by WRCOG in its sole discretion, including but not limited to: the actual costs of preparing the annual Assessment installment collection schedules (whether by an employee of WRCOG or a consultant or both) and the actual costs of collecting the Assessment installments (whether by a County or otherwise); the actual costs of remitting the Assessment installments to the Trustee; actual costs of the Trustee (including its legal counsel) in the discharge of its duties under the Indenture; the actual costs of WRCOG or its designee of complying with the disclosure provisions of the Act, the Bond Law, federal securities laws and the Indenture, including those related to public inquiries regarding the Assessments and disclosures to Owners of the Bonds; the actual costs of WRCOG or its designee related to an appeal or challenge of the Assessment; any amounts required to be rebated to the federal government; an allocable share of the salaries of WRCOG staff directly related to the foregoing and a proportionate amount of WRCOG general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by WRCOG for any administrative purpose relating to the Program, including costs related to prepayments of Assessments and the costs of prosecuting foreclosure of delinquent Assessment installments.

“Affiliate” means, with respect to any Person, any other person that (i) directly or indirectly controls, is controlled by or is under common control with such person or (ii) is an officer or director of such person. A Person shall be deemed to be "controlled by" another person if such other person possesses, directly or indirectly, power to (a) vote more than 50% of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing partners of such other person or (b) direct or cause the direction of the management and policies of such other person whether by contract or otherwise.

“Assessment” or “Assessments” means the unpaid contractual assessment(s) levied on the Participating Parcel(s) pursuant to an Assessment Contract(s), including the principal component, interest component, Administrative Expense component, any proceeds of the redemption or sale of property, sold as a result of foreclosure of the lien of the unpaid contractual assessment(s), and Penalties and Interest.

“Assessment Administrative Fee” means, as to each Participating Parcel, the administrative fee due and payable pursuant to an Assessment Contract that shall be collected on the property tax bill pertaining to such Participating Parcel.

“Assessment Administrator” means David Taussig & Associates, and its successors, or any financial consultant or firm of such financial consultants judged by WRCOG to have experience in the administration for and on behalf of public agencies of assessments similar to the Assessments levied by such public agencies in the State of California.

“Assessment Collection Account” means the account within the Redemption Fund designated as the “WRCOG CaliforniaFirst Limited Obligation Improvement Bonds (M1) Assessment Collection Account,” established and administered by the Trustee pursuant to Section 4.01 hereof.

“Assessment Contract” means a contract between WRCOG and the owner of a Participating Parcel pursuant to which the owner agrees to pay Assessments and WRCOG agrees to finance the installation of Improvements on the Participating Parcel.

“Assessment Installment” means, as to each Participating Parcel, the portion of the principal amount of the Assessment, together with the interest on the Assessment, due and payable pursuant to an Assessment Contract that shall be collected on the property tax bill pertaining to such Participating Parcel.

“Assignment” has the meaning given to it in Section 3.07(A).

“Assignment Confirmation” has the meaning given to it in Section 3.07(A)(i).

“Assignment Date” means, for a particular Transferred Interest, the date on which an Assignment becomes effective pursuant to Section 3.07(A).

“Assignment Term” means, with respect to any Transferred Interest, the period beginning on (and including) the applicable Assignment Date and ending on (but excluding) the applicable Assignment Termination Date.

“Assignment Termination Date” means, with respect to a Transferred Interest, the earlier of the (i) Three-Year Anniversary or (ii) re-conveyance of the Transferred Interest from the Program Administrator to WRCOG in exchange for a Take-Out Bond or cash, as applicable.

“Auditor” means the auditor/controller or tax collector of the applicable County, or such other official of the County who is responsible for preparing real property tax bills.

“Authorized Denominations” means, for each series of Bonds, an amount equal to the least of (a) \$100,000 and any increment of \$5,000 in excess of \$100,000 (provided, however,

one Bond of the series may be in an odd amount in excess of \$100,000) and (b) the initial principal amount of the Outstanding Bonds of the series.

"Authorized Officer" means an Authorized Signatory as designated by a resolution of the Executive Committee of WRCOG.

"Bond" or **"Bonds"** means all series of WRCOG's bonds entitled "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1)," as authorized, executed and delivered under the Indenture.

"Bond Counsel" means Best Best & Krieger LLP, and its successors, and any other attorney or firm of bond counsel selected by WRCOG.

"Bond Law" has the meaning ascribed to it in the recitals to this Master Indenture.

"Bond Register" means the books maintained by the Trustee pursuant to Section 2.07 for the registration and transfer of ownership of the Bonds.

"Bond Year" means, with respect to any series of Bonds, the twelve-month period beginning on September 3 in each year and ending on September 2 in the following year except that (i) the first Bond Year will begin on the date of delivery of such series of Bonds and end on the next September 2, and (ii) the last Bond Year may end on a Payment Date or on such other date on which the Bonds are fully redeemed.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in California or in the state in which the Trustee has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

"Capitalized Interest Account" means the account within the Redemption Fund and designated "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1), Capitalized Interest Account," established and administered under Section 4.01 hereof.

"Closing Date" means, with respect to any series of Bonds, the date of the initial issuance and delivery of such series of Bonds.

"Collateral" has the meaning set forth in Section 3.01 of this Master Indenture.

"Collection Account" means the Collection Account established under the Depositary and Account Control Agreement.

"Complying Take-Out Bonds" means with respect to any Transferred Interests as of any date of determination, Take-Out Bonds having the Take-Out Bond Parameters with respect to such Transferred Interests.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to WRCOG relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to, origination fees; printing expenses; rating agency fees, if any; filing and recording fees; expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee; fees, charges and disbursements of attorneys, financing advisors, accounting firms, consultants and other professionals; fees and charges for

preparation, execution and safekeeping of the Bonds; and any other cost, charge or fee in connection with the original issuance of the Bonds.

"Costs of Issuance Fund" means the Costs of Issuance Fund established and administered pursuant to Section 4.05.

"County" has the meaning ascribed to it in the recitals hereto.

"County Teeter Plan" means an alternative method of distribution of tax levies and collection of tax sales proceeds pursuant to Section 4701 *et seq.* of the California Revenue and Taxation Code.

"Covered Jurisdiction" has the meaning ascribed to it in the recitals hereto.

"Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the principal of the Outstanding Bonds is paid as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year.

"Depositary" means Wilmington Trust, National Association, acting depositary under the Depositary and Account Control Agreement.

"Depositary and Account Control Agreement" means that certain Depositary and Account Control Agreement by and among WRCOG, Program Administrator, Depositary and Transferee in connection with Section 3.07 hereof.

"Event of Default" means any event described as an Event of Default in Section 9.01.

"Excess Program Fund Proceeds" means the proceeds from the issuance of a Bond deposited in the Program Fund for the payment or reimbursement of Improvement Costs for the installation of Improvements on a Participating Parcel that remain following the payment of all such Improvement Costs.

"Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds)" means the account within the Redemption Fund designated as the "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1) Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds)," established by the Trustee pursuant to Section 4.01(A)(3).

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Trustee:

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the timely payment of principal of and interest on which are, directly or indirectly, fully and unconditionally guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America:

- (a) direct obligations of the Export-Import Bank,
- (b) certificates of beneficial ownership issued by the Farmers Home Administration,
- (c) participation certificates issued by the General Services Administration
- (d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association,
- (e) project notes issued by the United States Department of Housing and Urban Development, and
- (f) public housing notes and bonds guaranteed by the United States of America.

"Improvements" means the distributed generation renewable energy, energy efficiency and water efficiency improvements to be installed on the Participating Parcels pursuant to the Assessment Contracts and as authorized under the Act, the Bond Law and the Program Report.

"Indenture" means the Master Indenture, as it may be amended or supplemented from time to time by any Supplemental Indenture executed under the provisions of the Master Indenture.

"Master Indenture" means this Master Indenture.

"Member Agency" means each party to WRCOG, as determined pursuant to Section 2.1 of the Joint Exercise of Powers Agreement.

"Officer's Certificate" or **"Certificate of WRCOG"** means a written certificate of WRCOG signed by an Authorized Officer of WRCOG.

"Outstanding" when used as of any particular time with reference to Bonds, means, subject to the provisions of Section 8.03, all Bonds except:

- (i) Bonds canceled by the Trustee or surrendered to the Trustee for cancellation;
- (ii) Bonds paid or deemed to have been paid within the meaning of Article X;
- (iii) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by WRCOG pursuant to the Indenture.

"Owner" or **"Bond Owner"** means the registered owner of any Outstanding Bond as shown on the Bond Register of the Trustee under Section 2.07.

"Participating Parcel Value" means, with respect to a Participating Parcel, the sum of (a) any one of the following: (i) the market value based on an automated valuation model value provided an independent third party selected by the Program Administrator, (ii) if the related Property Owner has obtained an appraisal from a licensed appraiser acceptable to the Program Administrator, such appraised value or comparable report, (iii) the most recent assessed value

of the Participating Parcel as listed in the related district records of the County, or (iv) a real estate broker price opinion that states the real estate broker's opinion as to property value with respect to the Participating Parcel and (b) the value of the eligible improvement multiplied by a factor determined by the Program Administrator.

"Participating Parcels" means the parcels within a Covered Jurisdiction's Program Area that are subject to the lien of an Assessment pursuant to an Assessment Contract and that are specified in a Supplemental Indenture.

"Payment Dates" means March 2 and September 2 of each year, commencing on the date designated in the Supplemental Indenture for the applicable series of Bonds.

"Penalties and Interest" means, with respect to a Participating Parcel, any (i) penalties on any delinquent contractual assessment installment levied on the Participating Parcel pursuant to an Assessment Contract, excluding any such penalties that are payable to the County and (ii) interest on a contractual assessment levied on the Participating Parcel pursuant to an Assessment Contract in excess of (A) the scheduled interest installments provided in the Assessment Contract and (B) the interest accrued on any past-due principal installments at the same interest rate reflected by the scheduled interest installments provided in the Assessment Contract.

"Permitted Investments" means any of the following:

- (a) Federal Securities.
- (b) Federal Housing Administration debentures.
- (c) Unsecured certificates of deposit, time deposits, demand deposits, overnight bank deposits, trust funds, trust accounts, interest-bearing deposits, interest-bearing money market accounts, and bankers' acceptances (having maturities of not more than 30 days) of any bank (including those of the Trustee and its affiliates) the short-term obligations of which are rated "A-1" or better by S&P.
- (d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million (including those of the Trustee and its affiliates).
- (e) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.
- (f) State Obligations, which means
 - (i) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(ii) Direct, general short-term obligations of any state agency or subdivision described in (i) above and rated "A-1+" by S&P and "Prime-1" by Moody's.

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(g) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or United States Treasury Obligations that may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a United States Treasury Obligation will be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(vi) the cash or the United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(h) Investments in (i) the Wilmington Trust Government Money Market Account, or (ii) a money market mutual fund rated AAAM or AAAM-G or better by S&P and having a rating in the highest investment category granted thereby from Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (2) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(i) Repurchase and reverse repurchase agreements collateralized with securities described in (a) and (b) above, including those of the Trustee or any of its affiliates.

(j) California's Local Agency Investment Fund ("LAIF").

"Person" means an individual, partnership, corporation (including a business or statutory trust), limited liability company, joint stock company, trust, unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

"Prepayment Account" means the account within the Redemption Fund and designated "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1), Prepayment Account," established and administered under Section 4.01 hereof.

"Prepayments" means prepayments of any scheduled payments of Assessments received by WRCOG, including the principal component, the interest component and any prepayment premium, but excluding any Administrative Expense component of such prepayments (which shall be deposited into the Administrative Expense Fund).

"Principal Office" means the corporate trust office of the Trustee in Costa Mesa, California, located at such address as will be specified in a written notice by the Trustee to WRCOG under Section 10.06 hereof or such other office of the Trustee designated for payment, transfer or exchange of the Bonds.

"Program Administrator" means Renew Financial Group LLC, as administrator of the Program, or its successors and assigns.

"Program Area" has the meaning ascribed to it in the recitals hereto.

"Program Fund" means the fund designated "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1), Program Fund," established and administered under Section 4.02.

"Program Report" has the meaning ascribed to it in the recitals hereto.

"Purchase Notice" has the meaning given to it in Section 3.07(A).

"Re-Conveyance Instrument" means an assignment instrument substantially in the form attached hereto as Exhibit F.

"Record Date" means the 25th day of the calendar month immediately preceding the applicable Payment Date, and any date established by the Trustee as a Record Date for the payment of defaulted interest on the Bonds, if any.

"Redemption Fund" means the fund designated "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1), Redemption Fund," established and administered under Section 4.01.

"Release" has the meaning given to it in Section 3.07(A).

"Release Account" means the account within the Redemption Fund and designated "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds, Release Account," established and administered under Section 4.01 hereof.

"Release Redemption Price" has the meaning given to it in Section 3.07(A).

"Reserve Fund" means the debt service reserve fund established for the Bonds in Section 4.04 hereof.

"Reserve Fund Cap" means, as of the date of calculation, the amount that equals 10% of the Outstanding principal amount of all Bonds.

"Reserve Fund Deposit Amount" means, as to any Bond on the Closing Date thereof, 0.25% of the original principal amount thereof.

"Reserve Fund Surplus" means, as of September 3rd of any Bond Year, the amount by which the moneys on deposit in the Reserve Fund exceed the Reserve Fund Cap.

"Resolution of Issuance" has the meaning ascribed to it in the recitals to this Master Indenture.

"Series COI Deposit Amount" has the meaning set forth in Section 4.05.

"Sole Owner" means the Owner of the Bonds if all the Bonds (except any Bonds owned by the Program Administrator or its Affiliates or their respective successors and assigns) are owned by such owner or its Affiliates or their respective successors and assigns.

"Supplemental Indenture" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Executive Committee under the Bond Law and which agreement is amendatory of or supplemental to this Master Indenture (as previously amended or supplemented), but only if and to the extent that such agreement is specifically authorized hereunder.

"Supplemental Resolution of Issuance" has the meaning given that term in a Supplemental Indenture.

"Take-Out Bond" means a bond issued by WRCOG, under a bond indenture (a **"Take-Out Bond Indenture"**) that is secured by WRCOG's right to receive payment pursuant to specified Assessment Contracts.

"Take-Out Bond Issue Date" has the meaning given to it in Section 3.07(F).

"Take-Out Bond Parameters" means, as of any date of determination, with respect to any Take-Out Bonds issued in connection with Section 3.07 on such date of determination in exchange for the reassignment of one or more Transferred Interests on such date of determination, and/or in connection with Transferred Interests whose Assignment Terms are expiring on such date of determination, one or more Take-Out Bonds:

(i) whose principal amount, maturity date(s), amortization schedules and interest rates, in the aggregate, produce cash flows that replicate the remaining

scheduled principal and interest components of the contractual assessment installments under the Assessment Contract(s) relating to such Transferred Interest(s) after such date of determination;

(ii) that complies or comply with WRCOG's bond issuance policies as of the applicable Assignment Date;

(iii) any purchaser of which must be an Accredited Investor and execute and deliver to WRCOG an investor letter in substantially the form and substance attached as Exhibit B to this Agreement;

(iv) with respect to which bond counsel to WRCOG shall have issued an unqualified bond counsel opinion addressed to WRCOG, a reliance letter addressed to the purchaser and a supplemental opinion addressed to the trustee under the indenture and the purchaser; for the avoidance of doubt, such opinions shall be substantially identical to the corresponding opinions provided under the Master Indenture in connection with the issuance of Bonds (including the analogous addressees), but will exclude any opinion regarding the validity of, or the lien of, any Assessment, and contain appropriate modifications to reflect the law under which such Take-Out Bond is (or Take-Out Bonds are) being issued; and

(v) that is or are substantially identical to the Bonds issued under the Master Indenture.

If any payments under the Assessment Contracts relating to the Transferred Interest(s) referred to above are delinquent as of such date of determination, for purposes of determining the applicable Take-Out Bond Parameters with respect to such Transferred Interest(s), such delinquent payments (including principal and interest) will be included in the principal amount of the Take-Out Bond(s) for purposes of clause (i) above.

"Take-Out Election Notice" has the meaning given to it in Section 3.07(F).

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

"Transferee" has the meaning given to it in Section 3.07(A).

"Transferee Payment" has the meaning given to it in Section 3.07(A).

"Transferred Interest" means, with respect to an Assessment Contract as to which an Assignment has occurred pursuant to Section 3.07, all right, title and interest to receive payment from the applicable Assessment Installments; provided that notwithstanding anything in the applicable Assessment Contract to the contrary, the portion of the Assessment Installments representing interest on the Assessment shall accrue to the benefit of the Transferee from the date the Transferred Interest is assigned to the Transferee pursuant to the terms of this Agreement.

"Trustee" means Wilmington Trust, National Association, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01 hereof.

"WRCOG Counsel" means the general counsel of WRCOG or designated counsel to WRCOG with respect to the Bonds.

Section 1.03. Interpretation.

(A) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(B) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(C) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.04. Indenture Constitutes Contract. In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract among WRCOG, the Trustee and the Owners of the Bonds. The pledge made in the Indenture and the provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of WRCOG shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by the Indenture.

ARTICLE II

THE BONDS

Section 2.01. Bonds Authorized. WRCOG hereby authorizes the issuance of one or more series of Bonds in Authorized Denominations under and subject to the terms of the Resolution of Issuance, the Indenture, the Act and other applicable laws of the State of California. Pursuant to the Resolution of Issuance, the Authorized Officers of WRCOG are authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Bond Law, the Resolution of Issuance and the Indenture.

Section 2.02. Procedures for Issuance of Bonds.

(A) General. WRCOG may at any time issue a series of the Bonds in Authorized Denominations payable from the Assessments and secured by a lien upon the Collateral equal to and on a parity with the lien and charge securing Outstanding Bonds previously issued hereunder, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such series of the Bonds:

(1) All the requirements of Section 3.03 have been met.

(2) The issuance of such series of the Bonds has been duly authorized pursuant to the Bond Law and all applicable laws, and the issuance of such series of the Bonds has been provided for by a Supplemental Indenture, in substantially the form attached hereto as Exhibit A, duly executed by WRCOG and the Trustee.

(3) The initial principal amount of such series of Bonds shall not cause the aggregate initial principal amount of Bonds issued pursuant the Indenture to exceed the maximum amount permitted in the Program Report, as may be amended from time to time.

(B) Payment of Interest. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day calendar months, and will be payable on each Payment Date. The Bonds will bear interest from the Payment Date next preceding the date of authentication thereof, unless they are authenticated (i) during the period from the 26th day of the month next preceding a Payment Date to such Payment Date, both days inclusive, in which event they will bear interest from such Payment Date or (ii) on or before the 25th day of the month next preceding the first Payment Date, in which event they will bear interest from the date of delivery of such Bonds; provided, however, that in the case of a newly authenticated series of Bonds ("**Exchange Bonds**") for which one or more existing series of Bonds, or bonds that are deemed issued under this Master Indenture pursuant to the provision of another master indenture that is substantially similar to Section 8.08(B) ("**Original Bonds**"), are exchanged pursuant to an exchange agreement among the County, Trustee and the Sole Owner, the accrual of interest on the Exchange Bonds will be calculated, for the portion of outstanding principal represented by each series of Original Bonds, from the later of the dated date or most recent Payment Date of such series of Original Bonds. Notwithstanding the foregoing, in connection with a newly authenticated replacement Bond pursuant to Sections 2.05, 2.06, 2.08 and 2.09, if interest on any Outstanding Bond is in default at the time of authentication of such newly authenticated replacement Bond, such newly authenticated replacement Bond will bear interest from the

Payment Date to which interest had previously been paid or made available for payment on the Outstanding Bond.

(C) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America by check of the Trustee mailed on the applicable Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the Bond Register maintained by the Trustee at the close of business on the Record Date preceding the Payment Date (or by wire transfer made on such Payment Date upon the written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of the Bonds delivered to the Trustee prior to the applicable Record Date).

The principal of a series of Bonds is payable in lawful money of the United States of America on each September 2 (except in the case of a redemption pursuant to Section 2.03(A)(iii), in which case it may be paid on any Payment Date, or pursuant to Section 2.03(A)(i), 2.03(A)(ii) or 2.03(A)(iv), in which case it may be paid on any date) and in the amounts shown in the applicable Supplemental Indenture for such series of Bonds (except in the case of a redemption, in which case it must be paid in the applicable redemption amount, including any related premium), and, solely in the case of the redemption in whole or the maturity date of a series of Bonds, upon surrender of the Bonds at the Principal Office of the Trustee. All Bonds the principal of which is entirely paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Section 2.03. Redemption.

(A) General. The Bonds will be subject to (i) mandatory redemption from amounts received by WRCOG as Prepayments as provided further in the applicable Supplemental Indenture, (ii) mandatory redemption from Excess Program Fund Proceeds as provided for below, (iii) with respect to any series of Bonds with a maturity of greater than ten years, optional redemption of such series of Bonds by WRCOG, from a source other than Prepayments or amounts deposited into the Release Account, in whole, but not in part, after ten years have elapsed since the issuance of such series of Bonds, as provided further in the applicable Supplemental Indenture and (iv) optional redemption by WRCOG in whole or in part from amounts deposited into the Release Account, if provided further in the applicable Supplemental Indenture. Any redemption of the Bonds pursuant to clauses (i), (ii), (iii) and (iv) of the previous sentence must be accompanied by accrued interest on the principal of the Bonds to be redeemed in addition to any applicable premium as calculated in accordance with the related Supplemental Indenture(s).

WRCOG will provide written directions at the time of any redemption, including any directions as to the provisions of Part 11.1 of the Bond Law that will apply to the advance payment of Assessments and to the calling of any series of the Bonds. WRCOG will advise the Trustee of such provisions to the extent not specified herein.

Whenever less than all of the Outstanding Bonds of a series are called for redemption pursuant to Sections 2.03(A)(ii) or 2.03(A)(iv), the Trustee will select the Bonds for redemption, and the amounts of such Bonds to be redeemed, on a pro rata basis (based on the outstanding principal amounts of such Bonds) among the Bonds of that series. Upon the occurrence of a partial redemption of a series of Bonds, the debt service schedule for such series shall be reduced in a manner that maintains, as closely as practicable, level annual debt service.

(B) Extraordinary Mandatory Redemption from Excess Program Fund Proceeds. A Bond identified in an Officer's Certificate delivered to the Trustee will be subject to extraordinary mandatory redemption, in whole or in part, from Excess Program Fund Proceeds transferred by the Trustee to the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) pursuant to such Officer's Certificate directing the Trustee to utilize such funds for the extraordinary mandatory redemption of such Bond. Such extraordinary mandatory redemption shall occur on the date designated for redemption in an Officer's Certificate.

(C) Notice to Trustee. In the case of redemptions pursuant to Section 2.03(A)(iii), the Program Administrator will give the Trustee written notice of the aggregate amount of Bonds to be redeemed pursuant to a Supplemental Indenture not less than 35 days prior to the applicable redemption date. In the case of redemptions pursuant to Section 2.03(A)(i), 2.03(A)(ii) or 2.03(A)(iv), the Program Administrator will give the Trustee written notice of the aggregate amount of Bonds to be redeemed pursuant to a Supplemental Indenture not less than two Business Days prior to the applicable redemption date.

(D) Redemption Procedure by Trustee.

(i) Mailing of Notice. If any series of Bonds is designated for redemption under the terms of a Supplemental Indenture, the Trustee will cause notice of any redemption to be mailed to the respective Owners of any Bonds of such series designated for redemption, at their addresses appearing on the Bond Register in the Principal Office of the Trustee, at least 30 days (or in the case of a redemption pursuant to Section 2.03(A)(i), 2.03(A)(ii) or 2.03(A)(iv), at least one Business Day) but no more than 60 days before the date designated for redemption.

Any failure to so mail any redemption notice or the failure of any person or entity to receive any such redemption notice, or any defect in any notice of redemption, will not affect the validity of the proceedings for the redemption of such series of Bonds.

(ii) Contents of Notice. Such notice will state the following:

- (1) the applicable Payment Date that will be the redemption date,
- (2) the redemption price,
- (3) the date of issue of the series of the Bonds,
- (4) the identities of the Bonds to be redeemed,
- (5) as to any series of Bonds redeemed in part pursuant to Section 2.03(A)(i), the principal amount thereof to be redeemed,
- (6) that any series of Bonds redeemed in whole must be then surrendered at the Principal Office of the Trustee for redemption at the redemption price, and
- (7) that further interest on the Bonds (or portion thereof) called for redemption will not accrue from and after the redemption date.

(iii) Rescission of Redemption. For any redemption described in Sections 2.03(A)(iii) or 2.03(A)(iv), WRCOG may provide conditional notice of redemption that is subject to receipt of sufficient funds to accomplish the redemption and it may rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason adequate funds are not on deposit in the Redemption Fund on the redemption date, and such cancellation will not constitute an Event of Default hereunder. The Trustee will mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(iv) Identification of Bonds Redeemed. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(E) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds or portion of Bonds so called for redemption have been deposited into the Redemption Fund (with respect to optional redemption pursuant to Section 2.03(A)(iii)), the Release Account (with respect to optional redemption pursuant to Section 2.03(A)(iv)), the Prepayment Account (with respect to mandatory redemptions pursuant to Section 2.03(A)(i)) on the date fixed for redemption, or the Extraordinary Mandatory Redemption Account (with respect to Excess Program Fund Proceeds pursuant to Section 2.03(A)(ii)) then such Bonds or portion of Bonds so called for redemption will become due and payable at the redemption price specified in the redemption notice, and such Bonds or portion of Bonds will be defeased and will cease to be entitled to any benefit or security under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed in full by the Trustee pursuant to this Section 2.03 will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Section 2.04. Execution of Bonds. The Bonds of each series will be executed on behalf of WRCOG by the manual or facsimile signature of the Treasurer, or its duly authorized designee, and attested by the manual or facsimile signature of the Secretary, or its duly authorized designee. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature will nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of WRCOG by such persons who, as of the actual date of the execution of such Bond will be the proper officers of WRCOG although at the nominal date of such Bond any such person will not have been such officer of WRCOG.

Only such Bonds as bear thereon a certificate of authentication in substantially the form set forth in the applicable Supplemental Indenture, executed and dated by the Trustee, will be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of authentication of the Trustee will be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.05. Transfer of Bonds.

(A) General. Any Bond may, in accordance with its terms, be transferred, upon the Bond Register under Section 2.07 hereof by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Trustee. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such transfer will be paid by the Bond Owner. The Trustee will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond is or Bonds are surrendered for transfer, WRCOG will execute and the Trustee will authenticate and deliver a new Bond or Bonds of the same series, for like aggregate principal amounts, maturities, and interest rates in the denominations herein authorized. Neither WRCOG nor the Trustee will be required to make such transfer of Bonds on or after a Record Date and before the next ensuing Payment Date.

(B) Transfer Restrictions. Unless the Trustee shall have been otherwise directed in an Officer's Certificate that is accompanied by an opinion of Bond Counsel to the effect that such transfer is consistent with federal securities law, (i) each purchaser of a Bond must be an Accredited Investor and (ii) the Bond(s) of a series may only be transferred in an Authorized Denomination to an Accredited Investor as long as there will not be more than 35 owners of such series of Bonds (when considered in the aggregate with all other owners of Bonds of such series), each of whom delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to this Master Indenture.

Section 2.06. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of Authorized Denominations and of the same maturity and series. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such exchange will be paid by WRCOG. The Trustee will collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

Neither WRCOG nor the Trustee will be required to make such exchange of Bonds after a Record Date and before the next ensuing Payment Date.

Section 2.07. Bond Register. The Trustee will keep, or cause to be kept, at its Principal Office the Bond Register for the registration and transfer of the Bonds. The Bond Register will show the series number, date, maturity amount, rate of interest and last registered Owner of each Bond and will at all times be open to inspection by WRCOG during regular business hours on any Business Day, upon reasonable notice; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

Section 2.08. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, will be of such Authorized Denominations as may be determined by WRCOG, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by WRCOG and authenticated by the Trustee upon the same conditions and in substantially the same manner as

the definitive Bonds. If WRCOG issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds will be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Trustee or at such other location as the Trustee will designate, and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary bonds will be entitled to the same benefits under the Indenture as definitive bonds authenticated and delivered hereunder.

Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated, WRCOG, at the expense of the Owner of that Bond, will execute, and the Trustee will authenticate and deliver, a new Bond of the same series and of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee will be canceled by it and destroyed by the Trustee who will, upon request of WRCOG, deliver a certificate of destruction thereof to WRCOG.

If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee will be given, WRCOG, at the expense of the Owner, will execute, and the Trustee will authenticate and deliver, a new Bond of the same series and of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. WRCOG may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section 2.09 and of the expenses that may be incurred by WRCOG and the Trustee for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of WRCOG whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and will be equally and proportionately entitled to the benefits of the Indenture with all other Bonds issued under the Indenture.

ARTICLE III

SECURITY; ISSUANCE OF BONDS

Section 3.01. Security for the Bonds; Pledge of Assessments and Funds. WRCOG hereby grants, assigns, conveys, pledges, charges and transfers to the Trustee, for the equal and ratable benefit of the Bond Owners, a first priority security interest (which security interest will be effected and perfected in the manner and to the extent herein provided) in and to: (i) the Assessment or Assessments (except amounts required hereunder to be deposited into the Administrative Expense Fund); (ii) the Redemption Fund and all moneys, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited into, the Redemption Fund (including the Capitalized Interest Account, the Assessment Collection Account, the Prepayment Account, the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) and the Release Account), or owed to, or collected, received or held by, any other person that is required to credit to or deposit such moneys or securities into the Redemption Fund by the Act, the Bond Law or the terms of this Master Indenture in each case, derived from the Assessment Installments, Prepayments, the foreclosure on a Participating Parcel on which an Assessment has been levied or payments pursuant to the County's Teeter Plan; and (iii) the Reserve Fund and all moneys, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited into the Reserve Fund, except as provided in Section 4.04(D). So long as any of the Bonds are Outstanding, the Collateral shall not be used for any other purpose except as provided in this Master Indenture.

The Assessments (except amounts required hereunder to be deposited into the Administrative Expense Fund) together with all Assessment Installments and Penalties and Interest received by WRCOG or any other entity acting on WRCOG's behalf with respect to the Assessments shall constitute a trust fund for the redemption and payment of the principal of and premium, if any, on the Bonds and the interest thereon.

WRCOG hereby transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Assessments and all of the right, title and interest of WRCOG or any other person acting on behalf of WRCOG to the receipt of all Assessment Installments and Penalties and Interest owed to or received by WRCOG or any other person acting on WRCOG's behalf with respect to the Assessments hereunder. The Trustee shall be entitled to and shall receive all of the Assessment Installments and any Penalties and Interest, and any Assessment Installments or Penalties and Interest received by WRCOG or any other person acting on WRCOG's behalf with respect to the Assessments shall be deemed to be held, and to have been received, by WRCOG or such other person as the agent of the Trustee and shall forthwith be paid by WRCOG or such other person to the Trustee.

The amounts that have been or, pursuant to the terms of this Master Indenture, should have been deposited into the Redemption Fund derived from the Assessment Installments, Prepayments or Penalties and Interest are hereby dedicated to the payment of the principal of, and interest and premium, if any, on, the Bonds as provided herein and in the Bond Law until such Bond has been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 10.01 hereof.

Amounts on deposit in the Redemption Fund and the Reserve Fund shall be considered as Collateral pledged to payment of Debt Service on the Bonds and shall be used only for such purpose.

Notwithstanding anything to the contrary contained in this Section 3.01, the pledge of amounts on deposit in the Redemption Fund, and the accounts contained therein, as security for the Bonds is subject to the final paragraph of Section 4.01(B). Subject to the previous sentence, the items in clauses (i) through (iii) of this Section 3.01 are collectively referred to as the “**Collateral.**”

Section 3.02. Limited Obligation. All obligations of WRCOG under the Indenture and the Bonds are not general obligations of WRCOG, but are limited obligations, payable solely from the Collateral and the funds pledged therefor hereunder. None of the faith and credit of WRCOG, any Covered Jurisdiction or the State of California or any political subdivision thereof, is pledged to the payment of the Bonds. WRCOG has no taxing power.

The Bonds are “Limited Obligation Improvement Bonds” under section 8769 of the Bond Law and are payable solely from and secured solely by the Collateral as provided in this Master Indenture. Notwithstanding any other provision of the Indenture, WRCOG, any Member Agency or any Covered Jurisdiction are not obligated to advance available surplus funds from the WRCOG treasury to cure any deficiency in the Redemption Fund; provided, however, WRCOG is not prevented, in its sole discretion, from so advancing funds.

Section 3.03. Requirements for Issuance of Bonds. All series of Bonds issued under Supplemental Indentures will constitute Bonds hereunder and will be secured by a lien on the Collateral and funds pledged for the payment of the Bonds hereunder on parity with all other Bonds Outstanding. The Trustee may establish subaccounts within any of the funds or accounts established under this Master Indenture at the written request of WRCOG or if the Trustee determines that such subaccounts are beneficial for record-keeping purposes. WRCOG may issue a series of Bonds subject to the following specific conditions precedent:

(A) Compliance. WRCOG will be in compliance with all covenants set forth in the Indenture, and issuance of the series of Bonds will not cause WRCOG to exceed the bonded indebtedness limit established for the Program. Neither WRCOG nor anyone acting on its behalf shall have taken, or will take, any action that would subject the issuance or sale of the Bonds to the registration requirements set forth in the Securities Act of 1933, as amended, or to the registration requirements of any securities or “Blue Sky” laws of the applicable jurisdiction, and the Bonds issued hereunder shall be subject to a valid exemption from all such registration requirements.

(B) Same Payment Dates. The Supplemental Indenture providing for the issuance of such Bonds will provide that interest thereon will be payable on the Payment Dates, and principal thereof will be payable on September 2 in any year in which principal is payable on any outstanding series of Bonds (except as provided in Section 2.03(A), with respect to redemptions).

(C) Reserve Fund and Capitalized Interest Account Deposits. The Supplemental Indenture providing for the issuance of such Bonds shall provide for deposits into the (i) Reserve Fund in an amount equal to the Reserve Fund Deposit Amount and (ii) Capitalized Interest Account in an amount, if any, equal to the capitalized interest provided for in the Assessment Contracts underlying the series of Bonds issued pursuant to such Supplemental Indenture. The amount deposited into the Reserve Fund pursuant to any Supplemental Indenture shall be available to pay debt service for all Outstanding Bonds as provided for in Section 4.04. The amount deposited into the Capitalized Interest Account pursuant to any

Supplemental Indenture shall be available to make interest payments on the related series of Bonds, as provided in Section 2.01 of that Supplemental Indenture.

(D) Value. For each Participating Parcel the installation of Improvements on which will be financed as a result of issuance of the series of Bonds, the Participating Parcel Value of such parcel shall be no less than the minimum required value determined pursuant to the Program Report for residential properties.

(E) Coverage. The total principal and interest components of the Assessment installments payable under the Assessment Contracts executed in connection with the issuance of such series of Bonds shall be sufficient to pay the scheduled Debt Service on such series of Bonds through the final maturity date of such series of Bonds.

In addition, the principal and interest components of the Assessment installments that would be delinquent on December 10 and April 10 in each Bond Year under the Assessment Contracts executed in connection with the issuance of such series of Bonds shall be sufficient to pay the scheduled Debt Service on such series of Bonds on the Payment Dates during such Bond Year.

(F) Notice of Assessment. A notice of assessment shall have been duly recorded against each Participating Parcel pursuant to the Act and the Bond Law, and there shall have been created a perfected first priority security interest in and to the Collateral pledged for the payment of each Bond pursuant to the applicable Assessment Contract, the Bond Law, the Act and this Master Indenture.

(G) Certificates. WRCOG will deliver to the Trustee an Officer's Certificate certifying that the conditions precedent to the issuance of such series of Bonds set forth in subsections (A), (B), (C), (D), (E) and (F) of this Section 3.03 have been satisfied.

(H) Opinions of Bond Counsel. WRCOG will deliver:

(i) An opinion of Bond Counsel substantially to the effect that (a) WRCOG has the right and power under the Bond Law to execute and deliver the Supplemental Indenture, and the Supplemental Indenture has been duly and lawfully executed and delivered by WRCOG, is in full force and effect and is valid and binding upon WRCOG and enforceable in accordance with its terms (except as enforcement may be limited by bankruptcy, moratorium, insolvency, reorganization, fraudulent conveyance and other similar laws relating to the enforcement of creditor's rights), (b) the Bonds of such series are a valid and binding limited obligation of WRCOG, enforceable in accordance with the terms thereof (except as enforcement may be limited by bankruptcy, moratorium, insolvency, reorganization, fraudulent conveyance and other similar laws relating to the enforcement of creditor's rights) and the terms of the Indenture and the Bond Law, and (c) the Bonds of such series have been duly and validly authorized and issued in accordance with the Bond Law and the Indenture. Bond Counsel shall provide a reliance letter addressed to the initial purchaser of the series of Bonds and the entities providing funding for the purchase of such series of Bonds to the initial purchaser on the related Closing Date indicating that Bond Counsel has delivered the opinion to WRCOG on that date and the initial purchaser and such funding entities may rely on the opinion as if it had been addressed to them.

(ii) A supplemental opinion of Bond Counsel addressed to the initial purchaser of the series of Bonds and the entities providing funding for the purchase of such series of Bonds to the initial purchaser substantially to the effect that (a) the Resolution of Issuance and Supplemental Resolution of Issuance relating to the Bonds of such series were duly adopted at meetings of the governing board of WRCOG that were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; (b) the Bonds of such series are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and (c) the Assessments levied on the Participating Parcels are valid assessments under California law, each Assessment constitutes a lien on the applicable Participating Parcel, and the lien of the Assessments is (i) coequal to and independent of the lien for general taxes and, except as provided in Government Code Section 53936, not subject to extinguishment by the sale of the property on account of the nonpayment of any taxes, and (ii) prior and superior to all liens, claims and encumbrances except (1) the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency, (2) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment related to a Participating Parcel, (3) easements constituting servitudes upon or burdens to the applicable Participating Parcel, (4) water rights, the record title to which is held separately from the title to the applicable Participating Parcel, and (5) restrictions of record; and that the lien of each Assessment has the same priority as the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency, if any, within which the applicable Participating Parcel is located.

Notwithstanding the foregoing, WRCOG may issue a series of Bonds as refunding bonds without the need to satisfy the requirements of clauses (D) or (E) above, and, in connection therewith, the Officer's Certificate in clause (G) above need not make reference to said clauses (D) and (E).

Section 3.04. No Acceleration. The principal of the Bonds will not be subject to acceleration hereunder. Nothing in this Section 3.04 will in any way prohibit the redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of the Indenture under Article X hereof.

Section 3.05. Refunding of Bonds. To the extent set forth in a Supplemental Indenture, the Bonds may be refunded on an optional basis by WRCOG pursuant to Divisions 11 or 11.5 of the California Streets and Highways Code, or any other applicable law, upon the conditions as set forth in appropriate proceedings therefor and in accordance with Sections 2.03(A)(iii) or 2.03(A)(iv) hereof. This Section will not apply to or in any manner limit advancement of the maturity of any of the Bonds as provided in Parts 8, 11, or 11.1 of the Bond Law.

Section 3.06. Indenture for Benefit of Bond Owners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of WRCOG will be for the equal benefit, protection and security of the registered owners of the Bonds.

Section 3.07. Release and Assignment of Assessments.

(A) Release and Assignment. Solely for the purpose of removing an Assessment from the lien of this Master Indenture to either contractually subordinate such Assessment to the holder of a deed of trust on the related Participating Parcel at the request of the owner of such Participating Parcel, or comply with the underwriting requirements of the Owners, a purchaser designated by the Program Administrator ("**Transferee**") may notify the Trustee that it wishes to purchase an assignment of an Assessment (an "**Assignment**"), and such notice shall be provided in a certificate of the Transferee in substantially the form attached as Exhibit C (the "**Purchase Notice**").

The Assignment shall become effective upon satisfaction of the following conditions precedent:

(i) the Trustee providing written confirmation to WRCOG, Transferee and Program Administrator by electronic mail or facsimile transmission of its receipt of the Transferee's payment of an amount equal to the Release Redemption Price (defined below) (the "**Transferee Payment**") prior to the date and time indicated in the Purchase Notice (which date will be no later than five days following the date of delivery of the Purchase Notice) (an "**Assignment Confirmation**"). Such confirmation will be deemed a certification by the Trustee and Depositary, as applicable, to WRCOG, Transferee and Program Administrator on the Assignment Date that the assignment has been consummated and transfers indicated in the Purchase Notice have been completed in accordance therewith.

(ii) Counsel to WRCOG delivering an opinion addressed to WRCOG and Transferee that is substantially to the effect that:

(1) WRCOG is a joint powers WRCOG, duly organized and validly existing under the laws of the State of California, with the power to adopt the Resolution of Intention, Resolutions Confirming Program Report, Resolution of Issuance and the Supplemental Resolution of Issuance, enter into the Master Indenture, Depositary and Account Control Agreement and perform the agreements on its part contained therein.

(2) The Master Indenture and Depositary and Account Control Agreement have been duly approved by WRCOG pursuant to the Supplemental Resolution of Issuance, and assuming due execution and delivery by each of the other parties thereto, each constitutes a valid and binding obligation of WRCOG enforceable upon WRCOG, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to equitable principles, whether considered at law or in equity.

(3) The interest component of the Transferred Interest(s) identified in the related Purchase Notice is subject to federal taxation.

(4) Paragraph 3 of the opinion delivered for the Assessment relating to each Transferred Interest (rendered as required pursuant to Section 3.03(H)(ii)(c) of the Master Indenture) may be relied upon by WRCOG and Transferee (collectively, the "**Addressees**") to the same extent as if such opinion

had been addressed to the Addressees on the date thereof; provided, however, that no update to or reconfirmation of such opinion is intended hereby.

The date upon which the Assignment becomes effective is referred to as the **"Assignment Date."** The Assignment will cause a simultaneous release from the pledge of this Master Indenture of the Assessment and all related amounts on deposit in the funds and accounts held by the Trustee under this Indenture other than the Release Account (a **"Release"**).

The **"Release Redemption Price"** consists of the amount that would be sufficient to fully prepay the Assessment according to the terms of the related Assessment Contract on the date of the scheduled redemption pursuant to Section 2.03(A)(iv) (i.e., the outstanding principal component plus interest component accrued to the date of prepayment).

For any Release and Assignment of an Assessment, the related Purchase Notice shall direct the Trustee to transfer the amounts that relate to such Assessment that are then on deposit in the Redemption Fund, Capitalized Interest Account, Prepayment Account and Program Fund, in each case as identified in Schedule 1 of the Purchase Notice, into the Release Account for purposes of partially redeeming the series of Bonds that financed such Assessment pursuant to Section 2.03(A)(iv). The remainder of the Release Redemption Price shall be derived from the proceeds of the Transferee Payment. Amounts related to the Assessment that are on deposit in the Reserve Fund, which shall be identified in Schedule 1 of the Purchase Notice, will be transferred by the Trustee from the Reserve Fund to WRCOG for deposit into the Reserve Account established pursuant to the Depositary and Account Control Agreement.

The portion of the Transferee Payment remaining after effecting the redemption pursuant to Section 2.03(A)(iv), and the amounts transferred by the Trustee to WRCOG from the Reserve Fund and Administrative Expense Fund pursuant to Schedule 1 of a Purchase Notice, shall be immediately allocated by the Depositary among the Program Account, Administrative Expense Account, Collection Account (and Prepayment Subaccount and Capitalized Interest Subaccount therein) and Reserve Account established pursuant to the Depositary and Account Control Agreement. If applicable, WRCOG covenants and agrees that amounts will be disbursed from the Program Account from time to time to pay for the costs of installing improvements pursuant to Assessment Contracts in accordance with the Program Report.

The Program Administrator shall retain each Purchase Notice and Assignment Confirmation as a record of the Assignment described therein. The Purchase Notices will be made available to WRCOG for inspection upon reasonable prior notice on any Business Day.

(B) Assignment Transaction. An Assignment constitutes the sale, assignment and transfer to the Transferee, and the purchase by the Transferee from WRCOG, for the Assignment Term of all of WRCOG's right, title, and interest in and to the Transferred Interest that is the subject thereof. The Assignment is solely of a Transferred Interest, and in no event shall the Transferee, or any other entity (including WRCOG, except as permitted under applicable law), be permitted to initiate or prosecute any judicial foreclosure action with respect to any Assessment Contract associated with the Transferred Interest. Without limiting WRCOG's obligations under Section 3.07(F) and (G), as of each Assignment Termination Date with respect to a Transferred Interest, the Transferee will, without any further action, cease to have any right, title or interest in and to such Transferred Interest.

(C) Term of Assignment. Pursuant to Section 5898.28(b) of the Act, an Assignment shall constitute a true and absolute transfer of such Transferred Interest for the period of the transfer and not a pledge or grant of a security interest by WRCOG for any borrowing, and such assignment shall remain in full force and effect until the Assignment Termination Date applicable to such Transferred Interest, notwithstanding any obligation of WRCOG contained in Section 3.07(G) hereof. Without in any way limiting the preceding sentence, for the protection of the Transferee, if the transfer is held not to be a true and absolute conveyance, or the Three-Year Anniversary of a Transferred Interest occurs before a Complying Take-Out Bond has been issued with respect to such Transferred Interest, WRCOG shall, within 30 days of the date on which such event occurs, (x) pay to the Transferee the unpaid principal amount of such Transferred Interest, (y) issue a Complying Take-Out Bond or (z) notify the Transferee in writing of the renewal of three three-year Assignment for the benefit of the Transferee under the terms hereof, with the choice of (x), (y) or (z) being in WRCOG's sole and absolute discretion.

The covenants of WRCOG in the previous paragraph are duties imposed by law, and it is the duty of each and every public official of WRCOG to take such action and do such things as are required by law in the performance of the official duty of such officials to enable WRCOG to carry out and perform such covenants. The parties intend for WRCOG's covenants in the previous paragraph to be enforceable by a writ of mandamus issued pursuant to California Civil Code Section 1084 et seq. In the event the Transferee obtains such a writ of mandamus from a court of applicable jurisdiction, WRCOG shall pay the Transferee's reasonable attorneys' fees and costs.

(D) Representations and Agreements of Transferee. The Transferee will be deemed to make the following representations and agreements to WRCOG on each Assignment Date:

(i) Transferee is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(ii) Transferee has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other obligations similar to the Transferred Interest(s), to be capable of evaluating the merits and risks of an investment in the Transferred Interest, and the Transferee is able to bear the economic risks of such an investment.

(iii) Transferee is purchasing the Transferred Interest for not more than one account for investment purposes and not with a view to distributing the Transferred Interest.

(iv) Transferee recognizes that an investment in the Transferred Interest involves significant risks, that there is no established market for the Transferred Interest and that none is likely to develop and, accordingly, that Transferee must bear the economic risk of an investment in the Transferred Interest for an indefinite period of time.

(v) Transferee (1) has conducted its own independent inquiry, examination, and analysis with respect to the Transferred Interest, (2) has had the opportunity to ask questions of and receive answers from WRCOG regarding the Transferred Interest and the matters, transactions, and documents relating to the foregoing; (3) has been provided by WRCOG with all documents and information regarding the Transferred

Interest and the matters, transactions, and documents relating to the foregoing that it has requested, and (4) has been provided with information sufficient to allow it to make an informed decision to purchase the Transferred Interest.

(vi) Transferee (1) is not relying upon WRCOG, or any of its affiliates, officers, employees, or agents, for advice as to the merits and risks of investment in the Transferred Interest, and (2) has sought such accounting, legal, and tax advice as it has considered necessary to make an informed investment decision.

(vii) Transferee understands and acknowledges (1) that the transaction contemplated hereby is neither subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, nor being registered under the Securities Act or any state securities laws and (2) that WRCOG has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Transferred Interest.

(viii) Transferee is able to bear the economic risk of the investment represented by its purchase of the Transferred Interest.

Transferee agrees to defend, indemnify and hold harmless WRCOG from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against WRCOG in any way relating to or arising out of a transfer of the Transferred Interest to which the representations contained in paragraphs (i) through and including (viii) above relate in violation of the restrictions contained in this Master Indenture.

Furthermore, in connection with the Transferee's purchase of each Transferred Interest, the Transferee shall be deemed to make the following representations and agreements to WRCOG on each Assignment Date:

(ix) No applicable law would prevent or make unlawful its holding of (1) any Transferred Interest and (2) a Take-Out Bond to otherwise be conveyed to it pursuant to the terms of Section 3.07(F).

(x) Except for the representation in Section 3.07(E)(iv), (1) WRCOG shall not be responsible to the Transferee for (a) the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of any Assessment Contract, (b) any representations, warranties, recitals or statements made therein or in connection with any Assessment Contract and the transactions contemplated thereby or (c) the financial condition of any owner of a Participating Parcel, and (2) WRCOG is under no obligation to the Transferee to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any Assessment Contract or as to the use of the proceeds of the financing evidenced by the Assessment Contracts.

(xi) (1) It has full power and WRCOG to execute the Purchase Notice, consummate the Assignment with respect to the Transferred Interest and perform its obligations hereunder in accordance with the terms of such Purchase Notice, (2) the Purchase Notice has been duly authorized, executed and delivered by such party and (3) the Master Indenture constitutes a legal, valid and binding obligation of such party,

enforceable against such party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity.

(xii) The execution and delivery of a Purchase Notice and the consummation of the transactions contemplated thereby (1) will not conflict with any law or order applicable to such party or any of its properties or assets and (2) require no consent from any party not already obtained.

(xiii) WRCOG has no legal WRCOG to initiate or prosecute any foreclosure action with respect to any Assessment Contract until Take-Out Bonds have been issued with respect to such Assessment Contract.

(xiv) The Transferee acknowledges that it has no legal rights under the Master Indenture except pursuant to Section 3.07 hereof and is not otherwise a third party beneficiary of the Master Indenture.

(E) Representations and Agreements of WRCOG. WRCOG shall be deemed to make the following representations and agreements to the Transferee on each Assignment Date:

(i) WRCOG has, (i) pursuant to the Resolution of Intention, Resolutions Confirming Program Report and Resolution of Issuance (collectively the "**Program Resolutions**") – each of which was adopted by a majority of the members of the Executive Committee of WRCOG at a regular meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, and remains in full force and effect, and none of which has been amended, modified or rescinded – taken all official action necessary to be taken by it to establish the Program; (ii) approved the execution and delivery of the Master Indenture and Depositary and Account Control Agreement pursuant to Resolution No. ____ adopted on _____, 2017 (the "**Agreements Resolution**"; together with the Program Resolutions, the "**Resolutions**"), and the Agreements Resolution was adopted by a majority of the members of the Executive Committee at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, remains in full force and effect, and has not been amended, modified or rescinded; and (iii) taken any and all such action as may be required on the part of WRCOG to carry out, give effect to and consummate the transactions contemplated in Section 3.07 of the Master Indenture and the Depositary and Account Control Agreement. The Resolutions are in full force and effect on the date hereof and have not been amended, modified or supplemented, except as provided herein and except as agreed to by WRCOG and Transferee.

(ii) WRCOG is a joint powers WRCOG, duly organized and validly existing under the laws of the State of California, with the power to adopt the Resolutions, enter into the Master Indenture and Depositary and Account Control Agreement and perform the agreements on its part contained therein.

(iii) Assuming due authorization, execution and delivery by the other parties thereto, each of the Master Indenture and Depositary and Account Control Agreement constitutes a legal, valid and binding obligation of WRCOG enforceable in accordance with its terms.

(iv) The execution and delivery of the Master Indenture and Depositary and Account Control Agreement and the sale of such Assignment in accordance therewith (1) will not conflict with any law or order applicable to such party or any of its properties or assets and (2) require no consent from any party not already obtained.

(v) Each Assessment Contract will have been duly authorized, executed and delivered by WRCOG as of the Assignment Date and each Assessment Contract and Assignment will constitute, as of the Assignment Date, the legal, valid and binding obligation of WRCOG enforceable against WRCOG in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity.

(vi) It will comply with all applicable provisions of the Act in connection with the Assignment of such Transferred Interest.

(vii) No consent, approval, authorization or other action by any governmental or regulatory WRCOG having jurisdiction over WRCOG that has not been obtained is or will be required for the execution and delivery of the Master Indenture and Depositary and Account Control Agreement, or the consummation by WRCOG of the transactions contemplated by Section 3.07 of the Master Indenture, except as such may be required for state securities or blue sky laws.

(viii) The execution and delivery of the Master Indenture and Depositary and Account Control Agreement, and compliance with the provisions on WRCOG's part contained in such agreements, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, lease, indenture, bond, note, resolution, agreement or other instrument to which WRCOG is party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of WRCOG under the terms of any such law, administrative regulation, judgment, decree, lease, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Master Indenture and Depositary and Account Control Agreement.

(ix) WRCOG is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any lease, indenture, bond, note, resolution, agreement or other instrument to which WRCOG is a party or is otherwise subject that would have an adverse impact on WRCOG's ability to perform its obligations under the Agreements, and no event has occurred and is continuing, that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(x) As of the date hereof, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board of body is pending or threatened, in any way affecting the existence of WRCOG or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the execution and delivery of the Master Indenture and Depositary and Account Control Agreement, or the consummation by WRCOG of the transactions contemplated thereby, the application of the proceeds thereof in accordance therewith, the collection or application of the voluntary contractual assessment(s) levied pursuant to the Assessment Contract(s) that

is or are identified in the related Purchase Notice, or the assignment thereof, or in any way contesting or affecting the lien status, validity or enforceability of such assessments, the Master Indenture and Depositary and Account Control Agreement, any other applicable agreements, or any action of WRCOG contemplated by any of those documents, or in any way contesting the powers of WRCOG or its WRCOG with respect to the Master Indenture and Depositary and Account Control Agreement, any other applicable agreements, or any action of WRCOG contemplated by any of those documents; nor, to our current actual knowledge, as described above, is there any basis for any of the foregoing actions.

(xi) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory WRCOG having jurisdiction over WRCOG required for the execution and delivery of the Master Indenture and Depositary and Account Control Agreement, or the consummation by WRCOG of any other transactions contemplated by the Agreements that has not been obtained.

(xii) WRCOG has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date hereof under the Master Indenture and Depositary and Account Control Agreement.

(xiii) WRCOG has not been notified by the city or County, as applicable, in which a relevant Participating Parcel is located that it has revoked its resolution authorizing participation in the Program.

(xiv) Upon the occurrence of the Release of an Assessment on such Assignment Date, WRCOG will be the legal and beneficial owner of the related Transferred Interest, free and clear of any liens, claims or encumbrances.

(F) Take-Out Bonds.

(i) Optional Issuance of Take-Out Bonds by WRCOG.

(1) In accordance with the procedures set forth below, WRCOG (a) may on any Business Day issue one or more Complying Take-Out Bonds and sell them to the Transferee or its designee in accordance with Section 3.07(F)(i)(2) in exchange for one or more Transferred Interests and (b) shall, no later than the Three-Year Anniversary of any Transferred Interest, use good faith efforts to issue a Complying Take-Out Bond with respect to the Transferred Interest. In furtherance of the foregoing, WRCOG shall, no later than four weeks before the date that it elects to issue and sell Complying Take-Out Bonds (in the case of clause (a)) or the Three-Year Anniversary of the related Transferred Interest (in the case of clause (b)) deliver to the Transferee a notice ("**Take-Out Election Notice**") specifying (I) the Business Day on which the Complying Take-Out Bonds will be issued, which will be no later than the applicable Three-Year Anniversary of a Transferred Interest (the "**Take-Out Bond Issue Date**"), (II) the applicable Transferred Interests that will be exchanged for such Complying Take-Out Bonds (the "**Exchanged Transferred Interests**"), (III) the number of Complying Take-Out Bonds that will be issued, (IV) the principal amount, maturity date, interest rate and debt service schedule of each Complying Take-Out Bond and (V) a reconciliation of the scheduled debt service on such

Complying Take-Out Bonds and the remaining scheduled principal and interest components of the applicable Transferred Interests (including any adjustments for overdue assessments) to enable such Transferee to verify that such Complying Take-Out Bonds meet the applicable Take-Out Bond Parameters (and such verification shall occur, and be notified to WRCOG, at least five Business Days prior to the scheduled Take-Out Bond Issue Date).

(2) On each Take-Out Bond Issue Date, WRCOG shall issue the applicable Complying Take-Out Bond(s) to the Transferee or its designee, the Transferee will, as full consideration for the issuance of such bond(s), re-convey any Exchanged Transferred Interests to WRCOG or its designee pursuant to a Re-Conveyance Instrument and execute and deliver any documents required to be executed and delivered by a purchaser of the Take-Out Bonds under the applicable Take-Out Bond Indenture, and WRCOG and the Transferee shall execute and deliver such instructions to the Depositary as are necessary to ensure that all future payments under the applicable Assessment Contracts are paid into the account required by the applicable Take-Out Bond Indenture; provided that if any of the Transferee's representations in Sections 3.07(D)(i) through and including (viii), (ix)(2) and (x) hereof is untrue as of the applicable Take-Out Bond Issue Date, WRCOG shall have no obligation to convey such Take-Out Bond to the Transferee or its designee.

(3) WRCOG agrees that it shall neither issue nor convey any Take-Out Bond secured in whole or in part by any Assessment Contract, with respect to which the Transferee has acquired a Transferred Interest, and sell such Take-Out Bonds to any party other than the Transferee without the prior written consent of the Transferee.

(ii) *Request for Take-Out Bonds by Transferee.* The Transferee may at any time request that WRCOG issue Complying Take-Out Bonds with respect to any Transferred Interests, and WRCOG agrees to use good faith efforts to issue such bonds as soon as practicable after such request, subject to applicable law.

(G) Covenants of WRCOG.

(i) WRCOG, or Program Administrator on WRCOG's behalf, will direct all payments of Assessment Installments or Penalties and Interest received by the Depositary in connection with a Transferred Interest during the related Assignment Term to the appropriate Collection Account. If WRCOG receives any such payment, WRCOG agrees to promptly deposit such amount into the applicable Collection Account.

(ii) In the event that a County files a petition under Chapter 9 of the United States Bankruptcy Code or is otherwise unable or unwilling to include the Assessment Contract installments on the County's tax roll and to collect such amounts on the property tax bill, WRCOG covenants to take such actions as shall be necessary to enforce the statutory obligations of such County to include the Assessment Contract installments on the tax roll, and to collect such amounts on the property tax bills of the participating properties. In addition, in the event that a County does not collect the Assessment Contract installments on its tax roll for any twelve-month period, and to the extent permitted by law, WRCOG shall take such actions as shall be necessary to collect such Assessment Contract installments by directly billing the owners of the participating

properties for their respective Assessment Contract installments. For purposes of complying with this paragraph, WRCOG may utilize any amounts made available to it by the Transferee or that are on deposit in the Administrative Expense Account, or reimburse itself from amounts added to the Administrative Expense component of the Assessment Contract installments.

Furthermore, in the event that the County files a petition under Chapter 9 of the United States Bankruptcy Code, WRCOG shall seek post-petition relief (1) to obtain a relief from the automatic stay applicable in bankruptcy cases with respect to all Assessment Contract installments received by the County prior to such petition being filed to enable such Assessment Contract installments to be paid to the Depositary, and (2) to ensure that all Assessment Contract installments received by the County following such petition being filed are timely paid to the Depositary.

(H) Covenants of Transferee. On an Assignment Date, the Transferee will be deemed to covenant to WRCOG as follows with respect to the purchased Transferred Interest:

(i) It shall hold each Transferred Interest acquired hereunder throughout the applicable Assignment Term or until such date as such Transferred Interest is required to be re-conveyed under Section 3.07(F) and not transfer any Transferred Interest to any party other than WRCOG or the other Transferee; provided, that the Transferee may convey a Transferred Interest to a wholly-owned subsidiary or other special purpose entity (an “SPE”) in connection with a financing transaction of the applicable SPE, or to the holder of a lien or encumbrance on any Transferred Interest, as contemplated under Section 3.07(F), on the enforcement of such lien or encumbrance, but only to the extent that the applicable transferee certifies to the representations set forth in Sections 3.07(D)(i) through and including (viii), (ix)(2) and (x) hereof, as of the date of transfer to such transferee.

(ii) If a Transferred Interest is subject to a lien or encumbrance at the time that such Transferred Interest is designated an Exchanged Transferred Interest in a Take-Out Election Notice, the Transferee shall use commercially reasonable efforts to obtain the release of such lien or encumbrance from the third-party in whose favor such lien or encumbrance has been granted prior to or at the same time such Transferred Interest is to be exchanged for Complying Take-Out Bonds; provided, however, that the Transferee shall notify WRCOG (A) within 10 Business Days of the delivery of a Take-Out Election Notice if the Transferee is unable to obtain such release, and the delivery of the Transferee's notification to that effect shall cancel the Take-Out Election Notice, and (B) promptly upon obtaining such release.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Redemption Fund.

(A) Establishment of Redemption Fund. The Redemption Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made as required by Section 5.01(A), and any other amounts required to be deposited therein by the Indenture or the Bond Law. Moneys in the Redemption Fund will be held by the Trustee for the benefit of the Owners of the Bonds, will be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below.

(1) Within the Redemption Fund there are hereby established the following accounts:

(i) the Prepayment Account, which will be used exclusively for the administration of any Prepayments pursuant to Section 8767 of the Bond Law to assure the timely mandatory redemption of Bonds and closed if all the Assessments are paid in full;

(ii) the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds), which will be used exclusively for the administration of any Excess Program Fund Proceeds:

(iii) the Release Account, which will be used exclusively for redemption of Bonds in connection with Section 3.07 hereof;

(iv) the Capitalized Interest Account, to the credit of which deposits will be made from the proceeds of any series of Bonds for which interest has been capitalized to pay interest on such series of Bonds; and

(v) the Assessment Collection Account, to the credit of which deposits will be made as described below.

(2) **Assessment Collection Account.** Except for Prepayments which shall be deposited in the Prepayment Account, Excess Program Fund Proceeds which shall be deposited into the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds), amounts in the Release Account or as otherwise provided in this paragraph (2), the Trustee shall deposit into the Assessment Collection Account all proceeds and payments with respect to each Assessment, including, without limitation:

(i) Assessment Installments;

(ii) any amounts transferred to the Assessment Collection Account from the Reserve Fund;

(iii) any proceeds from the collection of delinquent Assessment Installments as a result of a foreclosure proceeding conducted pursuant to Section 5.02 against the Participating Parcel on which the applicable Assessment has been levied or otherwise (excluding (A) amounts identified as

representing attorney's fees and costs incurred by WRCOG or such other person in prosecuting such foreclosure proceeding and (B) amounts required to be transferred hereunder to replenish the Reserve Fund);

(iv) any amounts received pursuant to the County's Teeter Plan with respect to the Assessments securing the Bonds; and

(v) any amount transferred to the Assessment Collection Account from the Program Fund pursuant to an Officer's Certificate delivered to the Trustee.

All amounts in the Assessment Collection Account shall be used and withdrawn by the Trustee solely for the purpose of:

(i) paying the Debt Service on the Bonds on a Bond Payment Date;

(ii) the payment of remaining principal with respect to the Bonds on the respective maturity date thereof;

(iii) the payment of the principal of and the accrued but unpaid interest and premium, if any, on any Bond upon the redemption thereof as provided in a Supplemental Indenture (excluding mandatory redemptions occurring as a result of a Prepayment or application of Excess Program Fund Proceeds); or

(iv) reimbursing WRCOG or a third party from the proceeds of payments representing the redemption of delinquent Assessment Installments for which advances were made by WRCOG or such third party.

All amounts in the Assessment Collection Account, including any earnings on the amounts held in the Assessment Collection Account, shall be held in trust for the benefit of the Bond Owners.

(3) Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds). The Trustee shall, upon receipt of an Officer's Certificate directing the Trustee to transfer Excess Program Fund Proceeds to the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) from the Program Fund, deposit such proceeds in such account. Amounts deposited in the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) shall be credited to the Bond specified in such Officer's Certificate and used and withdrawn by the Trustee solely for the purpose of redeeming such Bond, in whole or in part, on the next authorized redemption date. The principal amount of the Bond to be redeemed shall equal the amount of the Excess Program Fund Proceeds plus the amount, if any, as specified in such Officer's Certificate that is then on deposit in the Assessment Collection Account and to be credited to the payment of principal amount of such Bond; provided, however, such principal amount shall be decreased if and to the extent that the amount on deposit in the Assessment Collection Account and/or the Capitalized Interest Account is insufficient to pay the accrued interest on such Bond to the date of redemption. The redemption price for such Bond shall be equal to the amount of the Excess Program Fund Proceeds, plus the amount, if any, on deposit in the Assessment Collection Account to be credited to the payment of principal amount of such Bond, plus interest to the date of redemption to be paid from the Assessment Collection Account and/or the

Capitalized Interest Account, without premium. Interest shall cease to accrue on such Bond, or the principal amount of such Bond that is subject to redemption, from and after the date of redemption. All amounts in the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds), including any earnings on the amounts held therein, shall be held in trust for the benefit of the applicable Bond Owners.

(B) Disbursements. On each Payment Date, the Trustee will withdraw amounts from the Redemption Fund sufficient to pay to the Owners of the Bonds the principal of, and interest and any premium then due and payable on, the Bonds; provided, however, that the Trustee shall withdraw and apply amounts on deposit in the: (i) Prepayment Account, in accordance with Section 2.02 of the relevant Supplemental Indenture or Section 3.07 hereof, or the Capitalized Interest Account, in accordance with Section 2.01 of the relevant Supplemental Indenture or Section 3.07 hereof, only on the Trustee's receipt of an Officer's Certificate indicating which series of Bonds shall be paid with such amounts and (ii) Release Account for purposes of a redemption in accordance with Section 2.03(A)(iv). WRCOG shall cause the Assessment Administrator to provide to the Trustee written information, upon which the Trustee may conclusively rely, as to amounts that are for the credit of each Bond for purposes of this Master Indenture. Funds on deposit in the Redemption Fund (and any account established thereunder) and credited to a Bond shall not be used to pay the principal of, or interest or any premium on, any other bond.

If on any Payment Date there are insufficient funds in the Redemption Fund (and the Capitalized Interest Account for the purpose provided in this Section 4.01) to pay to the Owners of the Bonds the principal of, and interest and any premium (relating to an optional redemption) then due and payable on, the Bonds, the Trustee shall transfer available funds from the Reserve Fund to the Redemption Fund in an amount equal to the insufficiency of funds. If, following such transfer there remains an insufficiency in the Redemption Fund to pay Owners of the Bonds the principal and interest and any premium (relating to an optional redemption) then due and payable on the Bonds, the Trustee will apply the available funds first to the payment of accrued and unpaid interest on the Bonds, then to the payment of principal and premium (relating to an optional redemption) due on the Bonds, and then to payment of principal due on the Bonds by reason of Bonds called for optional redemption.

On each September 2, the Trustee will use any amounts remaining in the Redemption Fund (excluding the accounts therein) after payment of interest on the Bonds through such September 2 and the payment of principal and premium due on the Bonds through such September 2 for the following purposes in the following priority:

(i) *first*, deposit into the Reserve Fund an amount equal to previously unreimbursed draws on such fund;

(ii) *second*, pay or reimburse the payment of Administrative Expenses incurred by WRCOG that relate to any delinquent Assessment installment and exceed the estimated Administrative Expenses shown in the related Assessment Contract, as such excess amounts are identified in a Certificate of WRCOG; and

(iii) *third*, pay any amounts allocable to amounts received as Penalties and Interest (as identified to the Trustee pursuant to the second paragraph of Section 5.01(A)) as interest in excess of the scheduled interest payable to the Owners of the Bonds on a pro rata basis, based on the outstanding principal amount of Bonds owned by each Owner on the Business Day immediately prior to such Payment Date.

Any remaining amounts on deposit in the Redemption Fund (excluding the accounts therein) shall remain in the Redemption Fund and shall be available for the payment of principal, interest and premium on the Bonds in accordance with this Section 4.01(B) on the next Payment Date.

If a series of Bonds is called for redemption pursuant to Sections 2.03(A)(i), 2.03(A)(ii) or 2.03(A)(iv) at a time when amounts funded from the proceeds of such series remain on deposit in the Capitalized Interest Account, the Trustee shall transfer the portion of such amounts that is no longer required to pay interest for such series, after giving effect to the redemption, to the Prepayment Account or Release Account, respectively, for application toward the payment of the applicable redemption price.

Notwithstanding the provisions of this Section 4.01, and prior to any disbursements described thereby, the Trustee shall return by check to the owner of a Participating Parcel or to the applicable County on behalf of the owner of a Participating Parcel, any amounts on deposit in the Redemption Fund that the Program Administrator determines (as notified to the Trustee in writing) to constitute an overpayment by the owner.

(C) Investment. Moneys in the Redemption Fund (and the accounts therein) will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit will be retained in the Redemption Fund and the accounts therein, as applicable.

(D) Transfers from Reserve Fund. Amounts transferred to the Redemption Fund from the Reserve Fund in accordance with Section 4.04(A) will be used in accordance with Part 16 of the Bond Law as directed in an appropriate Officer's Certificate.

Section 4.02. Program Fund.

(A) Establishment of Program Fund. The Program Fund is hereby established as a separate fund to be held by the Trustee. Deposits will be made to the Program Fund from the proceeds of each series of Bonds in an amount set forth in the applicable Supplemental Indenture. Moneys in the Program Fund will be held by the Trustee and will be disbursed as provided in paragraph (B) of this Section.

(B) Disbursement. Amounts in the Program Fund will be disbursed from time to time to pay for the costs of installing the Improvements in accordance with the Program Report, as set forth in an Officer's Certificate containing the amounts to be paid to the designated payees and delivered to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

Upon receipt of notice from WRCOG that the remainder of funds on deposit in the Program Fund with respect to a particular Assessment Contract will not be required to be applied to completion of the related Improvement(s), the Trustee shall transfer any amounts that were previously deposited into the Program Fund related to the related Participating Parcel (and investment earnings thereon) to the Prepayment Account of the Redemption Fund. The Trustee will maintain the Program Fund until WRCOG (with 30 days' advance notice to the Program Administrator) directs the Trustee to close it, and then the Trustee will transfer any moneys

remaining therein, including any investment earnings thereon, to the Redemption Fund to make payments on the Bonds as they come due.

(C) **Investment.** Moneys in the Program Fund will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment will be retained by the Trustee in the Program Fund.

Section 4.03. Administrative Expense Fund.

(A) **Establishment of Administrative Expense Fund.** The Administrative Expense Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which deposits will be made as required by Section 5.01(A) and as otherwise required by the Bond Law.

Moneys in the Administrative Expense Fund shall be disbursed as provided below.

(B) **Disbursement.** Amounts in the Administrative Expense Fund shall be used by WRCOG to pay Administrative Expenses.

(C) **Closing the Administrative Expense Fund.** WRCOG shall close the Administrative Expense Fund following the final maturity date of the Bonds and payment of all outstanding Administrative Expenses. Upon closing the Administrative Expense Fund, any remaining funds shall be transferred to WRCOG and shall be used for any lawful purpose.

(D) **Investment.** Moneys in the Administrative Expense Fund shall be invested in Permitted Investments, and earnings and profits resulting from such investment shall be retained by WRCOG in the Administrative Expense Fund to be used for the purposes of such fund.

Section 4.04. Reserve Fund.

(A) **General.** The Reserve Fund is hereby established as a separate fund to be held by the Trustee. Moneys in the Reserve Fund will be held by the Trustee for the benefit of the Owners of the Bonds. Except as provided below, all moneys in the Reserve Fund shall be used and withdrawn by the Trustee solely on a Payment Date for the purpose of paying the interest and premium on and the principal of the Bonds in the event that insufficient moneys are available in the Redemption Fund for such purposes in accordance with Section 4.01(B).

(B) **Investment.** Moneys in the Reserve Fund will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment will be retained by the Trustee in the Reserve Fund.

(C) **Reserve Fund Surplus.** If the amount on deposit in the Reserve Fund on September 3 of any Bond Year exceeds the Reserve Fund Cap, the Trustee shall, within 10 business days of such determination, transfer the amount equal to the Reserve Fund Surplus for deposit into the Administrative Expense Fund.

(D) **Transfers in Connection with Prepayments.** Notwithstanding paragraph (C) or anything else contained herein to the contrary, if any portion of the amounts on deposit in the Reserve Fund, including any Reserve Fund Surplus, is attributable to a Prepayment, the

Trustee shall transfer such portion to the Prepayment Account in accordance with Section 8884 of the Bond Law.

Section 4.05. Costs of Issuance Fund.

(A) Establishment of the Costs of Issuance Fund; Deposit. The Costs of Issuance Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which a deposit will be made from the proceeds of each series of Bonds (with respect to the related series of Bonds, the “**Series COI Deposit Amount**”). Moneys in the Costs of Issuance Fund will be held in trust by the Trustee and disbursed as provided in paragraph (B) of this Section for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the Costs of Issuance Fund will be disbursed from time to time to pay Costs of Issuance with respect to each series of Bonds up to the Series COI Deposit Amount, as set forth in a Certificate of WRCOG identifying the series of Bonds and containing respective amounts to be paid to the designated payees and delivered to the Trustee concurrently with the delivery of that series of Bonds, or in any future requisition submitted by WRCOG to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein, and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Costs of Issuance after receipt of an invoice from any such payee that requests payment in an amount that is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of WRCOG requesting payment of Costs of Issuance. At the direction of WRCOG or Program Administrator, the Trustee will transfer the remainder of the related Series COI Deposit Amount, including any investment earnings thereon, to the Redemption Fund. The Trustee will maintain the Costs of Issuance Fund until WRCOG directs the Trustee to close it.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested in Permitted Investments, and earnings and profits resulting from such investment shall be retained by WRCOG in the Costs of Issuance Fund to be used for the purposes of such fund.

ARTICLE V

REPRESENTATIONS AND COVENANTS OF WRCOG

Section 5.01. Collection of Assessments. WRCOG will comply with all requirements of the Act, the Bond Law and the Indenture to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent Assessments. To that end, the following will apply:

(A) The Assessments will be payable in the installments specified in the Assessment Contracts. Each Assessment installment will be payable in the same manner and at the same time as the general taxes on real property are payable, and become delinquent at the same times and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, except as otherwise provided by law. All sums WRCOG is entitled to receive from the collection of the Assessments will be transferred to the Trustee for deposit into the Assessment Collection Account as and when received, except those amounts in respect of the Administrative Expense component thereof, as identified in an Officer's Certificate, which will be transferred to the Trustee for deposit into the Administrative Expense Fund.

All sums received by WRCOG from the collection of Penalties and Interest, as identified to the Trustee in an Officer's Certificate, will be transferred to the Trustee for deposit into the Redemption Fund.

(B) WRCOG will, before the final date on which the Auditor will accept the transmission of the Assessment installments for the Participating Parcels for inclusion on the next tax roll, prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the installments of the Assessments on the next secured tax roll. WRCOG is hereby authorized to employ consultants to assist in computing the installments of the Assessments hereunder.

(C) In the event that the County files a petition under Chapter 9 of the United States Bankruptcy Code or is otherwise unable or unwilling to include the Assessment installments on the County's tax roll and to collect such amounts on the property tax bill as set forth in Section 5.01(B), WRCOG covenants to take such actions as shall be necessary to enforce the statutory obligations of the County to include the Assessment installments on the tax roll, and to collect such amounts on the property tax bills of the Participating Parcels. In addition, in the event that the County does not collect the Assessment installments on its tax roll for any Bond Year, and to the extent permitted by law, WRCOG shall take such actions as shall be necessary to collect such Assessment installments by directly billing the owners of the Participating Parcels for their respective Assessment installments. For purposes of complying with this clause (C), WRCOG may utilize any amounts made available to it by the Program Administrator or that are on deposit in the Administrative Expense Fund, or reimburse itself from amounts added to the Administrative Expense component of any levy of Assessment installments.

(D) In the event that the County files a petition under Chapter 9 of the United States Bankruptcy Code, WRCOG shall seek post-petition relief (i) to obtain a relief from the automatic stay applicable in bankruptcy cases with respect to all Assessment installments received by the County prior to such petition being filed to enable such Assessment installments to be paid to the Trustee, and (ii) to ensure that all Assessment installments received by the County following such petition being filed are timely paid to the Trustee.

Section 5.02. Foreclosure.

(A) WRCOG hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 through 8835, inclusive, of the Bond Law and the conditions specified in this Section 5.02.

No later than October 1 each year, WRCOG will determine whether any single Participating Parcel is delinquent in the payment of two or more semi-annual installments of Assessment payments and, if so, will notify WRCOG Counsel of any such delinquencies. WRCOG Counsel will commence, or cause to be commenced, the foreclosure proceedings against each such delinquent Participating Parcel, including collection actions preparatory to the filing of any complaint, but will file the complaint by the succeeding December 1. WRCOG Counsel is hereby authorized to employ counsel to conduct any such foreclosure proceedings.

However, notwithstanding the foregoing, WRCOG may elect, in its sole discretion, to defer foreclosure proceedings on any Participating Parcel if WRCOG has received funds equal to the delinquent Assessments from any other source, and those funds are available to contribute toward (i) Administrative Expenses and (ii) the payment of the principal of and interest and premium on the Bonds when due (including without limitation funds from the sale of the receivables associated with delinquent Assessments).

(B) In the event that a foreclosure judgment is entered in favor of WRCOG in any foreclosure proceeding undertaken pursuant to this Section 5.02 and the applicable Participating Parcel fails to sell for the minimum price required by Streets & Highways Code Section 8832, WRCOG shall not petition the court to modify the judgment and authorize such Participating Parcel to be sold at a lower minimum price or without a minimum price, pursuant to Streets & Highways Code Section 8836, without the prior written consent of the Owner(s) of 75% or more of the principal amount of the Outstanding Bonds.

(C) WRCOG shall assign the causes of action and the foreclosure proceedings to a trustee upon (i) receipt of a written request for assignment from the Owner(s) of all the Outstanding Bonds, (ii) identification of the trustee to which such assignment is to be made and (iii) the agreement by such Owner(s) to assume all costs and expenses of such foreclosure proceedings and the release of WRCOG of its obligations under this Section 5.02 to prosecute such foreclosure proceedings with respect to the relevant Participating Parcel.

(D) WRCOG shall provide an electronic Officer's Certificate to the Trustee (who will be required to provide such Officer's Certificate to the Program Administrator and Bond Owners) no earlier than the first Business Day of the month preceding each Payment Date and no later than the Record Date prior to such Payment Date, which Officer's Certificate shall contain the following information with respect to any delinquent Assessment installment or Assessment installments:

(i) the identity of the Participating Parcel for which each such Assessment installment is delinquent;

(ii) the date upon which each such Assessment installment became delinquent;

- (iii) the amount of each such delinquent Assessment installment;
- (iv) the date upon which the complaint initiating judicial foreclosure proceedings against each such Participating Parcel was filed or if such complaint has not been filed, the date on which such complaint is required to be filed pursuant to Section 5.02;
- (v) the date that judgment in judicial foreclosure proceedings was entered against any such Participating Parcel and the party in whose favor such judgment was entered; and
- (vi) the date that any such Participating Parcel was sold at a judicial foreclosure sale.

Section 5.03. Punctual Payment. WRCOG will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds.

Section 5.04. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, WRCOG will not, directly or indirectly, extend or consent to the extension of the time for the payment of any interest on any of the Bonds and will not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding any claims for interest on any of the Bonds, or in any other manner.

Section 5.05. Against Encumbrance. WRCOG will not encumber, pledge or place any charge or lien upon any of the Collateral pledged to the Bonds.

Section 5.06. Books and Accounts. WRCOG will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of WRCOG, in which complete and correct entries will be made of all transactions relating to the Assessments and the application of amounts disbursed from the funds and accounts held by WRCOG or Trustee hereunder, which records will be subject to inspection by the Trustee upon reasonable prior notice on any Business Day.

Section 5.07. Protection of Security and Rights of Owners. WRCOG will preserve and protect the security of the Bonds and the rights of the Owners thereto, and will warrant and defend their rights to such security against all claims and demands of all persons. From and after the delivery of any of the Bonds by WRCOG, the Bonds will be incontestable by WRCOG.

Section 5.08. Compliance with Law; Completion of Improvements. WRCOG will comply with all applicable provisions of the Act and the Bond Law in providing financing for the Improvements, but WRCOG will have no obligation to advance any funds to complete the Improvements in excess of the proceeds of the Bonds available therefor.

Section 5.09. Further Assurances. WRCOG will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

Section 5.10. Representations of WRCOG. WRCOG hereby agrees and represents on the date hereof as follows:

(A) WRCOG is a joint powers WRCOG duly organized, duly constituted and validly existing under the laws of the State of California, and has the full legal right, WRCOG and power to enter into and carry out the terms and conditions of this Master Indenture.

(B) No approval of, or consent from, any governmental WRCOG (other than WRCOG's governing body) is required for the execution, delivery or performance by WRCOG of this Master Indenture.

(C) This Master Indenture, when executed and delivered by WRCOG, shall be duly and validly authorized, executed and delivered by WRCOG.

(D) The execution, delivery and performance by WRCOG of this Master Indenture and the performance by WRCOG of its obligations under this Master Indenture and the transactions contemplated hereby and thereby,

(i) do not contravene any provisions of law applicable to WRCOG, and

(ii) do not conflict with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which WRCOG is a party, by which WRCOG may be bound, to which WRCOG or its property may be subject.

(E) This Master Indenture constitutes the legal, valid and binding obligation of WRCOG, enforceable against WRCOG in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and by applicable laws and judicial decisions which may affect the remedies provided in this Master Indenture.

(F) All Assessment Contracts and transactions related thereto shall comply in all material respects with, and be completed and entered into in material compliance with the applicable requirements of the Act, the Program Report and all other relevant and applicable laws and regulations of federal government and the State of California, and all relevant and applicable resolutions of WRCOG in effect as of the date any such Assessment Contract is entered into or any such transaction is undertaken. As of the date such Assessment Contract is entered into, WRCOG shall have caused the Program Administrator to determine that the related Participating Parcels and owners of such Participating Parcels shall satisfy, in all material respects, all applicable eligibility criteria under and applicable underwriting requirements of the Act, the Program Report and all other relevant and applicable laws and regulations of federal government and the State of California, and all relevant and applicable resolutions of WRCOG necessary to participate in the Program.

(G) All Bonds shall be limited obligation improvement bonds governed by the provisions of the Indenture, the Act and the Bond Law and shall be issued in accordance with and in satisfaction of all applicable terms and underwriting criteria for such bonds of the

Indenture, the Act, the Bond Law and all other relevant and applicable laws and regulations of the federal government and the State of California, the Program Report and all relevant and applicable resolutions of WRCOG, except to the extent any such issuance not in compliance with this clause would not have a material and adverse effect on the payment obligations of the Bonds.

(H) WRCOG, either directly or through the Assessment Administrator or its other agents, shall adhere to all required procedures and processes of WRCOG and shall take all commercially reasonable steps necessary to ensure that all Assessment Installments and Penalties and Interest owed under any and all Assessment Contracts are accurately and timely entered on the tax roll of the relevant County.

(I) The Assessment Installments and all fees, premiums, if any, and other amounts collected with respect to the Assessment Contracts, including, but not limited to, Prepayments, penalties and interest on delinquent Assessment Installments and corrections to Assessment Installments, that are payable to the Owners shall be determined, assessed, if applicable, and collected in appliance with all relevant and applicable laws and regulations.

(J) All notices required to be provided by WRCOG or the Trustee to the Owners shall be provided to the ABS Trustee pursuant to the same terms and provisions of the Indenture that are applicable to the provision of such notices to the Owners.

(K) In any case in which WRCOG refuses or is unable to renew or extend the contract of the Assessment Administrator or Program Administrator (each, a “**Program Service Provider**”), WRCOG shall retain the services of a replacement for such Program Service Provider in sufficient time prior to the termination of the contract of the Program Service Provider to be replaced to ensure the continuity of the services of the Program Service Provider to be replaced without interruption. In addition, WRCOG shall diligently enforce its contractual rights against its Program Service Providers and seek any available contract damages from any of such Program Service Provider in the case of a breach of contract by such Program Service Provider that has a material adverse effect on the amount or timing of collections in respect of the Assessments.

ARTICLE VI

INVESTMENTS; LIABILITY OF WRCOG

Section 6.01. Deposit and Investment of Moneys in Funds. The following will apply to the investment of funds held by the Trustee:

(i) Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Trustee shall hold such moneys uninvested.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

(ii) The Trustee may act as principal or agent in the acquisition or disposition of any investment. The Trustee will incur no liability for losses arising from any investments made pursuant to this Section. The Trustee will be entitled to rely upon any investment directions from WRCOG as a conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State of California.

In no event will the Trustee be liable for the selection of investments.

(iii) Investments in any and all funds and accounts may at the discretion of the Trustee be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee hereunder, provided that the Trustee will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

(iv) The Trustee will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited. The Trustee will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Section 6.02. Limited Liability of WRCOG. WRCOG will not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than from the amounts pledged in Section 3.01.

Section 6.03. Employment of Agents by WRCOG. In order to perform its duties and obligations hereunder, WRCOG may employ such persons or entities as it deems necessary or advisable. WRCOG will not be liable for any of the acts or omissions of such persons or entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and

will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE VII

THE TRUSTEE

Section 7.01. Appointment of Trustee. Wilmington Trust, National Association, at the Principal Office, is hereby appointed trustee and paying agent for the Bonds. The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture, and no implied covenants or obligations will be read into the Indenture against the Trustee. With respect to the appointment of the Trustee, the following will apply:

(A) Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this Section 7.01) will be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Trustee will give WRCOG written notice of any such succession hereunder.

(B) WRCOG may remove the Trustee initially appointed and any successor thereto, and may appoint a successor thereto, but any Trustee will be a national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000 and subject to supervision or examination by federal or state WRCOG. If such national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining WRCOG above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(C) The Trustee may at any time resign by giving written notice to WRCOG and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, WRCOG will promptly appoint a successor Trustee, satisfying the requirements of Section 7.01(B) above, by an instrument in writing. Any resignation or removal of the Trustee will become effective upon acceptance of appointment by the successor Trustee.

(D) If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, WRCOG will promptly appoint a successor Trustee by an instrument in writing.

(E) If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section within 45 days after the Trustee has given to WRCOG written notice or after a vacancy in the office of the Trustee has occurred by reason of its inability to act, the Trustee or any Bond Owner may apply to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Section 7.02. Liability of Trustee. With respect to the liability of the Trustee, the following will apply:

(A) The recitals of facts, covenants and agreements herein and in the Bonds contained will be taken as statements, covenants and agreements of WRCOG, and the Trustee

assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of the Indenture or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee assumes no responsibility or liability for any information, statement, or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(B) The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture on their face.

Except as provided above in this paragraph, Trustee will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Indenture, and the Trustee will not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

(C) The Trustee will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(D) No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers unless the Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it.

(E) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Owners pursuant to the Indenture unless such Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(F) The Trustee may become the owner of the Bonds with the same rights it would have if it were not the Trustee.

(G) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others

relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee.

(H) The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee has received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate will be amended and replaced whenever a person is to be added or deleted from the listing. If WRCOG elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions will be deemed controlling. The Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. WRCOG agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(I) The Trustee will have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(J) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee will not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

Section 7.03. Reporting; Books and Accounts. The Trustee will provide to WRCOG, Program Administrator and Bond Owners the following reports:

- (i) Upon the remittance by WRCOG to the Trustee of any amounts representing an Assessment installment (including delinquent installments) or Prepayment, the amount of such Assessment installment or Prepayment to be deposited to each fund and account established in the Indenture (each, an "**Account**").
- (ii) Not later than five (5) Business Days after each Record Date: (a) the amounts to be credited to the payment of outstanding principal, interest and premium on the outstanding Bonds from each Account on the next succeeding Payment Date and (b) the balances in each Account immediately prior to and after the distributions from each Account on the next succeeding Payment Date.
- (iii) Such other information relating to the Bonds and the funds and accounts maintained by the Trustee hereunder as WRCOG and Bond Owners may reasonably request.

The Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Trustee, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts

disbursed from the Redemption Fund and the accounts therein, the Program Fund and the Reserve Fund. Such books of record and accounts, as well as electronic copies of executed Assessment Contracts, will, upon reasonable notice, at all times during business hours on any Business Day be subject to the inspection of WRCOG and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 7.04. Consultation with Counsel; Notice to Trustee. The Trustee may consult with counsel, who may be counsel to WRCOG, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee will not be bound to recognize any person as the Owner of a Bond unless and until such person is the registered Owner of such Bond and such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Officer of WRCOG, and such certificate will be full warrant to the Trustee for any action taken or suffered under the provisions of the Master Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation; Indemnification. WRCOG will pay to the Trustee as an Administrative Expense from time to time reasonable compensation for all services rendered as Trustee under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's in house or other attorneys and agents, incurred in and about the performance of their powers and duties under the Indenture, but the Trustee will not have a lien therefor on any funds at any time held by it under the Indenture.

WRCOG further agrees, to the extent permitted by applicable law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including without limitation legal fees and expenses) which are not due to its negligence or willful misconduct.

The obligation of WRCOG under this Section will survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 8.01. Conditions for Amendment.

(A) Amendment with Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture with the written consent of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.03.

No such modification or amendment may:

- (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of WRCOG to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond;
- (ii) permit the creation by WRCOG of any pledge or lien upon the Collateral other than the lien created for the benefit of the Bonds (except as provided in Sections 2.02 and 3.03);
- (iii) reduce the percentage of Bonds required for the amendment hereof; or
- (iv) amend this Section 8.01.

Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(B) Amendment without Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) Additions. To add to the covenants and agreements of WRCOG contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon WRCOG.
- (ii) Not Adversely Affecting Bonds. To make modifications not adversely affecting any outstanding Bonds in any respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.
- (iii) Corrections. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as WRCOG may deem necessary or desirable and not inconsistent with the Indenture, and which will not adversely affect the rights of the Owners of the Bonds.
- (iv) Issuance of Bonds. To issue additional series of Bonds in accordance with the Indenture, except as provided in Section 8.08.

(v) Credit Enhancements. To provide for the delivery of credit enhancements for one or more series of the Bonds.

(vi) Reserve Fund Deposits. To provide for the satisfaction with funds other than Bond proceeds of the obligation to make a deposit into the Reserve Fund in an amount equal to the Reserve Fund Deposit Amount with respect to each series of Bonds.

(vii) Federal Tax Law. To comply with applicable provisions of the Tax Code relating to tax-exempt bonds or federal tax credit bonds.

Section 8.02. Procedure for Amendments. WRCOG and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of the Indenture, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. With respect to such Supplemental Indenture under this Section, the following will apply:

(A) A copy of such Supplemental Indenture, together with, if applicable, a request to Owners for their consent thereto, will be mailed by first class mail, by the Trustee to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Indenture and request will not affect the validity of the Supplemental Indenture when assented to as provided in this Section.

(B) With respect to Supplemental Indentures pursuant to Section 8.01(A), such Supplemental Indenture will not become effective unless there has been filed with the Trustee the written consents of the Owners of the required principal amount of the Bonds then Outstanding as determined in accordance with Section 8.01(A) (exclusive of Bonds disqualified as provided in Section 8.03) and a notice has been mailed as described in subsection (A) above. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by Section 10.04.

Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(C) With respect to Supplemental Indentures pursuant to Section 8.01 (and in the case of Section 8.01(A), after the Owners of the required percentage of Bonds have filed their consents to the Supplemental Indenture), the Trustee will mail a notice to the Owners, by first class mail, stating in substance, as applicable, that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section; provided, however, that failure to mail copies of this notice will not affect the validity of the Supplemental Indenture or consents thereto.

Proof of the mailing of such notice will be filed with the Trustee. A record, consisting of the papers required by this Section 8.02 to be filed with the Trustee, will be proof of the matters therein stated until the contrary is proved.

The Supplemental Indenture will become effective upon the filing with the Trustee of (a) the proof of the required notice and (b) an approving opinion of Bond Counsel to the effect that

the Supplemental Indenture complies with this Section 8.02. The Supplemental Indenture will be deemed conclusively binding (except as otherwise specifically provided in this Article) upon WRCOG and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Notwithstanding anything contained in this Section 8.02, if the unanimous consent of Owners is obtained, the foregoing provisions of this Section 8.02 may be waived in their entirety.

Section 8.03. Disqualified Bonds. Bonds owned or held for the account of WRCOG, excepting any pension or retirement fund, will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and will not be entitled to consent to, or take any other action provided for in this Article VIII; except that in determining whether the Trustee will be protected in relying upon any such approval or consent of an Owner, only Bonds which a responsible officer of the Trustee having direct responsibility for the administration of the Indenture actually knows to be owned by or held for the account of WRCOG (excepting any pension or retirement fund) will be disregarded unless all Bonds are so owned, in which case such Bonds will be considered Outstanding for the purpose of such determination.

Upon request of the Trustee, WRCOG will specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 8.04. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VIII, the Indenture will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Indenture of WRCOG and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 8.05. Endorsement or Replacement of Bonds Issued After Amendment. WRCOG may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII will bear a notation, by endorsement or otherwise, in form approved by WRCOG, as to such action. In that case, upon request of the Owner of any Bond Outstanding at such effective date and presentation of his or her Bond for that purpose at the Principal Office of the Trustee or at such other office as WRCOG may select and designate for that purpose, a suitable notation will be made on such Bond.

WRCOG may determine that new Bonds, so modified as in the opinion of WRCOG is necessary to conform to such Owners' action, will be prepared, executed and delivered. In that case, upon request of the Owner of any Bonds then Outstanding, such new Bonds will be exchanged at the Principal Office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.06. Amendatory Endorsement of Bonds. The provisions of this Article VIII will not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.07. Execution of Supplemental Indenture. Prior to executing any Supplemental Indenture hereunder, the Trustee will be entitled to receive an opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized and permitted by the Indenture and that all conditions precedent to the execution of such Supplemental Indenture have been met.

Section 8.08. Special Amendments. Notwithstanding anything to the contrary herein, this Master Indenture and any Supplemental Indentures may be amended and modified in the following manner at any time the Owner of the Bonds is the Sole Owner:

(A) The Sole Owner may direct the Trustee and WRCOG in writing to divide any Outstanding series of Bonds (notwithstanding whether any Bonds of such series are owned by the Program Administrator or its affiliates or their respective successors and assigns) into two or more series of Bonds and allocate, in its sole discretion, the Assessments that would have been allocated to the Outstanding series upon mandatory redemption (in accordance with Section 2.03(A)(i)), or for any payments of interest from the Capitalized Interest Account, among the series resulting from such division. The Trustee and WRCOG agree to enter into a new Supplemental Indenture for each series of Bonds resulting from the division and any other related documentation.

(B) The Sole Owner may direct any series of Bonds (notwithstanding whether any Bonds of such series are owned by the Program Administrator or its affiliates or their respective successors and assigns) to be deemed issued under a separate master indenture and related supplemental indenture that are substantially identical to this Master Indenture and the related Supplemental Indenture(s) for such series of Bonds. As a result, the Assessments that secure the series of Bonds under the separate master indenture and related supplemental indenture(s) will secure only the series of bonds deemed issued under that separate master indenture and related supplemental indenture(s). The Trustee and WRCOG agree to enter into any such separate master indentures and supplemental indentures and any other related documentation.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

Section 9.01. Events of Default. Any one or more of the following events will constitute an "Event of Default":

(A) Default in the due and punctual payment of the principal of or premium, if any, on any Bond when and as the same will become due and payable, whether on any Payment Date on which principal is due, the maturity date with respect to such Bond or on the date of a redemption thereof;

(B) Default in the due and punctual payment of the interest on any Bond when and as the same will become due and payable, whether on any Payment Date, the maturity date with respect to such Bond or on the date of a redemption thereof;

(C) Default by WRCOG in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after WRCOG has knowledge of such default or has been given notice in writing of such default by the Trustee or any Owner; *provided, however*, if in the reasonable opinion of WRCOG the default can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default if corrective action is instituted by WRCOG within such thirty (30) day period and WRCOG shall thereafter diligently and in good faith cure such failure within thirty (30) days after such original thirty (30) day period;

(D) Failure of the Owners to have a perfected first priority security interest in the Collateral; or

(E) The filing by WRCOG of a voluntary petition in bankruptcy, or failure by WRCOG promptly to lift any execution, garnishment or attachment, or adjudication of WRCOG as bankrupt, or assignment by WRCOG for the benefit of creditors, or the entry by WRCOG into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to WRCOG in any proceedings instituted under the provisions of the United States Bankruptcy Code.

Section 9.02. Remedies of Owners. Following the occurrence of an Event of Default, any Owner will have the right for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit or proceeding at law or in equity to enforce such Owner's rights against WRCOG and any of the members, officers and employees of WRCOG, and to compel WRCOG or any such members, officers or employees to perform and carry out their duties under the Act or the Bond Law and their agreements with the Owners as provided in the Indenture; or

(B) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners.

Nothing in this article or in any other provisions of the Indenture or in the Bonds will affect or impair the obligation of WRCOG, which is absolute and unconditional, to pay the interest and premium (if any) on and principal of the Bonds to the respective owners of the

Bonds when due, as herein provided, out of the Collateral pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver by any Owner of any default or breach of duty or contract will not (i) affect any subsequent default or breach of duty or contract, (ii) impair any rights or remedies on any such subsequent default or breach or (iii) affect any other Owner's rights hereunder with respect to such default or breach of duty or contract. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power and it will not be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Act or the Bond Law or by this article may be enforced and exercised from time to time and as often as will be deemed expedient by any Owner.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, WRCOG and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act, the Bond Law or any other law.

In no event will the Trustee have any responsibility to cure or cause WRCOG or any other person or entity to cure an Event of Default hereunder.

ARTICLE X

MISCELLANEOUS

Section 10.01. Discharge of Indenture. Subject to the provisions of Section 2.03 hereof regarding redemption, if WRCOG pays and discharges the entire outstanding principal, interest and premium on all of the Bonds Outstanding in any one or more of the following ways:

(A) by paying or causing to be paid the principal of and interest and any premium on, all Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Trustee, in trust for deposit, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Section 4.01, is fully sufficient to pay all Bonds Outstanding, including all principal, interest and any applicable premiums; or

(C) by irrevocably depositing with the Trustee, in trust, cash and Federal Securities in such amount as WRCOG may determine, as confirmed by an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Section 4.01, be fully sufficient to pay all Bonds Outstanding, including all principal, interest and any applicable premiums, at or before their respective maturity dates;

and if the Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as required by the Indenture (or provision satisfactory to the Trustee has been made for the giving of such notice), then, at the election of WRCOG, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the Collateral provided for in the Indenture and all other obligations of WRCOG under the Indenture with respect to all Bonds Outstanding will cease and terminate, except only: (i) the obligation of WRCOG to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, and (ii) the obligation of WRCOG to pay or cause to be paid all amounts owing to the Trustee pursuant to Section 7.05 hereof.

If all Bonds outstanding are discharged pursuant to this Section, thereafter Assessments will not be payable to the Trustee. Notice of election to discharge the Indenture in accordance with this Section 10.01 will be filed with the Trustee by WRCOG.

Any funds thereafter held by the Trustee upon payment of all fees and expenses of the Trustee, which are not required for said purpose, will be paid over to WRCOG to be used by WRCOG as provided in the Act and the Bond Law.

Section 10.02. Benefits of Indenture Limited to Parties. Nothing in the Indenture, expressed or implied, is intended to give to any person other than WRCOG, the Trustee and the Owners, any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements in the Indenture contained by and on behalf of WRCOG will be for the sole and exclusive benefit of the Owners and the Trustee.

Section 10.03. Successor is Deemed Included in All Reference to Predecessor. Whenever in the Master Indenture or any Supplemental Indenture either WRCOG or the Trustee is named or referred to, such reference will be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on

behalf of WRCOG or the Trustee will bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument that the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of registered bonds and the amount, maturity, number and date of holding the same will be proved by the registry books.

Any consent, request, declaration or other instrument or writing of the then registered Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by WRCOG or the Trustee in good faith and in accordance therewith.

Section 10.05. Waiver of Personal Liability. No member, officer, agent or employee of WRCOG will be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.06. Notices to and Demand on WRCOG and Trustee. All notices or communications herein required or permitted to be given to WRCOG or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to WRCOG:	Western Riverside Council of Governments 4080 Lemon Street, 3rd Floor, MS 1032 Riverside, California 92501-3609 Attention: Executive Director

If to the Trustee:	Wilmington Trust, National Association 650 Town Center Drive, Suite 600 Costa Mesa, California 92626 Attention: Corporate Trust Services

Section 10.07. Partial Invalidity. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. WRCOG hereby declares that it would have entered into the Indenture and each and every other Section,

paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 10.08. Unclaimed Moneys. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest or premium on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon redemption as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to WRCOG free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to WRCOG and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to WRCOG as aforesaid, the Trustee may (at the cost of WRCOG) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Bond Register, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to WRCOG of the moneys held for the payment thereof.

Section 10.09. Applicable Law. The Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 10.10. Conclusive Evidence of Regularity. The issuance of Bonds pursuant to the Indenture will constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Assessments.

Section 10.11. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Indenture is other than a Business Day, the payment of interest or principal (and any premium) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no additional interest will accrue from such Payment Date until such Business Day.

Section 10.12. Counterparts. This Master Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as WRCOG and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, WRCOG and the Trustee have caused this Master Indenture to be executed, all as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Authorized Signatory

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

Consented to for purposes of Section 8.01(A)
of the Original Master Indenture, and
acknowledged and agreed, by all Owners
as of the date hereof, being:

RenewPACE WH LLC

By: _____
Authorized Signatory

EXHIBIT A
FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE NO. []

between the

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION
As Trustee**

Dated as of [], 2017

Relating to

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
CaliforniaFIRST**

**Limited Obligation Improvement Bonds
(M1)
Series ____**

(Supplemental to the MASTER INDENTURE, dated as of _____, 2017, and thereafter
supplemented)

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF SERIES ____ BONDS; EQUAL SECURITY; COVENANTS

Section 1.01. Definitions	4
Section 1.02. Interpretation	4
Section 1.03. Authorization	4
Section 1.04. Equal Security	4
Section 1.05. Representations of WRCOG	4

ARTICLE II

ISSUANCE OF SERIES ____ BONDS

Section 2.01. Terms of Series ____ Bonds.	6
Section 2.02. Redemption of Series ____ Bonds.	6
Section 2.03. Form of Series ____ Bonds	6
Section 2.04. Validity of Bonds	6
Section 2.05. Registration of Series ____ Bonds	6

ARTICLE III

USE OF PROCEEDS

Section 3.01. Issuance of Series ____ Bonds	7
Section 3.02. Application of Proceeds of Sale of Series ____ Bonds.....	7

ARTICLE IV

ADDITIONAL PROVISIONS

Section 4.01. Applicable Law	8
Section 4.02. Conflict with Bond Law	8
Section 4.03. Conclusive Evidence of Regularity	8
Section 4.04. Confirmation of Master Indenture; Conflict With Master Indenture	8
Section 4.05. Counterparts	8

APPENDIX 1 BOND SPECIFICS

EXHIBIT A FORM OF SERIES ____ BOND

EXHIBIT B LIST OF PARTICIPATING PARCELS

EXHIBIT C SUPPLEMENTAL RESOLUTION(S) OF ISSUANCE

SUPPLEMENTAL INDENTURE NO. []

THIS SUPPLEMENTAL INDENTURE NO. [], dated as of [], 2017 (this **"Supplemental Indenture"**), is made by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the **"WRCOG"**), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America (the **"Trustee"**);

BACKGROUND:

WHEREAS, WRCOG and the Trustee have executed and delivered a MASTER INDENTURE, dated as of _____, 2017 (the **"Master Indenture"**), and thereafter supplemented, to provide for the terms and conditions of the issuance by WRCOG of one or more series of Bonds (as defined in the Master Indenture) from time to time;

WHEREAS, under the Act and the Bond Law (as such terms are defined in the Master Indenture), the Executive Committee of WRCOG adopted the supplemental resolution(s) of issuance listed in Exhibit C (the **"Supplemental Resolution(s) of Issuance"**) for the Counties (as defined in the Master Indenture), which among other matters, authorized the issuance of the Series ____ Bonds and the execution hereof;

WHEREAS, in order to provide for the authentication and delivery of the Series ____ Bonds, to establish and declare the terms and conditions upon which the Series ____ Bonds are to be issued, to secure the Series ____ Bonds by a lien and charge upon the Assessments and the funds and accounts established under the Master Indenture equal to and on parity with the lien and charge securing all outstanding Bonds, the Executive Committee has authorized the execution and delivery of this Supplemental Indenture;

WHEREAS, all acts and proceedings required by law and the Master Indenture necessary to make the Series ____ Bonds, when executed by WRCOG and authenticated and delivered by the Trustee, the duly issued, valid, binding and legal special obligations of WRCOG, and to constitute this Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Supplemental Indenture have been in all respects duly authorized; and

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

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF SERIES ____ BONDS; EQUAL SECURITY; COVENANTS

Section 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined in this Supplemental Indenture, the capitalized terms in this Supplemental Indenture will have the respective meanings that such terms have in the Master Indenture.

“Closing Date” means the date of initial issuance and delivery of the Series ____ Bonds hereunder.

“Payment Dates” means March 2 and September 2 of each year, commencing as of the date indicated in Appendix 1.

Section 1.02. Interpretation. Section 1.03 of the Master Indenture shall govern interpretation of this Supplemental Indenture.

Section 1.03. Authorization. Each of the parties represents and warrants that it has full legal WRCOG and is duly empowered to enter into this Supplemental Indenture and has taken all actions necessary to authorize the execution of this Supplemental Indenture by the officers and persons signing it.

Section 1.04. Equal Security. As Bonds issued pursuant to Section 2.02 of the Master Indenture, the Series ____ Bonds will be secured by a lien and charge upon the Assessments and the respective funds and accounts established under the Indenture equal to and on parity with the lien and charge securing all outstanding Bonds.

Section 1.05. Representations of WRCOG. WRCOG hereby warrants and represents on the date hereof as follows:

(A) WRCOG is a joint powers WRCOG duly organized, duly constituted and validly existing under the laws of the State of California, and has the full legal right, WRCOG and power to enter into and carry out the terms and conditions of the Indenture.

(B) No approval of, or consent from, any governmental WRCOG (other than WRCOG’s governing body) is required for the execution, delivery or performance by WRCOG of the Indenture.

(C) The Indenture, when executed and delivered by WRCOG, shall be duly and validly authorized, executed and delivered by WRCOG.

(D) The execution, delivery and performance by WRCOG of the Indenture and the performance by WRCOG of its obligations under the Indenture and the transactions contemplated hereby and thereby:

(i) do not contravene any provisions of law applicable to WRCOG, and

(ii) do not conflict with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust,

security agreement, lease, guarantee or other instrument to which WRCOG is a party, by which WRCOG may be bound or to which WRCOG or its property may be subject.

(E) The Indenture constitutes the legal, valid and binding obligation of WRCOG, enforceable against WRCOG in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and by applicable laws and judicial decisions which may affect the remedies provided in the Indenture.

(F) WRCOG has complied with Section 3.03 of the Master Indenture in connection with the issuance of the Series ____ Bonds, and the aggregate initial principal amount of Bonds issued under the Indenture, after giving effect to the Series ____ Bonds, will be as indicated in Appendix 1.

(G) Each of the Assessment Contracts related to the Series ____ Bonds was executed and delivered by WRCOG in compliance with the requirements of the Act, the Program Report, all relevant and applicable laws and regulations of the federal government and the State of California and all relevant and applicable resolutions of WRCOG.

(H) Based on the information provided to WRCOG by, and representations of, the owners of the relevant Participating Parcels, the transactions represented by the Assessment Contracts, the related Participating Parcels and owners of such Participating Parcels satisfy all eligibility criteria under and underwriting requirements of the Act, the Program Report and all other relevant and applicable laws and regulations of the federal government and the State of California, and all relevant and applicable resolutions of WRCOG necessary to participate in the Program.

(I) The Series ____ Bonds are limited obligation improvement bonds governed by the provisions of the Indenture, the Act and the Bond Law and have been issued in accordance with and in satisfaction of all applicable terms and underwriting criteria for such bonds set forth in the Indenture, the Act, the Bond Law and all other relevant and applicable laws and regulations of the federal government and the State of California, the Program Report and all relevant and applicable resolutions of WRCOG.

(J) Without limiting Section 5.01(C) of the Master Indenture, WRCOG, either directly or through the Program Administrator or its other agents, has taken and shall continue to take all commercially reasonable steps necessary to ensure that all amounts owed under any and all Assessment Contracts are accurately and timely entered on the tax roll of the County.

ARTICLE II

ISSUANCE OF SERIES ____ BONDS

Section 2.01. Terms of Series ____ Bonds.

(A) The Series ____ Bonds authorized to be issued by WRCOG under and subject to the Bond Law and the terms of the Master Indenture, as supplemented and amended, and this Supplemental Indenture will be designated the "WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CaliforniaFIRST Limited Obligation Improvement Bonds (M1) Series ____", and will be issued in the original principal amount as indicated in Appendix 1.

The Series ____ Bonds shall be issued as fully registered Bonds without coupons.

(B) The Series ____ Bonds will be dated the Closing Date and will be payable on the Payment Dates and in the principal amounts, and will bear interest at the rate per annum (with accrued and unpaid interest payable on each Payment Date in accordance with Sections 2.02(B) and (C) of the Master Indenture), set forth in the schedule indicated in Appendix 1.

Except as otherwise set forth in this Section 2.01, Article II of the Master Indenture will govern the Series ____ Bonds.

Section 2.02. Redemption of Series ____ Bonds.

(A) **[5- and 10-year maturities only:** The Series ____ Bonds are subject to mandatory redemption from Prepayments and optional redemption from amounts on deposit in the Release Account, in each case as set forth in Appendix 1, but are not otherwise subject to optional redemption prior to maturity.]

[15-, 20- and 25-year maturities only: The Series ____ Bonds are subject to optional redemption from any source of funds other than Prepayments or amounts on deposit in the Release Account, mandatory redemption from Prepayments and optional redemption from amounts on deposit in the Release Account, in each case as set forth in Appendix 1.]

(B) Applicability of the Master Indenture. Except as otherwise set forth in this Section 2.02, Section 2.03 of the Master Indenture will govern redemption of the Series ____ Bonds.

Section 2.03. Form of Series ____ Bonds. The Series ____ Bonds, the Trustee's certificate of authentication, and the assignment to appear thereon, will be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Supplemental Indenture, the Resolution of Issuance, the Supplemental Resolutions of Issuance and the Bond Law.

Section 2.04. Validity of Bonds. The validity of the authorization and issuance of the Bonds will not be dependent upon the installation or operation of the Improvements or upon the performance by any person of such person's obligation with respect to the Improvements.

Section 2.05. Registration of Series ____ Bonds. The Series ____ Bonds shall be registered in the name of the bond purchaser indicated in Appendix 1.

ARTICLE III

USE OF PROCEEDS

Section 3.01. Issuance of Series ____ Bonds. Upon the execution and delivery of this Supplemental Indenture and satisfaction of the requirements for issuance of a new series of Bonds under Section 2.02 of the Master Indenture, WRCOG will execute and deliver the Series ____ Bonds in the aggregate principal amount of as indicated in Appendix 1 to the Trustee for authentication and delivery to the purchaser thereof as indicated in Appendix 1.

Section 3.02. Application of Proceeds of Sale of Series ____ Bonds. Upon the receipt of payment for the Series ____ Bonds on the Closing Date, the Trustee will apply the proceeds of sale thereof (being an amount equal to the principal amount of the Series ____ Bonds) as indicated in Appendix 1.

ARTICLE IV

ADDITIONAL PROVISIONS

Section 4.01. Applicable Law. This Supplemental Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 4.02. Conflict with Bond Law. In the event of a conflict between any provision of this Supplemental Indenture with any provision of the Bond Law as in effect on the Closing Date, the provision of the Bond Law will prevail over the conflicting provision of this Supplemental Indenture.

Section 4.03. Conclusive Evidence of Regularity. Series ____ Bonds issued pursuant to this Supplemental Indenture will constitute conclusive evidence of the regularity of all proceedings under the Bond Law relative to their issuance and the levy of the Assessments.

Section 4.04. Confirmation of Master Indenture; Conflict With Master Indenture. All representations, covenants, warranties and other provisions of the Master Indenture, as previously amended and supplemented, unless specifically amended, modified or supplemented by this Supplemental Indenture, are hereby confirmed as applicable to this Supplemental Indenture. In the event of any conflict between the provisions of this Supplemental Indenture and the Master Indenture, as previously amended and supplemented, the provisions of this Supplemental Indenture will govern.

Section 4.05. Counterparts. This Supplemental Indenture may be executed in counterparts, each of which will be deemed an original.

IN WITNESS WHEREOF, WRCOG and the Trustee have caused this Supplemental Indenture to be executed, all as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Authorized Signatory

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

APPENDIX 1 Bond Specifics

Article I

Section 1.01 Definitions

Payment Dates: Interest on the Series ___ Bonds is due and payable on March 2 and September 2 of each year, commencing on [DATE].

Principal of the Series ___ Bonds is due on September 2 in the years identified below.

Article II

Section 2.01. Terms of Series ___ Bonds.

(a) Original principal amount for this Bond series is \$_____

(b) Interest Rate: _____

Payment Date	Interest	Principal	Total
	*		

* Represents amounts payable from Capitalized Interest Account, as provided in Section 4.01(B) of the Master Indenture.

Section 2.02. Redemption of Series ___ Bonds.

(a) **[This paragraph (a) is applicable to 15-, 20- and 25-year maturities only.]**
Optional Redemption. The Series ___ Bonds are subject to optional redemption, as a whole but not in part, on any Payment Date on or after September 2, 20__, from funds derived by WRCOG from any source other than Prepayments or amounts on deposit in the Release Account, at a redemption price equal to the then-outstanding principal balance of the Series ___ Bonds together with the redemption premium shown below, plus accrued interest thereon to the date of redemption.

Payment Date	Redemption Premium
September 2, 20__ or March 2, 20__	3%
September 2, 20__ or March 2, 20__	2
September 2, 20__ or March 2, 20__	1
September 2, 20__ or any Payment Date thereafter	0

(b) Mandatory Redemption. On any date and as directed in an Officer's Certificate pursuant to Section 4.01(B) of the Master Indenture, the Trustee will apply the Prepayments and other amounts on deposit in the Prepayments Account, in each case, relating to Assessments financed as a result of the issuance of the Series ___ Bonds, and the investment earnings on such Prepayments and other amounts, to prepay the principal balance of the Series ___ Bonds, without premium, plus accrued interest thereon to the date of redemption, all in the manner and as provided in the Bond Law.

(c) Optional Redemption from Amounts in Release Account. The Series ___ Bonds are subject to optional redemption in whole or in part, on any date, from funds derived by WRCOG from amounts on deposit in the Release Account in connection with the Release of any Assessment financed as a result of the issuance of the Series ___ Bonds, at a redemption price equal to the then-outstanding principal balance of the Series ___ Bonds, plus accrued interest thereon to the date of redemption, without premium.

Section 2.05. Registration of Series ___ Bonds.

The name of the Bond purchaser is _____.

Article III

Section 3.02. Application of Proceeds of Sale of Series ___ Bonds.

(a) \$_____ to the Capitalized Interest Account of the Redemption Fund representing capitalized interest on the Series ___ Bonds.

(b) \$_____ to the Costs of Issuance Fund established pursuant to the Master Indenture.

(c) \$_____ to the Reserve Fund established pursuant to the Master Indenture, being equal to the Reserve Fund Deposit Amount.

(d) \$_____ to the Program Fund.

(e) \$_____ to the Administrative Expense Fund established pursuant to the Master Indenture.

EXHIBIT A

FORM OF SERIES ____ BOND

***** THE BONDS ARE SUBJECT TO TRANSFER RESTRICTIONS PURSUANT TO SECTION 2.05 OF THE MASTER INDENTURE. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY BE TRANSFERRED ONLY IN AN AUTHORIZED DENOMINATION BY THE REGISTERED OWNER SOLELY TO AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED) AND ONLY UPON THE EXECUTION AND DELIVERY BY THE TRANSFERREE OF A TRANSFER LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT B TO THE MASTER INDENTURE AND BY THIS REFERENCE INCORPORATED HEREIN.*****

Number _____

\$_____

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
CaliforniaFIRST
Limited Obligation Improvement Bonds
(M1)
Series ____**

INTEREST RATE: []

MATURITY DATE: []

DATED DATE: []

REGISTERED OWNER: [Name of Accredited Investor]

PRINCIPAL AMOUNT: *** DOLLARS***

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the California Streets and Highways Code (the "**Bond Law**"), the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (the "**WRCOG**"), will, out of the Redemption Fund established pursuant to a MASTER INDENTURE, dated as of _____, 2017, and thereafter supplemented, by and between WRCOG and Wilmington Trust, National Association, as trustee (the "**Trustee**"), as supplemented and amended (the "**Master Indenture**"), including as supplemented by a Supplemental Indenture No. [] (collectively, the "**Indenture**"), and other funds available pursuant to the Master Indenture, pay to the registered owner named above or registered assigns, the principal amount stated above, in lawful money of the United States of America and in like manner will pay interest at the rate per annum stated above, payable semiannually on March 2 and September 2 (each a "**Payment Date**") in each year commencing on _____ in accordance with Section 2.01 of Supplemental Indenture

No. []. Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture.

This Series ___ Bond bears interest from the Payment Date next preceding its date of authentication and registration unless it is authenticated and registered (i) prior to a Payment Date and after the close of business of the 15th day of the calendar month preceding such Payment Date, in which event it will bear interest from such Payment Date, or (ii) prior to the close of business on the 15th day of the calendar month preceding the first Payment Date above, in which event it will bear interest from its date of delivery, until payment of such principal sum has been discharged.

Interest on the Series ___ Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America by check of the Trustee mailed on the applicable Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the Bond Register maintained by the Trustee at the close of business on the Record Date preceding the Payment Date (or by wire transfer made on such Payment Date upon the written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of the Bonds delivered to the Trustee prior to the applicable Record Date).

The principal of the Series ___ Bonds is payable in lawful money of the United States of America on each September 2 (except in the case of (i) an optional redemption from a source other than amounts deposited into the Release Account, in which case it may be paid on any Payment Date, (ii) a mandatory redemption, in which case it may be paid on any date or (iii) an optional redemption from amounts in the Release Account, in which case it may be paid on any date, all as described below) and in the amounts shown in Section 2.01 of Supplemental Indenture No. [] for the Series ___ Bonds (except in the case of a redemption, in which case it must be paid in the applicable redemption amount, including any related premium) and, solely in the case of the redemption in whole or the maturity date of the Series ___ Bonds, upon surrender of the Series ___ Bonds at the Principal Office of the Trustee. All Series ___ Bonds the principal of which is entirely paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Series ___ Bonds and, upon request of WRCOG, issue a certificate of destruction of such Series ___ Bonds to WRCOG.

This Series ___ Bond will continue to bear interest after maturity at the rate above stated if this Series ___ Bond is presented at maturity and payment hereof is refused upon the sole ground that there are not sufficient moneys in the Redemption Fund with which to pay same. If this Series ___ Bond is not presented at maturity, interest hereon will run only until maturity.

This Series ___ Bond will not be entitled to any benefit under the Bond Law or the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon are dated and signed by the Trustee.

This Series ___ Bond is one of several series of Bonds issued by WRCOG under the Bond Law and the Indenture for the purpose of providing means for paying for the Improvements described in the Indenture, and is secured as described in Section 3.01 of the Master Indenture.

This Series ___ Bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Trustee, subject to the terms and conditions provided in the Supplemental Resolution of Issuance and the Indenture, including the

payment of certain charges, if any, upon surrender and cancellation of this Series __ Bond. Upon such transfer, a new registered Series __ Bond or Bonds , of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This Series __ Bond may only be transferred to (i) an Accredited Investor as long as there will not be more than 35 owners of the Series __ Bonds (when considered in the aggregate with all other owners of the Series __ Bonds), each of whom delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to the Master Indenture or (ii) WRCOG (or the Trustee at the direction of WRCOG).

Series __ Bonds will be registered only in the name of an individual (including joint owners), a corporation, a partnership, a limited liability company, a limited partnership or a trust.

Neither WRCOG nor the Trustee will be required to make such exchange or registration of transfer of Series __ Bonds on or after a Record Date and before the next ensuing Payment Date.

WRCOG and the Trustee may treat the registered owner hereof as the absolute owner for all purposes, and WRCOG and the Trustee will not be affected by any notice to the contrary.

[5- and 10-year maturities only: Except as provided below, the Series __ Bonds are not subject to optional redemption prior to maturity.]

[This paragraph and the table that follows apply to 15-, 20- and 25- year maturities only] Optional Redemption. The Series __ Bonds are subject to optional redemption, as a whole but not in part, on any Payment Date on or after September 2, 20__, from funds derived by WRCOG from any source other than Prepayments or amounts on deposit in the Release Account, at a redemption price equal to the then-outstanding principal balance of the Series __ Bonds together with the redemption premium shown below, plus accrued interest thereon to the date of redemption.

Payment Date	Redemption Premium
September 2, 20__ or March 2, 20__	3%
September 2, 20__ or March 2, 20__	2
September 2, 20__ or March 2, 20__	1
September 2, 20__ or any Payment Date thereafter	0

Mandatory Redemption. On any date, and as directed in an Officer's Certificate pursuant to Section 4.01(B) of the Master Indenture, the Trustee will apply the Prepayments and other amounts on deposit in the Prepayments Account, in each case, relating to Assessments financed as a result of the issuance of the Series __ Bonds, and the investment earnings on such Prepayments and other amounts, to prepay the principal balance of the Series __ Bonds, without premium, plus accrued interest thereon to the date of redemption, all in the manner and as provided in the Bond Law.

Optional Redemption from Amounts in Release Account. The Series __ Bonds are subject to optional redemption in whole or in part, on any date, from funds derived by WRCOG from amounts on deposit in the Release Account in connection with the Release of any Assessment financed as a result of the issuance of the Series __ Bonds, at a redemption price equal to the then-outstanding principal balance of the Series __ Bonds, plus accrued interest thereon to the date of redemption, without premium.

IN WITNESS WHEREOF, WRCOG has caused this Series __ Bond to be executed in its name and on its behalf by the facsimile signatures of its Treasurer and Secretary all as of the date identified above.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Series ___ Bonds described in the within mentioned Indenture.

Dated: _____, 20__

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT -	<u>Custodian</u>
	(Cust) (Minor)

under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: The signature(s) on this assignment must correspond with the name(s) as written on the face of the registered Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B
LIST OF PARTICIPATING PARCELS

EXHIBIT C

SUPPLEMENTAL RESOLUTION(S) OF ISSUANCE

Resolution Number	Date of Adoption
	9/15/2016

EXHIBIT B

FORM OF TRANSFER LETTER

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Sacramento, CA

Wilmington Trust, National Association
650 Town Center Drive, Suite 600
Costa Mesa, California 92626
Attention: Corporate Trust Services

Re: [name of bonds]

Ladies and Gentlemen:

The WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (the "Issuer") has issued the above-referenced bonds (the "Bonds"). Capitalized terms used in this letter but not defined have the meaning given them in the MASTER INDENTURE, dated as of _____, 2017, and thereafter supplemented (the "Master Indenture"), as amended or supplemented by one or more Supplemental Indentures (the Master Indenture as supplemented, the "Indenture") relating to the Bonds.

In connection with our purchase on the date hereof of \$_____ principal amount of the Bonds, the undersigned (the "Bond Purchaser") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Bonds for not more than one account for investment purposes and not with a view to distributing the purchased Bonds.

(d) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(e) The Bond Purchaser understands and acknowledges that, subject to satisfaction of certain conditions set forth in the Indenture, the Issuer may issue subsequent series of bonds secured by Assessments on a parity with the Bonds.

(f) The Bond Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the Bonds, (ii) has had an opportunity to ask questions of and receive answers from the Issuer regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided by the Issuer with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds.

(g) The Bond Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(h) The Bond Purchaser understands and acknowledges (i) that the offering of the Bonds is neither subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, nor being registered under the Securities Act or any state securities laws, and (ii) that the Issuer has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds.

(i) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bonds.

(j) In the event that the Bond Purchaser wishes to sell the Bonds in the future, the Bond Purchaser agrees and acknowledges that the Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

Bond Purchaser agrees to defend, indemnify and hold harmless WRCOG from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against WRCOG in any way relating to or arising out of a transfer of the Bonds to which this letter relates in violation of the restrictions contained in Section 2.05(B) of the Master Indenture.

EXHIBIT C

FORM OF PURCHASE NOTICE

PURCHASE NOTICE

NOTICE DATE: [DATE AT LEAST 2 DAYS BEFORE DATE OF ASSIGNMENT]
DATE OF ASSIGNMENT: [DATE OF ASSIGNMENT CLOSING]

Wilmington Trust, National Association
650 Town Center Drive, Suite 600
Costa Mesa, California 92626
Attention: Corporate Trust Services

Re: Section 3.07(A) of MASTER INDENTURE, dated as of _____, 2017,
between WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS and
Wilmington Trust, National Association

Ladies and Gentlemen:

I am an authorized representative of RenewPACE WH LLC, which is a Transferee under the MASTER INDENTURE referred to above (the "Master Indenture"). Capitalized terms used, but not defined, herein have the meanings given them in the Master Indenture.

Pursuant to Section 3.07(A) of the Master Indenture, I hereby notify you of Transferee's intention to purchase a Transferred Interest with respect to the Assessment(s) identified on the attached Schedule 1 on the date of assignment reflected above (the "Assignment Date"), and that Transferee will pay the Transferee Payment to you by wire transfer of immediately available funds no later than 3:00 p.m. Pacific Time on such date. This will result in a redemption of the affected Bonds pursuant to 2.03(A)(iv) on the date and in the amounts indicated in the attached Schedule 1.

Upon receipt of the Transferee Payment, the Trustee is directed to make the transfers shown in the attached Schedule 1.

As of the Assignment Date, the Transferee shall be deemed to make the representations and warranties under Section 3.07(D) of the Master Indenture, and the covenants provided under Section 3.07(H) of the Master Indenture, to WRCOG. Such sections of the Master Indenture are incorporated herein by this reference. The Transferee also confirms that it has read and understands Section 3.07 of the Master Indenture and, by its execution below, agrees that, as of the Assignment Date, the Assignment that is the subject of this Purchase Notice will be governed by the terms of Section 3.07, which are incorporated herein by reference.

The agreements represented by this Purchase Notice will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

[Signature page follows.]

RENEWPACE WH LLC

By: _____
Authorized Signatory

Acknowledged:

RENEW FINANCIAL GROUP LLC

By: _____
Authorized Signatory

EXHIBIT D

FORM OF RE-CONVEYANCE INSTRUMENT

RE-CONVEYANCE INSTRUMENT

As of [DATE]

Reference is made to that certain MASTER INDENTURE, dated as of _____, 2017 (the "Master Indenture"), between WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("Re-Conveyance Transferee") and Wilmington Trust, National Association, as trustee, and the Transferred Interests listed on the attached Schedule 1, which were purchased by _____ ("Re-Conveyance Transferor") on the date indicated in such Schedule 1.

As evidenced by the signature of each party hereto, pursuant to Section 3.07(F) of the Master Indenture, in exchange for the cash or bond consideration indicated below, Re-Conveyance Transferor hereby assigns and transfers to Re-Conveyance Transferee, and Re-Conveyance Transferee assumes from Re-Conveyance Transferor, all of Re-Conveyance Transferor's right, title, and interest in, to, and under each Exchanged Transferred Interest specified on the attached Schedule 1.

Each of the parties hereto acknowledges and agrees that the terms of Section 3.07 of the Master Indenture are incorporated by reference hereto and shall apply as though the same were included in this Re-Conveyance Instrument (this "Instrument"). Re-Conveyance Transferor hereby reaffirms the representations in Sections 3.07(D)(i) through and including (ix) of the Master Indenture as of the date hereof.

This Instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This Instrument shall be governed by, and construed in accordance with, the law of the State of California.

[Signature page follows.]

Acknowledged and Accepted as of [_____]:

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT WRCOG

By: _____
Authorized Signatory

[RE-CONVEYANCE TRANSFEROR]

By: _____
Authorized Signatory

Schedule 1

Property Owner	APN	Address	Date of Transfer	Principal Amount	Date of Assessment Contract

APPENDIX 1

Covered Jurisdictions

- 1. City of Banning**
- 2. City of Calimesa**
- 3. City of Canyon Lake**
- 4. City of Corona**
- 5. City of Eastvale**
- 6. City of Hemet**
- 7. City of Jurupa Valley**
- 8. City of Lake Elsinore**
- 9. City of Menifee**
- 10. City of Moreno Valley**
- 11. City of Murrieta**
- 12. City of Norco**
- 13. City of Perris**
- 14. City of Riverside**
- 15. City of San Jacinto**
- 16. City of Temecula**
- 17. Wildomar**
- 18. Unincorporated Riverside County**

Item 5.A

PACE Program Activities Update

Attachment 10

Commercial Master Indenture

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INDENTURE

between

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

and

WILMINGTON TRUST, NATIONAL ASSOCIATION

as Trustee

Dated as of ____ 1, 20__

Relating to:

**ENERGY EFFICIENCY AND WATER CONSERVATION
PROGRAM FOR WESTERN RIVERSIDE COUNTY
CaliforniaFIRST
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 20__-NR_
(First Commercial Property Tranche)**

TABLE OF CONTENTS

Page

ARTICLE I STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01.	Authority for this Indenture	3
Section 1.02.	Definitions	3
Section 1.03.	Interpretation	11
Section 1.04.	Indenture Constitutes Contract	11

ARTICLE II THE BONDS

Section 2.01.	Bonds Authorized	12
Section 2.02.	Payment of Principal of and Interest on the Bonds	12
Section 2.03.	Redemption.....	13
Section 2.04.	Execution of Bonds	16
Section 2.05.	Transfer of Bonds	16
Section 2.06.	Exchange of Bonds.....	17
Section 2.07.	Bond Register	17
Section 2.08.	Temporary Bonds	17
Section 2.09.	Bonds Mutilated, Lost, Destroyed or Stolen	17

ARTICLE III SECURITY; ISSUANCE OF BONDS

Section 3.01.	Security for the Bonds; Pledge of Assessments and Funds.....	19
Section 3.02.	Limited Obligation	19
Section 3.03.	No Parity Debt.....	19
Section 3.04.	Requirements for Issuance of Bonds.....	19
Section 3.05.	No Acceleration.....	21
Section 3.06.	Refunding of Bonds.....	21
Section 3.07.	Agreement for Benefit of Bond Owners	21

ARTICLE IV FUNDS AND ACCOUNTS

Section 4.01.	Redemption Fund	22

TABLE OF CONTENTS
(continued)

	Page
Section 4.02. Program Fund	25
Section 4.03. Administrative Expense Fund	25
Section 4.04. Costs of Issuance Fund	26
Section 4.05. Reserve Fund	26

ARTICLE V
COVENANTS OF WRCOG

Section 5.01. Collection of Assessments.....	28
Section 5.02. Foreclosure	29
Section 5.03. Punctual Payment	30
Section 5.04. Extension of Time for Payment.....	30
Section 5.05. Against Encumbrance.....	30
Section 5.06. Books and Accounts	30
Section 5.07. Protection of Security and Rights of Owners	30
Section 5.08. Compliance with Law; Completion of Improvements	30
Section 5.09. Further Assurances	31

ARTICLE VI
INVESTMENTS; LIABILITY OF WRCOG

Section 6.01. Deposit and Investment of Moneys in Funds	32
Section 6.02. Limited Liability of WRCOG	32
Section 6.03. Employment of Agents by WRCOG	33

ARTICLE VII
THE TRUSTEE

Section 7.01. Appointment of Trustee.....	34
Section 7.02. Liability of Trustee	35
Section 7.03. Information; Books and Accounts.....	36
Section 7.04. Notice to Trustee	37
Section 7.05. Compensation; Indemnification	37
Section 7.06. Trustee as Owner	37

TABLE OF CONTENTS

(continued)

Page

ARTICLE VIII MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 8.01.	Conditions for Amendment	38
Section 8.02.	Procedure for Amendment with Written Consent of Owners	39
Section 8.03.	Disqualified Bonds	40
Section 8.04.	Effect of Supplemental Indenture	40
Section 8.05.	Endorsement or Replacement of Bonds Issued After Amendment.....	40
Section 8.06.	Amendatory Endorsement of Bonds	40
Section 8.07.	Execution of Supplemental Indenture	41

ARTICLE IX EVENTS OF DEFAULT; REMEDIES

Section 9.01.	Events of Default.....	42
Section 9.02.	Remedies of Owners.....	42

ARTICLE X MISCELLANEOUS

Section 10.01.	Discharge of Indenture	44
Section 10.02.	Benefits of Agreement Limited to Parties	44
Section 10.03.	Successor is Deemed Included in All Reference to Predecessor	45
Section 10.04.	Execution of Documents and Proof of Ownership by Owners	45
Section 10.05.	Waiver of Personal Liability	45
Section 10.06.	Notices to and Demand on Authority and Trustee	45
Section 10.07.	Partial Invalidity	46
Section 10.08.	Unclaimed Moneys.....	46
Section 10.09.	Applicable Law	46
Section 10.10.	Content of Certificates.....	46
Section 10.11.	Conclusive Evidence of Regularity	47
Section 10.12.	Payment on Business Day	47
Section 10.13.	Counterparts	47
Exhibit A - List of Participating Parcel(s)	A-1	
Exhibit B - Form of Transfer Letter.....	B-1	

TABLE OF CONTENTS
(continued)

	Page
Exhibit C - Form of Bond	C-1
Appendix 1 - Covered Jurisdictions.....	Appendix-1

INDENTURE

THIS INDENTURE (this “**Indenture**”) is made and entered into as of ____ 1, 20__, between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California (“**WRCOG**”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America (the “**Trustee**”).

BACKGROUND:

WHEREAS, WRCOG is authorized to act under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “**Act**”) pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California; and

WHEREAS, the Executive Committee of WRCOG (the “**Executive Committee**”) previously adopted Resolution No. 09-10 on March 1, 2010 (the “**Resolution of Intention**”) to initiate proceedings under the Act in and for the territory within the County of Riverside (the “**County**”) and the cities listed in Appendix 1 (collectively, the “**Covered Jurisdictions**,” each a “**Covered Jurisdiction**”) (the “**Program Area**”) to establish the Energy Efficiency and Water Conservation Program for Western Riverside County (the “**Program**”), pursuant to which WRCOG would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolution of Intention; and

WHEREAS, by the Resolution of Intention, the Executive Committee declared its intention to issue one or more series of bonds under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the “**Bond Law**”), and reference to the Resolution of Intention is hereby expressly made for further particulars; and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program’s particulars, the Executive Committee adopted the resolutions listed in Exhibit E (collectively, the “**Resolution Confirming Program Report**”), pursuant to which the Executive Committee, among other things, (i) confirmed and approved a report (as subsequently amended as described below, the “**Program Report**”) addressing all the matters required by the Act, including a draft agreement between WRCOG and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) authorized Authorized Officers (as defined herein) to execute agreements (“**Assessment Contracts**”) with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements; and

WHEREAS, under the Act and the Bond Law, the Executive Committee adopted Resolution No. 03-12, which has been subsequently amended, entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions” (the

“Resolution of Issuance”), which among other matters, authorized the issuance of one or more series of improvement bonds of WRCOG upon the security of assessments levied on the participating parcels within the Program Area under the Act and the Bond Law, and provided that the issuance of the Bonds (as defined herein) would be in accordance with the Bond Law and an indenture and authorized the execution thereof; and

WHEREAS, it is in the public interest and for the benefit of WRCOG and the owners of the Bonds (as defined herein) that WRCOG enter into this Indenture to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the Assessments securing the Bonds and the administration and payment of the Bonds; and

WHEREAS, WRCOG has determined that all things necessary to cause the Bonds, when authenticated by the Trustee and issued as provided in the Bond Law, the relevant Resolution of Issuance, as amended and supplemented by the Supplemental Resolution of Issuance (as defined in this Indenture) and this Indenture, to be legal, valid and binding limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Indenture. This Indenture is entered into under the Act, the Bond Law and the Resolution of Issuance.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 will, for all purposes of this Indenture, of any Supplemental Indenture (as herein defined), and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

“Accredited Investor” means an “accredited investor” as such term is defined in Rule 501(a) of Regulation D promulgated under the United States Securities Act of 1933, as amended.

“Act” has the meaning given to it in the recitals hereto.

“Administrative Expense Fund” means the fund designated “WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR_, (First Commercial Property Tranche) Administrative Expense Fund,” established and administered pursuant to Section 4.03.

“Administrative Expenses” means costs directly related to the administration of the Program, as determined by WRCOG in its sole discretion, including but not limited to: the actual costs of preparing the annual Assessment installment collection schedules (whether by an employee of WRCOG or a consultant or both) and the actual costs of collecting the Assessment installments (whether by a county or otherwise); the actual costs of remitting the Assessment installments to the Trustee; actual costs of the Trustee (including its legal counsel) in the discharge of its duties under the Indenture; the actual costs of WRCOG or its designee of complying with the disclosure provisions of the Act, the Bond Law, federal securities laws and the Indenture, including those related to public inquiries regarding the Assessments and disclosures to Owners of the Bonds; the actual costs of WRCOG or its designee related to an appeal or challenge of the Assessment; any amounts required to be rebated to the federal government; an allocable share of the salaries of WRCOG staff directly related to the foregoing and a proportionate amount of Authority general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by WRCOG for any administrative purpose relating to the Program, including costs related to prepayments of Assessments and the costs of prosecuting foreclosure of delinquent Assessment installments.

“Assessment” or “Assessments” means the unpaid contractual assessment(s) levied on the Participating Parcel(s) pursuant to an Assessment Contract(s), but excludes Penalties and Interest.

“Assessment Administrative Fee” means, as to each Participating Parcel, the administrative fee due and payable pursuant to an assessment Contract that shall be collected on the property tax bill pertaining to such Participating Parcel.

“Assessment Administrator” means David Taussig & Associates, and its successors, or any financial consultant or firm of such financial consultants judged by WRCOG to have

experience in the administration for and on behalf of public agencies of assessments similar to the Assessments levied by such public agencies in the State of California.

“Assessment Collection Account” means the account within the Redemption Fund designated as the “WRCOG CaliforniaFirst Limited Obligation Improvement Bonds (First Commercial Property Tranche) Assessment Collection Account,” established and administered by the Trustee pursuant to Section 4.01 hereof.

“Assessment Contract” means the contract between WRCOG and the Property Owner pursuant to which the Property Owner agrees to pay Assessments and WRCOG agrees to finance the installation of Improvements on the Participating Parcel.

“Auditor” means the auditor/controller or tax collector of the applicable county in which the Participating Parcel is located, or such other official of the county who is responsible for preparing real property tax bills.

“Authorized Denominations” means the entire principal amount of the Outstanding Bonds.

“Authorized Officer” means an Authorized Signatory as designated by a resolution of the Executive Committee of WRCOG.

“Bond” or **“Bonds”** means the Western Riverside Council of Governments CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR_ (First Commercial Property Tranche), authorized, executed and delivered under this Indenture.

“Bond Counsel” means Best Best & Krieger LLP, and its successors, and any other attorney or firm of bond counsel selected by WRCOG.

“Bond Law” means the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code.

“Bond Register” means the books maintained by the Trustee pursuant to Section 2.07 for the registration and transfer of ownership of the Bonds.

“Bond Year” means, with respect to the Bonds, the twelve-month period beginning on September 3 in each year and ending on September 2 in the following year except that (i) the first Bond Year will begin on the date of delivery of the Bonds and end on the next September 2, and (ii) the last Bond Year may end on a prior redemption date.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in California or in the state in which the Trustee has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

“Capitalized Interest Account” means the account of that name established in the Redemption Fund and administered under Section 4.01.

“Closing Date” means the date of issuance of the Bonds.

“Commercial” shall have the meaning given such term in the Program Report.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to WRCOG relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to, printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee; fees, charges and disbursements of attorneys, financing advisors, accounting firms, consultants and other professionals; fees and charges for preparation, execution and safekeeping of the Bonds; and any cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the Costs of Issuance Fund established and administered pursuant to Section 4.04 of this Indenture.

“County” has the meaning given to it in the recitals hereto.

“Covered Jurisdiction” has the meaning ascribed to it in the recitals hereto.

“Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds and the Sinking Fund Payments due in such Bond Year.

“Event of Default” means any event described as an Event of Default in Section 9.01.

“Excess Program Fund Proceeds” means the proceeds from the issuance of a Bond deposited in the Program Fund for the payment or reimbursement of Improvement Costs for the installation of Improvements on a Participating Parcel that remain following the payment of all such Improvement Costs.

“Executive Committee” has the meaning given to it in the recitals hereto.

“Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds)” means the account within the Redemption Fund designated as the “WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (CaliforniaFIRST) (First Commercial Property Tranche) Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds),” established by the Trustee pursuant to Section 4.01(A)(3).

“Federal Securities” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Trustee:

- (i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the timely payment of principal of and interest on which are, directly or indirectly, fully and unconditionally guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America:

- (a) direct obligations of the Export-Import Bank,
- (b) certificates of beneficial ownership issued by the Farmers Home Administration,
- (c) participation certificates issued by the General Services Administration
- (d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association,
- (e) project notes issued by the United States Department of Housing and Urban Development, and
- (f) public housing notes and bonds guaranteed by the United States of America.

“Improvements” means the distributed generation renewable energy, energy efficiency and water efficiency improvements to be installed on the Participating Parcel(s) pursuant to the Assessment Contacts.

“Indenture” means this Indenture, as it may be amended or supplemented from time to time by any Supplemental Indenture executed under the provisions of the Indenture.

“Initial Assessment” has the meaning given that term in the Assessment Contract(s).

“Interest Payment Dates” means March 2 and September 2 of each year, commencing on _____.

“Non-Completion Assessment” means an Assessment collected from the owner of the Participating Parcel(s) resulting from failure to install the Improvements or otherwise comply with requirements of WRCOG.

“Officer’s Certificate” or ***“Certificate of WRCOG”*** means a written certificate of WRCOG signed by an Authorized Officer of WRCOG.

“Outstanding” when used as of any particular time with reference to the Bonds, means, subject to the provisions of Section 8.03, all Bonds except:

- (i) Bonds canceled by the Trustee or surrendered to the Trustee for cancellation;
- (ii) Bonds paid or deemed to have been paid within the meaning of Article X;
- (iii) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by WRCOG pursuant to the Indenture.

“Owner” or **“Bond Owner”** means the registered owner of any Outstanding Bond as shown on the Bond Register of the Trustee under Section 2.07.

“Participating Parcel(s)” means the parcel(s) within a Program Area that is (are) subject to the lien of an Assessment pursuant to an Assessment Contract; a list of the Participating Parcel(s) is set forth on Exhibit A.

“Penalties and Interest” means any (i) penalties on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract and (ii) interest on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract in excess of the interest rate of the Bonds, in both cases pursuant to Section 5898.30 of the Act.

“Penalties and Interest Account” means the account within the Redemption Fund and designated “WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR_ (First Commercial Property Tranche), Penalties and Interest Account,” established and administered under Section 4.01 hereof.

“Permitted Investments” means any of the following:

- (a) Federal Securities.
- (b) Federal Housing Administration debentures.
- (c) Unsecured certificates of deposit, time deposits, demand deposits, overnight bank deposits, trust funds, trust accounts, interest-bearing deposits, interest-bearing money market accounts, and bankers’ acceptances (having maturities of not more than 30 days) of any bank (including those of the Trustee and its affiliates) the short-term obligations of which are rated “A-1” or better by S&P.
- (d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million (including those of the Trustee and its affiliates).
- (e) Commercial paper (having original maturities of not more than 270 days) rated “A-1+” by S&P and “Prime-1” by Moody’s.
- (f) State Obligations, which means
 - (i) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A3” by Moody’s and “A” by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(ii) Direct, general short-term obligations of any state agency or subdivision described in (i) above and rated “A-1+” by S&P and “Prime-1” by Moody’s.

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated “AA” or better by S&P and “Aa” or better by Moody’s.

(g) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

(i) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);

(iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a United States Treasury Obligation will be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(vi) the cash or the United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(h) Investments in a money market mutual fund rated AAAM or AAAM-G or better by S&P and having a rating in the highest investment category granted thereby from Moody’s, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the

Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(i) Repurchase and reverse repurchase agreements collateralized with securities described in (a) and (b) above, including those of the Trustee or any of its affiliates.

(j) California's Local Agency Investment Fund ("LAIF").

"Prepayment Account" means the account within the Redemption Fund and designated "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR_ (First Commercial Property Tranche) Prepayment Account," established and administered under Section 4.01 hereof.

"Prepayments" means Non-Completion Assessments or prepayments of Assessments received by WRCOG or the Trustee, less any administrative fees or penalties collected as part of any such Non-Completion Assessment or prepayment of Assessments.

"Principal Office" means the corporate trust office of the Trustee in Costa Mesa, California, located at such address as will be specified in a written notice by the Trustee to WRCOG under Section 10.06 hereof or such other office of the Trustee designated for payment, transfer or exchange of the Bonds.

"Program Area" has the meaning given to it in the recitals hereto.

"Program Fund" means the fund designated "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR_ (First Commercial Property Tranche) Program Fund" established and administered under Section 4.02.

"Program Manager" means the official of WRCOG designated as the program manager of the Program from time to time.

"Program Report" has the meaning given to it in the recitals hereto.

"Property Owner" means the owner of the Participating Parcel(s).

"Qualified Institutional Buyer" means a "qualified institutional buyer" as such term is defined in Rule 144A promulgated under the Securities Act of 1933, as amended.

"Record Date" means the 15th day of the calendar month immediately preceding the applicable Interest Payment Date, and any date established by the Trustee as a Record Date for the payment of defaulted interest on the Bonds, if any.

"Redemption Fund" means the fund designated "WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR_ (First Commercial Property Tranche), Redemption Fund," established and administered under Section 4.01.

“Redemption Premium” means (1) in the event of a redemption pursuant to the final paragraph of Section 4.05(C) that occurs on or before September 2, 2017, an amount equal to 1% of the principal amount of the Bonds to be redeemed and (2) for all other redemptions, an amount equal to the greater of the following two amounts: (a) an amount equal to 1% of the principal amount of the Bonds to be redeemed; and (b) an amount equal to (i) the amount, if any, by which the sum of the present values as of the redemption date of all unpaid principal and interest payments required hereunder, calculated by discounting such payments from the respective dates each such payment was due hereunder back to the redemption date at a discount rate equal to the Periodic Treasury Yield (defined below) exceeds the outstanding principal balance of the Bonds as of the prepayment date, multiplied by (ii) a fraction whose numerator is the principal amount of the Bonds to be redeemed and whose denominator is the outstanding principal balance of the Bonds as of the redemption date. For purposes of the foregoing, “Periodic Treasury Yield” shall mean (y) the annual yield to maturity of the actively traded non-callable United States Treasury fixed interest rate security (other than any such security which can be surrendered at the option of the holder at face value in payment of federal estate tax or which was issued at a substantial discount) that has a maturity closest to the final maturity date of the Bonds (or if two or more such securities have maturity dates equally close to the final maturity date of the Bonds, the average annual yield to maturity of all such securities), as reported in The Wall Street Journal or other authoritative publication or news retrieval service on the fifth Business Day preceding the redemption date. Trustee’s calculation of the Redemption Premium, and all component calculations, shall be conclusive and binding on Authority and the Property Owner absent manifest error.

“Remaining Scheduled Payments” means, with respect to any Bonds to be redeemed pursuant to Section 2.03(A) and 2.03(C), the remaining scheduled payments of the principal thereof and interest thereon that would have been due after the related redemption date but for such redemption.

“Reserve Fund” means the debt service reserve fund established and administered under Section 4.05 of this Indenture.

“Reserve Requirement” means, initially, \$_____. The Reserve Requirement may be reduced pursuant to Section 4.05(E).

“Resolution of Issuance” means the Supplemental Resolution of Issuance, as it supplements and amends any Resolution of Issuance.

“Sinking Fund Payments” means amounts to be paid by WRCOG with respect to any Term Bonds.

“Supplemental Indenture” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Executive Committee under the Bond Law and which agreement is amendatory of or supplemental to this Indenture (as previously amended or supplemented), but only if and to the extent that such agreement is specifically authorized hereunder.

“Teeter Plan” means the alternative procedure for the distribution of property taxes and assessments adopted by a County pursuant to Revenue and Taxation Code sections 4701 through 4717.

“Term Bonds” means Bonds which are payable on or before their specified maturity dates from Sinking Fund Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“Trustee” means Wilmington Trust, National Association, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01 hereof.

“WRCOG” means the Western Riverside Council of Governments, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California.

“WRCOG Counsel” means the general counsel of WRCOG or designated counsel to WRCOG with respect to the Bonds.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.04. Indenture Constitutes Contract. In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract among WRCOG, the Trustee and the Owners of the Bonds. The pledge made in the Indenture and the provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of WRCOG shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by the Indenture.

ARTICLE II

THE BONDS

Section 2.01. Bonds Authorized.

(A) **Authorized Bonds.** WRCOG hereby authorizes the issuance of bonds designated as follows: the “WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds Series 20__-NR_ (First Commercial Property Tranche),” in the original principal amount of \$_____.

(B) **Maturity; Interest Rate.** The Bonds will be dated the Closing Date, issued in fully registered form without coupons in Authorized Denominations, and mature on the date shown in the form of Bonds attached as Exhibit C hereto.

(C) **Proceeds of the Bonds.** Upon the receipt of payment for the Bonds on the Closing Date, the Trustee will apply the proceeds of sale thereof (being an amount equal to the principal amount of the Bonds), as follows:

(i) \$_____ to the Capitalized Interest Account of the Redemption Fund representing capitalized interest on the Bonds;

(ii) \$_____ to the Costs of Issuance Fund established pursuant to Section 4.04 below.

(iii) \$_____ to the Program Fund.

Section 2.02. Payment of Principal of and Interest on the Bonds.

(A) **Payment of Interest.** Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day calendar months, and will be payable on each Interest Payment Date. The Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless they are authenticated on a day during the period from the sixteenth day of the month next preceding an Interest Payment Date to such Interest Payment Date, both days inclusive, in which event they will bear interest from such Interest Payment Date; or unless they are authenticated on a day on or before the fifteenth day of the month next preceding the first Interest Payment Date, in which event they will bear interest from the date of delivery of such Bonds. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Bonds shall bear interest at the rate per annum, and mature on the date, shown thereon.

(B) **Method of Payment.** Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America by check of the Trustee mailed on the applicable Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner’s address as it appears on the Bond Register maintained by the Trustee at the close of business on the Record Date preceding the Interest

Payment Date (or by wire transfer made on such Interest Payment Date upon the written instructions of the Owner of all of the Bonds delivered to the Trustee prior to the applicable Record Date).

The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Trustee. All Bonds paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Section 2.03. Redemption.

(A) Optional Redemption. The Bonds are subject to optional redemption, as a whole or in part, on any Interest Payment Date from funds derived by WRCOG from any source other than Prepayments, at a price equal to:

- (i) 100% of the principal amount of the Bonds to be prepaid, and
- (ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Law, and
- (iii) a redemption premium equal to ____%.

(B) Mandatory Sinking Fund Redemption. All the Bonds constitute Term Bonds, which will be subject to mandatory redemption in part by lot, from Sinking Fund Payments made by WRCOG from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as shown in Attachment A to the Bonds, the form of which is attached to this Indenture as Exhibit C.

However, if the Bonds have been redeemed pursuant to subsections (A) above or (C) below, the total amount of all future Sinking Fund Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in Authorized Denominations as determined by the Trustee, notice of which determination will be given by the Trustee to WRCOG.

(C) Mandatory Prepayment Redemption. The Bonds will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Prepayments, on any Interest Payment Date, at a price equal to:

- (i) 100% of the principal amount of the Bonds to be prepaid, and
- (ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Law, and

- (iii) a redemption premium equal to ____%.

Upon redemption of the Bonds as set forth in this subsection (C) and (D), WRCOG shall cause the Initial Assessment to be reduced in an amount equal to the principal amount of the Bonds redeemed.

(D) Extraordinary Mandatory Redemption from Excess Program Fund Proceeds. The Bonds will be redeemed, as whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Excess Program Fund Proceeds, on any Interest Payment Date, at a price equal to:

- (i) 100% of the principal amount of the Bonds to be prepaid, and
- (ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Law, and
- (iii) a redemption premium equal to ____%.

Whenever, after the issuance of the Bonds, an Assessment is prepaid, in whole or in part, as provided in the Bond Law (other than from transfers under Section 4.05(E) hereof), WRCOG will cause a transfer from the Reserve Fund to the Redemption Fund in the amount set forth in Section 4.05(C). Upon redemption of the Bonds as set forth in this subsection (C), WRCOG shall cause the Initial Assessment to be reduced in an amount equal to the principal amount of the Bonds redeemed.

For purposes of this paragraph, any amounts transferred from the Reserve Fund to the Prepayment Account of the Redemption Fund pursuant to Section 4.05(E) will be treated as Prepayments and used to redeem Bonds as described herein. Provided however, if such redemption of the Bonds occurs after September 2, 2017, the applicable Redemption Premium will be 1% of the principal amount to be redeemed.

(E) Refundings. The provisions of Part 11.1 of the Bond Law are applicable to the advance payment of Assessments and to the calling of any series of the Bonds. WRCOG will advise the Trustee of such provisions to the extent not specified herein.

(F) Partial Redemption. Whenever less than all of the Outstanding Bonds are called for redemption, the Trustee will select Bonds for redemption among maturities in such a way that the remaining Assessments will be sufficient on a timely basis to pay debt service on the Bonds. Within each maturity, the Trustee will select Bonds for retirement by lot.

(G) Notice to Trustee. WRCOG will give the Trustee written notice of the aggregate amount of Bonds to be redeemed pursuant to paragraphs (A) or (C) of this Section 2.03 not less than 60 days prior to the applicable redemption date.

(H) Redemption Procedure by Trustee.

(i) Mailing of Notice. If any Bonds are designated for redemption pursuant to paragraphs (A) or (C) of this Section 2.03, the Trustee will cause notice of any redemption to be mailed by certified mail or by return receipt requested to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Bond Register in the Principal Office of the Trustee, at least 30 days but no more than 60 days before the date designated for redemption.

Any failure of any person or entity to receive any such redemption notice if mailed in compliance with the previous paragraph, or any defect in any notice of redemption, will not affect the validity of the proceedings for the redemption of such Bonds.

(ii) Contents of Notice. Such notice will state the following:

(1) the redemption date;

(2) the redemption price;

(3) the date of issue of the series of the Bonds;

(4) if less than all of the then Outstanding Bonds of a series are to be called for redemption, the Bond numbers of the Bonds to be redeemed (by designating the Bond number of each Bond to be redeemed or by stating that all Bonds between two designated Bond numbers, both inclusive, are to be redeemed) or that all of the Bonds of one or more maturities have been called for redemption;

(5) as to any Bond called in part, the principal amount thereof to be redeemed;

(6) that such Bonds must be then surrendered at the Principal Office of the Trustee for redemption at the redemption price; and

(7) that further interest on the Bonds (or portion thereof) called for redemption will not accrue from and after the redemption date.

(iii) Rescission of Redemption. WRCOG may provide conditional notice of optional redemption and it may rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason adequate funds are not on deposit in the Redemption Fund on the redemption date, and such cancellation will not constitute an Event of Default hereunder. The Trustee will mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(iv) Identification of Bonds Redeemed. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(v) **Redemption of Bonds in Part.** Upon surrender of Bonds redeemed in part only, WRCOG will execute and the Trustee will authenticate and deliver to the registered Owner, at the expense of WRCOG, a new Bond or Bonds, of the same series and maturity, in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

(I) **Effect of Redemption.** From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds or portion of Bonds so called for redemption have been deposited in the Redemption Fund on the date fixed for redemption, then such Bonds or portion of Bonds so called for redemption will become due and payable at the redemption price specified in the redemption notice, and such Bonds or portion of Bonds will be defeased and will cease to be entitled to any benefit or security under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed by the Trustee pursuant to paragraphs (A) or (C) of this Section 2.03 will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Section 2.04. Execution of Bonds. The Bonds will be executed on behalf of WRCOG by the manual or facsimile signature of the Treasurer and attested by the manual or facsimile signature of the Secretary. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature will nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of WRCOG by such persons who, as of the actual date of the execution of such Bond will be the proper officers of WRCOG although at the nominal date of such Bond any such person will not have been such officer of WRCOG.

Only such Bonds as bear thereon a certificate of authentication in substantially the form set forth in Exhibit C, executed and dated by the Trustee, will be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of authentication of the Trustee will be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.05. Transfer of Bonds.

(A) **General.** Any Bond may, in accordance with its terms and subject to paragraph (B) of this Section, be transferred, upon the Bond Register under Section 2.07 hereof by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Trustee. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such transfer will be paid by WRCOG. The Trustee will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond is or Bonds are surrendered for transfer, WRCOG will execute and the Trustee will authenticate and deliver a new Bond or Bonds of the same series, for like

aggregate principal amounts, maturities, and interest rates in the denominations herein authorized. Neither WRCOG nor the Trustee will be required to make such transfer of Bonds on or after a Record Date and before the next ensuing Interest Payment Date.

(B) Transfer Restriction Applicable to Bonds. With respect to any Bond registered in the name of an entity other than WRCOG, unless the Trustee shall have been otherwise directed in an Officer's Certificate accompanied by an opinion of Bond Counsel to the effect that such transfer is consistent with federal securities law, the Bond may only be transferred in an Authorized Denomination to (a) WRCOG (or the Trustee at the direction of WRCOG) or (b) an Accredited Investor or a Qualified Institutional Buyer who delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to this Indenture.

Section 2.06. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds and of the same maturity. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such exchange will be paid by WRCOG. The Trustee will collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

Neither WRCOG nor the Trustee will be required to make such exchange of Bonds after a Record Date and before the next ensuing Interest Payment Date.

Section 2.07. Bond Register. The Trustee will keep, or cause to be kept, at its Principal Office the Bond Register for the registration and transfer of the Bonds. The Bond Register will show the series number, date, maturity amount, rate of interest and last registered Owner of each Bond and will at all times be open to inspection by WRCOG during regular business hours on any Business Day, upon reasonable notice; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

Section 2.08. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, will be of such authorized denominations as may be determined by WRCOG, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by WRCOG and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If WRCOG issues temporary Bonds it will execute and furnish definitive Bonds without delay, but in no event more than 15 days from the date temporary bonds are issued, and thereupon the temporary Bonds will be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Trustee or at such other location as the Trustee will designate, and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary bonds will be entitled to the same benefits under the Indenture as definitive bonds authenticated and delivered hereunder.

Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated, WRCOG, at the expense of the Owner of that Bond, will execute, and the Trustee will

authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee will be canceled by it and destroyed by the Trustee who will, upon request of WRCOG, deliver a certificate of destruction thereof to WRCOG.

If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee will be given, WRCOG, at the expense of the Owner, will execute, and the Trustee will authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. WRCOG may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section 2.09 and of the expenses that may be incurred by WRCOG and the Trustee for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of WRCOG whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and will be equally and proportionately entitled to the benefits of the Indenture with all other Bonds issued under the Indenture.

ARTICLE III

SECURITY; ISSUANCE OF BONDS

Section 3.01. Security for the Bonds; Pledge of Assessments and Funds. The Bonds will be secured by a first pledge (which pledge will be effected in the manner and to the extent herein provided) of all of the (i) the Assessment or Assessments together with all revenues, moneys, accounts receivable, contractual rights to payment, recoveries and other rights to payment of whatever kind with respect to such Assessment or Assessments (except amounts required hereunder to be deposited into the Administrative Expense Fund) that are or may be owed to, or collected or received by, WRCOG or any other entity acting on WRCOG's behalf, including, without limitation, the Assessment Installments, Prepayments, the foreclosure on a Participating Parcel on which an Assessment has been levied, or any other payment or recovery with respect to an Assessment from any other source but excluding Assessment Administrative Fees and (ii) the Redemption Fund and all monies, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited in, the Redemption Fund (including the Capitalized Interest Account, the Prepayment Account, the Extraordinary Mandatory Redemption Account, and the Assessment Collection Account), or owed to, or collected, recovered, received or held by, any other person that is required to credit to or deposit such monies or securities in the Redemption Fund by Chapter 29, the Bond Act or the terms of this Indenture (the foregoing items in (i) and (ii) above collectively referred to as the "Collateral").

Section 3.02. Limited Obligation. All obligations of WRCOG under the Indenture and the Bonds are not general obligations of WRCOG, but are limited obligations, payable solely from the Assessments and the funds pledged therefor hereunder. The faith and credit of WRCOG, any Covered Jurisdiction or the State of California, or any political subdivision thereof, is not pledged to the payment of the Bonds.

The Bonds are "Limited Obligation Improvement Bonds" under section 8769 of the Bond Law and are payable solely from and secured solely by the Assessments and the amounts in the Redemption Fund. Notwithstanding any other provision of the Indenture, WRCOG is not obligated to advance available surplus funds from WRCOG treasury to cure any deficiency in the Redemption Fund; provided, however, WRCOG is not prevented, in its sole discretion, from so advancing funds.

Section 3.03. No Parity Debt. WRCOG may not issue additional bonds payable from the Assessments other than refunding bonds pursuant to Section 3.05 below.

Section 3.04. Requirements for Issuance of Bonds. Each Bond or Series of Bonds issued under a Supplemental Indenture will constitute a Bond hereunder and will be secured by a first priority perfected security interest on the Assessment or Assessments securing the payment of such Bond and the other Collateral purported to be pledged and assigned for the payment of such Bond or Series of Bonds hereunder. WRCOG may issue a Bond or Series of Bonds only if the following specific conditions precedent have been met:

(a) Due Authorization. WRCOG shall have reviewed all proceedings heretofore taken relative to the authorization of such Bond or Series of Bonds and shall conclude, as a result of

such review, and find and determine that all things, conditions, and acts required by law to exist, happen and be performed precedent to and in the issuance of such Bond or Series of Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that WRCOG shall be authorized under Chapter 29, the Bond Act and each and every requirement of law, to issue such Bond or Series of Bonds in the manner and form provided in this Indenture.

(b) Compliance. WRCOG shall be in compliance with all covenants set forth in this Indenture, and issuance of such Bond or Series of Bonds will not cause WRCOG to exceed the bonded indebtedness limit established for the applicable Program or the maximum Bond authorization set forth in the Resolutions of Issuance. Neither WRCOG nor anyone acting on its behalf shall have taken, or will take, any action that would subject the issuance or sale of the Bonds to the registration requirements set forth in the Securities Act of 1933, as amended, or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction, and the Bonds issued hereunder shall be subject to a valid exemption from all such registration requirements.

(c) Value. For each Participating Parcel, the value of such parcel (including the value of the Improvements financed from the proceeds of the Bond issued for such parcel) shall not be less than the minimum required value as determined pursuant to the applicable Program requirements set forth in the Program Report for Commercial properties applicable to the Program Area in which such Participating Parcel is located.

(d) Coverage. The aggregate Assessment Installments payable under each applicable Assessment Contract or Assessment Contracts specified in such Supplemental Indenture shall be at least 100% of the cumulative Debt Service on the Bond or Series of Bonds to be secured by the Assessment or Assessments levied pursuant to such Assessment Contract or Assessment Contracts, as applicable, through the final maturity date of such Bond or Series of Bonds and the Assessment Administrative Fee or aggregate Assessment Administrative Fees payable pursuant to an Assessment Contract or Assessment Contracts, as applicable, shall be sufficient to pay the total anticipated Administrative Expenses through the final maturity date of such Bond or Series of Bonds.

In addition, the scheduled Assessment Installments payable pursuant to the applicable Assessment Contract or Assessment Contracts in every Bond Year with respect to a Bond secured by an Assessment or Assessments levied pursuant to such Assessment Contract or Assessment Contracts, as applicable, shall be at least 100% of the annual Debt Service on such Bond through its final maturity date and the scheduled Assessment Administrative Fees levied pursuant to the Assessment Contract or Assessment Contracts in every Bond Year shall be sufficient to pay the anticipated Administrative Expenses for such Bond Year.

(e) Notice of Assessment. A notice of assessment shall have been duly recorded against each Participating Parcel pursuant to Chapter 29 and the Bond Act and there shall have been created a perfected first priority security interest in and to the Assessment levied against each such Participating Parcel and the other Collateral pledged for the payment of each Bond pursuant to the applicable Assessment Contract, the Bond Act, Chapter 29 and this Indenture.

(f) **Opinion of Bond Counsel.** On the Closing Date of each Bond or Series of Bonds, WRCOG will deliver an opinion or opinions of Bond Counsel addressed to WRCOG and the Trustee in form and substance mutually agreed upon by Bond Counsel and the Initial Purchaser (and accepted by the Trustee). Bond Counsel shall either address each such opinion to the Initial Purchaser and the Designated Transferee (if applicable) or shall, on the Closing Date, provide a reliance letter addressed to the Initial Purchaser and the Designated Transferee (if applicable) indicating to the Initial Purchaser and the Designated Transferee (if applicable) that Bond Counsel has delivered such opinion or opinions to WRCOG and the Trustee on such date and that the Initial Purchaser may rely upon such opinions as if they had been addressed to the Initial Purchaser and the Designated Transferee (if applicable).

Notwithstanding the foregoing, WRCOG may issue a Series of Bonds as refunding Bonds without the need to satisfy the requirements of paragraphs (e) or (f) above.

Section 3.05. No Acceleration. The principal of the Bonds will not be subject to acceleration hereunder. Nothing in this Section 3.04 will in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of the Indenture under Article X hereof.

Section 3.06. Refunding of Bonds. The Bonds may be refunded by WRCOG pursuant to Divisions 11 or 11.5 of the California Streets and Highways Code upon the conditions as set forth in appropriate proceedings therefor. This Section will not apply to or in any manner limit advancement of the maturity of any of the Bonds as provided in Parts 8, 9, 11, or 11.1 of the Bond Law, nor will this Section apply to or in any manner limit the redemption and payment of any Bond pursuant to subsequent proceedings providing for the payment of amounts to eliminate previously imposed fixed lien assessments, including the Assessments. Nothing in this Section 3.05 affects WRCOG's obligation to comply with Section 2.03 hereof in connection with a redemption of the Bonds.

Section 3.07. Agreement for Benefit of Bond Owners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of WRCOG will be for the equal benefit, protection and security of the registered Owners of the Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Redemption Fund.

(A) **Establishment of Redemption Fund.** The Redemption Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made as required by Section 5.01(A), and any other amounts required to be deposited therein by the Indenture or the Bond Law. Moneys in the Redemption Fund, exclusive of those in the Penalties and Interest Account therein, will be held by the Trustee for the benefit of WRCOG and Owners of the Bonds and disbursed for the payment of the principal of (including Sinking Fund Payments), and interest and any redemption premium on, the Bonds as provided below. The moneys held in the Penalties and Interest Account of the Redemption Fund will be held by the Trustee for the benefit of the Owners of the Bonds and disbursed at the times and for the purposes set forth in Section 4.01(B).

Within the Redemption Fund there is hereby established the Prepayment Account, which will be used exclusively for the administration of any Prepayments pursuant to Section 8767 of the Bond Law to assure the timely redemption of Bonds. If all of the Assessments are paid in full, the Prepayment Account will be closed.

(1) Within the Redemption Fund there is also hereby established:

(i) the Capitalized Interest Account, to the credit of which a deposit will be made from the proceeds of the Bonds pursuant to Section 2.01;

(ii) the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds), which will be used exclusively for administration of any Excess Program Fund Proceeds;

(iii) the Penalties and Interest Account, to the credit of which any Penalties and Interest will be deposited; and

(iv) the Assessed Collection Account to the credit of which deposits will be made as described below.

(2) Assessment Collection Account. Except for Prepayments which shall be deposited in the Prepayment Account, Excess Program Fund Proceeds which shall be deposited into the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds), amounts in the Release Account or as otherwise provided in this paragraph (b), the Trustee shall deposit into the Assessment Collection Account all proceeds and payments with respect to each Assessment, including, without limitation:

(i) Assessment Installments;

(ii) any amounts transferred to the Assessment Collection Account from the Reserve Fund;

(iii) any proceeds from the collection of delinquent Assessment Installments as a result of a foreclosure proceeding conducted pursuant to Section 5.02 against the Participating Parcel on which the applicable Assessment has been levied or otherwise (excluding (A) amounts identified as representing attorney's fees and costs incurred by WRCOG or such other person in prosecuting such foreclosure proceeding and (B) amounts required to be transferred hereunder to replenish the Reserve Fund);

(iv) any amounts received pursuant to the County's Teeter Plan with respect to the Assessments securing the Bonds; and

(v) any amount transferred to the Assessment Collection Account from the Program Fund pursuant to an Officer's Certificate delivered to the Trustee.

All amounts in the Assessment Collection Account shall be used and withdrawn by the Trustee solely for the purpose of:

(i) paying the Debt Service on the Bonds on a Bond Payment Date;

(ii) the payment of remaining principal with respect to the Bonds on the respective maturity date thereof;

(iii) the payment of the principal of and the accrued but unpaid interest and premium, if any, on any Bond upon the redemption thereof as provided in a Supplemental Indenture (excluding mandatory redemptions occurring as a result of a Prepayment or application of Excess Program Fund Proceeds); or

(iv) reimbursing WRCOG or a third party from the proceeds of payments representing the redemption of delinquent Assessment Installments for which advances were made by WRCOG or such third party.

All amounts in the Assessment Collection Account, including any earnings on the amounts held in the Assessment Collection Account, shall be held in trust for the benefit of the Bond Owners.

(3) Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds). The Trustee shall, upon receipt of an Officer's Certificate directing the Trustee to transfer Excess Program Fund Proceeds to the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) from the Program Fund, deposit such proceeds in such account. Amounts deposited in the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) shall be credited to the Bond specified in such Officer's Certificate and used and withdrawn by the Trustee solely for the purpose of redeeming such Bond, in whole or in part, on any Interest Payment. The principal amount of the Bond to be redeemed shall equal the amount of the Excess Program Fund Proceeds plus the amount, if any, as specified in such Officer's Certificate that is then on deposit in the Assessment Collection Account and to be credited to the payment of principal amount of such Bond; provided, however, such principal amount shall be decreased if and to the extent that the amount on deposit in the Assessment Collection Account and/or the Capitalized Interest Account is insufficient to pay the accrued interest on such Bond to the date of redemption. The redemption price for such Bond shall be equal to the amount of the

Excess Program Fund Proceeds, plus the amount, if any, on deposit in the Assessment Collection Account to be credited to the payment of principal amount of such Bond, plus interest to the date of redemption to be paid from the Assessment Collection Account and/or the Capitalized Interest Account, without premium. Interest shall cease to accrue on such Bond, or the principal amount of such Bond that is subject to redemption, from and after the date of redemption. All amounts in the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds), including any earnings on the amounts held therein, shall be held in trust for the benefit of the applicable Bond Owners.

(B) Disbursements. On or before each Interest Payment Date, the Trustee will withdraw from the Redemption Fund and pay to the Owners of the Bonds the principal of (including Sinking Fund Payments), and interest and any redemption premium then due and payable on, the Bonds. WRCOG shall cause the Assessment Administrator to provide to the Trustee written information, upon which the Trustee may conclusively rely, as to amounts that are for the credit of each Bond for purposes of this Master Indenture. Funds on deposit in the Redemption Fund (and any account established thereunder) and credited to a Bond shall not be used to pay the principal of, or interest or any premium on, any other Bond.

If there are insufficient funds in the Redemption Fund to pay to the Owners of the Bonds the principal of (including Sinking Fund Payments), and interest and any redemption premium then due and payable on, the Bonds, the Trustee will apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds (including Sinking Fund Payments), and then to payment of interest to the date of redemption and principal and any redemption premium due on the Bonds by reason of Bonds called for optional redemption or mandatory prepayment redemption.

On each September 2, the Trustee will use any amounts remaining in the Redemption Fund after payment of interest on the Bonds through such September 2 and the payment of principal due on the Bonds through such September 2 for the following purposes in the following priority: (i) to pay or reimburse the payment of Administrative Expenses incurred by WRCOG and (ii) to reduce the installments of the Assessments that are levied in the current or succeeding Bond Year upon the Participating Parcel(s) to pay the principal of and interest on the Bonds.

On or before each Interest Payment Date, the Trustee will withdraw from the Penalties and Interest Account and pay to the Owners of the Bonds any amounts on deposit therein as additional interest on the Bonds.

(C) Investment. Moneys in the Redemption Fund (and the accounts therein) will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit will be retained in the Redemption Fund and the accounts therein, as applicable.

(D) Transfers from Reserve Fund. Amounts transferred to the Redemption Fund from a Reserve Fund will be used in accordance with Part 16 of the Bond Law as directed in an appropriate Officer's Certificate.

Section 4.02. Program Fund.

(A) **Establishment of Program Fund.** The Program Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made from the proceeds of the Bonds pursuant to Section 2.01. Moneys in the Program Fund will be held by the Trustee and will be disbursed as provided in paragraph (B) of this Section.

(B) **Disbursement.** Amounts in the Program Fund will be disbursed from time to time to pay for the costs of installing the Improvements in accordance with the Program Report, as set forth in an Officer's Certificate containing the amounts to be paid to the designated payees and delivered to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

Upon receipt of a Prepayment as the result of the payment of a Non-Completion Assessment, the Trustee shall transfer any amounts that were previously deposited into the Program Fund related to the Participating Parcel to the Prepayment Account of the Redemption Fund.

The Trustee will maintain the Program Fund until all amounts in the Program Fund are expended or until WRCOG directs the Trustee to close the fund, and then the Trustee will transfer any moneys remaining therein, including any investment earnings thereon, to the Redemption Fund to pay the redemption price for as many Bonds as possible on the first possible redemption date pursuant to Section 2.03(A), including accrued interest to the redemption date and the applicable redemption premium, or to make payments on the Bonds as they come due, as directed by WRCOG.

(C) **Investment.** Moneys in the Program Fund will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment will be retained by the Trustee in the applicable account of the Program Fund to be used for the purposes of such fund.

Section 4.03. Administrative Expense Fund.

(A) **Establishment of Administrative Expense Fund.** The Administrative Expense Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which deposits will be made as required by Section 5.01(A) and as otherwise required by the Indenture or the Bond Law. Moneys in the Administrative Expense Fund shall be disbursed as provided below.

(B) **Disbursement.** Amounts in the Administrative Expense Fund shall be used by WRCOG to pay Administrative Expenses.

(C) **Closing the Administrative Expense Fund.** WRCOG shall close the Administrative Expense Fund following the final maturity date of the Bonds and payment of all amounts in the Administrative Expense Fund. Upon closing the Administrative Expense Fund, any remaining funds shall be deposited into the Redemption Fund.

(D) **Investment.** Moneys in the Administrative Expense Fund shall be invested in Permitted Investments, and earnings and profits resulting from such investment shall be retained by WRCOG in the Administrative Expense Fund to be used for the purposes of such fund.

Section 4.04. Costs of Issuance Fund.

(A) **Establishment of the Costs of Issuance Fund; Deposit.** The Costs of Issuance Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which a deposit will be made from the proceeds of the Bonds pursuant to Section 2.01. Moneys in the Costs of Issuance Fund will be held in trust by the Trustee and will be disbursed as provided in paragraph (B) of this Section for the payment or reimbursement of Costs of Issuance.

(B) **Disbursement.** Amounts in the Costs of Issuance Fund will be disbursed from time to time to pay Costs of Issuance, as set forth in a Certificate of WRCOG containing respective amounts to be paid to the designated payees and delivered to the Trustee concurrently with the delivery of the Bonds, or in any future requisition submitted by WRCOG to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Costs of Issuance after receipt of the Certificate of WRCOG, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of WRCOG requesting payment of Costs of Issuance. The Trustee will maintain the Costs of Issuance Fund for a period of 90 days from the final date of delivery of the Bonds and then will transfer any moneys remaining therein, including any investment earnings thereon, to the Redemption Fund.

(C) **Investment.** Moneys in the Costs of Issuance Fund shall be invested in Permitted Investments, and earnings and profits resulting from such investment shall be retained by WRCOG in the Costs of Issuance Fund to be used for the purposes of such fund.

Section 4.05. Reserve Fund.

(A) **General.** The Trustee shall establish and maintain the Reserve Fund in trust separate and distinct from the other funds and accounts established hereunder. Except as provided below, all moneys in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or the principal of the Bonds in the event that insufficient moneys are available in the Redemption Fund for such purpose or for the redemption or payment of Bonds under subparagraph (E) below.

(B) **Investment; Maintenance of Funds in the Reserve Fund.** Moneys in the Reserve Fund shall be invested in Permitted Investments with a maturity of not greater than five years as directed in a Certificate of WRCOG; in the absence of direction, the Trustee shall invest such funds in a Permitted Investment described in clause (h) of the definition. The Trustee shall retain in the Reserve Fund all earnings on amounts on deposit in the Reserve Fund until the amount on deposit in the Reserve Fund exceeds the Reserve Requirement, then the amount in excess of the Reserve Requirement shall be transferred to the Redemption Fund.

Notwithstanding any other provision hereof, the failure to maintain an amount in the Reserve Fund equal to the Reserve Requirement shall not be an Event of Default hereunder.

(C) Redemption as a Result of Principal Prepayments. In the event of a Prepayment (other than as a result of transfers made pursuant to subparagraph (E) below), WRCOG shall transfer a proportionate amount in the Reserve Fund to the Redemption Fund. The proportionate amount shall be determined on the basis of (i) the principal amount of Outstanding Bonds to be redeemed pursuant to Section 2.03(C) and the total principal amount of the Outstanding Bonds and (ii) the amounts on deposit in the Reserve Fund, but in any event not in excess of the amount that will leave the balance in the Reserve Fund equal to the Reserve Requirement for the Bonds that will remain Outstanding following the redemption pursuant to Section 2.03(C). Upon receipt of a Written Request from WRCOG, the Trustee shall transfer the proportionate amounts from the Reserve Fund to the Redemption Fund in the amounts set forth in the Written Request.

(D) Use for Final Assessment Installment. WRCOG may, but is not obligated to, use a proportionate amount in the Reserve Fund to pay the final fiscal year's Assessment installments to be levied on a Participating Parcel that is not delinquent in the payment of Assessment installments. The proportionate amount shall be determined on the basis of (i) the principal amount of Outstanding Bonds attributable to the Participating Parcel and the total principal amount of the Outstanding Bonds and (ii) the amounts on deposit in the Reserve Fund, but in any event not in excess of the amount that will leave the balance in the Reserve Fund equal to the Reserve Requirement for all Outstanding Bonds for which principal will not be paid with the Assessment installments to be paid by the Participating Parcel in the next fiscal year. Upon receipt of a Written Request from WRCOG, the Trustee shall transfer the proportionate amounts from the Reserve Fund to the Redemption Fund in the amounts set forth in the Written Request.

(E) Additional Use of Reserve Fund; Reduction in Reserve Requirement. Pursuant to the terms of the Assessment Contract, if certain conditions are met, the Property Owner may request that the amount in the Reserve Fund be utilized to prepay Assessments and redeem Bonds hereunder. Upon receipt of a Written Request from WRCOG, the Trustee will transfer all amounts in the Reserve Fund to the Prepayment Account of the Redemption Fund to redeem Bonds under Section 2.03(C). After such transfer, the Reserve Requirement thereafter will be zero and the Trustee will close the Reserve Fund.

ARTICLE V

COVENANTS OF WRCOG

Section 5.01. Collection of Assessments. WRCOG will comply with all requirements of the Act, the Bond Law and the Indenture to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent Assessments. To that end, the following will apply:

(A) The Assessments, together with the interest thereon, will be payable in the installments specified in the Assessment Contracts. Each Assessment installment will 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 become delinquent at the same times and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. All sums received from the collection of the Assessments (except those amounts allocable to Administrative Expenses, which shall be deposited into the Administrative Expense Fund) will be transferred directly from the County to the Trustee for deposit into the Assessment Collection Account. All sums received from the collection of any Penalties and Interest will be transferred to the Trustee for deposit into the Penalties and Interest Account of the Redemption Fund.

(B) WRCOG will, before the final date on which the Auditor will accept the transmission of the Assessment installments for the Participating Parcels for inclusion on the next tax roll, prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the installments of the Assessments on the next secured tax roll. WRCOG is hereby authorized to employ consultants to assist in computing the installments of the Assessments hereunder.

(C) In the event that a County files a petition under Chapter 9 or is otherwise unable or unwilling to include the Assessment Installments and the Assessment Administrative Fees on the tax roll and to collect such amounts on the property tax bill for any Fiscal Year, WRCOG covenants to:

(i) take such action as shall be necessary to enforce the statutory and contractual obligations of such County to include the Assessment Installments and the Assessment Administrative Fees on the tax roll each Fiscal Year and to collect such amounts on the property tax bills of the Participating Parcels for any Fiscal Year, and

(ii) exercise its best efforts to collect such Assessment Installments and Assessment Administrative Fees by directly billing the owners of the Participating Parcels for their respective Assessment Installments and Assessment Administrative Fees.

WRCOG makes no representation or warranty regarding its ability to collect such Assessment Installments and Assessment Administrative Fees by such direct billing pursuant to paragraph (C)(ii) above or its ability or legal authority to enforce the payment of Assessment Installments and Assessment Administrative Fees directly billed by WRCOG to the owners of

Participating Parcels through a judicial foreclosure action in the event of the delinquency in the payment of any such Assessment Installments and Assessment Administrative Fees.

If WRCOG is unable to enforce the statutory and contractual obligations of the County to include the Assessment Installments and the Assessment Administrative Fees on the tax roll each Fiscal Year or to collect, or cause any other person acting on its or the County's behalf to collect, the Assessment Installments, the Assessment Administrative Fees or any other amounts with respect to the Assessments, which is absolute and unconditional, to pay the interest and redemption premium (if any) on and principal of the Bonds to the respective Owners of the Bonds when due and all Administrative Expenses (including indemnity), as herein provided, out of the Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture. Nothing in this Section 5.01 shall limit in any way the rights of the Owners to declare an Event of Default pursuant to Section 9.01 hereof or to pursue all rights and remedies available to such Owners under this Indenture and applicable law.

Section 5.02. Foreclosure. WRCOG hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive, of the Bond Law and the conditions specified in this Section 5.02.

No later than October 1 each year, WRCOG will determine whether any single Participating Parcel is delinquent in the payment of two or more semi annual installments (or as long as there is a single Owner, of any semi-annual installments of Assessment payments, including any payment of principal, interest, redemption premium (if any) and Penalties and Interest, and, if so, will notify Authority Counsel, and the Owner of the Bonds as long as there is a single Owner, of any such delinquencies. WRCOG Counsel will commence, or cause to be commenced, the foreclosure proceedings against each such delinquent Participating Parcel, including collection actions preparatory to the filing of any complaint, but will file the complaint by the immediately succeeding December 1. WRCOG Counsel is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel (including a charge for staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

However, notwithstanding the foregoing, WRCOG may elect, in its sole discretion, to defer foreclosure proceedings on any Participating Parcel if WRCOG has received funds equal to the delinquent Assessments from any other source, and those funds are available to contribute toward (i) Administrative Expenses and (ii) the payment of the principal of (including Sinking Fund Payments) interest, redemption premium (if any) and Penalties and Interest on the Bonds when due (including without limitation funds from the sale of the receivables associated with delinquent Assessments).

Further notwithstanding the foregoing, as long as there is a single Owner of the Bonds, WRCOG will not initiate foreclosure proceedings unless directed in writing to do so within the time period contemplated by the Section 8834 of the Bond Law by the Owner of the Bonds,

which written direction must be delivered to WRCOG along with an amount reasonably determined by WRCOG to be sufficient to pay its costs of prosecuting the foreclosure. Nothing in this paragraph is intended to limit any obligation imposed on WRCOG by the Revenue & Taxation Code with respect to tax defaulted properties. If the Owner of the Bonds pays the costs of prosecuting the foreclosure, it shall be entitled to recover such costs in the foreclosure proceedings to the extent permitted by law.

Penalties and Interest are payable to the Owner of the Bonds as set forth in Section 4.01(B).

Section 5.03. Punctual Payment. WRCOG will punctually pay or cause to be paid the principal of (including Sinking Fund Payments), and interest and any redemption premium on, the Bonds when and as due in strict conformity with the terms of the Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds.

Section 5.04. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, WRCOG will not, directly or indirectly, extend or consent to the extension of the time for the payment of any interest on any of the Bonds and will not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding any claims for interest on any of the Bonds, or in any other manner.

Section 5.05. Against Encumbrance. WRCOG will not encumber, pledge or place any charge or lien upon any of the Assessments or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Resolution of Issuance, the Indenture, the Act and the Bond Law and with the written consent of the Owners.

Section 5.06. Books and Accounts. WRCOG will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of WRCOG, in which complete and correct entries will be made of all transactions relating to the Assessments and the application of amounts disbursed from the funds and accounts held by WRCOG hereunder, which records will be subject to inspection by the Trustee upon reasonable prior notice on any Business Day.

Section 5.07. Protection of Security and Rights of Owners. WRCOG will preserve and protect the security of the Bonds and the rights of the Owners thereto, and will warrant and defend their rights to such security against all claims and demands of all persons. From and after the delivery of any of the Bonds by WRCOG, the Bonds will be incontestable by WRCOG. WRCOG will take all commercially reasonable measures to enforce the provisions of the Assessment Contract.

Section 5.08. Compliance with Law; Completion of Improvements. WRCOG will comply with all applicable provisions of the Act and the Bond Law in providing financing for the Improvements, but WRCOG will have no obligation to advance any funds to complete the Improvements in excess of the proceeds of the Bonds available therefor.

Section 5.09. Further Assurances. WRCOG will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

ARTICLE VI

INVESTMENTS; LIABILITY OF WRCOG

Section 6.01. Deposit and Investment of Moneys in Funds. The following will apply to the investment of funds held by the Trustee:

(i) Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Trustee shall hold funds uninvested.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

(ii) The Trustee may act as principal or agent in the acquisition or disposition of any investment. The Trustee will incur no liability for losses arising from any investments made pursuant to this Section. The Trustee will be entitled to rely upon any investment directions from WRCOG as conclusive a certification to the Trustee that the investments described therein are so authorized under the laws of the State of California.

The Trustee will not invest any cash held by it hereunder in the absence of timely and specific written direction from WRCOG. In no event will the Trustee be liable for the selection of investments.

(iii) Investments in any and all funds and accounts may at the discretion of the Trustee be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee hereunder, provided that the Trustee will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

(iv) The Trustee will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited. The Trustee will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Section 6.02. Limited Liability of WRCOG. WRCOG will not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than as specifically provided herein.

Section 6.03. Employment of Agents by WRCOG. In order to perform its duties and obligations hereunder, WRCOG may employ such persons or entities as it deems necessary or advisable. WRCOG will not be liable for any of the acts or omissions of such persons or entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities. Nothing in this Section 6.03 shall be interpreted to prevent the Owner of the Bonds from seeking remedies for an Event of Default as set forth in Section 9.02.

ARTICLE VII

THE TRUSTEE

Section 7.01. Appointment of Trustee. Wilmington Trust, National Association, at the Principal Office, is hereby appointed trustee and paying agent for the Bonds. The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture, and no implied covenants or obligations will be read into the Indenture against the Trustee. With respect to the appointment of the Trustee, the following will apply:

(A) Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this Section 7.01) will be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Trustee will give WRCOG written notice of any such succession hereunder.

(B) WRCOG may remove the Trustee initially appointed and any successor thereto, and may appoint a successor thereto, but any Trustee will be a national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000 and subject to supervision or examination by federal or state authority. If such national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(C) The Trustee may at any time resign by giving written notice to WRCOG and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, WRCOG will promptly appoint a successor Trustee, satisfying the requirements of Section 7.01(B) above, by an instrument in writing. Any resignation or removal of the Trustee will become effective upon acceptance of appointment by the successor Trustee.

(D) If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, WRCOG will promptly appoint a successor Trustee by an instrument in writing.

(E) If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section within 45 days after the Trustee has given to WRCOG written notice or after a vacancy in the office of the Trustee has occurred by reason of its inability to act, the Trustee or any Bond Owner may apply to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Section 7.02. Liability of Trustee. With respect to the liability of the Trustee, the following will apply:

(A) The recitals of facts, covenants and agreements herein and in the Bonds contained will be taken as statements, covenants and agreements of WRCOG, and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of the Indenture or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee assumes no responsibility or liability for any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(B) The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture on their face.

Except as provided above in this paragraph, Trustee will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Indenture, and the Trustee will not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

(C) The Trustee will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(D) No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(E) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Owners pursuant to the Indenture unless such Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(F) The Trustee may become the owner of the Bonds with the same rights it would have if it were not the Trustee.

(G) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in

the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee.

(H) The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee has received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate will be amended and replaced whenever a person is to be added or deleted from the listing. If WRCOG elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions will be deemed controlling. The Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. WRCOG agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(I) The Trustee will have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(J) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee will not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

Section 7.03. Information; Books and Accounts. The Trustee will provide to WRCOG such information relating to the Bonds and the funds and accounts maintained by the Trustee hereunder as WRCOG may reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Trustee.

The Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Trustee, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts disbursed from the Redemption Fund and the accounts therein. Such books of record and accounts will, upon reasonable notice, at all times during business hours on any Business Day be subject to the

inspection of WRCOG and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 7.04. Notice to Trustee. The Trustee may conclusively rely, without undertaking any investigation or inquiry, and will be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, Bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or proper parties.

The Trustee may consult with counsel, who may be counsel to WRCOG, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee will not be bound to recognize any person as the Owner of a Bond unless and until such person is the registered Owner of such Bond and such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Officer of WRCOG, and such certificate will be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation; Indemnification. WRCOG will pay to the Trustee from time to time reasonable compensation for all services rendered as Trustee under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's in house or other attorneys and agents, incurred in and about the performance of their powers and duties under the Indenture, but the Trustee will not have a lien therefor on any funds at any time held by it under the Indenture.

WRCOG further agrees, to the extent permitted by applicable law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including without limitation legal fees and expenses) which are not due to its negligence or willful misconduct.

The obligation of WRCOG under this Section will survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

Section 7.06. Trustee as Owner. In the event the Trustee wishes to purchase the Bonds, the Trustee may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Trustee.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 8.01. Conditions for Amendment.

(A) **Amendment with Consent of Bond Owners.** The Indenture and the rights and obligations of WRCOG and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture with the written consent of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.03.

No such modification or amendment may:

- (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of WRCOG to pay the principal of, and the interest, any redemption premium or Penalties and Interest on, any Bond, without the express consent of the Owner of such Bond, or
- (ii) permit the creation by WRCOG of any pledge or lien upon the Assessments superior to the pledge and lien created for the benefit of the Bonds or on parity with the pledge and lien created for the benefit of the Bonds, or
- (iii) reduce the percentage of Bonds required for the amendment hereof, or
- (iv) amend this Section 8.01.

Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(B) **Amendment without Consent of Bond Owners.** The Indenture and the rights and obligations of WRCOG and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) Additions. To add to the covenants and agreements of WRCOG contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon WRCOG, so long as such addition, limitation or surrender does not adversely affect any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.
- (ii) Not Materially Adversely Affecting Bonds. To make modifications not adversely affecting any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.
- (iii) Corrections. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in

the Indenture, or in regard to questions arising under the Indenture, as WRCOG may deem necessary or desirable and not inconsistent with the Indenture, and which will not materially adversely affect the rights of the Owners of the Bonds.

(iv) Issuance of Bonds. To issue Bonds in accordance with the Indenture.

(v) Credit Enhancements. To provide for the delivery of credit enhancements for the Bonds.

Section 8.02. Procedure for Amendment with Written Consent of Owners. WRCOG and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of the Indenture, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. With respect to such Supplemental Indenture under this Section, the following will apply:

(A) A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, will be mailed by first class mail, by the Trustee to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Indenture and request will not affect the validity of the Supplemental Indenture when assented to as provided in this Section.

(B) Such Supplemental Indenture will not become effective unless there has been filed with the Trustee the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.03) and a notice has been mailed as described in subsection (A) above. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by Section 10.04.

Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(C) After the Owners of the required percentage of Bonds have filed their consents to the Supplemental Indenture, the Trustee will mail a notice to the Owners in the manner described in subsection (A) above for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section; provided, however, that failure to mail copies of this notice will not affect the validity of the Supplemental Indenture or consents thereto.

Proof of the mailing of such notice will be filed with the Trustee. A record, consisting of the papers required by this Section 8.02 to be filed with the Trustee, will be proof of the matters therein stated until the contrary is proved.

The Supplemental Indenture will become effective upon the filing with the Trustee of (a) the proof of the required notice, and (b) an approving opinion of Bond Counsel to the effect that the Supplemental Indenture complies with this Section 8.02. The Supplemental Indenture will

be deemed conclusively binding (except as otherwise specifically provided in this Article) upon WRCOG and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 8.03. Disqualified Bonds. Bonds owned or held for the account of WRCOG, excepting any pension or retirement fund, will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and will not be entitled to consent to, or take any other action provided for in this Article VIII; except that in determining whether the Trustee will be protected in relying upon any such approval or consent of an Owner, only Bonds which a responsible officer of the Trustee having direct responsibility for the administration of the Indenture actually knows to be owned by or held for the account of WRCOG (excepting any pension or retirement fund) will be disregarded unless all Bonds are so owned, in which case such Bonds will be considered Outstanding for the purpose of such determination.

Upon request of the Trustee, WRCOG will specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 8.04. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VIII, the Indenture will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Indenture of WRCOG and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 8.05. Endorsement or Replacement of Bonds Issued After Amendment. WRCOG may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII will bear a notation, by endorsement or otherwise, in form approved by WRCOG, as to such action. In that case, upon request of the Owner of any Bond Outstanding at such effective date and presentation of his or her Bond for that purpose at the Principal Office of the Trustee or at such other office as WRCOG may select and designate for that purpose, a suitable notation will be made on such Bond.

WRCOG may determine that new Bonds, so modified as in the opinion of WRCOG is necessary to conform to such Owners' action, will be prepared, executed and delivered. In that case, upon request of the Owner of any Bonds then Outstanding, such new Bonds will be exchanged at the Principal Office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.06. Amendatory Endorsement of Bonds. The provisions of this Article VIII will not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.07. Execution of Supplemental Indenture. Prior to executing any Supplemental Indenture hereunder, the Trustee will be entitled to receive an opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized and permitted by the Indenture and that all conditions precedent to the execution of such Supplemental Indenture have been met.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

Section 9.01. Events of Default. Any one or more of the following events will constitute an “Event of Default”:

(A) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same will become due and payable, whether at maturity as therein expressed or from mandatory redemption;

(B) Default in the due and punctual payment of the interest on any Bond when and as the same will become due and payable; or

(C) Default by WRCOG in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after WRCOG has been given notice in writing of such default by the Trustee or any Owner; *provided, however*, if in the reasonable opinion of WRCOG the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by WRCOG within such thirty (30) day period and WRCOG shall thereafter diligently and in good faith cure such failure within a reasonable period of time.

Section 9.02. Remedies of Owners. Following the occurrence of an Event of Default, any Owner will have the right (and the right to instruct the Trustee, subject to the Trustee’s rights under Section 7.02(E) hereof) for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit or proceeding at law or in equity to enforce its, his or her rights against WRCOG and any of the members, officers and employees of WRCOG, and to compel WRCOG or any such members, officers or employees to perform and carry out their duties under the Act or the Bond Law and their agreements with the Owners as provided in the Indenture; or

(B) By suit in equity to enjoin any actions or things that are unlawful or violate the rights of the Owners.

(C) To exercise every power and remedy available to it under the Act or the Bond Law.

Nothing in this article or in any other provisions of the Indenture or in the Bonds will affect or impair the obligation of WRCOG, which is absolute and unconditional, to pay the interest, redemption premium (if any), and Penalties and Interest on and principal of the Bonds to the respective owners of the Bonds when due, as herein provided, out of the Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver by any Owner of any default or breach of duty or contract will not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power and it will not be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Act or the Bond Law or by this article may be enforced and exercised from time to time and as often as will be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, WRCOG and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act, the Bond Law or any other law. In any suit, action or proceeding to enforce the provisions of this Indenture, the prevailing party shall be entitled to receive reasonable attorney's fees. In no event will the Trustee have any responsibility to cure or cause WRCOG or any other person or entity to cure an Event of Default hereunder.

ARTICLE X

MISCELLANEOUS

Section 10.01. Discharge of Indenture. Subject to the provisions of Section 2.03 hereof regarding redemption, if WRCOG pays and discharges the entire indebtedness on all or a portion of any Bonds Outstanding in any one or more of the following ways:

(A) by paying or causing to be paid the principal of (including any Sinking Fund Payments) and interest and any redemption premium on, all Bonds Outstanding, as and when the same become due and payable;

(B) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Section 4.01, is fully sufficient to pay such Bonds Outstanding, including all principal (including Sinking Fund Payments), interest and any applicable redemption premiums; or

(C) by irrevocably depositing with the Trustee, in trust, cash and Federal Securities in such amount as WRCOG may determine, as confirmed by an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Section 4.01, be fully sufficient to pay and discharge the indebtedness on such Bonds, including all principal, Sinking Fund Payments, interest and any applicable redemption premiums, at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as required by the Indenture (or provision satisfactory to the Trustee has been made for the giving of such notice), then, at the election of WRCOG, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the Assessments and other funds provided for in the Indenture and all other obligations of WRCOG under the Indenture with respect to all Bonds Outstanding will cease and terminate, except only: (i) the obligation of WRCOG to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and (ii) the obligation of WRCOG to pay or cause to be paid all amounts owing to the Trustee pursuant to Section 7.05 hereof.

If all Bonds outstanding are discharged pursuant to this Section, thereafter Assessments will not be payable to the Trustee. Notice of election to discharge the Indenture will be filed with the Trustee.

Any funds thereafter held by the Trustee upon payment of all fees and expenses of the Trustee, which are not required for said purpose, will be paid over to WRCOG to be used by WRCOG as provided in the Act and the Bond Law.

Section 10.02. Benefits of Agreement Limited to Parties. Nothing in the Indenture, expressed or implied, is intended to give to any person other than WRCOG, the Trustee and the Owners, any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements in the Indenture contained by and on behalf of WRCOG will be for the sole and exclusive benefit of the Owners and the Trustee.

Section 10.03. Successor is Deemed Included in All Reference to Predecessor. Whenever in the Indenture or any Supplemental Indenture either WRCOG or the Trustee is named or referred to, such reference will be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of WRCOG or the Trustee will bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of registered bonds and the amount, maturity, number and date of holding the same will be proved by the registry books.

Any consent, request, declaration or other instrument or writing of the then registered Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by WRCOG or the Trustee in good faith and in accordance therewith.

Section 10.05. Waiver of Personal Liability. No member, officer, agent or employee of WRCOG will be individually or personally liable for the payment of the principal of, or interest or any redemption premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.06. Notices to and Demand on Authority and Trustee. All notices or communications herein required or permitted to be given to WRCOG or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to WRCOG:

Western Riverside Council of Governments
4080 Lemon Street
3rd Floor, MS1032
Riverside, California 92501-3609
Attention: Executive Director

If to the Trustee:

Wilmington Trust, National Association
650 Town Center Drive, Suite 600
Costa Mesa, California 92626
Attention: Corporate Trust Services

Section 10.07. Partial Invalidity. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. WRCOG hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 10.08. Unclaimed Moneys. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to WRCOG free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to WRCOG and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to WRCOG as aforesaid, the Trustee may (at the cost of WRCOG) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to WRCOG of the moneys held for the payment thereof.

Section 10.09. Applicable Law. The Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 10.10. Content of Certificates. Every certificate with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person or persons making or giving such certificate have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate made or given by an officer of WRCOG may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters, on information with respect to which is in the possession of WRCOG, or upon the certificate or opinion of or representations by an officer or officers of WRCOG, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

Section 10.11. Conclusive Evidence of Regularity. The issuance of Bonds pursuant to the Indenture will constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Assessments.

Section 10.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal, including Sinking Fund Payments, (and redemption premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Indenture is other than a Business Day, the payment of interest or principal, including Sinking Fund Payments, (and any redemption premium) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no additional interest will accrue from such Interest Payment Date until such Business Day.

Section 10.13. Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as WRCOG and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, WRCOG and the Trustee have caused this Indenture to be executed, all as of the date first written above.

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By Treasurer

By: _____
Authorized Signatory

**WILMINGTON TRUST, NATION
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

EXHIBIT A
LIST OF PARTICIPATING PARCEL(S)

1. Assessor's Parcel No. _____

EXHIBIT B
FORM OF TRANSFER LETTER

Western Riverside Council of Governments
Riverside, CA

Wilmington Trust, National Association
Costa Mesa, CA

Re: Western Riverside Council of Governments CaliforniaFIRST Limited Obligation
Improvement Bonds Series 20__-NR_

Ladies and Gentlemen:

The Western Riverside Council of Governments (the “Issuer”) has issued the above-referenced bonds (the “Bonds”), Capitalized terms used in this letter but not defined have the meaning given them in the Indenture, dated as ____ 1, 20__ (the “Indenture”), relating to the Bonds.

In connection with our purchase on the date hereof of the Bonds, the undersigned (the “Bond Purchaser”) hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an “accredited investor” as such term is defined in Rule 501(a) of Regulation D, or a “Qualified Institutional Buyer” as defined in Rule 144A, promulgated under the Securities Act of 1933, as amended.

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Bonds for not more than one account for investment purposes and not with a view to distributing the Purchased Bonds, to the extent not permitted under the applicable securities laws.

(d) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(e) The Bond Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the Bonds, (ii) has had an opportunity to ask questions of and receive answers from the Issuer about the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided by the Issuer with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the

Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds.

(f) The Bond Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(g) The Bond Purchaser understands and acknowledges (i) that the offering of the Bonds is not subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, and (ii) that the Issuer has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds and has not undertaken to provide to or for the benefit of holders of the Bonds financial or operating data or any other information with respect to the Bonds on an ongoing basis.

(h) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bonds.

(i) In the event that the Bond Purchaser wishes to sell the Bonds in the future, the Bond Purchaser agrees and acknowledges that the Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

Bond Purchaser agrees to defend, indemnify and hold harmless WRCOG from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against WRCOG in any way relating to or arising out of a transfer by the Bond Purchaser of the Bonds to which this letter relates in violation of the restrictions contained in Section 2.05(B) of the Indenture.

**EXHIBIT C
FORM OF BOND**

**** WHILE THE BONDS ARE OWNED BY AN ACCREDITED INVESTOR OR A
QUALIFIED INSTITUTIONAL BUYER, THE BONDS ARE SUBJECT TO TRANSFER
RESTRICTIONS PURSUANT TO SECTION 2.05 OF THE INDENTURE****

Number 20__-NR_-1 *** \$_____ ***

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
CaliforniaFIRST
Limited Obligation Improvement Bonds
Series 20__-NR_**

STATED INTEREST RATE
_____%

MATURITY DATE
September 2, 20__

DATED DATE
_____, 20__

REGISTERED OWNER:

PRINCIPAL AMOUNT: *** _____ DOLLARS***

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the Streets and Highways Code (the "Bond Law"), the Western Riverside Council of Governments ("WRCOG"), will, out of the Redemption Fund established pursuant to an Indenture, dated as of ____ 1, 20__ (the "Indenture"), by and between WRCOG and Wilmington Trust, National Association, as trustee (the "Trustee"), pay to the registered owner named above, or registered assigns, the principal amount set forth above, and interest on such principal amount, at the times and in the amounts set forth in Attachment A in lawful money of the United States of America; in addition, the Bond shall accrue additional interest as set forth in Section 4.01(B) of the Indenture.

This Bond bears interest from the Interest Payment Date next preceding its date of authentication and registration unless it is authenticated and registered (i) prior to an Interest Payment Date and after the close of business of the 15th day of the calendar month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) prior to the close of business on the 15th day of the calendar month preceding the first Interest Payment Date above, in which event it will bear interest from its date of delivery, until payment of such principal sum has been discharged.

Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America by check of the Trustee mailed on the applicable Interest Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the Bond Register maintained by the Trustee at the close of business on the Record Date preceding the Interest Payment Date (or by wire transfer made on such Interest Payment Date upon the written instructions of the Owner of all of the Bonds delivered to the Trustee prior to the applicable Record Date).

The principal of the Bonds and any redemption premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Trustee. All Bonds paid by the Trustee under Section 2.02 of the Indenture will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

This Bond will continue to bear interest after maturity at the rate above stated if this Bond is presented at maturity and payment hereof is refused upon the sole ground that there are not sufficient moneys in the Redemption Fund with which to pay same. If this Bond is not presented at maturity, interest hereon will run only until maturity.

This Bond will not be entitled to any benefit under the Bond Law or the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon are dated and signed by the Trustee.

This Bond is issued by WRCOG under the Bond Law and the Indenture for the purpose of providing means for paying for the Improvements described in the Indenture. It is secured by the moneys in the Redemption Fund, the unpaid portion of Assessments made for the payment of those improvements and any Penalties and Interest (as defined in the Indenture) received by WRCOG relating to the Assessments. Principal, interest and redemption premium, if any, is payable exclusively out of the Redemption Fund. This Bond and any other bonds issued under the Indenture are referred to as the "Bonds."

This Bond is transferable by the registered Owner hereof, in person or by the Owner's attorney duly authorized in writing, at the office of the Trustee, subject to the terms and conditions provided in the Resolution of Issuance and the Indenture, including the payment of certain charges, if any, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds, of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This Bond may only be transferred in an Authorized Denomination to (i) an Accredited Investor or Qualified Institutional Buyer who delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to the Indenture or (ii) WRCOG (or the Trustee at the direction of WRCOG).

Bonds will be registered only in the name of an individual (including joint owners), a corporation, a partnership or limited liability company, or a trust.

Neither WRCOG nor the Trustee will be required to make such exchange or registration of transfer of Bonds during the 15 days of the calendar month immediately preceding any Interest Payment Date.

WRCOG and the Trustee may treat the registered Owner hereof as the absolute owner for all purposes, and WRCOG and the Trustee will not be affected by any notice to the contrary.

Optional Redemption. The Bonds are subject to optional redemption, as a whole or in part, on any Interest Payment Date from funds derived by WRCOG from any source other than Prepayments, at a price equal to:

- (i) 100% of the principal amount of the Bonds to be prepaid, and
- (ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Law and
- (iii) a redemption premium equal to ____%.

Mandatory Sinking Fund Redemption. All the Bonds constitute Term Bonds, which will be subject to mandatory redemption in part by lot, from Sinking Fund Payments made by WRCOG from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as shown in Attachment A.

However, if the Bonds have been redeemed pursuant to an optional redemption or a mandatory prepayment redemption, the total amount of all future Sinking Fund Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in Authorized Denominations as determined by the Trustee, notice of which determination will be given by the Trustee to WRCOG.

Mandatory Prepayment Redemption. The Bonds will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Prepayments, on any Interest Payment Date, at a price equal to:

- (i) 100% of the principal amount of the Bonds to be prepaid, and
- (ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Law and
- (iii) a redemption premium equal to ____%.

Upon redemption of the Bonds as set forth in this subsection, WRCOG shall cause the Initial Assessment to be reduced in an amount equal to the principal amount of the Bonds redeemed.

Extraordinary Mandatory Redemption from Excess Program Fund Proceeds. The Bonds will be redeemed, as whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Excess Program Fund Proceeds, on any Interest Payment Date, at a price equal to:

- (i) 100% of the principal amount of the Bonds to be prepaid, and
- (ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Law, and
- (iii) a redemption premium equal to ____%.

This Bond is a Limited Obligation Improvement Bond because, under the Indenture, WRCOG is not obligated to advance funds from WRCOG treasury to cover any deficiency that may occur in the redemption fund for the Bonds.

IN WITNESS WHEREOF, WRCOG has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of its Treasurer and Secretary all as of the Original Issue Date identified above.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Series 20__-NR_ Bonds described in the within mentioned Indenture.

Dated: _____, 20__

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian
(Cust) (Minor)

Under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within mentioned Bond and hereby irrevocably constitute(s) and appoint(s): _____
_____ attorney, to transfer the same on the registration books of the
Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: The signature(s) on this assignment must correspond with the name(s) as written on the face of the registered Bond in every particular without alteration or enlargement or any change whatsoever.

ATTACHMENT A

DEBT SERVICE SCHEDULE

[illegible]

APPENDIX 1
Covered Jurisdictions

- 1. City of Banning**
- 2. City of Calimesa**
- 3. City of Canyon Lake**
- 4. City of Corona**
- 5. City of Eastvale**
- 6. City of Hemet**
- 7. City of Jurupa Valley**
- 8. City of Lake Elsinore**
- 9. City of Menifee**
- 10. City of Moreno Valley**
- 11. City of Murrieta**
- 12. City of Norco**
- 13. City of Perris**
- 14. City of Riverside**
- 15. City of San Jacinto**
- 16. City of Temecula**
- 17. Wildomar**
- 18. Unincorporated Riverside County**

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Item 5.A

PACE Program Activities Update

Attachment 11

Renew Financial Bond Purchase
Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
CaliforniaFIRST
Limited Obligation Improvement Bonds
(«TRANCHE»)
Series «AllSeries»

BOND PURCHASE AGREEMENT

«Funding_date»

1. PARTIES AND DATE.

THIS BOND PURCHASE AGREEMENT, dated as of _____, 2017 (the "Agreement"), is entered into by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a California public agency ("WRCOG") and RENEWPACE WH LLC, a _____ corporation (the "Purchaser"] to arrange for the sale by WRCOG and the purchase by the Purchaser or its designee of all of the Bonds described below, which are being issued by WRCOG. Terms capitalized herein but not defined shall have the meaning prescribed to such term in the Master Indenture (as defined herein).

2. RECITALS.

2.1 The Executive Committee of WRCOG (the "Executive Committee") has undertaken proceedings to establish and did thereby establish a voluntary contractual assessment program designated as the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) ("Chapter 29"), the Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as further amended to date (as amended, the "JPA"), and separate Implementation Agreements entered into pursuant to the JPA by and between WRCOG and its member agencies that elected to participate in the WRCOG Program (the "Member Agencies"), to assist owners of properties within the jurisdictional boundaries of such Member Agencies to finance the cost of installation of distributed generation renewable energy sources or energy efficiency or water conservation improvements or electric vehicle charging infrastructure (the "Eligible Products") that are permanently fixed to the properties of such owners.

2.2 As a part of such proceedings, the Executive Committee did, by the adoption of Resolution No. 09-10 on March 1, 2010, provide that one or more series of bonds would be issued under the Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State of California (the "1915 Bond Act") (the "Bonds" or "Series of Bonds") or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.3 As a further part of such proceedings, the Executive Committee initially approved on June 7, 2010, by the adoption of Resolution Number 13-10, and has subsequently amended a report prepared pursuant to and addressing all of the matters

set forth in Streets and Highways Code Section 5898.22 and 5898.23 (as amended, the "WRCOG Program Report"), including a map showing the boundaries of the territory within which the voluntary contractual assessments may be offered (the "WRCOG Program Area"), a form of contract specifying the terms and conditions that would be agreed to by an owner of property within such boundaries and WRCOG (each, a "WRCOG Program Assessment Contract"), a statement of policies of WRCOG concerning such voluntary contractual assessments and a plan for raising a capital amount required to pay for the work performed pursuant to the voluntary contractual assessments.

2.4 On July 29, 2011, the Executive Committee did, by the adoption of Resolution No. 03-12, as amended (the "Resolution of Issuance"), authorize the issuance of bonds (M1) (the "Bonds") in one or more series pursuant to Chapter 29, the 1915 Bond Act, and the use of the proceeds of such bonds to finance the installation of Eligible Products (also referred to in the Resolution of Issuance as "Authorized Improvements") on parcels that are participating in one of the WRCOG Programs.

2.5 On _____, 2017, the Executive Committee did, by the adoption of Resolution No. ____ authorize the issuance of the WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1) (the "Bonds") providing that each such Bond shall be issued pursuant to a Master Indenture (the "Master Indenture"), by and between WRCOG and Wilmington Trust National Association, as trustee (the "Trustee"), the form of which was approved by the Resolution of Issuance, to be supplemented by a Supplemental Indenture, the form of which was approved by the Resolution of Issuance, applicable to the Bond or Bonds identified in such Supplemental Indenture, dated as of the Closing Date (as defined in the Master Indenture) of such Bond or Bonds, entered into by and between WRCOG and the Trustee (each, a "Supplemental Indenture").

2.6 WRCOG and the Purchaser desire and intend to enter into this Agreement to provide for and establish the terms and conditions pursuant to which WRCOG will sell to the Purchaser and the Purchaser shall purchase from WRCOG certain Bonds issued by WRCOG.

1. Purchase and Sale of PACE Bonds; Description of PACE Bonds. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the "Purchaser hereby agrees to purchase from WRCOG, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the "Issuer"), and the Issuer hereby agrees to sell to the Purchaser all (and not less than all) the Bonds listed in Schedule I (the "PACE Bonds"), at their respective par amounts (the "Purchase Prices"). The PACE Bonds are subject to the terms and conditions of the Master Indenture, dated as of _____, 2017 (the "Indenture"), by and between the Issuer and Wilmington Trust, National Association (the "Trustee"), as supplemented by Supplemental Indentures No. «AllSeries» thereto, each dated as of «Funding_date», by and between

the Issuer and the Trustee (the “Supplemental Indentures” and, together with the Indenture, the “Indenture Documents”). Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture Documents.

The PACE Bonds will be issued pursuant to (i) the Indenture Documents, (ii) Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code (collectively, the “Bond Law”), (iii) the Original Resolutions of Issuance and (iv) the Supplemental Resolutions of Issuance.

The PACE Bonds will be payable from and secured by a pledge of the Assessments (except as set forth in the Indenture Documents) and amounts in certain funds and accounts established under the Indenture Documents. The Assessments are payable pursuant to Assessment Contracts between the Issuer and the owners of Participating Parcels.

The Issuer received the following default judgment (the “Validation Judgment”) in the following judicial validation action (the “Validation Action”) filed by the Issuer pursuant to Code of Civil Procedure Section 860 et seq. (the “Validation Statute”):

a. A default judgment rendered on July 1, 2011, by the Superior Court of the State of California, County of Riverside in the validation action entitled “*Western Riverside Council of Governments v. All Persons Interested, et al, Case No. RIC 1103280.*”

2. Representations and Warranties of the Issuer. The Issuer represents and warrants to the Purchaser as follows:

a. The Issuer is a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the “Enabling Legislation”).

b. The Issuer has all requisite legal right, power and authority to: (i) adopt the Resolutions of Intention, the Resolution Confirming Program Report, as amended, the Original Resolution of Issuance and the Supplemental Resolutions of Issuance (collectively, the “Resolutions”) and perform its obligations thereunder, (ii) execute and deliver the Indenture Documents, the Assessment Contracts and this Bond Purchase Agreement and perform its obligations thereunder and hereunder, (iii) execute, issue, sell and deliver the PACE Bonds and (iv) consummate the transactions to which the Issuer is or is to be a party as contemplated by the Resolutions, the Assessment Contracts, the Indenture Documents and this Bond Purchase Agreement.

c. The Issuer has duly authorized by all necessary actions: (i) the execution and delivery of the Indenture Documents, the Assessment Contracts, this Bond Purchase Agreement and performance of its obligations thereunder and

hereunder, (ii) the execution, issuance, sale and delivery of the PACE Bonds and (iii) the consummation of the transactions to which the Issuer is or is to be a party as contemplated by the Resolutions, the Indenture Documents, the Assessment Contracts, this Bond Purchase Agreement and the PACE Bonds and such authorized acts do not and will not in any material respect conflict with, or constitute on the part of the Issuer a breach of or default under, any agreement or other instrument to which the Issuer is a party or any existing law, administrative regulation, judgment, order, decree or ruling by which the Issuer is bound or to which it is subject.

d. The Indenture Documents, the Assessment Contracts and this Bond Purchase Agreement constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms and the PACE Bonds, when delivered to and paid for by the Purchaser at the Closing in accordance with the provisions of Section 4 hereof, will constitute legal, valid and binding limited obligations of the Issuer, enforceable in accordance with their terms and in conformity with, and entitled to the benefits of the provisions of, the Bond Law, the Indenture Documents and the Resolutions.

e. All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which could reasonably materially adversely affect the due performance by the Issuer of its obligations in connection with the execution, issuance, delivery or sale (as applicable) of the PACE Bonds, the Assessment Contracts, the Indenture Documents and this Bond Purchase Agreement have been duly obtained (including any approvals of the State of California) and are in full force and effect.

f. As of the Closing Date, the Issuer is not now in default under, and the execution and delivery of this Bond Purchase Agreement, the Indenture Documents, the Assessment Contracts and the PACE Bonds will not conflict with or constitute a breach of, any agreement or other instrument to which it is a party or any existing administrative regulation, judgment, order, decree, ruling or other law by which it is bound or subject, which breach or default is material to the transactions contemplated hereby and by the Resolutions, the Indenture Documents, the Assessment Contracts and the PACE Bonds and no event has occurred that with the passage of time or the giving of notice, or both, would constitute, under any such instrument or law, such a breach or default material to the transactions.

g. As of the Closing Date, no litigation, action, suit, proceeding, investigation, right of rescission, setoff, counterclaim or defense, at law or in equity, before or by any court or governmental agency or body, is pending or, to the best knowledge of the Issuer, threatened against or affecting the Issuer to restrain or enjoin the execution, issuance, sale or delivery of the PACE Bonds or, as applicable, with respect to their related underlying Assessments and/or Assessment Contracts or the

proceedings or authority under which the PACE Bonds are to be issued, or contesting the legal existence of the Issuer, the title of any of its members or officers to their respective offices or, wherein an unfavorable decision, ruling or finding would, in any way, adversely affect (i) the transactions contemplated hereby and by the Resolutions, the Indenture Documents and the PACE Bonds and their related underlying Assessments and/or Assessment Contracts or (ii) the validity of the Resolutions, the Indenture Documents, this Bond Purchase Agreement, the PACE Bonds and their related underlying Assessments and/or Assessment Contracts or any agreement or instrument to which the Issuer is a party and which is used or is contemplated for use in the consummation of the transactions contemplated hereby and by the Resolutions, the Indenture Documents and the PACE Bonds and their related underlying Assessments and/or Assessment Contracts.

h. The representations and warranties of the Issuer pursuant to the Indenture Documents are true and correct.

i. The Bond Law establishes the lien priority of the Assessments.

j. With respect to the Validation Action and Validation Judgment:

i. The Validation Action were duly filed and the Validation Judgment duly entered in accordance with all applicable laws, rules and regulations of the State of California.

ii. Notice of the Validation Action was duly made in accordance with the Validation Statute and the order of the Superior Court.

iii. The Validation Judgment are final and in full force and effect. Pursuant to their terms and California Code of Civil Procedure Section 870, the Validation Judgment are binding and conclusive as to all matters therein adjudicated or which at that time could have been adjudicated, against the Issuer and against all other persons, and the Validation Judgment permanently enjoin the institution by any person of any action or proceeding raising any issue as to which the Validation Judgment are binding and conclusive.

3. Agreements of the Issuer.

a. Prior to the Closing Date, the Issuer will not, without the prior written consent of the Purchaser, offer or issue any of the PACE Bonds under the Resolutions and Indenture Documents to any person other than the Purchaser.

b. In connection with the sale and issuance of the PACE Bonds, (i) the Purchaser is acting solely as a principal and not as an advisor or fiduciary of the

Issuer, (ii) the Purchaser has not assumed any advisory or fiduciary responsibility to the Issuer, (iii) the Purchaser has financial and other interests that differ from those of the Issuer, (iv) the Purchaser has not assumed any obligation to the Issuer in connection with the sale and issuance of the PACE Bonds other than the obligations expressly set forth in this Bond Purchase Agreement and (v) the Issuer has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent that it has deemed appropriate provided that an affiliate of the Purchaser has acted as "Program Administrator" of the CaliforniaFIRST program pursuant to that certain Renew Financial Program Administration Agreement between the Issuer and Renew Financial Group LLC, dated as of _____.

4. Closing. On «Funding_date» or on such other date as may be agreed upon by the Issuer and the Purchaser (such date as finally determined is referred to herein as the "Closing Date"), the Issuer will deliver or cause to be delivered to the Purchaser, the PACE Bonds, in definitive form, duly executed and authenticated, by depositing the PACE Bonds with Trust and Investment Services for Wilmington Trust, N.A., an affiliate of M&T Bank Document Custodian, Attention Joe Baker (the "Custodial Account").

The Purchaser will accept such PACE Bonds in the Custodial Account and pay the Purchase Prices (minus the credit(s) shown in the attached Schedule I, which represent amounts that the Purchaser paid, prior to the Closing Date, to the owners of Participating Parcels (or their contractors) in connection with Assessments that are to be financed from the proceeds of such PACE Bonds) by the delivery to Issuer of a federal (immediately available) funds deposit to the order of the Issuer in an aggregate amount equal to such Purchase Prices. The deliveries of such PACE Bonds and such funds is referred to herein as the "Closing." The PACE Bonds shall be made available to the Purchaser for purposes of inspection, at any time not more than two (2) business days nor less than one (1) business day prior to the Closing Date at any place in New York, New York, agreed upon by the Issuer and the Purchaser.

5. Conditions of Closing and Termination of Purchaser's Obligation. The obligation of the Purchaser to purchase and pay for the PACE Bonds at the Closing shall be subject to the performance by the Issuer, prior to or concurrently with the Closing, of its obligations to be performed under this Bond Purchase Agreement and to the accuracy of the representations and warranties of the Issuer contained in this Bond Purchase Agreement as of the date hereof and as of the Closing Date, as if made on and as of the Closing Date, and shall also be subject to the following additional conditions:

a. (i) Each of the Assessment Contracts, the Indenture Documents and this Bond Purchase Agreement shall have been duly authorized, executed and delivered, and each of the foregoing shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Purchaser, (ii) the Issuer shall have duly adopted and there shall be in full force and

effect such additional resolutions or agreements as shall be necessary in connection with the transactions contemplated hereby and (iii) the Issuer shall perform or have performed all of its obligations, and satisfied all conditions, required under or specified in the Resolutions, Indenture Documents, the Assessment Contracts and this Bond Purchase Agreement to be performed at or prior to the Closing.

b. The Purchaser shall receive or have received the following documents, in each case satisfactory in form and substance to them:

- i. A reliance letter, with respect to the opinion letter from Bond Counsel to the Issuer pursuant to and described in Section 3.03(H)(i) of the Indenture (the "Indenture Opinion") on the related Closing Date addressed to (x) the Purchaser and (y) Natixis Global Asset Management (the "Lender"), indicating that Bond Counsel has delivered the Indenture Opinion to the Issuer on that date and the Purchaser may rely on the Indenture Opinion as if it had been addressed to the Purchaser and Lender.
- ii. The supplemental opinion letter from Bond Counsel pursuant to and described in Section 3.03(H)(ii) of the Indenture (the "Supplemental Opinion") on the related Closing Date addressed to (x) the Issuer and (y) the Purchaser and (z) Lender.
- iii. All other documents required to be delivered to the Purchaser pursuant to the Indenture Documents.¹

6. Expenses. The Purchaser shall be under no obligation to pay any expenses incident to the performance of the Issuer's obligations hereunder, including, without limitation, (i) all costs of preparing the definitive PACE Bonds and (ii) all fees and disbursements of counsel of the Issuer and any other experts or consultants retained by the Issuer.

The Purchaser shall pay: (i) the fees and expenses of its counsel; (ii) fees, if any, payable to the California Debt and Investment Advisory Commission in connection with the issuance of the PACE Bonds; and (iii) all other expenses incurred by the Purchaser in connection with the offering of the PACE Bonds.

7. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Issuer as follows:

¹ Note: we intend to consolidate closing deliverables and will make corresponding changes to this section.
D-5 BOND PURCHASE AGREEMENT
(M3)
SERIES «AllSeries»
20323.00017\29509967.2

a. The Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

b. The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the PACE Bonds, to be capable of evaluating the merits and risks of an investment in the PACE Bonds, and the Purchaser is able to bear the economic risks of such an investment.

c. The Purchaser is purchasing the PACE Bonds, pursuant to an exemption from registration under the Securities Act, for not more than one account for investment purposes and not with a view to distributing the purchased Bonds.

d. The Purchaser recognizes that an investment in the PACE Bonds involves significant risks, that there is no established market for the PACE Bonds and that none is likely to develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the PACE Bonds for an indefinite period of time.

e. The Purchaser understands and acknowledges that, subject to satisfaction of certain conditions set forth in the Indenture, the Issuer may issue subsequent series of bonds secured by Assessments on a parity with the PACE Bonds.

f. The Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the PACE Bonds, (ii) has had an opportunity to ask questions of and receive answers from the Issuer regarding the PACE Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided by the Issuer with all documents and information regarding the PACE Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the Purchaser has been provided with information sufficient to allow the Purchaser to make an informed decision to purchase the PACE Bonds.

g. The Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the PACE Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

h. The Purchaser understands and acknowledges (i) that the offering of the PACE Bonds is neither subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, nor being registered under the Securities Act or any state securities laws, and (ii) that the Issuer has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the PACE Bonds.

i. The Purchaser is able to bear the economic risk of the investment represented by its purchase of the PACE Bonds.

j. In the event that the Purchaser wishes to sell the PACE Bonds in the future, the Purchaser agrees and acknowledges that the PACE Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of Exhibit A, and the Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

k. The Purchaser acknowledges that Best Best & Krieger LLP (“Bond Counsel”) is acting as bond counsel to the Issuer, that Bond Counsel has no attorney-client relationship with the Purchaser, and that the Purchaser has sought legal advice from its own counsel to the extent it concluded legal advice was necessary.

8. Conditions of Closing to be Performed by Purchaser. The obligation of the Issuer to issue the PACE Bonds and deliver them on the Closing Date shall be subject to the following conditions to be satisfied by the Purchaser:

- a. Purchaser shall have executed and delivered a letter in the form and substance of Exhibit A.
- b. Purchaser shall have paid the Purchase Prices as described above.
- c. Purchaser shall have executed and delivered to Issuer a receipt in which it acknowledges receipt of the PACE Bonds and satisfaction of the conditions set forth in this Bond Purchase Agreement.

9. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing at 4080 Lemon Street, 3rd Floor, MS 1032, Riverside, CA 92501, and any notice or other communication to be given to the Purchaser under this Bond Purchase Agreement may be given by delivering the same in writing (which shall include electronic forms thereof) to 1221 Broadway 4th Floor Oakland CA 94612.

10. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement is made solely for the benefit of the Issuer and the Purchaser and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties and agreements made by the Issuer in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Purchaser, (b) the delivery of and payment for the PACE Bonds hereunder or (c) any termination of this Bond Purchase Agreement.

11. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

12. Governing Law. This Bond Purchase Agreement shall be construed in accordance with and governed by the laws of the State of California, without regard to any conflicts of law principles thereof that would call for the application of the laws of any other jurisdiction. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California.

13. Execution by Counterparts. This Bond Purchase Agreement and any amendment or supplement hereto or any waiver granted in connection herewith may be executed in any number of counterparts (including .pdf counterparts) and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

14. Miscellaneous.

a. If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy or any other reasons, such circumstances shall not have the effect of rendering any provision or provisions of this Bond Purchase Agreement, invalid or inoperative or unenforceable to any extent whatsoever.

b. This Bond Purchase Agreement shall not be amended nor shall either party hereof waive any provision hereto without the prior written consent of the Issuer and the Purchaser.

[Signature Page to Follow]

Very truly yours,

RENEWPACE WH LLC

By: _____
Authorized Signatory

The foregoing is hereby agreed and acknowledged
as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Signatory

SCHEDULE I

CREDITS FOR AMOUNTS PAID BY PURCHASER PRIOR TO CLOSING DATE

<u>PACE Bonds</u>	<u>Credit</u>
WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1) Series «series1»	\$0.00
WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1) Series «SERIES2»	\$0.00
WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1) Series «SERIES3»	\$0.00
WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1) Series «SERIES4»	\$0.00
WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1) Series «SERIES5»	\$0.00
WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1) Series «SERIES5»	\$0.00

EXHIBIT A

FORM OF PURCHASER LETTER

[CLOSING DATE]

WRCOG
1100 "K" Street, Suite 101
Sacramento, California 95814

Wilmington Trust, National Association
650 Town Center Drive, Suite 600
Costa Mesa, California 92626

Re: WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1)
Series [_____]

WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1)
Series [_____]

WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1)
Series [_____]

WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1)
Series [_____]

WRCOG CaliforniaFIRST Limited Obligation Improvement Bonds (M1)
Series [_____]

Ladies and Gentlemen:

The WRCOG (the "**Issuer**") has issued the above-referenced bonds (the "**Bonds**"). Capitalized terms used in this letter but not defined have the meaning given them in the Amended and Restated Master Indenture, dated as of [____], 2017 (the "**Master Indenture**"), as amended or supplemented by Supplemental Indentures No. [____], [____], [____], [____] and [____], each dated as of ___, 20__ (the Master Indenture as supplemented, the "**Indenture**") relating to the Bonds.

In connection with our purchase on the date hereof of \$_____ aggregate principal amount of the Bonds, the undersigned (the "**Bond Purchaser**") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "**Securities Act**").

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Bonds, pursuant to an exemption from registration under the Securities Act, for not more than one account for investment purposes and not with a view to distributing the purchased Bonds.

(d) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(e) The Bond Purchaser understands and acknowledges that, subject to satisfaction of certain conditions set forth in the Indenture, the Issuer may issue subsequent series of bonds secured by Assessments on a parity with the Bonds.

(f) The Bond Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the Bonds, (ii) has had an opportunity to ask questions of and receive answers from the Issuer regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided by the Issuer with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds.

(g) The Bond Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(h) The Bond Purchaser understands and acknowledges (i) that the offering of the Bonds is neither subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, nor being registered under the Securities Act or any state securities laws, and (ii) that the Issuer has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds.

(i) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bonds.

(j) In the event that the Bond Purchaser wishes to sell the Bonds in the future, the Bond Purchaser agrees and acknowledges that the Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

Bond Purchaser agrees to defend, indemnify and hold harmless the Issuer from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against the Authority in any way relating to or arising out of a transfer of the Bonds to which this letter relates in violation of the restrictions contained in Section 2.05(B) of the Master Indenture.

RENEWPACE WH LLC

By: _____
Authorized Signatory

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Item 5.A

PACE Program Activities Update

Attachment 12

Renew Financial Master Assignment
and Assumption Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
(CaliforniaFIRST)

MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT

This MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT (this “*Agreement*”) is made and entered into effective as of _____, 2017 (the “*Effective Date*”) by and between Western Riverside Council of Governments, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California (“*Transferor*”), and _____, a _____ (“*Transferee*”).

RECITALS

WHEREAS, Transferor is authorized to act under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the “*Act*”) pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California; and

WHEREAS, the Executive Committee of Transferor (the “*Executive Committee*”) previously adopted Resolution No. 09-10 adopted March 1, 2010 for the County of Riverside (the “*County*”), and cities in the County, listed at Appendix 1 (collectively, the “*Covered Jurisdictions*” and each, a “*Covered Jurisdiction*”) entitled “Resolution of the Western Riverside Council of Governments Declaring its Intention to Finance Distributed Generation Renewable Energy Sources and Energy Efficiency Improvements through the use of Contractual Assessments Pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and setting a public hearing thereon” (collectively, the “*Resolution of Intention*”), to initiate proceedings under the Act in and for the territory within each Covered Jurisdiction (the “*Program Area*”) to establish the Energy Efficiency and Water Conservation Program for Western Riverside County (the “*Program*”), pursuant to which the Authority would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolution of Intention; and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program’s particulars, the Executive Committee adopted Resolution No. 13-10 adopted June 7, 2010 entitled “Resolution of Western Riverside Council of Governments Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters,” as subsequently amended, (the “*Resolution Confirming Program Report*”), pursuant to which the Executive Committee, among other things, (i) confirmed and approved a report (the “*Program Report*”) addressing all the matters required by the Act, including a draft agreement between the Authority and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) Authorized Officers (as defined herein) to execute agreements (“*Assessment Contracts*”) with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements; and

WHEREAS, under the Act and the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the “Bond Law”), the Executive Committee adopted Resolution No. 03-12 on July 29, 2011, as subsequently amended, entitled “A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions” (the “Resolution of Issuance”), which among other matters, authorized the issuance of one or more series of improvement bonds of the Authority upon the security of assessments levied on the participating parcels within the Program Area under the Act and the Bond Law, and provided that the issuance of improvement bonds would be in accordance with the Bond Law and an indenture and authorized the execution thereof; and

WHEREAS, with respect to the Program, Transferor obtained the default judgment rendered on July 1, 2011, by the Superior Court of the County of Riverside in the validation action entitled Superior Court of the County of Riverside as *Western Riverside Council of Governments v. All Persons Interested, et al.*, Case No. RIC 1103280; and

WHEREAS, Section 5898.28(b) of the Act (i) authorizes Transferor to transfer its right, title, and interest in and to any voluntary contractual assessments, if bonds have not been issued, (ii) authorizes Transferor and any transferee to enter into an agreement that, among other things, identifies the specific period of time during which the transfer of voluntary contractual assessments will be operative, not to exceed three years and (iii) provides that a transfer of any voluntary contractual assessments under this provision shall be treated as a true and absolute transfer of the asset so transferred for the period of the transfer and not as a pledge or grant of a security interest by the public agency for any borrowing; and

WHEREAS, in anticipation of the issuance of limited improvement bonds under the Act to provide long-term financing for the installation of authorized improvements, Transferor wishes to establish an interim financing mechanism as set forth in this Agreement.

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Definitions.

(a) “**Account Control Agreement**” means that certain Depositary and Account Control Agreement in the form attached hereto as Exhibit E, by and among Transferor, Transferee, Depositary and Renewable Financial Group LLC, that specifies, among other things, the flow and management of funds during the Assignment Term.

(b) “**Accredited Investor**” has the meaning given to it in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended.

(c) “**Administrative Expense Account**” means that certain deposit account no. _____ held by the Depositary subject to the Account Control Agreement.

(d) “**Assessment Contract**” means an Agreement to Pay Assessment and Finance Improvements by a Property Owner and the Transferor entered into as contemplated by the Act substantially in the form attached hereto as Exhibit B.

(e) “**Assignment Date**” means, for a particular Transferred Interest, the “date of transfer” indicated in an Assignment Instrument executed by Transferor and Transferee.

(f) “**Assignment Instrument**” means an Assignment Instrument in the form attached hereto as Exhibit A that specifies, among other things, the Assessment Contract(s) being assigned on such date and the consideration payable on such date by the Transferee.

(g) “**Assignment Term**” means with respect to any Transferred Interest, the period beginning on (and including) the applicable Assignment Date and ending on (but excluding) the applicable Assignment Termination Date.

(h) “**Assignment Termination Date**” means, with respect to a Transferred Interest, the earlier of (i) the third (3rd) anniversary of the Assignment Date of such Transferred Interest (in accordance with Section 5898.28(b) of the Act), or (ii) the re-conveyance of the Transferred Interest from Transferee to Transferor in exchange for a PACE Bond or cash, as applicable.

(i) “**Business Day**” means any day other than a Saturday, a Sunday, or a day on which banks in the state of California are authorized or permitted to close.

(j) “**Collection Account**” means that certain deposit account no. _____ held by the Depository subject to the Account Control Agreement.

(k) “**Complying PACE Bonds**” means with respect to any Transferred Interests as of any date of determination, PACE Bonds having the PACE Bond Parameters with respect to such Transferred Interests.

(l) “**Cost of Issuance Account**” means that certain deposit account no. _____ held by the Depository subject to the Account Control Agreement.

(m) “**Depository**” means Wilmington Trust, National Association.

(n) “**Exchanged Transferred Interests**” has the meaning set forth in Section 5(b) hereof.

(o) “**Indenture**” means a bond indenture substantially in the form attached hereto as Exhibit C.

(p) “**Issue Date**” has the meaning set forth in Section 5(b) hereof.

(q) “**PACE Bond**” means a bond issued by the Transferor under an Indenture secured by Transferor’s right to receive payment pursuant to one or more Assessment Contracts.

(r) “**PACE Bond Parameters**” means, as of any date of determination, with respect to any PACE Bonds issued under this Agreement on such date of determination in exchange for the reassignment of one or more Transferred Interests on such date of determination, and/or in connection with Transferred Interests whose Assignment Terms are expiring on such date of determination, one or more PACE Bonds,

(i) the principal amount, maturity date(s), amortization schedules and interest rates of which, in the aggregate, produce cash flows that replicate the remaining

scheduled principal and interest components of the contractual assessment installments under the Assessment Contract(s) relating to such Transferred Interest(s) after such date of determination; provided that a single additional bond may be issued in the amount of the principal component of one or more delinquent contractual assessment installments;

(ii) that complies or comply with the Authority's bond issuance policies as of the applicable Assignment Date;

(iii) any purchaser of which must be an Accredited Investor; such purchaser shall execute and deliver to Transferor an investor letter in substantially the form and substance of Exhibit B to the form of Indenture attached hereto as Exhibit C; and

(iv) with respect to which bond counsel to Transferor shall have issued an unqualified bond counsel opinion addressed to Transferor, a reliance letter addressed to the purchaser and a supplemental opinion addressed to the trustee under the Indenture and the purchaser.

To the extent there are any delinquent amounts under the Assessment Contracts relating to the Transferred Interest(s) referred to above as of such date of determination, for purposes of determining the applicable PACE Bond Parameters with respect to such Transferred Interest(s), such delinquent payments will be treated as being scheduled to be due and payable on such date of determination.

(p) "**Program Account**" means that certain deposit account no. _____ held by the Depository subject to the Account Control Agreement.

(q) "**Program Guidelines**" means, collectively, the Program Report and Program Handbook, each as amended from time to time.

(r) "**Property Owner**" means an owner of non-residential real property, including four or more units of residential real property, that is a party to an Assessment Contract.

(s) "**Re-Conveyance Instrument**" means an assignment instrument substantially in the form attached hereto as Exhibit D.

(t) "**SPE**" has the meaning set forth in Section 5(f) hereof.

(u) "**Tax Collector**" means each applicable taxing authority responsible for the collection of amounts paid by Property Owners in connection with Assessment Contracts.

(v) "**Transferred Interest**" means, with respect to an Assessment Contract as to which Transferor and Transferee have executed an Assignment Instrument, all right, title and interest to receive payment from the applicable Property Owner of (i) the Initial Assessment (as defined in the Assessment Contract) and (ii) interest on the unpaid Initial Assessment receivable pursuant to the applicable Assessment Contract; provided that notwithstanding anything in the applicable Assessment Contract to the contrary, any such interest shall accrue to the benefit of the Transferee from the date the Transferred Interest is assigned to Transferee pursuant to the terms of this Agreement; provided further that the Transferred Interest shall not include the Additional Administrative Assessment (as defined in the Assessment Contract).

2. Assignment by Transferor.

(a) As of each applicable Assignment Date, Transferor hereby sells, assigns and transfers to Transferee, and Transferee purchases from Transferor, for the Assignment Term, all of Transferor's right, title, and interest in, to, and under each Transferred Interest specified in the Assignment Instrument executed on such Assignment Date in exchange for the (i) the consideration specified with respect to such Transferred Interest in such Assignment Instrument and (ii) Transferor's undertakings in Section 5 hereof. Transferee hereby acknowledges and agrees that each assignment made pursuant to this Agreement and an Assignment Instrument is solely of a Transferred Interest, and in no event shall Transferee or any other entity other than Transferor be permitted to initiate or prosecute any foreclosure action with respect to any Assessment Contract associated with a Transferred Interest. Transferee also acknowledges and agrees that, as of the effective date of this Agreement, Transferor has no legal authority to initiate or prosecute any foreclosure action with respect to any Assessment Contract until PACE Bonds have been issued with respect to such Assessment Contract. Without limiting Transferor's obligations under Section 5 hereof, as of each Assignment Termination Date with respect to a Transferred Interest, Transferee shall, without any further action, cease to have any right, title or interest in and to such Transferred Interest.

(b) Transferee agrees that the consideration specified in each Assignment Instrument shall be paid by Transferee in US Dollars by wire transfer of immediately available funds no later than 3:00 Pacific Time on the applicable Assignment Date to the Depositary, for further deposit in accordance with Section 2(c), according to the following instructions

< account information to be confirmed >

Manufacturers & Traders Trust Co.

ABA # 031100092

A/C # 1001

Trust Clearing Account

Ref:

Attn:

(c) Transferor agrees that amounts received in exchange for the Transferred Interests shall be immediately allocated by the Depositary among the Program Account, the Cost of Issuance Account, and the Administrative Expense Account in accordance with instructions given to the Depositary by the Transferor with the approval of Transferee. Transferor further covenants and agrees that amounts will be disbursed from the Program Account from time to time to pay for the costs of installing improvements pursuant to Assessment Contracts in accordance with the Program Guidelines.

(d) On each Assignment Date, Transferor shall deliver to Transferee the deliverables listed in Sections C, D and E of Exhibit F.

3. Continuing Assignment. Pursuant to Section 5898(b) of the Act, the assignment of a Transferred Interest pursuant to this Agreement and an Assignment Instrument shall constitute a true and absolute transfer of such Transferred Interest for the period of the transfer and not a pledge or grant of a security interest by the Transferor for any borrowing, and such assignment shall remain in full force and effect until the Assignment Termination Date applicable to such Transferred Interest, notwithstanding any obligation of the Transferor contained in Section 5 of this Agreement. Without in any way limiting the preceding sentence, for the protection of the Transferee, in the event that (a) the transfer is held not to be a true and absolute conveyance, or (b) an Assignment Termination Date occurs under clause (i) of the

definition thereof with respect to a Transferred Interest before a Complying PACE Bond is issued with respect to such Transferred Interest, Transferor shall, within 30 days of the date on which an event in clause (a) or (b) occurs, (x) pay to Transferee the unpaid principal amount of such Transferred Interest, (y) issue a Complying PACE Bond or (z) execute a new three-year Assignment Instrument for the benefit of Transferee, with the choice of (x), (y) or (z) to be in Transferor's sole and absolute discretion.

The covenants on the part of Transferor in the previous paragraph are duties imposed by law and it is the duty of each and every public official of Transferor to take such action and do such things as are required by law in the performance of the official duty of such officials to enable Transferor to carry out and perform such covenants. The parties intend for Transferor's covenants in the previous paragraph to be enforceable by a writ of mandamus issued pursuant to California Civil Code Section 1084 et seq. In the event the Transferee obtains such a writ of mandamus from a court of applicable jurisdiction, Transferor shall pay Transferee's reasonable attorneys fees and costs.

4. Representations and Warranties.

(a) Each party represents and warrants to the other (i) that it has full power and authority to enter into this Agreement and to perform its obligations hereunder in accordance with the provisions hereof, (ii) that this Agreement has been duly authorized, executed and delivered by such party and (iii) that this Agreement constitutes a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity.

(b) Each party represents and warrants to the other that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (i) will not conflict with any law or order applicable to such party or any of its properties or assets and (ii) requires no consent from any party not already obtained.

(c) Transferee represents and warrants, as of the date hereof, (i) no applicable law would prevent or make unlawful its holding of any Transferred Interest, and (ii) no applicable law would prevent or make unlawful its holding of a PACE Bond to otherwise be conveyed to it pursuant to the terms hereof.

(d) Transferee represents and warrants:

(i) it is an Accredited Investor;

(ii) it has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other obligations similar to the Transferred Interests, to be capable of evaluating the merits and risks of an investment in the Transferred Interests, and the Transferee is able to bear the economic risks of such an investment;

(iii) it is purchasing the Transferred Interest for not more than one account for investment purposes and not with a view to distributing the Transferred Interests;

(iv) it recognizes that an investment in the Transferred Interests involves significant risks, that there is no established market for the Transferred Interests and that

none is likely to develop and, accordingly, that the Transferee must bear the economic risk of an investment in the Transferred Interests for an indefinite period of time;

(v) it (A) has conducted its own independent inquiry, examination, and analysis with respect to the Transferred Interests, (B) has had the opportunity to ask questions of and receive answers from the Transferor regarding the Transferred Interests and the matters, transactions, and documents relating to the foregoing; (C) has been provided by the Transferor with all documents and information regarding the Transferred Interests and the matters, transactions, and documents relating to the foregoing that it has requested, and (D) has been provided with information sufficient to allow it to make an informed decision to purchase the Transferred Interests;

(vi) it (A) is not relying upon the Transferor, or any of its affiliates, officers, employees, or agents, for advice as to the merits and risks of investment in the Transferred Interests, and (B) has sought such accounting, legal, and tax advice as it has considered necessary to make an informed investment decision;

(vii) it understands and acknowledges (A) that the transaction contemplated hereby is not subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and (B) that the Transferor has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Transferred Interests and has not undertaken to provide to or for the benefit of Transferee financial or operating data or any other information with respect to the Transferred Interests on an ongoing basis; and

(viii) it is able to bear the economic risk of the investment represented by its purchase of the Transferred Interests.

(e) Transferor represents and warrants that it is the legal and beneficial owner of the Transferred Interest, free and clear of any liens, claims or encumbrances.

(f) Transferee acknowledges that except for the representation in paragraph (g), (A) Transferor shall not be responsible to Transferee for (i) the execution, effectiveness, genuineness, validity, enforceability, collectibility or sufficiency of any Assessment Contract, (ii) any representations, warranties, recitals or statements made therein or in connection with any Assessment Contract and the transactions contemplated thereby or (iii) the financial condition of any Property Owner, and (B) Transferor is under no obligation to Transferee to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of Assessment Contract or as to the use of the proceeds of the financing evidenced by the Assessment Contract.

(g) Transferor represents and warrants that each Assessment Contract and each Assignment Instrument will be duly authorized, executed and delivered by Transferor as of the Assignment Date and that each Assessment Contract and each Assignment Instrument will constitute as of the Assignment Date the legal, valid and binding obligation of Transferor enforceable against Transferor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity.

5. Covenants.

(a) Transferor hereby agrees to direct all applicable Tax Collectors to make all payments received in connection with any Transferred Interest during the related Assignment Term to the Collection Account; provided, however, that Transferee acknowledges and agrees that the Tax Collectors may not agree to make such payments to the Collection Account and that Transferor may continue to receive the payments. To the extent Transferor receives any such payment, Transferor agrees to promptly deposit such amount in the Collection Account.

(b) In accordance with the procedures set forth below, Transferor (i) may on any Business Day issue one or more Complying PACE Bonds and sell them to Transferee or its designee in exchange for one or more Transferred Interests and (ii) shall, no later than the Assignment Termination Date of any Transferred Interest, use good faith efforts to issue a Complying PACE Bond with respect to such Transferred Interest. In furtherance of the foregoing, Transferor shall, no later than four weeks before the date Transferor elects (in the case of clause (i)) or is required (in the case of clause (ii) to use good faith efforts) to issue Complying PACE Bonds, deliver to Transferee a notice specifying (1) the Business Day on which the Complying PACE Bonds will be issued, which may be no later than the applicable Assignment Termination Date (the “*Issue Date*”), (2) the applicable Transferred Interests that will be exchanged for such Complying PACE Bonds (the “*Exchanged Transferred Interests*”), (3) the number of Complying PACE Bonds that will be issued, (4) the principal amount, maturity date, interest rate and debt service schedule of each Complying PACE Bond and (5) a reconciliation of the scheduled debt service on such Complying PACE Bonds and the remaining scheduled principal and interest components of the applicable Transferred Interests (including any adjustments for overdue assessments) to enable Transferee to verify that such Complying PACE Bonds meet the applicable PACE Bond Parameters (and such verification shall occur, and be notified to the Transferor, at least five Business Days prior to the scheduled Issue Date).

On each Issue Date, Transferor shall issue the applicable Complying PACE Bond(s) to Transferee or its designee, Transferee will, as full consideration for the issuance of such bond(s), re-convey any Exchanged Transferred Interests to Transferor or its designee pursuant to a Re-Conveyance Instrument, Transferee shall execute and deliver any documents required to be executed and delivered by a purchaser of the PACE Bonds under the applicable Indenture, and Transferor and Transferee shall execute and deliver such instructions to the Depositary and/or the applicable Tax Collector(s) as are necessary to ensure that all future payments under the applicable Assessment Contracts are paid into the account required by the applicable Indenture; provided that to the extent any of Transferee’s representations in Section 4(c)(ii), (d) or (f) is untrue as of the applicable Issue Date, Transferor shall have no obligation to convey such PACE Bond to Transferee or its designee. All PACE Bonds issued to Transferee hereunder shall be issued under an Indenture substantially in the form of Exhibit C hereto. Nothing in this Agreement shall obligate Transferor to sell Complying PACE Bond(s) to more than 35 investors to the extent necessary for Transferor and the Complying PACE Bond(s) to comply with Securities and Exchange Commission Rule 15c2-12 (17 CFR 240.15c2-12).

(c) Transferor may, with the prior written consent of Transferee and in Transferee’s sole discretion, in lieu of issuing Complying PACE Bonds secured by one or more Assessment Contracts with respect to which Transferee has acquired a Transferred Interest and selling them to Transferee pursuant to Section 5(b), issue PACE Bonds and sell them to a third-party. If Transferee consents to any such sale, Transferee, in exchange for the payment to Transferee of the proceeds received by Transferor from such issuance, shall re-convey, pursuant to Re-conveyance Instrument, any remaining Transferred Interest in such Assessment Contracts on the date of the issuance of such PACE Bonds. In addition, Transferor and Transferee shall execute and deliver such instructions to the Depositary and/or any applicable Tax Collector(s) as may be necessary to ensure that all future

payments under the applicable Assessment Contracts are paid into the account required by the applicable Indenture.

(d) If, during the Assignment Term of a particular Transferred Interest, (i) Transferee provides written instruction to Transferor, (ii) Transferor is expressly permitted by applicable laws or the applicable Assessment Contract to pursue foreclosure proceedings against an applicable Property Owner, and (iii) Transferee agrees in writing to advance all estimated costs and expenses of any required proceedings (as determined in the sole judgment of the Transferor), Transferor will pursue foreclosure proceedings against delinquent Property Owner(s) and direct proceeds recovered in connection therewith to the Collection Account, with any penalties and interest to constitute additional interest for the benefit of Transferee. In the event Transferor initiates a foreclosure action at the direction of Transferee but Transferee fails to advance such costs and expenses, Transferor may, in its sole and absolute discretion, either (y) halt all efforts to prosecute the foreclosure action or (z) pay the necessary costs and expenses, in which case Transferor shall be entitled to recover all such costs and expenses from the foreclosure award before any amounts are deposited into the Collection Account.

(e) Transferor agrees that it shall not issue or convey any PACE Bond secured in whole or in part by any Assessment Contract with respect to which Transferee has acquired a Transferred Interest and sell such PACE Bonds to any party other than Transferee without the prior written consent of the Transferee.

(f) Transferee hereby covenants and agrees that it shall hold each Transferred Interest acquired hereunder throughout the applicable Assignment Term or until such date as such Transferred Interest is required to be re-conveyed under this Section 5 and shall not transfer any Transferred Interest to any party other than Transferor; provided however, that notwithstanding the foregoing, Transferee may convey a Transferred Interest to (i) a wholly owned subsidiary, a parent company, or other affiliated entity; or (ii) a third party, where (A) the third party and the Transferee execute an assignment and assumption agreement that is reasonably acceptable in form and substance to the Transferor, (B) the third party satisfies the representations set forth in Sections 4(a) through (d) and (f) hereof as of the date of transfer from Transferee, and (C) the third party executes an investor letter in substantially the form of Exhibit B to the Indenture attached as Exhibit C to this Agreement.

(g) Transferee hereby covenants and agrees that it shall not incur, create, assume, or suffer to exist any liens or encumbrances upon any Transferred Interest.

(h) If an Assignment Termination Date shall have occurred with respect to a Transferred Interest with no Complying PACE Bond having been issued with respect thereto, Transferor agrees that it will either (A) execute a new three-year Assignment Instrument for the benefit of Transferee, (B) issue a Complying PACE Bond or (C) pay to Transferee the unpaid principal amount of such Transferred Interest, with the choice of (A), (B) or (C) to be in Transferor's sole and absolute discretion.

(i) Transferee may at any time request that Transferor issue Complying PACE Bonds with respect to any Transferred Interests and Transferor agrees to use good faith efforts to issue such bonds as soon as practicable after such request, subject to applicable law.

6. Deliverables. On or before the execution and delivery of this Agreement, Transferor shall deliver to Transferee the deliverables set forth in Exhibit F along with copies of (a) the resolutions listed on Exhibits I, J, K and L of this Agreement and (b) the default judgments listed on Exhibit M of this Agreement.

7. **Entirety of Agreement.** This Agreement sets forth the entire understanding of the parties with respect to the transactions contemplated hereby, and merges and supersedes all prior and contemporaneous understandings, representations and warranties with respect to such transactions. Except as expressly set forth in this Agreement, none of the parties hereto or thereto makes any representation or warranty to any other party.

8. **Notices.** Any notice or other communication to be given hereunder shall be in writing and shall be delivered by hand (including, without limitation, by express courier against written receipt) or sent by registered prepaid first class mail or by facsimile copy to the persons or addresses specified below:

Transferor:

Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attention: Executive Director

Transferee:

< insert >

9. **Indemnity.** Transferee agrees to defend, indemnify and hold harmless Transferor from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against the Transferor in any way relating to or arising out of the transfer of any Transferred Interest in violation of Section 5(f).

10. **Severability.** Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such term or provision shall be enforced to the maximum extent permitted by law and, in any event, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

11. **Amendment.** This Agreement may be amended, waived or terminated only by a written instrument referencing this Agreement and signed by the parties to this Agreement.

12. **Counterparts; Signatures.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures may be delivered by electronic means which shall have the same force and effect as the delivery of original signature pages.

13. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the law of the State of California, and venue shall be in Sacramento County, California.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT as of the Effective Date.

TRANSFEROR:

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By:

TRANSFeree:

< NAME >

By:

Title: _____

Date: _____, 2017

EXHIBIT A

ASSIGNMENT INSTRUMENT NO. ____

As of [DATE]

Reference is made to that certain Master Assignment and Assumption Agreement, dated as of _____, 2017, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, as "*Transferor*" and _____, a _____, as "*Transferee*" (the "*Master Assignment Agreement*"). Capitalized terms used but not defined herein shall have the meaning given to such term in the Master Assignment Agreement.

As evidenced by the signature of each party hereto, pursuant to Section 2 of the Master Assignment Agreement, Transferor hereby sells, assigns and transfers to Transferee, and Transferee purchases from Transferor, as of the dates set forth on the attached Attachment 1 and for the Assignment Term, all of Transferor's right, title, and interest in, to, and under each Transferred Interest specified on the attached Attachment 1 in exchange for the (i) the consideration specified on the attached Attachment 1 with respect to such Transferred Interest, and (ii) Transferor's undertakings in Section 5 of the Master Assignment Agreement.

Each of the parties hereto acknowledges and agrees that the terms of Master Assignment Agreement are incorporated by reference hereto and shall apply as though the same were included in this assignment instrument. Each of the parties hereby represents and warrants that the representations and warranties made by such party in the Master Assignment Agreement are true and correct in all material respects as of the date hereof.

This assignment instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This assignment instrument shall be governed by, and construed in accordance with, the law of the State of California.

In the event of a prepayment under an Assessment Contract related to the Transferred Interest, the proceeds of the prepayment shall be applied for the following purposes in the following order of priority: (i) the Transferee shall be entitled to receive the prepayment premium paid by the Property Owner (as defined in the Assessment Contract), (ii) payment of accrued interest on the unpaid Initial Assessment to the extent of such prepayment as of the date of the prepayment and (iii) reduction of the unpaid Initial Assessment.

[signature page follows]

Acknowledged and Accepted as of [_____]:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By:

< NAME >

By:

Attachment 1

<u>Property Owner</u>	<u>APN</u>	<u>Address</u>	<u>Date of Transfer</u>	<u>Principal Amount</u>	<u>Consideration*</u>	<u>Date of Assessment Contract</u>

* The consideration amount is net of fees payable to bond counsel and Transferor on the Issue Date in connection with the issuance by Transferor of Complying PACE Bonds in exchange for reconveyance of the Transferred Interest, for which Transferee will be responsible. The fees shall be described in a memorandum regarding _____.

EXHIBIT B
FORM OF ASSESSMENT CONTRACT

[see attached]

EXHIBIT C
FORM OF INDENTURE

[see attached]

EXHIBIT D
RE-CONVEYANCE INSTRUMENT
(ASSIGNMENT INSTRUMENT NO. ____)

As of [DATE]

Reference is made to that certain Master Assignment and Assumption Agreement, dated as of _____, 2017, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (“WRCOG”, or the “*Re-Conveyance Transferee*”), and _____, a Delaware Limited Partnership (the “*Re-Conveyance Transferor*”) (the “*Master Assignment Agreement*”). Further reference is made to that certain Assignment Instrument No. ____, dated as of [____], by and between WRCOG, as Transferor, and _____, a _____, as Transferee. Capitalized terms used but not defined herein shall have the meaning given to such term in the Master Assignment Agreement.

As evidenced by the signature of each party hereto, pursuant to Section 5(b) of the Master Assignment Agreement, in exchange for the cash or bond consideration indicated below, Re-Conveyance Transferor hereby assigns and transfers to Re-Conveyance Transferee, and Re-Conveyance Transferee assumes from Re-Conveyance Transferor, all of Re-Conveyance Transferor’s right, title, and interest in, to, and under each Exchanged Transferred Interest specified on the attached Attachment 1.

Each of the parties hereto acknowledges and agrees that the terms of Master Assignment Agreement are incorporated by reference hereto and shall apply as though the same were included in this assignment instrument. Re-Conveyance Transferor hereby reaffirms the representations in Section 4(c) and 4(d) of the Master Assignment Agreement as of the date hereof.

This re-conveyance instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This re-conveyance instrument shall be governed by, and construed in accordance with, the law of the State of California.

[signature page follows]

Acknowledged and Accepted as of [_____]:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By:

[transferee]

By:

Attachment 1

<u>Property Owner</u>	<u>APN</u>	<u>Address</u>	<u>Date of Transfer</u>	<u>Principal Amount</u>	<u>Date of Assessment Contract</u>

EXHIBIT E
DEPOSITARY AND ACCOUNT CONTROL AGREEMENT

EXHIBIT F

LIST OF ASSIGNMENT DELIVERABLES

MASTER ASSIGNMENT LEVEL CLOSING DOCUMENTS

1. Joint Powers Agreement, dated as of _____, 1990, as amended.
2. Resolution No. _____ entitled “_____”
3. Master Assignment and Assumption Agreement, dated as of _____, 2017.
4. Depositary and Account Control Agreement, dated as of _____, 2017.
5. Opinion of Counsel to Transferor as to due authorization, execution, delivery and enforceability of Agreement (substantially as set forth in Exhibit G) with a reliance letter in favor of Transferee.
6. Opinion of Counsel to Depositary as to due authorization, execution, delivery and enforceability of Depositary and Account Control Agreement.

ASSIGNMENT LEVEL CLOSING DOCUMENTS

A. LOCAL JURISDICTION DOCUMENTS

- A.1. Resolution of applicable jurisdiction authorizing CaliforniaFIRST Program.

B. PROPERTY-SPECIFIC DOCUMENTS [THIS SECTION MAY BE REPEATED FOR MULTIPLE PROPERTIES]

- B.1. CEQA Certification.
- B.2. Agreement to Pay Assessment and Finance Improvements.
- B.3. Payment of Contractual Assessment Required/Notice of Assessment (recorded in real property records), along with confirmation of recording in real property records of applicable county.
- B.4. Property Owner Disbursement Request Letter (not applicable if there is no property owner disbursement at closing).
- B.5. Requisition No. 1 from Program Account (not applicable if there is no property owner disbursement at closing).
- B.6. Closing Statement.
- B.7. Lender Consent.
- B.8. Property Owner Closing Certificate.
- B.9. Title Report.
- B.10. Property Owner Officer's Certificate.

C. ASSIGNMENT-LEVEL CLOSING DOCUMENTS

- C.1. Assignment Instrument.
- C.2. Closing Certificate and Direction of the Authority to the Custodian pursuant to Section 2(c) of the Master Assignment and Assumption Agreement and Section [___] of the Depositary and Account Control Agreement
- C.3. Requisition No. 1 from Costs of Issuance Account.
- C.4. Compliance Certification (Program Administrator).
- C.5. Opinion of Counsel to Transferor as to the matters set forth in Exhibit H.
- C.6. Depositary Closing Certificate.
- C.7. Transferee Closing Letter.
- C.8. Receipt of Transferee.

EXHIBIT G

FORM OF OPINION -- EXECUTION OF AGREEMENT

1. The Authority is a joint exercise of power agency, duly organized and validly existing under the laws of the State of California, with the power to adopt the [Program formation resolutions and the resolution authorizing the Master Assignment/Depository Agreement (the "Resolutions")], to enter into the Master Assignment/Depository Agreements, and to perform the agreements on its part contained therein.
2. The Master Assignment/Depository Agreements have been duly approved by the Authority pursuant to the Resolutions, and each constitutes a valid and binding obligation of the Authority enforceable upon the Authority, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

EXHIBIT H

FORM OF OPINION - EXECUTION OF ASSIGNMENT INTEREST

1. The Assessments levied on the Participating Parcels (as those terms are defined in the Master Assignment) are valid assessments under California law; each Assessment constitutes a lien on the applicable Participating Parcel; and the lien of the Assessments is (i) coequal to and independent of the lien for general taxes and, except as provided in Government Code Section 53936, not subject to extinguishment by the sale of the property on account of the nonpayment of any taxes, and (ii) prior and superior to all liens, claims and encumbrances except (a) the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency; (b) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment related to a Participating Parcel; (c) easements constituting servitudes upon or burdens to the applicable Participating Parcel; (d) water rights, the record title to which is held separately from the title to the applicable Participating Parcel; and (e) restrictions of record. The lien of each Assessment has the same priority as the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency, if any, within which the applicable Participating Parcel is located.
2. Bring-down of opinions listed in Exhibit G.

Item 5.A

PACE Program Activities Update

Attachment 13

Renew / WRCOG Depositary and
Account Control Agreement

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DEPOSITARY AND ACCOUNT CONTROL AGREEMENT

dated as of _____, 2017

among

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS,

RENEWPACE WH LLC,

RENEW FINANCIAL GROUP LLC

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Depositary

DEPOSITARY AND ACCOUNT CONTROL AGREEMENT

This DEPOSITARY AND ACCOUNT CONTROL AGREEMENT (this “**Agreement**”) is made this 29th day of December 2016, by and among the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California (“**WRCOG**”), RenewPACE WH LLC, a Delaware limited liability company (“**Transferee**”), RENEW FINANCIAL GROUP LLC, a Delaware limited liability company (formerly known as Renewable Funding LLC, “**RF**”), acting in its capacity as administrator of the CaliforniaFIRST program (the “**Program**”), and Wilmington Trust, National Association (“**Depository**”).

Recitals

WHEREAS, WRCOG and Depository, acting as trustee, have entered into certain master indentures in connection with the Program (each, a “**Master Indenture**”) in order to provide financing for Improvements (as defined in each Master Indenture) for residential property containing three or fewer units;

WHEREAS, each of Transferee, RF and WRCOG desires to establish the Accounts (defined herein) to streamline the process of collection and disbursement of amounts received by WRCOG in connection with the assignment contemplated in Section 3.07 of each Master Indenture; and

WHEREAS, Wilmington Trust, National Association, has agreed to act as Depository hereunder;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth, the parties to this Agreement hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 will, for all purposes of this Agreement, have the meanings herein specified. Capitalized terms used, but not defined, in this Agreement shall have the respective meanings given to them in each Master Indenture.

“**Agreement**” is defined in the Recitals hereto.

“**Accounts**” means one of, or collectively, the Program Account, Administrative Expense Account, Cost of Issuance Account, Collection Account, Reserve Account or Assignment Funding Account.

“**Administrative Expense Account**” is defined in Section 3.01(b)(i) hereof.

“**Administrative Expenses**” means costs directly related to the administration of the Program, as determined by WRCOG in its sole discretion.

“**Authorized Signatory**” means an Authorized Signatory as designated by a resolution of the Commission of WRCOG.

“Business Day” means any day other than a Saturday, a Sunday, or any other day upon which banks in the state of California are authorized or permitted to close.

“Capitalized Interest Subaccount” is defined in Section 3.01(d)(i) hereof.

“Collection Account” is defined in Section 3.01(d)(i) hereof.

“Conversion” means the exchange of one or more Transferred Interests for one or more Complying Take-Out Bonds

“Cost of Issuance Account” is defined in Section 3.01(c)(i) hereof.

“Costs of Issuance” means all items of expense directly or indirectly payable or reimbursable to WRCOG relating to the authorization, sale and delivery of the Transferred Interests.

“WRCOG” is defined in the preamble hereof.

“Depository” is defined in the preamble hereof.

“Master Indenture” has the meaning given to it in the recitals hereof.

“Owner” means the contractual counterparty to WRCOG under an Assessment Contract.

“Participating Parcel” means the land and improvements on or within which a Project is developed or constructed and to which the Project is permanently affixed in compliance with Chapter 29 of Part 3 of Division 7 of the California Streets and Highway Code.

“Payment Date” means March 2 and September 2 of each year.

“Penalties and Interest” means, with respect to a Participating Parcel, any (i) penalties on any delinquent contractual assessment installment levied on the Participating Parcel pursuant to an Assessment Contract, excluding any such penalties that are payable to the applicable county and (ii) interest on a contractual assessment levied on the Participating Parcel pursuant to an Assessment Contract in excess of (A) the scheduled interest installments provided in the Assessment Contract and (B) the interest accrued on any past-due principal installments at the same interest rate reflected by the scheduled interest installments provided in the Assessment Contract.

“Permitted Investments” means any investments authorized under California law for the funds to be invested.

“Prepayment” means a prepayment of an Assessment Contract, less any Administrative Expenses collected as part of such prepayment.

“Prepayment Subaccount” is defined in Section 3.01(d)(i) hereof.

“Program” is defined in the preamble hereof.

“Program Account” is defined in Section 3.01(a)(i) hereof.

“Project” means an improvement authorized under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and the Program Guidelines.

“Reserve Account” is defined in Section 3.01(e)(i) hereof.

“RF” is defined in preamble hereof.

“Transferee” is defined in the preamble hereof.

“Transferee Payment” means the Assignment Purchase Price received from the Transferee pursuant to Section 3.07(A) of a Master Indenture.

ARTICLE II APPOINTMENT OF DEPOSITARY

Section 2.01 Acceptance of Appointment of Depositary. The Depositary hereby agrees to act as such and as a securities intermediary (within the meaning of Section 8102(a)(14) of the California UCC) and to accept all cash, payments, other amounts and investments to be delivered to or held by the Depositary pursuant to the terms of this Agreement and Section 3.07 of a Master Indenture. The Depositary shall hold and maintain the Accounts during the term of this Agreement.

The Collections Account and Reserve Account and the cash, instruments and investments in such accounts shall be held in the custody of the Depositary, as agent solely for the benefit of Transferee, but subject to the control and direction of WRCOG.

The Costs of Issuance Account, Program Account and Administrative Expense Account and the cash, instruments and investments in such accounts shall be held in the custody of the Depositary, as agent solely for the benefit of WRCOG.

Section 2.02 Authority. WRCOG shall have no right to withdraw or transfer funds from the Accounts, as third party beneficiary or otherwise, other than the rights set forth in Sections 3.02(b), (c) and (d) hereof.

Section 2.03 Successors. With respect to the appointment of the Depositary, the following will apply:

(i) Any bank or company into which the Depositary may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Depositary may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this

Section 2.03) will be the successor to such Depositary without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Depositary will give each of WRCOG and Transferee written notice of any such succession hereunder.

(ii) WRCOG and Transferee may jointly agree to remove the Depositary initially appointed and any successor thereto, and may appoint a successor thereto, but any Depositary will be a national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000 and subject to supervision or examination by federal or state authority. If such national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section, combined capital and surplus of such national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(iii) The Depositary may at any time resign by giving written notice of such resignation to each of WRCOG and Transferee. Upon receiving notice of such resignation, the WRCOG and Transferee will promptly and jointly appoint a successor Depositary, satisfying the requirements of Section 2.03(ii) above, by an instrument in writing. Any resignation or removal of the Depositary will become effective upon acceptance of appointment by the successor Depositary and the transfer of all Accounts to such successor.

(iv) If, by reason of the judgment of any court, the Depositary is rendered unable to perform its duties hereunder, WRCOG and Transferee will promptly and jointly appoint a successor Depositary by an instrument in writing.

(v) If no appointment of a successor Depositary is made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Depositary has given to each of WRCOG and Transferee written notice or after a vacancy in the office of the Depositary has occurred by reason of its inability to act, the Depositary or any other party hereto may apply to any court of competent jurisdiction to appoint a successor Depositary. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Depositary.

ARTICLE III THE ACCOUNTS

Section 3.01 Establishment of Accounts.

(a) Program Account.

(i) The Program Account is hereby established as a separate account (the “**Program Account**”) to be held by the Depositary, to the credit of which deposits will be made from the Transferee Payment with respect to each Transferred Interest pursuant to Section 3.01(f). Funds in the Program Account shall be held by the Depositary and disbursed as provided in Section 3.02(a).

(ii) The Depositary will maintain the Program Account until WRCOG and Transferee direct the Depositary to close the Account, and then the Depositary will transfer any moneys remaining therein, including any investment earnings thereon, to the Collection Account.

(iii) Funds in the Program Account will be invested in accordance with Article IV, and earnings and profits resulting from said investment will be retained by the Depositary in the Program Account to be used for the purposes of such Account.

(b) Administrative Expense Account.

(i) The Administrative Expense Account is hereby established as a separate account (the “**Administrative Expense Account**”) to be held by the Depositary, to the credit of which deposits will be made from (A) amounts transferred to WRCOG from the Administrative Expense Fund, held under a Master Indenture, in connection with a Release and (B) payments received in respect of each Transferred Interest, in each case, in the amount identified for the payment of Administrative Expenses pursuant to Section 3.01(f). Funds in the Administrative Expense Account shall be held by the Depositary and disbursed as provided in Section 3.02(b).

(ii) The Depositary shall close the Administrative Expense Account following the Conversion of the final Transferred Interest pursuant to Section 3.07(F) of a Master Indenture (as notified to the Depositary by WRCOG) and payment of all Administrative Expenses associated with such Conversion. Upon closing the Administrative Expense Account, any remaining funds shall be transferred to the Authority and used for any lawful purpose.

(iii) Moneys in the Administrative Expense Account shall be invested in accordance with Article IV, and earnings and profits resulting from such investment shall be retained by the Depositary in the Administrative Expense Account to be used for the purposes of such Account.

(c) Cost of Issuance Account.

(i) The Cost of Issuance Account is hereby established as a separate account (the "**Cost of Issuance Account**") to be held by the Depositary, to the credit of which deposits will be made from amounts contributed by a Property Owner in relation to a Release pursuant to Section 3.01(f). Funds in the Cost of Issuance Account will be held by the Depositary and disbursed as provided in Section 3.02(c).

(ii) The Depositary will maintain the Cost of Issuance Account until WRCOG and Transferee direct the Depositary to close the account, and then the Depositary will transfer any moneys remaining therein, including any investment earnings thereon, to the Collection Account.

(iii) Moneys in the Cost of Issuance Account shall be invested in accordance with Article IV, and earnings and profits resulting from such investment shall be retained by the Depositary in the Cost of Issuance Account to be used for the purposes of such account.

(d) Collection Account.

(i) The Collection Account is hereby established as a separate account (the "**Collection Account**") to be held by the Depositary, to the credit of which deposits will be made from the (A) Transferee Payment with respect to each Transferred Interest pursuant to Section 3.01(f) and (B) collection of all amounts due pursuant to each of the Transferred Interests, including Penalties and Interest (other than amounts allocable to the payment of Administrative Expenses pursuant to Section 3.01(f)).

Within the Collection Account there are hereby established the following subaccounts:

(1) the Prepayment Subaccount (the "**Prepayment Subaccount**") to the credit of which deposits will be made from the (A) Transferee Payment with respect to each Transferred Interest pursuant to Section 3.01(f) and (B) collection of any payment identified to the Depositary as a Prepayment; and

(2) the Capitalized Interest Subaccount (the "**Capitalized Interest Subaccount**"), to the credit of which deposits will be made from the Transferee Payment with respect to any Transferred Interest for which interest was capitalized.

Funds in the Collection Account, and the subaccounts therein, will be held by the Depositary and disbursed as provided in Section 3.02(d) hereof.

(ii) The Depositary will maintain the Collection Account until WRCOG and Transferee direct the Depositary to close the Collection Account, and the subaccounts therein, whereupon the Depositary will transfer any moneys remaining therein, including any investment earnings thereon, to Transferee.

(iii) Funds in the Collection Account, and the subaccounts therein, will be promptly distributed to Transferee in accordance with Section 3.02(d).

(e) Reserve Account.

(i) The Reserve Account is hereby established as a separate account (the “**Reserve Account**”) to be held by the Depositary, to the credit of which deposits will be made from amounts transferred to WRCOG from the Reserve Fund, held under a Master Indenture, in connection with a Release.

Amounts on deposit in the Reserve Account will be held in escrow by the Depositary and disbursed only at the written direction of WRCOG (signed by an Authorized Signatory) or RF (acting in its capacity as administrator of the Program) in connection with the issuance of Take-Out Bonds.

(ii) The Depositary will maintain the Reserve Account until WRCOG and Transferee direct the Depositary to close the Reserve Account, whereupon the Depositary will transfer any moneys remaining therein, including any investment earnings thereon, to the Collections Account.

(iii) Moneys in the Reserve Account shall be invested in accordance with Article IV, and earnings and profits resulting from such investment shall be retained by the Depositary in the Reserve Account to be used for the purposes of such account.

(f) Deposits to the Accounts.

(i) On each Assignment Date, the Depositary will deposit into the (A) Program Account and Collection Account (and Prepayment Subaccount and Capitalized Interest Subaccount therein) the applicable portions of the Assignment Purchase Price remaining after redeeming Bonds pursuant to Section 2.03(A)(iii) of a Master Indenture, (B) Reserve Account the amounts indicated in Sections 3.01(b)(i) and (e)(i), as applicable and (C) Cost of Issuance Account, the amount received from a Property Owner in relation to a Release. RF, acting as agent for WRCOG, will advise the Depositary in writing on each such date as to the amount of the Transferee Payment to be deposited into each of the Accounts.

(ii) On or before the date on which payment is due to be received under the Assessment Contracts, RF, acting as agent for WRCOG, will advise the Depositary in writing as to the amount of each payment to be deposited into the Collection Account and Administrative Expense Account. The Depositary will accept from RF an aggregate schedule of installments under the Assessment Contracts and a direction to deposit into the Administrative Expense Account, on each date on which payment is received, the amount identified as being paid for Administrative Expenses. If a payment, including a Prepayment, is received before RF has notified the Depositary of the amount to be deposited into each account, the Depositary shall deposit the entire amount into the Collection Account pending receipt of instructions from RF.

Section 3.02 Disbursement of Accounts.

(a) Program Account. Amounts in the Program Account will be disbursed from time to time to pay authorized expenses in respect of Projects upon the written request of WRCOG (signed by an Authorized Signatory) or RF (acting in its capacity as administrator of the Program). Such written notice will be sufficient evidence to the Depositary of the facts stated therein, and the Depositary will have no duty to confirm the accuracy of such facts. If WRCOG (in a written certificate signed by an Authorized Signatory) or RF (acting in its capacity as administrator of the Program) notifies the Depositary that amounts remaining in the Project Account exceed authorized but unpaid expenses with respect to a particular Project, such excess amounts, and any earnings thereon, shall be transferred to the Collection Account.

Notwithstanding the foregoing under this Section 3.02(a), amounts on deposit in the Program Account will be disbursed at the written direction of WRCOG (signed by an Authorized Signatory) or RF (acting in its capacity as administrator of the Program) in connection with the issuance of Take-Out Bonds.

(b) Administrative Expense Account. Unless otherwise directed in writing by WRCOG (signed by an Authorized Signatory), amounts in the Administrative Expense Account will be disbursed to WRCOG from time to time to pay Administrative Expenses upon the written request of WRCOG (signed by an Authorized Signatory). Alternatively, WRCOG may direct the Depositary to make payment of Administrative Expenses directly from the Administrative Expense Account to the applicable payees. Such written notice (signed by an Authorized Signatory) will be sufficient evidence to the Depositary of the facts stated therein, and the Depositary will have no duty to confirm the accuracy of such facts. The Depositary will pay all Administrative Expenses after receipt of such notice or an invoice from any such payee, which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the notice requesting payment of Administrative Expenses.

Notwithstanding the foregoing under this Section 3.02(b), amounts on deposit in the Administrative Expense Account will be disbursed at the written direction of WRCOG (signed by an Authorized Signatory) or RF (acting in its capacity as administrator of the Program) in connection with the issuance of Take-Out Bonds.

(c) Cost of Issuance Account. Amounts in the Cost of Issuance Account will be disbursed from time to time to pay Costs of Issuance, upon the written request (signed by an Authorized Signatory) of WRCOG specifying the respective amounts to be paid to the designated payees and delivered to the Depositary concurrently with the closing of an Assignment under a Master Indenture and the payment to the Depositary of the related Transferee Payment, or in any future requisition submitted by WRCOG (signed by an Authorized Signatory) to the Depositary. Each such written notice (signed by an Authorized Signatory) will be sufficient evidence to the Depositary of the facts stated therein and the Depositary will have no duty to confirm the accuracy of such facts. The Depositary will pay all Costs of Issuance after receipt of such written notice, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the written notice requesting payment of Costs of Issuance.

(d) Collection Account. Amounts in the Collection Account and Prepayment Subaccount will be disbursed to Transferee on each Payment Date during the term of this Agreement.

Amounts in the Capitalized Interest Subaccount will be disbursed to Transferee on each Payment Date pursuant to a payment schedule provided in writing to the Depositary by WRCOG (in a written certificate signed by an Authorized Signatory) or RF (acting in its capacity as administrator of the Program).

Depositary shall make such distribution, without notice or request from any party, to the account identified at Exhibit A attached hereto, unless Transferee shall by written notice designate a different account.

Notwithstanding the foregoing under this Section 3.02(d), amounts on deposit in the Collection Account will be disbursed at the written direction of WRCOG (signed by an Authorized Signatory) or RF (acting in its capacity as administrator of the Program) in connection with the issuance of Take-Out Bonds.

(e) Reserve Account. Amounts on deposit in the Reserve Account will be disbursed only as expressly provided 3.01(e).

ARTICLE IV INVESTMENTS; LIABILITY OF THE AUTHORITY

Section 4.01. Deposit and Investment of Moneys in Funds. The following will apply to the investment of funds held by the Depositary:

(a) Moneys in any Account created or established by this Agreement and held by the Depositary will be invested by the Depositary in Permitted Investments, as directed pursuant to a written notice (signed by an Authorized Signatory) delivered by WRCOG or, with respect to the Collection Account and Reserve Account, the Transferee to the Depositary at least two Business Days in advance of the making of such investments. In the absence of any such notice, the Depositary shall invest any such moneys in following investment, or such other investment identified in writing by WRCOG to the Depositary from time to time: BlackRock Fed Fund.

Obligations purchased as an investment of moneys in any Account will be deemed to be part of such Account, subject, however, to the requirements of this Agreement for transfer of earnings and profits resulting from investment of amounts in any Accounts.

(b) The Depositary may act as principal or agent in the acquisition or disposition of any Permitted Investment. The Depositary will incur no liability for losses arising from any investments made pursuant to this section. The Depositary will be entitled to rely upon any investment directions from WRCOG or Transferee (as applicable) as conclusive certification to the Depositary that the investments described therein are so authorized under the laws of the State of California. The Depositary will not invest any cash held by it hereunder in the absence of timely and specific written direction from the WRCOG or Transferee (as applicable). In no event will the Depositary be liable for the selection of investments.

(c) Investments in any and all Accounts may at the discretion of the Depositary be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Accounts of amounts received or held by the Depositary hereunder, provided that the Depositary will at all times account for such investments strictly in accordance with the Accounts to which they are credited and otherwise as provided in this Agreement.

(d) The Depositary will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or Account to which such investment security is credited. The Depositary will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Section 4.02 Limited Liability of WRCOG. WRCOG will not be obligated to make any payments required hereunder or under any Transferred Interest, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than as specifically provided herein.

Section 4.03 Employment of Agents by WRCOG. In order to perform its duties and obligations hereunder, WRCOG may employ such persons or entities as it deems necessary or

advisable. WRCOG will not be liable for any of the acts or omissions of such persons or entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE V DUTIES AND LIABILITY OF DEPOSITARY

Section 5.01 Liability of Depositary. With respect to the liability of the Depositary, the following will apply:

(a) The recitals of facts, covenants and agreements herein and in the Transferred Interests will be taken as statements, covenants and agreements of WRCOG, and the Depositary assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of this Agreement or any Master Indenture, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein, or in any Master Indenture, assigned to or imposed upon it. The Depositary will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Depositary assumes no responsibility or liability for any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the Transferred Interests.

(b) The Depositary may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Depositary and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Depositary, the Depositary will be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement on their face.

Except as provided above in this paragraph, the Depositary will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Depositary will not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

(c) The Depositary will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Depositary was negligent in ascertaining the pertinent facts.

(d) No provision of this Agreement will require the Depositary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers unless the Transferee has offered to the Depositary security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it.

(e) The Depositary will be under no obligation to exercise any of the rights or powers vested in it hereunder at the request or direction of Transferee unless Transferee has offered to the Depositary security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(f) The Depositary will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of god or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Depositary.

(g) The Depositary agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Depositary has received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate will be amended and replaced whenever a person is to be added or deleted from the listing. If WRCOG or Transferee elects to give the Depositary e-mail or facsimile instructions (or instructions by a similar electronic method) and the Depositary in its discretion elects to act upon such instructions, the Depositary's understanding of such instructions will be deemed controlling. The Depositary will not be liable for any losses, costs or expenses arising directly or indirectly from the Depositary's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Each of WRCOG and Transferee agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Depositary, including without limitation the risk of the Depositary acting on unauthorized instructions (absent negligence on the part of the Depositary), and the risk of interception and misuse by third parties.

(h) The Depositary will have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Transferred Interests.

(i) The Depositary may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Depositary will not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

Section 5.02 Information; Books and Accounts. The Depositary will provide to the each of WRCOG and Transferee (i) such information relating to the Accounts maintained by the

Depository hereunder as either may reasonably request, including but not limited to a statement reporting the amounts of any Assessment installment (including delinquent installments) or Prepayment deposited into the Collection Account since the previous statement, (ii) balances in each Account immediately prior to and after the distribution from the Collection Account on the next succeeding Payment Date and (iii) such other information relating to the Assessments and the funds and the accounts maintained by the Depository hereunder as the Transferee may reasonably request.

The Depository will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Depository, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts disbursed from all of the Accounts. Such books of record and accounts will, upon reasonable notice, at all times during business hours on any Business Day be subject to the inspection of each of WRCOG and Transferee.

Section 5.03 Notice to Depository. The Depository may conclusively rely, without undertaking any investigation or inquiry, and will be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or proper parties.

The Depository may consult with counsel, who may be counsel to WRCOG, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties hereunder the Depository deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Depository, be deemed to be conclusively proved and established by a certificate of an Authorized Signatory of WRCOG or Transferee, as applicable.

Section 5.04 Compensation; Indemnification. WRCOG will pay to the Depository from time to time reasonable compensation for all services rendered as Depository hereunder, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the Depository's in house or other attorneys and agents, incurred in and about the performance of their powers and duties hereunder, but the Depository will not have a lien therefor on any funds at any time held by it hereunder.

WRCOG further agrees, if permitted by applicable law, to indemnify and save the Depository, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including without limitation legal fees and expenses) which are not due to its negligence or willful misconduct.

The obligations of WRCOG under this Section will survive resignation or removal of the Depositary hereunder, Conversion of the Transferred Interests, and discharge of the Assessment Contracts.

ARTICLE VI MISCELLANEOUS

Section 6.01 Notices. All notices or communications herein required or permitted to be given to a party hereto shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to WRCOG:	Western Riverside Council of Governments 4080 Lemon Street, Third Floor Riverside, California 92501 Attention: Executive Director

If to Transferee:	RenewPACE WH LLC 1221 Broadway, 4th Floor Oakland, California 94612

If to the Depositary:	Wilmington Trust, National Association 650 Town Center Drive, Suite 600 Costa Mesa, California 92626 Attention: Corporate Trust Services

If to RF:	Renew Financial Group LLC 1221 Broadway, 4th Floor Oakland, CA 94612 Attn: Mimi Frusha & David Sykes Facsimile: (510) 451-7904

Section 6.02 Partial Invalidity. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. WRCOG hereby declares that it would have entered into this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the Assessment Contracts and Assignments irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 6.03 Applicable Law. This Agreement will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 6.04 Payment on Business Day. In any case where a payment hereunder is to be made on a day which is not a Business Day, such payment need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest will accrue from such date until such Business Day.

Section 6.05 Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as shall be preserved undestroyed, shall together constitute but one and the same instrument.

Section 6.06 Binding Effect; Amendment. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors, assigns, and personal representatives; provided, that no party hereto may assign its rights hereunder without the prior written consent of the other parties hereto, except to an Affiliate. The terms and conditions of this Agreement may not be superseded, modified, or amended except in writing stating that it is such a modification and signed by an authorized representative of each party hereto.

Section 6.07 Further Assurances. Each of the parties hereto shall promptly deliver to the other upon reasonable request all such other and further documents, agreements, and instruments to enforce and confirm the transactions contemplated hereunder, and shall file any notices and obtain any consents as may be reasonably necessary or appropriate in connection therewith.

Section 6.08 Complete Agreement. This Agreement constitutes the entire agreement between the parties as to the subject matter hereof, and supersedes and replaces all prior and contemporaneous agreements, written or oral, regarding such subject matter.

Section 6.09 Negotiated Instrument. This Agreement was freely negotiated by the parties hereto, and no provision hereof shall be construed against any party on the grounds that such party or its counsel was the drafter thereof.

Section 6.10 No Partnership or Joint Venture. Nothing herein shall be deemed or construed to create a joint venture or partnership between the parties.

Section 6.11 No Third Party Beneficiaries. No person not a party hereto shall have any rights hereunder, it being intended that there shall be no third party beneficiaries.

[signature pages follow]

IN WITNESS WHEREOF, the parties have executed this DEPOSITARY AND ACCOUNT CONTROL AGREEMENT as of the date hereof.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Signatory

RENEWPACE WH LLC

By: _____
Authorized Signatory

WILIMINGTON TRUST, NATIONAL ASSOCIATION

By: _____
Authorized Signatory

RENEW FINANCIAL GROUP LLC

By: _____
Authorized Signatory

EXHIBIT A

ACCOUNT INFORMATION FOR COLLECTION ACCOUNT DISBURSEMENTS PURSUANT TO SECTION 3.02(D)

RenewPACE WH LLC
Bank: U.S. Bank, N.A.
Mpls, MN
ABA: 091-000-022
Account: 1047-9155-3738
FBO: RenewPACE WH LLC

Item 5.A

PACE Program Activities Update

Attachment 14

Renew Financial Administration
Agreement

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RENEW FINANCIAL PROGRAM ADMINISTRATION AGREEMENT

1. PARTIES AND DATE.

This Renew Financial Program Administration Agreement is made and entered into as of _____, 2017, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and Renew Financial Group LLC, a Delaware limited liability company (“Renew”). WRCOG and Renew are sometimes individually referred to as a “Party” and collectively as the “Parties.” This agreement may be referred to herein as the “Administration Agreement” or the “Agreement.”

2. RECITALS.

2.1 The Executive Committee of WRCOG (the “Executive Committee”) has established a property assessed clean energy (“PACE”) program designated as the Energy Efficiency and Water Conservation Program for Western Riverside County (the “WRCOG Program” or “Program”) pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) (“Chapter 29”), the Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as further amended to date (as amended, the “JPA”), and separate Implementation Agreements entered into pursuant to the JPA by and between WRCOG and its member agencies that elected to participate in the WRCOG Program (the “Member Agencies”), to assist owners of commercial properties (the “Commercial Properties”) or residential properties (“Residential Properties”) within the jurisdictional boundaries of such Member Agencies to finance the cost of installation of distributed generation renewable energy sources or energy efficiency or water conservation improvements or electric vehicle charging infrastructure (the “Eligible Products”) that are permanently fixed to the properties of such owners.

2.2 As a part of such proceedings, the Executive Committee initially approved and has subsequently amended a report prepared pursuant to and addressing all of the matters set forth in Streets and Highways Code Section 5898.22 and 5898.23 (as amended, the “Program Report”), including a map showing the boundaries of the territory within which the voluntary contractual assessments may be offered (the “WRCOG Program Area”), a form of contract specifying the terms and conditions that would be agreed to by an owner of property within such boundaries and WRCOG (each, a “WRCOG PACE Program Assessment Contract”), a statement of policies of WRCOG concerning such voluntary contractual assessments and a plan for raising a capital amount required to pay for the work performed pursuant to the voluntary contractual assessments.

2.3 As a further part of such proceedings, the Executive Committee provided that one or more series of limited obligation improvement bonds would be issued under the Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State of

California (the “1915 Bond Act”) or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.4 As a part of such proceedings, the Executive Committee provided that one or more Series of Bonds would be issued under the 1915 Bond Act or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.5 Additionally, the Executive Committee authorized Renew to administer and finance a separate program (the “Renew Program”) to finance the installation of Eligible Improvements on Residential Properties and Commercial Properties within the WRCOG Program Area.

2.6 WRCOG and Renew now desire and intend to enter into this Agreement pursuant to which Renew shall provide administrative services for the Renew Program and to provide for and establish the terms and conditions pursuant to which WRCOG will sell to Renew and Renew or its designee shall purchase from WRCOG the limited obligation improvement bonds (“Bonds”) or assignments (“Assignments”) issued by WRCOG to finance the installation of Eligible Improvements on Residential Properties and Commercial Properties the owners of which elect to participate in the Renew Program.

2.7 The Parties hereto desire that this Administration Agreement, together with the Bond Purchase Agreements and Master Assignment Agreements (each as defined below) taken together represent the operating relationship between the parties pertaining to the Renew Program.

3. THE PURPOSE OF THE AGREEMENT.

WRCOG and Renew desire to enter into the Agreement to establish the terms and conditions pursuant to which Renew shall provide administration services to WRCOG for (the “Program Administration Services”) as set forth in Exhibit B attached hereto and incorporated herein by this reference. In respect to such services, Renew desires to perform and assume responsibility for the provision of such Program Administration Services on the terms and conditions set forth in this Agreement. Renew represents that it is legally qualified to provide such Program Administration Services, and has or will obtain all necessary licenses and authorizations from the State of California and any agency of the federal government with the authority to regulate the provision of such Program Administration Services. The Parties intend that terms and conditions providing for the purchase of the Bonds or Assignments to be issued by WRCOG to finance the installation of Eligible Products on Residential and Properties and Commercial Properties located within the Program Areas shall be incorporated in bond purchase agreements (each, a “Bond Purchase Agreement”) or master assignment and assumption agreements (each, a “Master Assignment Agreement”), as applicable, to be entered into between the Parties at the time of issuance of such Bonds and Assignments.

WRCOG desires to engage Renew to render such Program Administration Services as set forth in and pursuant to the terms and conditions of this Agreement.

4. TERMS.

4.1 Scope of Program Administration Services and Term of Agreement.

4.1.1 General Scope of Program Administration Services. Renew promises and agrees to provide Program Administration Services and to furnish financing necessary to provide labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately implement the provision of the Program Administration Services. All Program Administration Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

In the event that the Program Administration Services conflict with the Program Report, the provisions of the Program Report shall prevail; *provided that* WRCOG shall notify Renew of any changes to the Program Report subsequent to the date hereof, and no such changes shall be deemed to control pursuant to this Section 4.1.1. unless and until Renew expressly agrees to any such changes.

4.1.2 Term. The initial term of this Agreement shall commence on the date first written above and shall terminate on the date that is three(3) years following such date, and shall automatically extend for additional one-year terms unless earlier terminated as provided herein.

4.2 Responsibilities of Renew and WRCOG.

4.2.1 Control and Payment of Subordinates; Independent Contractor and Other Costs. The Program Administration Services shall be performed by Renew or its subcontractors in accordance with Section 4.5. Renew will determine the means, methods and details of performing the Program Administration Services subject to the requirements of this Agreement. WRCOG retains Renew on an independent contractor basis and not as an employee. Any personnel performing Program Administration Services under this Agreement on behalf of Renew shall not be employees of WRCOG and shall at all times be under Renew's exclusive direction and control. Renew shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Program Administration Services under this Agreement and as required by law. Renew shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers compensation insurance.

4.2.2 Rights to provide Program Administration Services to other entities and limitations thereon.

(a) Renew shall market the Renew Program to cities within the WRCOG Program Area and the County of Riverside (the "County"); provided, that Renew shall not be required to market the Renew Program to cities that have adopted PACE programs sponsored by California Statewide Communities Development Authority ("CSCDA").

(b) Renew hereby acknowledges that WRCOG has appointed and may, in its sole discretion, appoint additional administrators for the WRCOG Program.

(c) WRCOG hereby acknowledges that Renew has entered into a professional services agreement dated September 21, 2016 (the “CSCDA Agreement”) with CSCDA to provide program administration services to a competing PACE program.

(d) Renew may continue to provide administrative services to CSCDA outside of the WRCOG Program Area and to cities in the WRCOG Program Area that have adopted PACE programs sponsored by CSCDA as of the date of this Agreement. If, after the date of this Agreement, the County or a city currently part of the WRCOG Program requests, of its own accord, Renew to provide services similar to Program Administration Services for such city or county through CSCDA or any other PACE provider, (i) Renew shall provide WRCOG with notice of such a request, and (ii) if requested by WRCOG, Renew shall use commercially reasonable efforts to facilitate and attend a meeting with such city or the county to discuss such request. If such city or the County adopts a PACE program sponsored by CSCDA after the date of this Agreement and Renew is required to originate assessment contracts through CSCDA for such city or the County pursuant to the terms of the CSCDA Agreement, Renew shall immediately cease originating assessment contracts in such city or the County until such time Renew has received written consent of such city or the County to operate through CSCDA; provided however, Renew may continue to process and fund any applications for assessment contracts submitted prior to such city’s or the County’s adoption of a PACE program sponsored by CSCDA.

(e) Additionally, Renew may enter into agreements to provide administrative services to other PACE programs operating in the WRCOG Program Area (each an “Other Issuer”); provided, however, Renew (a) must obtain prior written consent of WRCOG and (b) no term of such agreement shall limit Renew’s ability to originate WRCOG PACE Assessment Contracts through the WRCOG Program. For the avoidance of doubt, this Section 4.2.2(e) does not apply to the CSCDA Agreement.

4.2.3 Schedule of Responsibilities. Renew shall perform Program Administration Services and WRCOG shall perform the WRCOG Responsibilities (defined in 4.2.3 below) upon and pursuant to a Schedule of Responsibilities to be agreed upon by the WRCOG Representative (defined in 4.2.7 below) and the Renew Representative (defined in 4.2.8 below) which Schedule of Responsibilities shall be executed by both the WRCOG Representative and Renew Representative indicating the approval and acceptance of such schedule and the incorporation of such schedule into this Agreement, shall thereafter be attached to this Agreement as Exhibit C hereto and shall thereafter be incorporated herein by this reference. Renew represents that it has the professional and technical personnel and financial resources required to perform Program Administration Services in conformance hereto. WRCOG represents that it has the professional personnel and financial resources required to perform the WRCOG Responsibilities in conformance hereto.

4.2.4 WRCOG Responsibilities. In order to facilitate Renew’s performance of Program Administration Services, WRCOG shall respond to Renew’s requests and submittals in a timely manner including reviewing, approving, acting upon and/or executing documents listed in the Schedule of Responsibilities.

4.2.5 Compensation for Performance of Program Administration Services.

WRCOG has no responsibility to directly pay Renew and the only payment to Renew for the provision or the performance of the Program Administration Services shall be from the proceeds of the Bonds and Assignments to be issued to finance the Eligible Improvements for a property participating in the Renew Program. Renew will be compensated for its Program Administration Services performed relating to the administration of the Renew Program as follows: at the time of the issuance of a Bond (or a Series of Bonds) or an Assignment to fund Eligible Improvements for Residential and Commercial Properties participating in the Renew Program, Renew will receive a one-time fee for its Program Administration Services in the amounts as shall be mutually agreed to by the Parties from time to time and payable solely from the proceeds of the Bonds or Assignments. As of the effective date of this Agreement, the Parties agree that such fee shall be an amount not to exceed 4.00% of project amount; provided, that nothing in this Section 4.2.5 is intended to limit Renew's right to be reimbursed for (a) amounts advanced by Renew on behalf of WRCOG to third parties, including without limitation annual payments to the Trustee or Program Assessment Administrator; or (b) amounts advanced by Renew to contractors to pay for work financed under a WRCOG PACE Program Assessment Contract.

4.2.6 Conformance to Applicable Requirements. At the beginning of each calendar year, Renew shall meet with the WRCOG Representative and other WRCOG representatives to review and approve Renew's marketing and customer service plans for the Renew Program. To the extent there are material changes to the marketing and customer service plans, Renew shall meet with the WRCOG Representative and other WRCOG representatives to review and approve the revised marketing and customer service plans. Renew and WRCOG shall schedule monthly meetings at Renew offices or via teleconference for an update on the Renew Program.

4.2.7 The WRCOG Representative. WRCOG hereby designates Rick Bishop, Executive Director, or his or her designee, to act as its representative for the performance of this Agreement (the "WRCOG Representative"). The WRCOG Representative shall have the power to act on behalf of WRCOG for all purposes under this Agreement. Renew shall not accept direction or orders from any person on behalf of WRCOG other than the WRCOG Representative or his or her designee. The WRCOG Representative shall provide written notice to Renew of the appointment or the rescission of the appointment of any designee of the WRCOG Representative hereunder.

4.2.8 The Renew Representative. Renew hereby designates Annie Henderson, or her designee, to act as its representative for the performance of this Agreement (the "Renew Representative"). The Renew Representative shall have full authority to represent and act on behalf of Renew for all purposes under this Agreement. The Renew Representative shall supervise and direct Program Administration Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of Program Administration Services under this Agreement. The Renew Representative shall provide written notice to the WRCOG Representative of the appointment or the rescission of the appointment of any designee of the Renew Representative hereunder.

4.2.9 Coordination of Program Administration Services. Renew agrees to work closely with WRCOG staff and WRCOG's other consultants engaged to assist WRCOG in the Renew Program (the "Renew Program Consultants") in the performance of Program Administration Services and shall be reasonably available to WRCOG's staff and the Renew Program Consultants.

4.2.10 Standard of Care. Renew shall perform all Program Administration Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Renew represents and maintains that it is skilled in the professional calling and has the financial resources necessary to perform Program Administration Services. Renew warrants that all employees and/or agents of Renew shall have sufficient skill and experience to perform Program Administration Services assigned to them. Finally, Renew represents that it, its employees and agents have, or will have prior to the performance of Program Administration Services, all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform Program Administration Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. Renew shall perform, at its own cost and expense and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by Renew's failure to comply with the standard of care provided for herein.

4.2.11 Laws and Regulations. Renew shall keep itself fully informed of and in compliance in all material respects with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Renew Program or Program Administration Services, including without limitation, all Cal/OSHA requirements and all applicable federal and state securities laws and regulations, and shall give all notices required by law. Renew shall be liable for all violations of such laws, rules and regulations in connection with Program Administration Services. If Renew performs or fails to perform any work contrary to such laws, rules and regulations, Renew shall be solely responsible for all costs arising therefrom. Renew shall defend, indemnify and hold WRCOG, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure by Renew to comply with such laws, rules or regulations.

4.2.12 Bond/Assignment Placement and Issuance of Asset-Backed Securities. WRCOG agrees that Renew (or an affiliate designated by Renew) shall have the sole and exclusive right to purchase Bonds and Assignments related to WRCOG PACE Program Assessment Contracts originated by Renew hereunder, and all proceeds of such Bond issuances or Assignment closings shall be distributed to Renew. Renew may assign such right to close and fund the acquisition of the Bonds or Assignments to a third party. From time to time, a purchaser of the Bonds or Assignments may elect at its own expense to (a) securitize its interest in Bonds or Assignments and sell such securities to the investment community or (b) sell the Bonds or Assignments. All fees and costs associated with such purchaser's issuance of asset-backed securities or selling the Bonds or Assignments, including costs of issuance and annual disclosure costs, shall be borne by the purchaser.

4.3 Accounting Records – Maintenance and Inspection.

Renew shall maintain complete and accurate records, consistent with its records retention policy, which policy shall be commercially reasonable and shall take into account the nature and duration of the instruments to be issued in connection with the Programs. All such records shall be clearly identifiable. Renew shall, at reasonable times and upon reasonable notice, allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Renew shall, at reasonable times and upon reasonable notice, allow inspection of all work, data, documents, proceedings, and activities related to the Agreement. Renew shall cooperate with WRCOG to facilitate WRCOG's compliance with its responsibilities under the California Public Records Act in relation to the Program Administration Services.

4.4 General Provisions.

4.4.1 Grounds for Termination – At Will. Either WRCOG or Renew may, by written notice to the other party, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to such party of such termination, and specifying the effective date thereof, at least ninety (90) days before the effective date of such termination (such date, the "Termination Date").

4.4.1.1 Effect of Termination. Renew shall cease originating WRCOG PACE Program Assessment Contracts on the Termination Date, and shall notify WRCOG of all pending applications for WRCOG PACE Program Assessment Contracts as of such date (each, a "Pending Renew Program Assessment Contract"). Renew shall have the right to process and fund such Pending WRCOG Assessment Contracts subject to the review of the appropriate documentation by WRCOG. Upon termination, Renew shall be compensated in the amount and from the sources set forth in Section 4.2.4 only for those Program Administration Services which have been adequately rendered (including with respect to any Pending Renew Program Assessment Contracts that are funded following the Termination Date), and Renew shall be entitled to no further compensation. If this Agreement is terminated as provided herein, WRCOG may require Renew to provide all finished or unfinished documents and data and other information of any kind prepared by Renew in connection with the performance of services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

4.4.1.2 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

4.4.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Renew: Renew Financial Group LLC
1221 Broadway, 4th Floor
Oakland, CA 94612
Attn: Annie Henderson
Email: annie@renewfinancial.com

With copy to: Email: notices@renewfinancial.com

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Rick Bishop
Facsimile: (951) 787-7991

With copy to: Best Best & Krieger LLP
3390 University Avenue, 5th Floor
Riverside, CA 92502
Attn: Steven DeBaun, Esq., General Counsel, WRCOG
Facsimile: (951) 686-3083

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

4.4.2 Confidentiality, Intellectual Property and Data Compilation.

(a) Confidentiality. Except as otherwise set forth in this Agreement, all ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other documents and data provided either Party to the other Party (including any copies or manuscripts of such information produced by a Party pursuant to this Agreement) or otherwise including any financial structure and financing approach of Renew Program in connection with the performance of this Agreement shall be held confidential by the other Party. Nothing furnished to either Party which is otherwise known to the receiving Party prior to such disclosure or is generally known, or has become known, to the related industry, shall be deemed confidential. Renew shall not use WRCOG's name or insignia in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of WRCOG. Notwithstanding the above, any documents prepared for the Renew Program that are intended to be provided to the public shall not be subject to the limitations of this Section 4.4.3.

(b) Intellectual Property. WRCOG expressly acknowledges and agrees that any and all computer software and all source code thereof, used or developed by Renew (“Proprietary Software”) in performing the Services is proprietary and Renew, or its licensors, shall at all times exclusively own all rights, title, and interest in such software and Proprietary Software, including all intellectual property rights contained therein.

(c) Data Compilation. WRCOG acknowledges and agrees that Renew, or its licensors, will have spent substantial time and effort in collection and compiling data and information (the “Data Compilations”) in connection with the Program Administration Services and that such Data Compilations may be used by Renew (or such licensors) for their own purposes, including, without limitation, sale or distribution to third parties; provided, however, that Renew will not, and shall ensure that its licensors will not, sell or distribute any of WRCOG’s confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

4.4.3 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be reasonably necessary, appropriate or convenient to attain the purposes of this Agreement.

4.4.4 Arbitration and Equitable Relief. This Section shall govern the resolution of all controversies or claims between WRCOG and Renew that arise from this Agreement and any modifications hereto. The provisions of this Section, and the entitlement of one party to obtain damages, or other such appropriate legal or equitable remedies, for a breach by the other party, shall survive termination of this Agreement. Wherever this Agreement makes reference to any means of resolving and dispute between the Parties or termination of the Agreement, the Parties agree to follow the below arbitration procedures.

(a) Arbitration. In consideration of rights and obligations set forth by each party in this Agreement, Renew and WRCOG agree that any and all controversies, claims, or disputes with anyone (including WRCOG and any employee, officer, director, volunteer of WRCOG in his, her or its capacity as such or otherwise), whether brought on any individual, group or class basis, arising out of, relating to, or resulting from Renew’s performance of the Program Administration Services under this Agreement or the termination of this Agreement, including any breach of this Agreement by either Party, shall be subject to binding arbitration in accordance with the Comprehensive Arbitration Rules & Procedures (the “Rules”) of the Judicial Arbitration and Mediation Services (“JAMS”), as they may be amended from time to time where not inconsistent with the further provisions hereof. The Parties hereby agree that judgment upon the award rendered by the arbitrator(s) may be entered in Riverside Superior Court. The Parties submit to the jurisdiction of the Riverside Superior Court for purposes enforcing any such award and entering judgment thereon.

(b) Procedure. Appointment of the arbitrator pursuant to this Section shall be in accordance with the provisions of the Rules, which Rules provide a procedure for the selection of an arbitrator, or arbitration panel if agreed to by the Parties. Renew and WRCOG agree that the arbitrator shall have the power to decide any motions brought by any Party to the arbitration, including motions for summary judgment and/or adjudication, motions to dismiss

and demurrers, and motions for class certification, prior to any arbitration hearing. Renew and WRCOG also agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the arbitrator shall award attorneys' fees and costs to the prevailing Party except as prohibited by law. Costs shall be allocated as set forth in the Rules. Renew and WRCOG agree that the decision of the arbitrator shall be in writing. The written opinion of the arbitrator or arbitrators, as the case may be, shall be governed by the Rules. The arbitrator(s) shall have the powers established by JAMS, as delineated in the Rules, but shall have no authority to revise or vary the terms of this Agreement or the Parties' respective rights and obligations hereunder. Except as provided by the Rules and this Agreement, arbitration shall be the sole, exclusive and final remedy for any dispute between Renew and WRCOG. Accordingly, except as provided for by the Rules and this Agreement, neither Renew nor WRCOG will be permitted to pursue court action regarding claims that are subject to arbitration.

(c) Availability of Injunctive Relief. Renew and WRCOG agree that either Renew or WRCOG may petition a court for provisional relief, including injunctive relief. Renew and WRCOG understand that any breach or threatened breach of such an agreement (including this Agreement) will cause irreparable injury and that money damages will not provide an adequate remedy therefor and both WRCOG and Renew hereby consent to the issuance of an injunction.

4.4.5 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

4.4.6 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

4.4.7 Time of Essence. Time is of the essence for each and every provision of this Agreement.

4.4.8 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

4.4.9 Assignment or Transfer. Renew shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG, provided, however, Renew may assign this Agreement in connection with a merger or the sale of all or substantially all of its assets provided that the successor entity expressly assumes all of the obligations and confirms all of the representations and warranties of Renew hereunder. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

4.4.10 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any

term referencing time, days or period for performance shall be deemed calendar days and not workdays. All references to Renew include all personnel, employees, agents, and subcontractors of Renew, except as otherwise specified in this Agreement. For the avoidance of doubt, references to subcontractors herein shall not be deemed to include contractors installing Eligible Improvements under a WRCOG PACE Program Assessment Contract. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

4.4.11 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

4.4.12 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

4.4.13 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

4.4.14 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

4.4.15 Prohibited Interests. Renew maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Renew or independent contractors and consultants engaged by Renew to perform services of the nature of those included on the Schedule of Responsibilities attached hereto to solicit or secure this Agreement. Further, other than its outside counsel, Renew warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Renew, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

4.4.16 Equal Opportunity Employment. Renew represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

4.4.17 Labor Certification. By its signature hereunder, Renew certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of Program Administration Services.

4.4.18 Authority to Enter Agreement. Renew has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

4.5 Subcontracting.

4.5.1 Prior Approval Required. Renew shall not subcontract any portion of Program Administration Services, except as expressly stated herein, without prior written approval of WRCOG; *provided that* Renew shall not be required to obtain consent in order to hire vendors or individuals that act as independent contractors or consultants with respect to the work such individuals perform for Renew. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

4.6 Insurance.

4.6.1 Time for Compliance. Renew shall not commence Program Administration Services under this Agreement until it has provided evidence satisfactory to WRCOG that it has secured all insurance required under this Section. In addition, Renew shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the subcontractor has secured all insurance required under this section.

4.6.2 Minimum Requirements. Renew shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by Renew, its agents, representatives, employees or subcontractors. Renew shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(a) ***Minimum Scope of Insurance.*** Coverage shall be at least as broad as the latest version of the following: (1) *General Liability:* Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability:* Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers Compensation and Employers Liability:* Workers Compensation insurance as required by the State of California and Employers Liability Insurance.

(b) ***Minimum Limits of Insurance.*** Renew shall maintain limits no less than: (1) *General Liability:* \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this

Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers Compensation and Employers Liability*: Workers Compensation limits as required by the Labor Code of the State of California. Employers Liability limits of \$1,000,000 per accident for bodily injury or disease.

4.6.3 Professional Liability. Renew shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of three (3) years following completion of Program Administration Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim, with a deductible not to exceed \$250,000, and shall be endorsed to include contractual liability.

4.6.4 Privacy/Network Security (Cyber) Liability Coverage. Renew shall procure and maintain insurance providing protection against liability for (1) privacy breaches (2) system breach (3) denial or loss of service (4) introduction, implantation, or spread of malicious software code (5) unauthorized access to or use of computer systems with limits of \$2,000,000. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

4.6.5 Insurance Endorsements. The insurance policies shall contain the following provisions, or Renew shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(a) ***General Liability.*** The general liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to Program Administration Services or operations performed by or on behalf of Renew, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Renew's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of Renew's insurance and shall not be called upon to contribute with it in any way.

(b) ***Automobile Liability.*** The automobile liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Renew or for which Renew is responsible; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Renew's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of Renew's insurance and shall not be called upon to contribute with it in any way.

(c) ***Waiver of Subrogation.*** The insurer shall agree to waive all rights of subrogation against WRCOG, its directors, officials, officers, employees, agents and

volunteers for losses paid under the terms of the insurance policy which arise from work performed by Renew; provided, that such waiver shall not be required with respect to the worker's compensation policy required pursuant to Section 4.6.2.

(d) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (1) the respective insurer (or in the case of professional liability insurance provided pursuant to Section 4.6.3, the respective insurer or Renew) shall provide WRCOG with written notice within thirty (30) days of any suspension, voiding or cancellation of the insurance policy; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to WRCOG, its directors, officials, officers, employees, agents and volunteers.

4.6.6 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its directors, officials, officers, employees, agents and volunteers.

4.6.7 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions in an amount greater than \$10,000 must be declared to and approved by the WRCOG. Except with respect to the deductible set forth in Section 4.6.3, at the option of WRCOG, Renew shall either: (1) reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its directors, officials, officers, employees, agents and volunteers; or (2) procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

4.6.8 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Bests rating no less than A:VII, licensed to do business in California.

4.6.9 Verification of Coverage. Renew shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

4.7 Indemnification.

4.7.1 Indemnification by Renew. Renew shall defend, indemnify and hold WRCOG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any allegedly negligent or wrongful acts or omissions or willful misconduct of Renew, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Renew Program or this Agreement, including without limitation, the negligent disclosure of

WRCOG's confidential information contained in Data Compilations under Section 4.4.2(c) of this Agreement. Such costs, expenses, liability, loss, damage or injury shall including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Renew shall defend, at Renew's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against WRCOG, its directors, officials, officers, employees, agents or volunteers. Renew shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Renew shall reimburse WRCOG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Renew's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, employees, agents or volunteers.

4.7.2 Indemnification by WRCOG. WRCOG shall defend, indemnify and hold Renew, its officials, officers, employees, directors and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any reckless acts or omissions or willful misconduct of WRCOG, its officials, officers, volunteers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Renew Program or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. WRCOG shall defend, at WRCOG's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Renew, its directors, officials, officers, employees, agents or volunteers. WRCOG shall pay and satisfy any judgment, award or decree that may be rendered against Renew or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. WRCOG shall reimburse Renew and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. WRCOG's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Renew, its directors, officials, officers, employees, agents or volunteers.

4.8 No Third-Party Beneficiaries Intended.

Except as otherwise provided in Section 4.7, this Agreement is made solely for the benefit of the Parties and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

RENEW FINANCIAL GROUP LLC

By: _____ By: _____
Rick Bishop, Executive Director [_____]

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

Exhibit “A”

**WRCOG
ADMINISTRATIVE GUIDELINES
AND
PROGRAM REPORT**

Exhibit A

EXHIBIT “B”

SCOPE OF PROGRAM ADMINISTRATION SERVICES

Renew shall provide the following Program Administrative Services:

Program Design

As part of Program Administration Services, Renew shall provide program design services which include: [(1) review and edit all policies relating to projects]; (2) provide documentation, processes and procedures required for registering contractors, accepting, processing and approving property owner applications, reviewing eligibility of and approving proposed improvements, providing and tracking all financing disclosures and accepting, processing and approving funding requests, issuing and executing contractual assessment agreements (property owner and issuer), issuing and executing Bond and Assignment documents, and instructing the trustee when to issue payment for funding requests, including Renew Program Guidelines, Eligible Improvement Lists, contractor registration/approval forms, commercial applications, all financing disclosure forms, all forms required to approve improvements, funding request form(s), and contractual assessment agreement; (3) design and build the Renew Program’ website; (4) integration of Renew’s origination systems with the Renew Program website.

Origination

As part of Program Administration Services, Renew shall provide origination services which include: (1) process all applications, including accepting applications (online and hard copy), entering hard copy applications into online system, pulling all credit, title, valuation and other reports, reviewing eligibility of proposed property, applicants, equipment and contractors, tracking all financing disclosures, application and authorization forms, contacting applicants, contractors and other parties as needed, providing notifications of approval, denial or incomplete status; (2) with respect to commercial projects only, obtaining or assisting property owners to obtain consent of the first mortgage holder, if any; (3) process all funding requests for Residential Properties and Commercial Properties participating in the Renew Program, including accepting funding request forms, reviewing submitted forms and attachments, providing notification of funding request approval, denial or incomplete status; (4) process and finalize all contractual assessment documentation, including issuance of contractual assessment and financing disclosures; (4) provide telephone and email customer service support; (5) track and report to WRCOG key Renew Program statistics, including applications received, approved, WRCOG PACE Program Assessment

Contracts issued and signed; (6) periodically assess and/or adjust policies and procedures of the Renew Program as needed to resolve any recurring issues.

Marketing of Program: As part of Program Administration Services, Renew shall work with WRCOG and its Members jurisdictions to promote the Renew Program including notices on appropriate governmental web sites, press interviews and public meetings and announcements. Renew shall also publicize the Renew Program on its web site as well as through direct contact with property owners. Renew shall maintain sufficient resources to answer any questions by potential participants in the Renew Program. Renew shall also use commercially reasonable efforts to work with WRCOG and Members within the WRCOG Program Area in order to utilize the Renew Program to help bring industry and developments to the areas in which the Renew Program are offered.

Documentation: As part of Program Administration Services, Renew shall work with WRCOG to develop and produce a standard set of documents suitable to the parties that shall document the legal obligations associated with the contractual assessments and the issuance of Bonds and Assignments, and any other legal requirements of the transaction.

**Assessment
Tax Roll Management:** Renew shall work with the Program Assessment Administrator, and the counties within which the Renew Program is offered to ensure that the proper contractual assessment installment are placed on the appropriate property owners property tax bills and that the contractual assessment installments shall be collected promptly for the properties subject to such contractual assessments.

**Regular reporting
Of complaints, claims
Or legal actions** Renew shall provide monthly reports to WRCOG showing all complaints and claims made by property owners who have applied and/or are participants in the Renew Program and any resolution thereto. In addition, Renew shall promptly notify WRCOG of any suits that have been filed against Renew relating to the Program Administration Services.

EXHIBIT “C”

SCHEDULE OF RESPONSIBILITIES

Responsibilities of Renew

Renew will prepare closing package and send to owner(s) of Residential Properties and Commercial Properties participating in the Renew Program (each, a “Owner”) for signature (the “Renew Closing Documents”), which package shall include:

- Financing Summary
- Application
- WRCOG PACE Program Assessment Contract
 - Exhibit A – Description of Property
 - Exhibit B – List of Documents
- Right to Cancel
- Website address where Program Handbook may be downloaded

Upon approval of a WRCOG PACE Program Assessment Contract, Renew will make available the Renew Closing Documents to WRCOG.

Renew will make available the Contractual Assessment Data File for each Bond (or Series of Bonds) or Assignment to be issued, along with all related Bond Documents or Assignment Documents, to Bond Counsel, the Trustee, David Taussig and Associates, and Public Financial Management for review and set-up.

Renew shall execute and make available the Renew Closing Documents (as such term is defined in this Exhibit C above) to Bond Counsel on or before the Closing Date.

Upon receipt of verification that all Closing Documents have been properly executed and, if applicable, recorded, Renew or any assign, affiliate, subsidiary, or any other person or entity that Renew designates will purchase the Bond (or Series of Bonds) or Assignment pursuant to the applicable Bond Purchase Agreement or Master Assignment Agreement. Said purchase will be accomplished via a wire transfer or ACH to the Trustee.

Responsibilities of WRCOG

WRCOG shall prepare, or cause to be prepared, the following documents for each Bond or Series of Bonds:

- Supplemental Indenture
- Improvement Bond
- Notice of Assessment
- Payment of Contractual Assessment Required
- Omnibus Closing Certificate of WRCOG
- Certificate of Trustee
- Instructions to Trustee Regarding Disbursement of Proceeds of Bond

Receipt for Bond Proceeds
Receipt for Improvement Bond
Opinion of Bond Counsel
Supplemental Opinion of Bond Counsel
Reliance Letter of Bond Counsel

WRCOG shall prepare, or cause to be prepared, the following documents for each Assignment:

Deposit and Account Control Agreement
Notice of Assessment
Payment of Contractual Assessment Required
Omnibus Closing Certificate of WRCOG
Certificate of Trustee
Instructions to Trustee Regarding Disbursement of Proceeds of Assignment
Receipt for Assignment Proceeds
Receipt for Assignment
Opinion of Bond Counsel

WRCOG will cause recordation of and notification to the financing team electronically of recordation of:

Notice of Assessment and Assessment Contract
Payment of Contractual Assessment Required

WRCOG will promptly send evidence of such recordation to Renew.

WRCOG will execute and deliver all WRCOG Closing Documents (as such term is defined in the applicable Bond Purchase Agreement) to Bond Counsel at the Closing Location or shall cause all such WRCOG Closing Documents to be so executed and delivered, as applicable, on or before the Closing Date.

WRCOG will execute, by facsimile or original signatures, and deliver the Bond (or Series of Bonds) or Assignment to the Trustee for authentication (with electronic copy to remainder of financing team) and delivery to Renew.

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Item 5.A

PACE Program Activities Update

Attachment 15

CaliforniaFIRST Residential
Assessment Contract

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AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CALIFORNIAFIRST (COUNTY OF RIVERSIDE)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this 17 day of February, 2017, by and between the Western Riverside Council Of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the CaliforniaFIRST program (the "**CaliforniaFIRST Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the county identified on Exhibit A (the "**County**"); and

WHEREAS, the Property is located within the boundaries of unincorporated land of the County, or the incorporated city, identified in Exhibit A as the "Municipality" (the "**Municipality**"), and the Municipality has consented to (i) owners of property within its jurisdiction participating in the CaliforniaFIRST Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described on Exhibit A (the "**Improvements**") and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit A on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit A.

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment.

(a) **Payment of Assessment.** The Property Owner hereby freely and willingly agrees to pay the assessment shown as the "Assessment Amount" on Exhibit B, representing the amounts being financed (i) for purposes of installing the Improvements, which are shown as the "Cost of Improvements" in Exhibit B, and (ii) for the purposes described in Section 3(b) (the "**Assessment**"). The Authority will not provide financing for the benefit of the Property Owner in an amount in excess of the Assessment.

Except as otherwise set forth in this Agreement, the Assessment will be paid in the installments of principal (representing the amortization of the Assessment over the period shown on Exhibit B), except as provided in Section 3(b)(vi), and interest on the unpaid principal at the rate set forth on Exhibit B (collectively, the "**Financing Installments**"). Interest will begin to accrue on the date on which the Authority disburses money to the Property Owner, or its designee, to finance the installation of the Improvements. The interest rate is further described in Section 5(b) of this Agreement.

(b) **Financing of Upfront Costs.** In addition to financing installation of the Improvements, the Authority will finance the following amounts, which are included in the Assessment and shown as "Upfront Costs" on Exhibit B:

(i) **Program-Related Fees.** These include closing fees paid from a portion of bond proceeds to the Authority, any other entities responsible for program management and administration, and issuer and bond counsel to the Authority, and as well as any other related costs of issuance of any bond.

(ii) **Lien Recording Fee.** This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the Property.

(iii) **Reserve Fund Deposit.** This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by the Authority to finance installation of the Improvements on the Property and other Properties participating in the CaliforniaFIRST Program.

(iv) California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA") PACE Loss Reserve Program Fee. This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the Property and other Properties participating in the CaliforniaFIRST Program. The fee will be paid from a portion of bond proceeds.

(v) Foreclosure Expense Reserve Account Deposit. This is a one-time deposit from a portion of bond proceeds into a reserve account that the Authority will use to pay for the costs of foreclosing on the Property and other properties participating in the CaliforniaFIRST program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.

(vi) Capitalized Interest. The Financing Installments and related Administrative Expenses may be billed either on or (to the extent permitted by law) off the County's property tax roll at the sole discretion of the Authority. If on-roll billing is utilized, the CaliforniaFIRST Program's deadline for placing the first year's Financing Installment and related Administrative Expenses (as defined in Section 3(c)) on the County's property tax roll is shown on Exhibit B as the "Applicable Tax Roll Deadline" (the "**Applicable Tax Roll Deadline**"). If the Authority issues a bond to finance installation of the Improvements on the Property before the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, then the first year's Financing Installment and related Administrative Expenses will be billed on the Property Owner's property tax bill for the related Tax Year (as defined in Section 5(c)). However, if the Authority issues such a bond after the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, the first year's Financing Installment will not include a principal component, and a portion of the proceeds of the bond will be used to fund the payment of all of such year's interest component.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), the Authority may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the CaliforniaFIRST Program ("**Administrative Expenses**"). Exhibit B shows the estimated Administrative Expenses with the Financing Installments; **however, such estimated Administrative Expenses may increase if the cost of collecting the Financing Installments or administering the CaliforniaFIRST Program increase.** The Property Owner agrees to pay actual Administrative Expenses, which may be higher than such estimates. The Administrative Expenses, together with each Financing Installment and the Assessment, are referred to collectively as the "**Assessment Obligations.**"

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or any other amount equal to at least \$2,500, at any time. Prepayments will be applied to cause the discharge of the portion of the lien of the Assessment prepaid at the end of the month in which funds are received. Upon request, the Authority will provide a payoff statement and payment instructions. The prepayment amount will include (i) a credit for any applicable refund of amounts financed for the reserve fund deposit described in Section 3(b)(iii); (ii) a credit for any applicable refund of amounts financed to pay interest described in Section 3(b)(vi), (iii) interest, which continues to accrue on the

amount prepaid to the first bond interest payment date that is at least 65 days following the date of the prepayment, and (iv) the reasonable costs of the Authority related to the prepayment. On or prior to the June 30 next following a prepayment, the Authority will provide the Property Owner with an updated payment schedule that reduces subsequent annual installments so that the remaining scheduled payments will be sufficient to pay all amounts due under the Assessment throughout the original remaining term of this Agreement. **As a result of the updated payment schedule, the Property Owner will enjoy a lower annual installment following a prepayment, but the total amount of interest that the Property Owner pays over the term of the Assessment will be higher than if the Property Owner had continued, after the prepayment, to pay annual installments in accordance with the original payment schedule.** Due to circumstances outside the Authority's control, prepayments made after June 30 of any calendar year may result in Property Owner receiving a tax bill that does not reflect that prepayment. In these circumstances, Property Owner must pay the full tax bill and the Authority will refund overpayments to Property Owner when the Authority receives the amount overpaid from the tax collector.

(e) Absolute Obligation. The Property Owner hereby agrees that none of the Assessment Obligations will be subject to reduction, offset or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.

Section 4. Collection of Assessment; Lien. The Assessment Obligations, and the interest and penalties thereon imposed by law as a result of a delinquency in the payment of any Financing Installment and Administrative Expenses, shall constitute a lien against the Property until they are paid and shall be collected and have the lien priority set forth in Chapter 29.

The Property Owner acknowledges that if any Financing Installment and related Administrative Expenses are not paid when due, the Authority has the right to have the delinquent installment, 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 installment, associated penalties and interest, and all costs of suit, including attorneys' fees.

The Property Owner acknowledges that if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent Financing Installments and related Administrative Expenses under specified circumstances. Such a covenant would typically provide that no later than a specific date in each year, the Authority will determine whether the Property is delinquent in the payment of Financing Installments and related Administrative Expenses and, if so, will notify its legal counsel ("**Authority Counsel**") of any such delinquencies. Authority Counsel will commence, or cause to be commenced, the foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint by a specific date acceptable to the bond owner(s).

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the CaliforniaFIRST Program, subject to the Property

Owner's compliance with the conditions for such financing established by the Authority. The Property Owner hereby acknowledges that the Improvements confer a special benefit to the Property in an amount at least equal to the Assessment.

(b) Financing Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements and other purposes described in Section 3(b). The interest rate used to calculate the interest component of the Financing Installments, as identified on Exhibit B, reflects the interest cost of the bonds. If the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule that provides for annual installments that are less than those set forth in the attached Exhibit B. The Property Owner hereby represents to the Authority that the cost of the Improvements as shown in a final invoice provided to the Authority by the Property Owner does not include any costs of constructing the Improvements for which the Property Owner will receive credits, incentives or rebates.

In the event the actual cost of acquisition, construction or installation of the Improvements exceeds the portion of the Assessment expected in this Agreement to be used to finance acquisition, construction and installation of the Improvements, then the Property Owner agrees to pay the additional costs and to complete acquisition, construction or installation of the Improvements.

(c) Initial Tax Year. The Financing Installments and related Administrative Expenses will be placed on the County property tax roll each "**Tax Year**" (being the period beginning July 1 and ending the immediately succeeding June 30), commencing with the first Tax Year in which the Financing Installments and related Administrative Expenses are placed on the Property Owner's property tax bill prior to the Applicable Tax Roll Deadline for a Tax Year (the "**Initial Tax Year on Roll**"). The estimated Initial Tax Year on Roll is identified on Exhibit B.

Section 6. Term; Agreement Runs with the Land; Subdivision. (a) If the Authority has not received a completion certificate for the Improvements within 150 days of the date hereof, this Agreement shall automatically expire. The date of such expiration is shown as the "Expiration Date" on Exhibit B. Except as otherwise set forth in this Agreement, this Agreement shall also expire upon the final payment or full prepayment of the Assessment Obligations. The Authority will notify the Property Owner in writing (at the address specified in Exhibit A) when the lien of the Assessment Obligations has been removed from the property.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment Obligations remain unpaid, the Assessment Obligations will be assigned to the newly created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment Obligations will be assigned to each of the newly created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment Obligations should be allocated in an alternate manner.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property, including but not limited to the Notice of Assessment and the Payment of Contractual Assessment Required.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property (including the purchasers of any subdivisions of the Property) of the obligation to pay the Assessment Obligations pursuant to this Agreement. Neither this Agreement nor the Program imposes limitations nor restrictions on the transfer of the Property and Assessment to a new Property Owner.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment Obligations following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIII D of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner acknowledges its right to cancel this transaction within three (3) business days from the date of its executing this Agreement.

The Property Owner hereby waives its right to repeal the Assessment Obligations by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment Obligations or any aspect of the proceedings of the Authority undertaken in connection with the CaliforniaFIRST 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 Obligations regardless of whether the Improvements are properly installed, operated or maintained as expected.

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that any bond purchaser, the Authority and the city and county in which the Property is located have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases any bond purchaser, the Authority, the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority and the city and county in which the Property is located from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the bond purchaser, the Authority, the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority or the city and county in which the Property is

located.

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials:

GP

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Arbitration Agreement. Please read this Section 10 ("Arbitration Agreement") carefully. It is part of this Assessment Contract and affects the Property Owner's rights. It contains a JURY TRIAL WAIVER and procedures for MANDATORY BINDING ARBITRATION AND A CLASS ACTION WAIVER.

(a) Informal Dispute Resolution. Before asserting a claim in any proceeding, Property Owner ("Property Owner" includes any successor in interest to the Property Owner) and the Authority ("Authority" includes any of the Authority's parents, subsidiaries, affiliates, agents, privities, employees, predecessors, successors, assigns, contractors and sub-contractors) agree that they shall engage in good faith to resolve the claim.

(b) Arbitration. All claims and disputes arising out of or relating to the CaliforniaFIRST Program, this Assessment Contract and/or the Authorized Improvements that cannot be resolved informally or in small claims court shall be resolved by binding arbitration on an individual basis under the terms of this Arbitration Agreement. This Arbitration Agreement applies to the Property Owner and the Authority.

(c) Waiver of Jury Trial. PROPERTY OWNER AND THE AUTHORITY HEREBY WAIVE THEIR CONSTITUTIONAL AND STATUTORY RIGHTS TO GO TO COURT AND HAVE A TRIAL IN FRONT OF A JUDGE OR JURY, instead electing that all claims and disputes shall be resolved by arbitration under this Arbitration Agreement.

(d) Arbitration Rules. The Federal Arbitration Act governs the interpretation and enforcement of this dispute resolution provision. Arbitration shall be initiated through JAMS, Inc., an established alternative dispute resolution provider ("ADR Provider"). If the selected provider is not available to arbitrate, the Parties shall select an alternative ADR Provider. The rules of the ADR Provider shall govern all aspects of this arbitration, except to the extent such rules are in conflict with this Assessment Contract ("Arbitration Rules") or to the extent that application of the Assessment Contract provisions would result in the unenforceability of this Arbitration Agreement. The JAMS rules governing the arbitration are available online at www.jamsadr.com or by calling JAMS at 1-800-352-5267. Any arbitration hearing will be held in the Property Owner's federal judicial district. Any judgment on the awarded rendered by the arbitrator may be entered in any court of competent jurisdiction.

(e) Decision of the Arbitrator. The arbitrator shall issue a written award and statement of decision describing the essential findings and conclusions of which the award is based. The arbitrator has the same authority to award relief on an individual basis that a judge in a court of law would have. The award of the arbitrator is final and binding upon the Property Owner and WRCOG.

(f) Waiver of Class or Consolidated Actions. ALL CLAIMS AND DISPUTES WITHIN THE SCOPE OF THIS ARBITRATION AGREEMENT MUST BE ARBITRATED ON AN INDIVIDUAL BASIS AND NOT ON A CLASS ACTION BASIS, AND ARBITRATION CLAIMS OF MORE THAN ONE PROPERTY OWNER CANNOT BE ARBITRATED OR LITIGATED JOINTLY OR CONSOLIDATED WITH THOSE OF ANY OTHER PROPERTY OWNER.

(g) Severability. If any part or parts of this Arbitration Agreement other than the waiver of class or consolidated rights are found under the law to be invalid or unenforceable, then such specific part or parts shall be of no force and effect and shall be severed and the remainder of the Arbitration Agreement shall continue in full force and effect. If the waiver of class or consolidated rights is found to be unenforceable, then as to the specific dispute in which that ruling of unenforceability was made, this entire Arbitration Agreement shall be unenforceable.

(h) Survival of Agreement. This Arbitration Agreement shall survive the termination of this Assessment Contract.

(i) Small Claims Court. Notwithstanding the foregoing, either Property Owner or the Authority may bring an individual action in small claims court.

(j) Property Owner's Right to Opt Out of Arbitration. Property Owner may opt out of this Arbitration Agreement by sending a written election of the Property Owner's election to do so, signed by all Property Owners, within 15 days of the date of this Assessment Contract. Such election shall be sent to Attn: WRCOG CaliforniaFIRST Program Manager, 4080 Lemon Street, 3rd Floor, MS1032 Riverside, CA 92501.

By initialing below, the Property Owner acknowledges and agrees to the terms set forth in this Section 10.

Property Owner's Initials:

GP

Section 11. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the city and county in which the Property is located, any bond purchaser and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority, the city and county in which the Property is located or any bond purchaser, 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 CaliforniaFIRST Program, (ii) the Assessment Obligations, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, 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 Agreement.

The provisions of this Section 11 shall survive the termination or expiration of this Agreement.

Section 12. Right to Inspect Property. The Property Owner hereby grants the Authority and 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 and its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 13. Carbon Credits. The Property Owner hereby agrees that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned by the Authority.

Section 14. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the CaliforniaFIRST 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 CaliforniaFIRST Program Application are true and correct as of the date hereof as if made on the date hereof.

Section 15. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner.

Section 16. Binding Effect; Assignment. This Agreement inures to the benefit

of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment Obligations set forth in this Agreement is an obligation of the Property, and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment Obligations lien or the right to enforce the collection of the Assessment Obligations or any installment thereof against the Property.

Section 17. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 18. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 19. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 20. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, that actions to foreclose delinquent Financing Installments and related Administrative Expenses will be instituted in the superior court of the County or as otherwise provided by law.

Section 21. Existing Instruments. BEFORE ENTERING INTO THIS ASSESSMENT CONTRACT, THE PROPERTY OWNER SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) ("EXISTING INSTRUMENTS") THAT AFFECT THE PROPERTY OR TO WHICH THE PROPERTY OWNER IS A PARTY. THE PROPERTY OWNER'S ENTERING INTO THIS AGREEMENT WITHOUT THE CONSENT OF AN EXISTING LENDER COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH EXISTING INSTRUMENTS. DEFAULTING UNDER AN EXISTING INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE PROPERTY OWNER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH 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.

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

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: Authorized Signatory

Prior to executing this Agreement, I have received and understand (a) the Financing Application Disclosures, (b) the Privacy Policy, (c) this Agreement, (d) the Program Handbook, and (e) the Financing Estimate and Disclosures.

The following are the authorized signatories of the Property Owner:

Name: Golden Path
By: _____
Its: Authorized Signatory
Date: _____

Item 5.A

PACE Program Activities Update

Attachment 16

CaliforniaFIRST Commercial
Assessment Contract (PPA)

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Agreement to Pay Assessment and Finance Improvements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY (CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____, 20____, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code ("**Chapter 29**") authorizes the financing of the installation of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**"), which includes, pursuant to Chapter 29, distributed generation renewable energy systems attached to real property pursuant to a power purchase agreement or lease between the owner of the system and the owner of the real property; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program (the "**Program**") to provide financing for the installation of Authorized Improvements through the levy of contractual assessments pursuant to Chapter 29 and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the owner of the real property and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "**City/County**"); and

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of real property within its jurisdiction participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the installation of the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment, which payment constitutes funds from the contractual assessment program, to satisfy payments due

under a lease of the Authorized Improvements entered into between the owner of the Authorized Improvements and the Property Owner in order to finance the installation on the Property of the Authorized Improvements described in Exhibit B (the “**Improvements**”) and the Authority would agree to provide financing, all on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B. The Authority may finance installation with one or both of the following: (i) bonds it issues that are payable in whole or in part from the installments set forth on Exhibit C (as described below) (“**Improvement Bonds**”) and (ii) as interim financing for the financing of the Improvements in anticipation of the issuance of Improvement Bonds, one or more assignments of all or a portion of the installments set forth on Exhibit C (as described below) (each, an “**Assignment**”). The Property Owner and the Authority acknowledge that, although the Improvements are attached to the Property (within the meaning of Chapter 29), the Improvements constitute personal property, including for purposes of Division 9 of the California Commercial Code, and are not a part of, an accession or addition to, or a fixture on the Property.

Section 2. The Property. This Agreement relates to the Property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) **Payment of Initial Assessment.** The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the “**Initial Assessment**”). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C.

(b) **Interest Rate.** The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. Interest will accrue beginning on the date on which the Authority first makes funds available to the Property Owner to finance the installation of the Improvements.

(c) **Payment of Non-Completion Assessment.** The Property Owner hereby freely and willingly agrees to pay an additional assessment (the “**Non-Completion Assessment**”) in the event that the Property Owner fails to install the Improvements in compliance with the Program rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming

the Improvement Bonds, including but not limited to any portion of the prepayment premium, that is not paid from the unused cash proceeds of the Improvement Bonds, (ii) if the Authority makes an Assignment as interim financing in anticipation of issuing the Improvement Bonds, the payment of any costs associated with the reassignment of all or a portion of the installments payable under this Agreement, including but not limited to any portion of the prepayment premium, that is not paid from the unused cash proceeds of the Assignment, and (iii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(d) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(e) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (i) the whole or a portion of the unpaid principal component of the Initial Assessment, (ii) the accrued but unpaid interest on the unpaid principal component of the Initial Assessment through the redemption date of the Improvement Bonds or the prepayment date if there are no Improvement Bonds outstanding, (iii) a prepayment premium, calculated by multiplying the percentage set forth on Exhibit A by the amount of principal prepaid and (iv) the reasonable costs of the Authority related to such prepayment. Upon any partial prepayment, the amount of the Assessment remaining shall be re-amortized to provide for equal installments over the remainder of the term of this Agreement and Exhibit C shall be revised accordingly. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds or the prepayment of the assignee under an Assignment.

(f) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien.

(a) The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

(b) The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the delinquent installment and its associated penalties and interest removed from 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. Removal of a tax year's delinquent installment and its associated penalties and interest from the secured property tax roll does not result in the removal of the lien or change the obligation to pay future installments. The Property Owner acknowledges that if Improvement Bonds are sold to finance installation of the Improvements, the Authority may

obligate itself, through a covenant with the owners of the Improvement Bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances and that California law may be amended in the future to grant to the Authority the right to take similar actions for the benefit of an assignee under an Assignment.

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the installation of the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to one or both of the following to finance the installation of the Improvements: (i) the issuance of the Improvement Bonds by the Authority and (ii) an Assignment of all or a portion of the installments hereunder. If the Authority determines in its reasonable discretion that the Initial Assessment installments (x) should be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or (y) should be reduced, if the size (measured in kilowatts) of the Improvements, as shown in a final notice provided to the Authority by either the Property Owner or the installer of the Improvements, is less than the size (measured in kilowatts) of the Improvements shown on Exhibit B, then the Authority shall provide the Property Owner with a revised schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C, which revised schedule shall be prepared using the same methodology that is used to prepare the first Initial Assessment under the lease between the installer of the Improvements and the Property Owner.¹

(c) Unused Financing Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds or an Assignment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds or prepay the assignee under the Assignment, as applicable. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds or an Assignment will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds or prepay the assignee under the Assignment, as applicable.

Section 6. Term; Agreement Runs with the Land; Subdivision.

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

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to California Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the Notice of Assessment and other documents and notices required by Chapter 29 and other applicable laws to be recorded against the Property. Upon the recordation of the Notice of Assessment, the Assessment shall become a lien upon the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement.

(a) Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article 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 Authority has no responsibility for the installation, operation or maintenance of the Improvements. The Property Owner hereby acknowledges that the Property Owner will be responsible for payment of the Assessment and other charges hereunder regardless of whether the Improvements are properly installed, operated or maintained as expected.

(c) The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of financing the installation of the Improvements, and that the Authority and the [City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

(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, the Property Owner agrees to waive the provisions of Section 1542 of the California Civil Code in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

(e) The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification.

(a) The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] 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 Agreement, 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 Agreement.

(b) The provisions of this Section 10 shall survive the termination of this Agreement.

Section 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 prior written notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 12. Carbon Credits. The Property Owner and the Authority hereby agree that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned in the manner set forth in the power purchase agreement.

Section 13. CaliforniaFIRST 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.

Section 14. Amendment. Except as set forth in Section 5(b) of this Agreement, this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment or the assignee under an Assignment if the amendment will, in the sole opinion of the owner(s) of the Improvement Bonds or the assignee under the Assignment, adversely impact the owner(s) of the Improvement Bonds or the assignee under the Assignment.

Section 15. Binding Effect; Assignment.

(a) This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

(b) The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation that runs with the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

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

EXHIBIT A
THE PROPERTY

Property Owner:

[Prepayment Premium: The prepayment premium shall be equal to [____]%.]

Property (APN/Legal Description):

Interest Rate Used to Calculate Initial Assessment Installments: _____

Please note: the interest rate shown on the previous line assumes interest accrues on the unpaid Initial Assessment through the applicable interest payment date for Improvement Bonds, but the Authority initially may provide financing for the Improvements through an Assignment, in which case the interest rate shown above may not reflect the accrual of interest on the unpaid Initial Assessment through the date on which the assignee under an Assignment receives the assigned installments.

Reserve Fund Deposit: \$ _____

EXHIBIT B

IMPROVEMENTS; POWER PURCHASE AGREEMENT

1. Power Purchase Agreement: ____ < name > ____ dated as of _____, 2017
2. Description of Improvements: The Improvements are described below.

EXHIBIT C

**SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS**

[to come]

EXHIBIT C

SCHEDULE 2

INITIAL ASSESSMENT INSTALLMENTS

[Attach notary pages]

Item 5.A

PACE Program Activities Update

Attachment 17

CaliforniaFIRST Commercial
Assessment Contract (PPA, V.2)

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Agreement to Pay Assessment and Finance Improvements (Power Purchase Agreement/Lease)

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY (CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____, **2017**, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "**Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "**City/County**"); and

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of property within its jurisdiction (the "**Participating Property Owners**") participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described in Exhibit B (the "**Improvements**") and the Authority would agree to provide financing, all on the

terms set forth in this Agreement; and

WHEREAS, Section 5899.2 of Chapter 29 provides that, for the purpose of financing the installation of distributed generation renewable energy sources pursuant to Chapter 29, “permanently fixed” includes, but is not limited to, systems attached to a residential, commercial, industrial, agricultural, or other real property pursuant to a power purchase agreement or lease between the owner of the system and the owner of the assessed property, if the power purchase agreement or lease contains certain provisions, including, among other things, that after installation, the power purchase agreement or lease is paid, either partially or in full, using the funds from the contractual assessment program; and

WHEREAS, the Property Owner has informed the Authority that it intends to finance the installation of the Improvements on the Property by entering into a power purchase agreement or lease with a third party selected by the Property Owner and that the power purchase agreement or lease contains the provisions required by Section 5899.2 of Chapter 29;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B.

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) **Payment of Initial Assessment.** The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the “**Initial Assessment**”). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues a bond to finance installation of the Improvements on the Property before the County’s deadline for placing the first year’s installments of the Initial Assessment on the County’s property tax roll, then the first year’s installments will be billed on the Property Owner’s property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues a bond to finance installation of the Improvements on the Property after the County’s deadline for placing the first year’s installments of the Initial Assessment on the County’s property tax roll, then the first year’s Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the

amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority issues bonds to finance the installation of the Improvements (the "**Improvement Bonds**").

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

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid Initial Assessment, (b) the accrued but unpaid interest on the unpaid Initial Assessment through the redemption date of the Improvement Bonds, (c) a prepayment premium in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds.

(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the 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, if Improvement Bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners

of the Improvement Bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances.

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

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to the issuance of the Improvement Bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. If the Authority determines in its reasonable discretion that the Initial Assessment installments may be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C.

(c) Unused Bond Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds secured by the Assessment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds.

(d) Installation of Improvements. The Property Owner agrees to cause installation of the Improvements on the Property by paying all or a portion of a power purchase agreement or lease with the proceeds of the bonds secured by the Assessment. The Property Owner hereby represents and warrants that the terms of the power purchase agreement or lease comply with the provisions of Section 5899.2 of Chapter 29, and that an executed copy of the power purchase agreement has been submitted to the Authority as part of the Property Owner's application for financing from the Program.

Section 6. Term; Agreement Runs with the Land; Subdivision.

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

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the

Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIII D of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

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

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the [City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil

Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] 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 Agreement, 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 Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 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.

Section 12. Carbon Credits. The Property Owner and the Authority hereby agree that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned in the manner set forth in the power purchase agreement or lease.

Section 13. CaliforniaFIRST 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.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification

of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

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

EXHIBIT A

Property Owner:

Property (APN/Legal Description):

Prepayment Premium: The prepayment premium shall be equal to the redemption premium, if any, payable on the applicable redemption date for the Improvement Bonds. _____

Interest Rate Used to Calculate Initial Assessment Installments: _____

Reserve Fund Deposit: \$ _____. The Authority will fund a deposit to a debt service reserve fund for Improvement Bonds. The reserve fund deposit will be in an amount equal to 0% of the Initial Assessment.

EXHIBIT B
IMPROVEMENTS

The Improvements are described on the attached documentation.

EXHIBIT C

**SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS**

[to come]

[Attach notary pages]

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Item 5.A

PACE Program Activities Update

Attachment 18

CaliforniaFIRST Commercial
Assessment Contract (Non-PPA)

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Agreement to Pay Assessment and Finance Improvements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY (CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____, **2015**, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) **[Insert name of the property owner]** (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "**Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "**City/County**"); and

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of property within its jurisdiction (the "**Participating Property Owners**") participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described in Exhibit B (the "**Improvements**") and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B. The Authority may finance installation with one or both of the following: (i) the proceeds of bonds it issues that are payable in whole or in part from the installments described below ("**Improvement Bonds**") and (ii) as interim financing for the financing of the Improvements in anticipation of the issuance of Improvement Bonds, the proceeds of one or more assignments of all or a portion of the installments described below (each, an "**Assignment**").

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) **Payment of Initial Assessment.** The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the "**Initial Assessment**"). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues an Improvement Bond to finance installation of the Improvements on the Property before the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's installments will be billed on the Property Owner's property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues an Improvement Bond or makes an Assignment to finance installation of the Improvements on the Property after the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority first makes funds available to the Property Owner to finance the installation of the Improvements.

(b) **Payment of Non-Completion Assessment.** The Property Owner hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") in the event that the Property Owner fails to install the Improvements in compliance with the Program

rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds from the unused proceeds of the Improvement Bonds, including but not limited to any portion of the prepayment premium that is not paid from the unused proceeds, (ii) the payment of any costs associated with the assignment and reassignment of all or a portion of the installments payable under this Agreement, including any portion of the prepayment premium that is not paid from the unused Assignment proceeds, and (iii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid Initial Assessment, (b) the accrued but unpaid interest on the unpaid Initial Assessment through the redemption date of the Improvement Bonds or the prepayment date if there are no Improvement Bonds outstanding, (c) so long as Improvement Bonds are outstanding or an Assignment has not been discharged, a prepayment premium on the amount prepaid in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds or the prepayment of the assignee under an Assignment.

(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the 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, if Improvement Bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the Improvement Bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances and that California law may be amended in the future to grant to the Authority the right to take similar actions for the benefit of an assignee under an Assignment.

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to one or both of the following to finance the installation of the Improvements: (i) the issuance of the Improvement Bonds by the Authority and (ii) an Assignment of all or a portion of the installments hereunder. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. If the Authority determines in its reasonable discretion that the Initial Assessment installments may be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C.

(c) Unused Financing Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds or an Assignment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds or prepay the assignee under the Assignment, as applicable. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds or an Assignment will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds or prepay the assignee under the Assignment, as applicable.

(d) Installation of Improvements. The Property Owner agrees to install the Improvements on the Property and that the Improvements will be permanently fixed to the Property.

Section 6. Term; Agreement Runs with the Land; Subdivision.

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

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

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

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the [City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY

HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] 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 Agreement, 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 Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 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.

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

Section 13. CaliforniaFIRST 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.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds or Assignments secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds or Assignments.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Property Owner:

[Name of Entity]

By: _____
Name:
Title:

EXHIBIT A

Property Owner:

Property (APN/Legal Description):

Prepayment Premium: The prepayment premium shall be equal to __% of the dollar amount of the Initial Assessment prepaid in accordance with the following schedule:

Year	Prepayment Premium
< Date of Contract > - final installment	%

Interest Rate Used to Calculate Initial Assessment Installments: _____

Please note: the interest rate shown on the previous line assumes interest accrues on the unpaid Initial Assessment through the applicable interest payment date for Improvement Bonds, but the Authority initially may provide financing for the Improvements through an Assignment, in which case the interest rate shown above may not reflect the accrual of interest on the unpaid Initial Assessment through the date on which the assignee under an Assignment receives the assigned installments.

Reserve Fund Deposit: \$_____.

EXHIBIT B
IMPROVEMENTS

The Improvements are described on the attached documentation.
Include the capitalized/accrued interest \$ figure.

EXHIBIT C

**SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS**

[to come]

Item 5.A

PACE Program Activities Update

Attachment 19

CaliforniaFIRST Commercial
Assessment Contract (Non-PPA V.2)

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Agreement to Pay Assessment and Finance Improvements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY (CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____, **2015**, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) [Insert name of the property owner] (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "**Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "**City/County**"); and

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of property within its jurisdiction (the "**Participating Property Owners**") participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment in order to finance the installation on the Property of the Authorized Improvements described in Exhibit B (the "**Improvements**") and the Authority would agree to provide financing, all on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Property Owner and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B. The Authority may finance installation with one or both of the following: (i) the proceeds of bonds it issues that are payable in whole or in part from the installments described below ("**Improvement Bonds**") and (ii) as interim financing for the financing of the Improvements in anticipation of the issuance of Improvement Bonds, the proceeds of one or more assignments of all or a portion of the installments described below (each, an "**Assignment**").

Section 2. The Property. This Agreement relates to the real property identified on Exhibit A. The Property Owner has supplied to the Authority current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute this Agreement on behalf of the Property Owner.

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) **Payment of Initial Assessment.** The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the "**Initial Assessment**"). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues an Improvement Bond to finance installation of the Improvements on the Property before the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's installments will be billed on the Property Owner's property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues an Improvement Bond or makes an Assignment to finance installation of the Improvements on the Property after the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority first makes funds available to the Property Owner to finance the installation of the Improvements.

(b) **Payment of Non-Completion Assessment.** The Property Owner hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") in the event that the Property Owner fails to install the Improvements in compliance with the Program

rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds from the unused proceeds of the Improvement Bonds, including but not limited to any portion of the prepayment premium that is not paid from the unused proceeds, (ii) the payment of any costs associated with the assignment and reassignment of all or a portion of the installments payable under this Agreement, including any portion of the prepayment premium that is not paid from the unused Assignment proceeds, and (iii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid Initial Assessment, (b) the accrued but unpaid interest on the unpaid Initial Assessment through the redemption date of the Improvement Bonds or the prepayment date if there are no Improvement Bonds outstanding, (c) so long as Improvement Bonds are outstanding or an Assignment has not been discharged, a prepayment premium on the amount prepaid in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds or the prepayment of the assignee under an Assignment.

(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the 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, if Improvement Bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the Improvement Bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances and that California law may be amended in the future to grant to the Authority the right to take similar actions for the benefit of an assignee under an Assignment.

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to one or both of the following to finance the installation of the Improvements: (i) the issuance of the Improvement Bonds by the Authority and (ii) an Assignment of all or a portion of the installments hereunder. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. If the Authority determines in its reasonable discretion that the Initial Assessment installments may be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C.

(c) Unused Financing Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds or an Assignment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds or prepay the assignee under the Assignment, as applicable. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds or an Assignment will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds or prepay the assignee under the Assignment, as applicable.

(d) Installation of Improvements. The Property Owner agrees to install the Improvements on the Property and that the Improvements will be permanently fixed to the Property.

Section 6. Term; Agreement Runs with the Land; Subdivision.

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

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

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

The Property Owner hereby agrees that the Authority is entering into this Agreement solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the [City/County] have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the [City/County] from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Agreement that the Property Owner may now have or hereafter acquire against the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County].

To the extent that the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other applicable law, it is the intention of the Property Owner that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Property Owner agrees to waive any and all rights and benefits conferred upon the Property Owner by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY

HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] 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 Agreement, 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 Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 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.

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

Section 13. CaliforniaFIRST 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.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds or Assignments secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds or Assignments.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

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

**WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS**

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Property Owner:

[Name of Entity]

By: _____
Name:
Title:

EXHIBIT A

Property Owner:

Property (APN/Legal Description):

Prepayment Premium: The prepayment premium shall be equal to __% of the dollar amount of the Initial Assessment prepaid in accordance with the following schedule:

Year	Prepayment Premium
< Date of Contract > - final installment	%

Interest Rate Used to Calculate Initial Assessment Installments: _____

Please note: the interest rate shown on the previous line assumes interest accrues on the unpaid Initial Assessment through the applicable interest payment date for Improvement Bonds, but the Authority initially may provide financing for the Improvements through an Assignment, in which case the interest rate shown above may not reflect the accrual of interest on the unpaid Initial Assessment through the date on which the assignee under an Assignment receives the assigned installments.

Reserve Fund Deposit: \$_____.

EXHIBIT B
IMPROVEMENTS

The Improvements are described on the attached documentation.
Include the capitalized/accrued interest \$ figure.

EXHIBIT C

**SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS**

[to come]

Item 5.A

PACE Program Activities Update

Attachment 20

David Taussig & Associates
Professional Services Agreement

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**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT
(RENEW)**

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of _____, 2017, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and David Taussig and Associates, Inc., a California corporation (“Consultant”). WRCOG and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing services for the formation and annual administration of an assessment district and micro-bond sales to fund authorized PACE program facilities, is licensed in the State of California, and is familiar with the plans of WRCOG.

2.2 Project.

WRCOG desires to engage Consultant to render such professional services for Assessment Administration for the WRCOG Energy Efficiency and Water Conservation Program administered by Renew Financial Group LLC (“Project”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the services necessary for the formation and annual administration of an assessment district and micro-bond sales to fund authorized PACE program facilities for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference, and which are stated in the proposal to WRCOG and approved by WRCOG’s Executive Committee. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from the date first hereinabove written and shall end three (3) year later, unless earlier terminated as provided

herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The term of this Agreement may be extended by written agreement between the Consultant and the Executive Director of WRCOG.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, to ensure timely implementation of the Project. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of WRCOG.

3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of WRCOG. In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key personnel for performance of this Agreement are as follows: _____.

3.2.5 WRCOG's Representative. WRCOG hereby designates Barbara Spoonhour, Program Manager, or her designee, to act as its representative for the performance of this Agreement ("WRCOG's Representative"). WRCOG's Representative shall have the power

to act on behalf of WRCOG for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than WRCOG's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Andrea Roess, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with WRCOG staff in the performance of Services and shall be available to WRCOG's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its subcontractors who is determined by WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to WRCOG, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the WRCOG, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold WRCOG, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to WRCOG that it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the subcontractor has secured all insurance required under this section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the Services or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects

WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against WRCOG, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be canceled except after thirty (30) days prior written notice, except ten (10) days notice for non-payment cancellation, has been given to WRCOG; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to WRCOG, its directors, officials, officers, employees, agents and volunteers.

3.2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its directors, officials, officers, employees, agents and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to WRCOG.

3.2.10.8 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.12 Accuracy of Information Obtained by Consultant. WRCOG, public agencies, landowners, consultants, and other parties dealing with WRCOG or involved in the Project shall furnish to Consultant various data, reports, studies, computer printouts and other information and representations as to the facts involved in the Project which WRCOG understands Consultant shall be using and relying upon in preparing the reports, studies, computer printouts, and other work products required as part of the Services. Consultant shall not be obligated to establish or verify the accuracy of the information furnished by or on behalf of WRCOG, nor shall Consultant be responsible for the impact or effort on its work products of the information furnished by or on behalf of WRCOG, in the event that such information is in error and therefore introduces error into Consultant's work products.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference. Extra Work may be authorized, as described below; and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within forty-five (45) days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by WRCOG.

3.3.4 Extra Work. At any time during the term of this Agreement, WRCOG may request that Consultant perform Extra Work. As used herein, “Extra Work” means any work which is determined by WRCOG to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from WRCOG’s Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., (“Prevailing Wage Laws”), which require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects. If the Services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant’s principal place of business and at the project site. Consultant shall defend, indemnify and hold the WRCOG, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and for which Consultant has not been previously compensated, and Consultant shall

be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, WRCOG may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: David Taussig & Associates, Inc.
5000 Birch Street, Suite 6000
Newport Beach, CA 92660
Attn: _____
Facsimile: (949) 955-1590

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Executive Director
Facsimile: (951) 787-7991

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that WRCOG is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to

Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG's sole risk.

Notwithstanding the previous paragraph, all computer software (including without limitation financial models, compilations of formulas and spreadsheet models), inventions, designs, programs, improvements, processes and methods (collectively, the "Proprietary Models") used or development by Consultant in performing its work is proprietary and shall remain property owned solely by, or licensed by a third party to the Consultant. WRCOG acknowledges that any Proprietary Model that Consultant uses to generate reports pursuant to the Services is owned by, or is duly licensed from a third party to Consultant and is not being provided to WRCOG hereunder.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of WRCOG.

Notwithstanding the previous paragraph, WRCOG acknowledges and agrees that Consultant has the right to use reports and analyses that Consultant authors pursuant to this Agreement as base works or templates for reports and analyses that Consultant authors for Consultant's other clients, provided, however, that Consultant shall not use any confidential information provided by Consultant in such future reports and analyses. In addition, WRCOG acknowledges and agrees that Consultant has spent substantial time and effort in collecting and compiling data and information (the "Data Compilations") in connection with the Services and that such Data Compilations may be used by Consultant for its own purposes, including, without limitation, sale or distribution to third parties; provided, however, that Consultant shall not sell or distribute any of WRCOG's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this

Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify and hold the WRCOG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent or wrongful acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors and subcontractors, arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against WRCOG, its directors, officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, employees, agents or volunteers. No third party shall be a direct beneficiary of this Section 3.5.6. The covenants contained in this Section 3.5.6 shall survive the termination of this Agreement.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of any WRCOG's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

DAVID TAUSSIG AND ASSOCIATES,
INC.

By: _____
Rick Bishop
Executive Director

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

EXHIBIT “A”

SCOPE OF WORK

Consultant will perform the following consulting services to WRCOG in connection with the Project:

A. DATABASE SETUP AND REVIEW OF BOND CLOSING DATA

1. Bond and Assessment Data File Review and Processing

Consultant will review and process the bond and assessment file provided by Renew Financial Group LLC in connection with each bond closing.

2. Parcel and Assessment Installment Database Setup

Following each bond closing or assessment assignment, Consultant will add the parcel, assessment, and bond information it deems necessary for the enrollment of annual assessment installment payments with the County of Riverside (the “County”). Such information may include the Assessor’s Parcel Number, assessment lien amount, assessment installment payment schedule, annual administrative expense amount, assessment contract reference, and bond reference, bond debt service schedule.

B. Enrollment of Assessment Installment Payments

1. Fund Number Requests

As necessary and subject to limitations imposed by each county, Consultant will prepare requests for fund numbers and coordinate the submittal of fund number request packages with WRCOG and Renew Financial Group LLC.

2. Preparation and Submittal of Enrollment Packages

Consultant will prepare and submit annual assessment payment installment enrollment packages for each participating county in accordance with the applicable county's direct assessment enrollment procedures. Enrollment packages may include a transmittal memorandum, applicable levy agreements, and certified resolutions and/or ordinances authorizing the levy and collection of assessment installments.

Consultant will submit enrollment packages on or about August 10, or such other date specified by the county. Following submittal of the enrollment packages, Consultant will prepare and transmit to WRCOG and/or Renew Financial Group LLC a summary administration report in Excel format indicating the total number

of parcels and amount of assessment installment payments enrolled, sorted by county and grouped within county by fund number and bond.

Unless otherwise specified by mutual agreement, WRCOG, Renew Financial Group LLC, and Consultant agree that assessment installment payments will be enrolled for all assessments for which the bond closing occurred as of the June 30 of the fiscal year preceding the fiscal year in which the assessments installment payments are to be enrolled.

3. Research and Resubmit Rejected Parcels

CONSULTANT will review exceptions, if any, as reported by the County Auditor-Controller's office. CONSULTANT will research rejections and resubmit as necessary. This process involves manually validating parcel change information received from the Auditor-Controller's and determining parcel status (i.e., active or inactive).

4. Revenue and Taxation Code Section 163 Report

Subject to bond counsel's opinion, Consultant will annual prepare and file the report required pursuant to Revenue and Taxation Code Section 163 indicating the following for each parcel:

- The assessment lien amount at the time the lien was created;
- In the case in which a lien has been completely satisfied, the date and amount of the payment in satisfaction of the lien, and the identity of the party that made that payment; and
- The principal balance of the assessment lien.

5. Assessment Installment Payment Monitoring and Reporting

Consultant will prepare payment status reports following each property tax installment due date and at fiscal year-end. These reports will be sorted by county and grouped within county by fund number and bond. Source data for these reports will be the direct assessment payment status reports provided by each county, and may be supplemented with property tax payment status data posted on each county's website.

6. Delinquency Notices

Consultant, WRCOG, and Renew Financial Group LLC will cooperatively develop the form of the delinquency notice to be mailed to property owners that are delinquent in the payment of assessment installments. Unless otherwise specified by mutual agreement, WRCOG, Renew Financial Group LLC, and Consultant agree that Consultant will mail notices of delinquency following each property tax installment due date and at fiscal year-end.

7. Pre-Foreclosure Assistance

As directed by WRCOG and/or Renew Financial Group LLC and/or either entity's foreclosure counsel, Consultant will coordinate the removal of delinquent assessment installments from the county property tax roll and record the notice evidencing the removal of such assessment installments.

8. Breakdown of Assessment Installment Payment Distributions by Bond

Consultant will reconcile assessment installment distributions (which are made lump sum by fund number) with assessment installment payment status data (which are recorded by parcel) to breakdown distributions by bond. The accuracy of such breakdown is subject to the availability of sufficient information from each county to reconcile the transaction dates of distributions and payments.

9. Property Owner Inquiries

Consultant will respond via telephone or email to property owner inquiries concerning the assessments, assessment installment payments, etc.

C. Payoff Calculations

This task entails the calculation of assessment payoff amounts, in full or in part, preparation of amended assessment installment payment schedules, and amended bond debt service schedules, and coordination with the property owner, WRCOG, Renew Financial Group LLC, and the bond trustee.

○ .

EXHIBIT “B”

FEE SCHEDULE

Consultant’s compensation, including expenses, for completion of the tasks under the Scope of Work is set forth in Table 1 below:

Table 1 Fee Schedule	
Task	Fee
A. Database Setup and Review of Bond Closing Data	0.525% of Project Amount
B. Enrollment of Assessment Installment Payments ¹	One-time \$1,000 Fixed Fee Per County
	\$1,750 Fixed Annual Fee Per County ² Or \$2,500 Fixed Annual Fee Per County ³
	\$8.50 Fixed Annual Per Parcel Fee
C. Payoff Calculations	\$100 Fixed Fee Per Calculation ⁴
¹ Fee for enrollment of assessment installment payments is equal to the sum of the one-time fixed fee, as applicable, the applicable fixed annual fee, and the fixed annual per parcel fee. ² Applicable if participating parcels within a county are either only residential or only non-residential. ³ Applicable if participating parcels within a county include both residential and non-residential parcels. ⁴ To be paid by the Program Administrator.	

General Terms and Conditions

Fees for Task A. Database Setup and Review of Bond Closing Data shall be paid at closing. Fees for Task B. Enrollment of Assessment Installment Payments shall be invoiced to WRCOG, with a copy submitted to the Program Administrator, twice a year

after annual assessments are received by the County. Fees for Task C shall be invoiced to and paid by the Program Administrator monthly.

Limitations

The fees shown in Table 1 above are estimates only; actual fees may vary based on program size. For example, to the extent that new bond issuance volume is less than \$50 million in any one year, Consultant reserves the right to re-evaluate our fees for Task B. Enrollment of Assessment Installment Payments. Any additional tasks assigned by WRCOG shall be charged at the hourly rates listed in Table 2 below. Additional tasks may include, but are not limited to, the following:

- Any consulting services pertaining to the collection of delinquent assessment installment payments and/or assistance with foreclosure actions/proceedings and incurred after the removal of assessment installment payments from the county property tax roll;
- Any consulting services pertaining to bond refundings, exchanges, and/or restructurings.

TABLE 2 2017 HOURLY RATES	
Managing Director	\$210/Hour
Manager	\$170/Hour
Senior Associate	\$160/Hour
Associate	\$150/Hour
Senior Analyst	\$140/Hour
Analyst	\$130/Hour
Research Assistant	\$105/Hour

All fees and hourly rates are subject to a cost of living increase every 12 months, not to exceed 5% per year.

Item 5.A

PACE Program Activities Update

Attachment 21

CaliforniaFIRST Residential
Handbook

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California**FIRST**
EFFICIENCY FINANCING

Residential Property Owner Handbook

Version 10 - February 2017

Table of Contents

<u>1</u>	<u>PROGRAM INTRODUCTION</u>	<u>4</u>
1.1	PROGRAM OVERVIEW	4
1.2	PROGRAM CONTACT INFORMATION	4
1.3	PROGRAM CALL CENTER HOURS	5
1.4	HELPFUL TERMS	5
1.5	FEDERAL HOUSING FINANCE ADMINISTRATION OVERVIEW	8
1.6	OTHER USEFUL RESOURCES	8
1.7	FUTURE PROGRAM CHANGES	8
<u>2</u>	<u>PROGRAM ELIGIBILITY REQUIREMENTS</u>	<u>9</u>
2.1	ELIGIBLE PROPERTIES	10
2.2	ELIGIBLE PROPERTY OWNERS	10
2.3	ELIGIBLE PRODUCTS	11
2.4	ELIGIBLE COSTS	12
2.5	ELIGIBLE PARTICIPATING CONTRACTORS	12
2.6	ELIGIBLE ASSESSMENT AMOUNTS	12
2.7	ELIGIBLE ASSESSMENT TERM(s)	12
2.8	ELIGIBLE REBATE PROGRAMS AND TAX CREDITS	13
2.9	ELIGIBLE NUMBER OF ASSESSMENTS	13
2.10	ADDITIONAL PROGRAM TERMS AND DISCLAIMERS	13
<u>3</u>	<u>FINANCIAL TERMS</u>	<u>15</u>
3.1	ASSESSMENT COSTS	15
3.2	ANNUAL REPAYMENTS	15
3.3	FORECLOSURE	16
3.4	PREPAYMENT OF THE ASSESSMENT	16
<u>4</u>	<u>PROGRAM PROCESS</u>	<u>16</u>
4.1	SCOPE OF PROJECT - OBTAIN QUOTE	16
4.2	PROCESS OVERVIEW	17
4.3	APPLY FOR THE PROGRAM	17
4.4	APPLICATION REVIEW	18
4.5	OBTAIN PROGRAM APPROVAL FOR ELIGIBLE PRODUCTS	19
4.6	FINANCING DOCUMENTS	19
4.7	INSTALLATION OF ELIGIBLE PRODUCTS	20
4.8	SUBMIT COMPLETION CERTIFICATE	20
4.9	RECORD LIEN ON PROPERTY AND ISSUE PAYMENT	21
4.10	ADD ASSESSMENT TO PROPERTY TAXES	21
<u>5</u>	<u>PRODUCT INSTALLATION REQUIREMENTS</u>	<u>21</u>
5.1	CONTRACTOR SIGN-UP	21
5.2	BUILDING PERMITS AND INSPECTION	22
5.3	FRAUDULENT ACTIVITY	22
5.4	REQUIRED DOCUMENTS	22

<u>6</u>	<u>DISPUTE RESOLUTION</u>	<u>22</u>
<u>7</u>	<u>APPENDICES</u>	<u>23</u>
	APPENDIX A: OTHER USEFUL RESOURCES	24
	APPENDIX B: PROGRAM FORMS AND DOCUMENTS	25
	APPENDIX C: ELIGIBLE PRODUCTS LIST	26
	APPENDIX D: PARTICIPATING COMMUNITIES BY COUNTY	27
	APPENDIX E: ADDITIONAL UNDERWRITING CRITERIA	5
	APPENDIX F: PROGRAM INTEREST RATES AND FINANCING TERMS	6

1 Program Introduction

1.1 Program overview

The CaliforniaFIRST Program (“Program”) is intended to help property owners make capital investments in distributed generation renewable energy sources, energy efficiency, water efficiency, and seismic improvements* (collectively known as “Eligible Products”) that will provide long-term benefits and reduce energy bills. There are three separate Sponsors of distinct CaliforniaFIRST programs: the California Statewide Communities Development Authority (CSCDA), the County of Los Angeles) and the Western Riverside Council of Governments (WRCOG). Each Sponsor determines the guidelines and rules of the Program, and there may be differences in underwriting requirements, fees, and eligible products between Sponsors. These Sponsors selected Renew Financial Group LLC (“Renew Financial”)(formerly known as Renewable Funding, LLC) to administer the Program as part of CaliforniaFIRST, a statewide Property Assessed Clean Energy (PACE) program. As Program Administrator, Renew Financial manages the Program Call Center and daily activities of the Program.

The Program will provide a financing mechanism for the Eligible Products through an assessment contract (the “Assessment Contract”) between the Sponsor and the property owner, pursuant to which the Sponsor will disburse a specified amount to the property owner. The property owner will pay contractual assessments levied against the property through annual installments on the property tax bill. If the owner sells the subject property prior to full repayment of the assessment, the repayment obligation remains a lien on the subject property. The Sponsor intends to finance the Program in part by issuing (or causing to be issued) bonds payable from contractual assessment revenues. Participation in the Program is completely voluntary and property taxes for non-participating property owners are unaffected by the Program.

You and all other property owners sign an assessment agreement and agree to repay the amount financed over a period of 5, 10, 15, 20, 25 or 30** years, depending on the type of property, the financing amount, and the expected useful lifetime of the installed Eligible Products. An assessment lien is recorded on your property to secure the financing. The lien will be senior to liens for mortgages and other non-governmental liens on the property.

*The list of Eligible Products may vary by Sponsor.

**30-year financing term is only available for certain products in certain areas. See Appendix F for interest rates and financing terms.

The list of Participating Communities is available on the Program website and in this Handbook, as Appendix D. In addition, you and all other property owners on title must meet all of the eligibility requirements and agree to comply with all of the Program rules for the application and funding processes, installment of Eligible Products, and repayment of the Total Assessment Obligations, as outlined in this Handbook.

1.2 Program Contact Information

Main Program Address	CaliforniaFIRST c/o Renew Financial Group LLC 1620 E. Roseville Parkway, Suite 240 Roseville, CA 95661
Program Local Address (For LA County Only)	General questions about CaliforniaFIRST can be answered by staff at: Center for Sustainable Energy 617 West 7th Street, Suite 305 Los Angeles, CA 90017
Program Website	https://renewfinancial.com/product/californiafirst
Program Email	info@renewfinancial.com
Program Phone Number	844-RENEWFI (844-736-3934)
Program Fax Number	(510) 379-5300
Contractor Registration Phone Number	844-RENEWFI (844-736-3934)

Contractor Registration Email

contractors@renewfinancial.com

1.3 Program Call Center Hours

Program Call Center hours are 8 am to 9 pm, Monday through Friday, 9 am to 6 pm on Saturdays, and 10 am to 6 pm on Sundays. Please see the Program website for recent updates about the Call Center operation times, phone number and other relevant information.

1.4 Helpful Terms

This Handbook lays out how you can participate in the Program. Below is a reference list of key terms that will help you understand what is required for participation in the Program.

Annual Assessment Obligation: the annual amount added to your property tax bill, which is equal to Principal, Interest, and Estimated Administrative Expenses for one tax year.

Annual Financing Installment: the annual Principal and interest paid for one tax year.

Assessed Value: the dollar value on which you pay property taxes.

Assessment: also called Principal or Total Financed Amount. This is equal to the sum of the Project Amount and Upfront Costs.

Assessment Contract: the legal financing agreement between Property Owner(s) and the Sponsor.

Assessment Contract Date: the date that the Assessment Contract was generated for Property Owner(s) signature.

Building Permits: the formal approval of building plans by the designated government agency as meeting the requirements of prescribed codes. It is an authorization to proceed with the construction or reconfiguration of a specific structure at a particular site, in accordance with the approved drawings and specifications.

California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA): a part of the California State Treasurer's office that manages the PACE Loss Reserve Program.

California Statewide Communities Development Authority (CSCDA): the sponsoring entity and bond issuer for the Program with the exception of properties within Los Angeles County and Western Riverside County.

California State Licensing Board (CSLB): the state entity in California that licenses and regulates all contractors.

Capitalized Interest: the interest on the financed amount for the period prior to the first tax year (or initial tax year) in which payment is made.

Custom Products: renewable energy, energy efficiency, water efficiency, or seismic products that require special approval to be financed by the Sponsor through the Program because the products are not included on the Eligible Products List. Custom Products should produce renewable energy or save energy or water for a reasonable cost. The list of Eligible Products may vary by Sponsor.

Energy Auditor: performs an energy audit, which is an evaluation of energy consumption in a home to determine ways in which energy can be conserved.

Eligible Products: approved items that are authorized improvements to the Property and may be financed through the Program. Eligible Products are listed in Appendix C.

Estimated Administrative Fee: the annual fee to cover the applicable county's and the Sponsor's costs of collecting the Assessment on your property tax bill.

Expiration Date: the date that all approved Eligible Products must be installed and completed in order for the locked interest rate on the Assessment Contract to remain unchanged. (90-120 days after the Assessment Contract Date, depending on the installed Eligible Products).

Financing Documents: the Assessment Contract and related documents that are sent to Property Owner(s) after an application is approved.

Financing Installment: the Principal and interest component of the Annual Assessment Obligation.

Funding Date: the latest possible date for disbursement of payment to the designated payee indicated on the Completion Certificate.

Interest Rate: the rate applied to the financed amount. This is not compounded.

Lien Recording Fee: the County fee charged for recording notice documents relating to the Assessment on the Property.

Los Angeles County: the sponsoring entity and bond issuer for the Program within the County of Los Angeles.

Participating Contractor: the person or business entity who contracts to install Eligible Products and has signed a Contractor Participation Agreement.

Participating Communities: areas where Program financing is available as identified in Appendix D. Other member agencies of the Sponsor may elect to participate in the future.

Principal: also called Total Financed Amount or Assessment. This is equal to the sum of the Project Amount and Upfront Costs.

Project Amount: the total amount requested by Property Owner to finance the installation of Eligible Products.

Property: the real property where Eligible Products will be installed.

Property Owner: the record owner(s) of the fee title to the Property.

Program: the CaliforniaFIRST Program. There are three distinct Programs with separate Sponsors: CSCDA, the County of Los Angeles, and WRCOG. For detailed underwriting differences in these Programs, see Appendix E.

Program Administrator: Renew Financial (formerly known as Renewable Funding, LLC) is the designated Program Administrator on behalf of the Sponsor.

Program-Related Fees: one-time fees incurred at funding. Program-Related Fees include program administration, origination, program sponsor, bond counsel, and tax administration.

Program Sponsor: California Statewide Communities Development Authority (CSCDA), the County of Los Angeles, and the Western Riverside Council of Governments (WRCOG).

Property Value: the value derived from an automated valuation model, the Assessed Value, Broker Price Opinion or the appraised value.

Residential: 3 residential units or fewer.

Reserve Fees: one-time fees or deposits incurred at funding to pay for reserves that support bond holders' and mortgage holders' interest, such as Reserve Fund.

Term: the number of years to pay off the Assessment.

Total Financed Amount: also called Principal or Assessment. This is equal to the sum of the Project Amount and Upfront Costs.

Total Assessment Obligations: the sum total of Principal, interest and Estimated Administrative Expenses over the Term.

Total Project Amount: amount to be disbursed to the Property Owner or Participating Contractor for the costs of the Eligible Product(s) installed on the Property.

Upfront Costs: one-time fees incurred at funding. Upfront Costs include Program-Related Fees, Lien Recording Fee, Reserve Fund, and Capitalized Interest.

Western Riverside Council of Governments (WRCOG): the sponsoring entity and bond issuer for the Program for certain jurisdictions within Western Riverside County.

1.5 Federal Housing Finance Administration overview

It is important to note that on July 26, 2010, the Federal Housing Finance Administration (FHFA) issued its statement entitled, “FHFA Statement on Certain Energy Retrofit Loan Programs” (FHFA Statement) which provided in part that:

...In addressing PACE programs with first liens, Fannie Mae and Freddie Mac should undertake actions that protect their safe and sound operations. These include, but are not limited to:

- Adjusting loan-to-value ratios to reflect the maximum permissible PACE loan amount available to borrowers in PACE jurisdictions;
- Ensuring that loan covenants require approval/consent for any PACE loan;
- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Ensuring that mortgages on properties in a jurisdiction offering PACE-like programs satisfy all applicable federal and state lending regulations and guidance...”

In September 2013, Governor Jerry Brown signed Senate Bill 96 into law, authorizing California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to establish a PACE Loss Reserve Program to assist in addressing FHFA’s financial concerns and support these residential PACE financing programs. The \$10 million Loss Reserve, launched in March 2014, makes first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to a PACE lien which has been registered with CAEATFA. The goal of the PACE Loss Reserve Program is to put first mortgage lenders in the same position they would be in without a PACE lien. CaliforniaFIRST is a participant in the PACE Loss Reserve Program and all funded projects qualify for the program.

There can be no assurance that the FHFA will not act to reemphasize, or take other similar action to issuing, the FHFA Statement in the future. Please see Section 4.10 for more information about the Assessment lien and potential implications for a refinancing or sale of the property.

1.6 Other Useful Resources

Information on rebate programs, contractor standards, and other useful information is provided in Appendix A.

1.7 Future Program Changes

The Sponsor reserves the right to change the Program and its terms at any time; however, any such change will not affect your existing responsibility to pay the Total Assessment Obligations agreed to in an executed Assessment Contract.

Your participation in the Program will be subject to this Handbook and other documents signed as part of the Program. If any provisions of this Handbook are determined to be unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from the Handbook and shall not affect the validity and enforceability of any remaining provisions.

2 Program Eligibility Requirements

You should carefully review this section in order to determine whether you are eligible for the Program before submitting an application. A summary of eligibility requirements is listed below, with details on each requirement provided in sections 2.1-2.10.

Summary of Eligibility Requirements

PROPERTY
Property must be in a Participating Community.
Property must be Residential
Improvements must be made to existing properties or new residential properties where the initial construction is undertaken by the intended owner or occupant
Manufactured homes approved if permanently attached to Property
At least 10% equity in the Property (mortgage-related debt is no more than 90% of the value of the Property*) must exist
No current involuntary liens and/or judgments totaling more than \$1,000 for all Property Owners*
PROPERTY OWNER(S)
Applicant(s) must be the owner(s) of record of the Property
Property Owners must sign all required documentation
Property Owner(s) must be current on their property taxes
Property Owner(s) must certify that property taxes have not been paid late more than once during the prior 3 years (or since the purchase if owned by them for less than 3 years)
Property Owners must be current on all subject Property-secured debt at the time of application and cannot have had more than one 30-day mortgage-related late payment over the previous 12 months
There must be no notices of default or foreclosure filed against the Property within the last 2 years
Property Owners must not have had any bankruptcies (business or personal) in the last 2 years. If a bankruptcy has been discharged in the last two to seven years, then there must be no payments more than 60 days past-due in the last 24 months. The Property must not be an asset in any bankruptcy proceeding*
Property title cannot be subject to power of attorney, easements or subordination agreements restricting authority of the Property Owner(s) to a PACE lien
PRODUCTS
The products must be energy efficiency, renewable energy, water efficiency, and/or seismic products; they must be permanently fixed to the property, they must be new products; and they must meet minimum efficiency and/or other requirements identified for Eligible Products. The list of Eligible Products may vary by Sponsor.
CONTRACTORS
All Eligible Products must be installed by a Participating Contractor
ASSESSMENT AMOUNTS
Minimum financing amount is \$5,000
Maximum financing amount is 15% of the value of the Property and combined amount financed under the Program plus mortgage-related debt cannot exceed 100% of the value of the Property*
Financing term cannot exceed the useful life of the Eligible Product
The all-in tax rate on the Property (including the Assessment and other assessments) may not exceed 5% of the Property value
Property Owners should participate in available state and federal incentive and rebate programs and must declare any rebates received for the project

* Additional underwriting criteria apply to properties within Los Angeles County, Western Riverside County, and certain other jurisdictions. See Appendix E.

** The maximum Assessment amount must be less than 15% of the value of the Property. Note that 15% of Property Value is only available for first \$700K of the property value then 10% of any property value thereafter.

*** Any assessment amount in excess of \$250,000 In Los Angeles County requires specific approval of the Sponsor.

2.1 Eligible Properties

Properties of three or fewer residential units are generally eligible, with the following eligibility requirements:

Property Located Within Participating Community

Property must be located in a Participating Community, and if within the boundaries of a city, the city must have adopted a resolution to join the Program. A list showing Participating Communities is located in Appendix D of the Handbook. The Property must also not be exempt from ad valorem real property taxes, which is a tax on goods or property expressed as a percentage of the sales price or assessed value. The Property must also comply with the California Environmental Quality Act.

Limited New Construction

All eligible improvements that qualify for Program financing must be on existing properties or on new residential properties where the initial construction is undertaken by the intended owner or occupant.

Manufactured Homes, Condominiums, and HOAs

Only mobile and manufactured homes that are permanently-attached to the real property shall qualify. Manufactured homes are eligible if the manufactured home owner(s) also own the underlying land and pay real property taxes (DMV fees do not qualify).

Condominium and HOA-controlled property may qualify, pending management or association approval of requested Program improvements. Condominiums may be restricted as to the Eligible Products that may be installed depending on the rules of the condominium association as well as the physical design of the unit. It is the responsibility of condominium owners to obtain authorization from the condominium association's management stating that the Property Owner is allowed to install the requested Eligible Products. For properties subject to homeowner's association (HOA) restrictions, it is the responsibility of the Property Owner to obtain authorization that the requested Eligible Products meet all the HOA requirements, as applicable.

Minimum Assessment Amount

The amount to be financed must be at least \$5,000.

Maximum Assessment to Value Amount

The maximum Assessment amount must be less than 15% of the value of the Property. Note that 15% of Property Value is only available for first \$700K of the property value then 10% of any property value thereafter. Any property located within the County of Los Angeles with an assessment amount in excess of \$250,000 requires specific approval of the County. In addition, the amount financed under the Program, when combined with any other debts or obligations secured by the Property, cannot exceed 100% of the value of the Property.

Required Equity in the Property

The current loan-to-value ratio for the property must not exceed 90%. Mortgage-related debt on the Property must not exceed 90% of the value of the Property, which is equivalent to having 10% equity in the Property.

Liens on Property

The Property must not have any federal or state income tax liens, judgment liens, mechanic's liens, or similar involuntary liens on the Property greater than \$1,000 in aggregate. Prohibited liens do not include community facility district assessments or other financing district liens placed on all properties in that particular financing district*. Any non-mortgage-related debt will be subject to review.

* Additional underwriting criteria apply to properties within Los Angeles County, Western Riverside County, and certain other jurisdictions. See Appendix E.

2.2 Eligible Property Owners

In addition to the property eligibility requirements, you as a Property Owner must meet specific criteria in order to be eligible to participate in the Program. The eligibility criteria for all Property Owners on the title are set forth below.

Residential Property Owners:

1. You must be the Property Owner(s) of record - Only Property Owners who are the owners on record for respective property shall be considered for Program approval;

2. All Property Owners must sign all required documentation, including, but not limited to, the application, the Assessment Contract and the Completion Certificate - All Property Owners on record for the respective property who meet the requirements mentioned heretofore must sign and thusly execute all related Financing and Program Documents;
3. You must be current on your property taxes - Only Property Owner(s) who are current on their property taxes for the respective property shall be considered for Program approval;
4. You must certify that your property taxes have not been paid late more than once during the prior 3 years (or since the purchase if owned by you for less than 3 years).
5. You must be current on all subject Property-secured debt at the time of application and cannot have had more than one 30-day mortgage late payment over the prior 12 months*;
6. There must be no notices of default or foreclosure filed against the Property while held by the current Property Owner(s) within the last 2 years; and
7. You and all other Property Owner(s) have not been involved in a bankruptcy proceeding, whether business or person, during the past 2 years*. Additionally, the Property may not currently be an asset in any bankruptcy proceeding.

* Additional underwriting criteria apply to properties within Los Angeles County, Western Riverside County, and certain other jurisdictions. See Appendix E.

Authority of Property Owner

The Property's title cannot be subject to power of attorney, easements or subordination agreements restricting authority of the Property Owner(s) to subject the Property to a PACE lien, other than issues related to standard mortgage loan agreements.

Trust and Business Entity Ownership of the Property

To be considered for Program approval, properties held in Trust or Business Entity Ownership must furnish to the Program relevant documentation providing the clear and exact right to enter into Program-resultant encumbrance upon the respective property. All Trustees must meet underwriting requirements mentioned heretofore

A Property owned by a trust is eligible for Program participation if adequate documentation of the trust and the applicants' authority under the trust is provided with the application. All trustees must sign all Program documents, including the Assessment Contract.

A Property owned by a business entity is eligible for Program participation if adequate documentation of the business entity and the applicants' authorization to act on behalf of the entity is provided with the application.

2.3 Eligible Products

The Program offers financing for various energy efficiency, renewable energy, water efficiency and seismic products (Eligible Products). The list of Eligible Products may vary by Sponsor.

Eligible Products Must Be Permanently Affixed, New Products

Only permanently affixed, new products are considered "Eligible Products" and thus financeable through the Program. Remanufactured, refurbished, used or new equipment transferred from a previous location are not eligible. Previously installed products are not eligible for Program financing. Products that are not permanently affixed are not eligible, such as appliances, light bulbs and other non-fixtures.

Proposed Products Must Meet Minimum Eligibility Requirements

There are minimum efficiency and/or other requirements tied to each Eligible Product. A complete list of Eligible Products with minimum specifications for Residential properties is available in Appendix C. Property Owners should confirm with their contractor(s) that proposed products meet the minimum specifications set forth in the Eligible Products List. Your Participating Contractor must attest that all Eligible Products meet the stated minimum eligibility criteria.

Before installing Eligible Products, you or your Participating Contractor are required to provide details regarding the proposed Eligible Products, which you can do by calling the Program Call Center (see Section 1.2).

Custom Products May Be Eligible

You may apply to install a permanently affixed energy efficiency, renewable energy, water-efficiency or seismic product (depending on Sponsor) not included on the Eligible Products List by submitting a Custom Product Application. The Program Administrator must approve all Custom Product Applications. See Section 4.5 for additional details on submitting a Custom Product Application.

Solar Systems Must Meet CSI Requirements

All solar photovoltaics (solar PV) and solar thermal systems must use California Solar Initiative (CSI) eligible equipment and must be installed according to CSI requirements. The Program Administrator recommends that energy efficiency measures be completed prior to installing solar PV systems in order to address energy conservation prior to energy generation.

2.4 Eligible Costs

Eligible costs under the Program include both the cost of the equipment and installation. Installation costs may include, but are not limited to, energy/water audit, appraisals, labor, design, drafting, engineering, permit fees, and inspection charges. The installation must be completed by a Participating Contractor who is registered with the Program

If you elect to complete your financed improvements at the same time as a larger remodeling project, financing is only available for the Eligible Products used to improve the existing structure. Repairs to the existing building's envelope, systems and/or infrastructure are not eligible except where necessary to install the Eligible Product. If you are planning to finance Eligible Products included in a larger remodeling project, you should first contact the Program Call Center to determine what costs will be eligible for financing.

The cost of installing the Eligible Products must be reasonable and accomplished within industry cost guidelines. You are encouraged to get multiple bids so that you may determine an appropriate range of costs for your home improvements. The Program Administrator shall have the right to refuse to finance an Eligible Product that exceeds such guidelines, and/or to request additional documentation or other information to determine the reasonableness of any Eligible Product.

2.5 Eligible Participating Contractors

You must select a Participating Contractor who has signed-up with the Program. Participating Contractors must have an active license with the CSLB, which includes meeting the CSLB's bonding and workers' compensation insurance requirements, and agree to all Program terms and conditions via a Contractor Participation Agreement. In addition, Participating Contractors may only install Eligible Products for which they have the appropriate CSLB license.

You independently choose which Participating Contractor will work on the installation of your Eligible Products. **The Sponsor, the purchaser of bonds issued by the Sponsor, and the Program Administrator do not endorse contractors who register with the Program, any other person involved with the installed products, or the design of the products, or warrant the economic value, energy savings, safety, durability or reliability of the Eligible Products.**

2.6 Eligible Assessment Amounts

The minimum Assessment amount is \$5,000. The maximum Assessment amount must be less than 15% of the value of the Property. Note that 15% of Property Value is only available for first \$700K of the property value then 10% of any property value thereafter. In Los Angeles County any assessment amount in excess of \$250,000 requires specific approval by that County. The Assessment amount plus the mortgage-related debt must not exceed 100% of the value of the Property.

The value of the Property will be the market value based on an automated valuation model (AVM) value provided by a third party independent vendor. In certain circumstances, a recent appraisal or broker's price opinion may be used instead of the AVM value. Property owners interested in an alternative valuation of their property should contact the Call Center.

The Program Administrator does not coordinate, advance the cost, nor choose an appraiser or realtor for an appraisal or BPO.

2.7 Eligible Assessment Term(s)

Assessment Contracts may include financing for a term of 5, 10, 15, 20, 25 or 30* years. The financing term may not exceed the useful life of the installed Eligible Product, as indicated in Appendix C. If a project includes multiple products with various terms, the financing term will be determined by summing the dollar value of products under each term and selecting the term associated with the greatest value. A Property Owner may select a shorter assessment term than the useful life of the Eligible Product(s) to be installed.

*30-year financing term is only available for certain products in certain areas. See Appendix F for interest rates and financing terms.

2.8 Eligible Rebate Programs and Tax Credits

Various federal tax credits, state and local rebates, and incentive programs exist for energy efficiency, renewable energy, and water efficiency Eligible Products. Not all Eligible Products under the Program will qualify for federal tax credits and/or state or local utility rebates.

For information on rebates and tax credits, please visit the rebates pages listed in Appendix A and talk to your Participating Contractor and/or a tax advisor.

Deductions from Financing Amount

All available up-front federal, state or utility rebates that are received for installed Eligible Products should be deducted from the requested finance amount.

Any performance-based incentives that are paid over time do not need to be deducted from the requested finance amount. State or federal tax credits resulting from the installation of Eligible Products also do not need to be deducted from the requested finance amount; however, you may wish to consider these additional benefits in determining your requested financing amount.

Solar Rebates

If you plan to install solar PV or solar water heating systems, the project must be eligible for and participate in the appropriate CSI rebate program, if available. Most solar installers can assist you with applying for these rebates.

2.9 Eligible Number of Assessments

You may apply for another Assessment under the Program for the same Property or an additional Property(s), as long as all Assessments under the Program for a particular Property still meet all Program guidelines as to maximum Assessment limits. For all applications submitted after September 2, 2016, a residential property owner submitting multiple applications for the same property must meet certain underwriting rules for the combined value of all applications based on the valuation criteria as indicated in Section 2.6:

1. All PACE liens combined must be less than 15% of property market value,
2. In accordance with State Law, all annual payments combined (annual property tax + all RF PACE annual payments) must be less than 5% of property market value,
3. All debt liens combined (mortgages + all PACE liens) must be less than 100% of property market value.

2.10 Additional Program Terms and Disclaimers

This section further highlights certain of the obligations you will have as a participant in the Program.

Property Owner Agrees to All Program Terms

By signing the Assessment Contract and related Financing Documents, you and all other Property Owners certify that you have read, understood and agree to the terms of the Program as outlined in the Property Owner Handbook in addition to the terms of the Assessment Contract. You and all other Property Owners also certify that you, the Property, and the products meet all Program eligibility requirements.

Authority to Install Products

By signing the Financing Documents, you and all other Property Owners represent that you have the authority to install the approved Eligible Products on the Property named in the Assessment Contract.

No Endorsement by Program Administrator

You and all other Property Owners agree that you understand that the Program Administrator's review of the proposed products and approval for Program funding shall not be construed as confirming or endorsing the qualifications of you, the Participating Contractor, or any other person involved with the products; endorsing the design of the products; or as warranting the economic value, energy savings, safety, durability or reliability of the products.

Property Owner Is Responsible for Products, Permits and Inspections

Although the Program Administrator sets minimum efficiency standards for eligible products, you are solely responsible for all products installed on your Property, including the selection of any Participating Contractor(s), energy auditor(s), or equipment. Any performance-

related issues are the responsibility of you and the Participating Contractor(s). Neither the Sponsor, the purchaser of bonds issued by the Sponsor, or the Program Administrator is responsible for the performance of the products. Completion of all city and county permitting and inspections are the responsibility of you and the Participating Contractor.

Right to Validate Products by Program Administrator

You have agreed that the Program Administrator may perform independent on-site validation(s) of any Eligible Products financed through the Program, including if permit inspections have already been completed. If a validation visit is required, the Program Administrator will schedule any such on-site validation visit with you at your convenience.

Defaults on Assessment Payments

Not later than October 1st of every year until your Assessment Obligation is paid off it will be determined whether any Annual Assessment Obligation is delinquent. After written notification, defaults in payment of Annual Assessment Obligations may result in the initiation of foreclosure proceedings with respect to the Property on the December 1st following such default.

Rebates and Tax Credits

Federal, state or local laws or rebate programs may change at any time. Therefore, neither the Sponsor nor the Program Administrator is liable for any loss of or change in a rebate or tax credit. You should consult your tax advisors and/or accountants as to the applicability of any federal tax credits to your personal tax situation.

Tax Deductibility of Assessment

The interest portion of your PACE assessment may be tax deductible. You are urged to consult a tax advisor regarding the deductibility of such payments.

Program Database

All information obtained from you through the Program will be used only for purposes of the Program.

Releases and Indemnification

By submitting an application, you acknowledge that the Sponsor has formed the Program solely for the purpose of assisting you and other Property Owners in the Participating Community with the financing of approved Eligible Products and that the Sponsor, the purchasers of bonds from the Sponsor, and the Program Administrator have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the products. You and all other Property Owners shall be solely responsible for the installation, operation, financing, refinancing or maintenance of the products. Participation in the Program does not in any way obligate the Sponsor, the purchasers of bonds from the Sponsor, or the Program Administrator to guarantee or ensure the performance of any products. You acknowledge that you will be responsible for payment of the Total Assessment Obligations regardless of whether the products are properly installed or operate as expected.

You also agree to release, defend, indemnify and hold harmless the Sponsor, the purchasers of bonds from the Sponsor, and the Program Administrator, including their officers, directors, employees, affiliates and agents, from and against any claims, actions, demands, costs, damages or lawsuits, including the payment of attorneys fees and cost of court, arising out of or in any way connected with your participation in this Program, including, without limitation, the installation, maintenance or repair of the products or compliance with any applicable federal, state or local laws.

Disclosure of Participant Information

By submitting an application, you agree that the Sponsor may disclose your personal information to the Program Administrator, and that the Sponsor and the Program Administrator may disclose that information to third parties when such disclosure is essential to the conduct of the Sponsor's or its member agencies' business or to provide services to you, including, but not limited to, where such disclosure is necessary to (i) comply with the law, legal process or regulators, (ii) enable the Sponsor or the Program Administrator to provide services to you and to otherwise perform their duties, and (iii) obtain and provide credit reporting information. The Privacy Policy Notice provides further details on the Sponsor's information collection and sharing practices.

You agree to the release of your name and contact information and the Property's utility usage data from the local utility company for 12 months before installation of the improvements and up to 24 months after the end of the financing term to the Sponsor and the Program Administrator for the purpose of conducting surveys and evaluating the Program and its impact. In addition, you understand that the Sponsor is a public agency which, in certain circumstances, may have an obligation to release information under the California Public Records Act or pursuant to court order.

Renewable Energy Certificates and other Environmental Attributes

If you install solar PV or non-PV electricity generating systems, Renewable Energy Certificates (RECs) and all related environmental attributes will be assigned to the Sponsor for the length of the financing term.

3 Financial Terms

3.1 Assessment Costs

Below are the costs associated with Program financing. All interest rates and fees are subject to change. Interest rates and fees for an Assessment are set at the time that Financing Documents (see Section 4.6) are issued. If work is not completed by the Expiration Date indicated on the Financing Documents, then the Program Administrator reserves the right to require you to enter into a new Assessment Contract for Program financing. The new contract may have a different interest rate and costs.

Upfront Costs

Upfront Costs are one-time fees that become part of the Assessment including the following:

Program-Related Fees

Program-Related Fees are one-time fees added to the Assessment at the time of funding. Program-Related Fees include the costs of Program administration and origination, bond counsel, Program sponsor fee (the Sponsor), and tax administration. The amount of the Program-Related Fees is identified in the Financing Statement.

Lien Recording Fee

You will need to pay for any and all fees the Sponsor charges to record the Assessment lien documents on your Property. These fees will be added to the Assessment amount. The Lien Recording Fee amount will be listed in the Financing Statement.

Reserve Fees

Reserve fees are one-time fees or deposits incurred at funding to pay for reserves that support bondholders' and mortgage holders' interests. The amount of the deposit to all reserve funds will be provided in the Financing Statement. These include:

- **Reserve Fund:** A deposit to pay debt service on the bonds in the event of delinquencies in payments of Assessments.
- **Foreclosure Fee:** [description]. This fee does not apply under all Sponsors. A deposit to cover the Sponsor's costs to initiate judicial foreclosure for properties of Property Owners that are delinquent on payment of their Annual Assessment Obligations.

The amount of the deposit to all reserve funds will be provided in the Financing Statement.

Capitalized Interest

Based on the Funding Date of your Assessment Contract, payments on your Assessment may not begin until the following year's tax statement. Capitalized Interest is the amount of interest that is added to the Assessment amount for the period prior to the first tax year in which payment is made. The amount of Capitalized Interest for your Assessment will be included in the Financing Statement.

Estimated Administrative Expenses (Annual)

Each year an administrative fee will be included in the Annual Assessment Obligation on your property tax bill. This fee covers the annual costs to place the lien on the property tax rolls and manage the tax payments. These expenses may vary over the Term based on changes to local government and the County fees. The Estimated Administrative Fees will be identified in the Assessment Contract and will not exceed \$100 per year.

3.2 Annual Repayments

You will repay Principal and interest, plus an Estimated Administrative Expense over 5, 10, 15, 20, 25 and 30* years, depending on the approved Term. Payment will be billed and paid through a separate line item on your property tax bill. As with other property taxes, the Annual Assessment Obligation is due in one or two installments each year. The payment schedule will be attached to the Assessment Contract that you sign. Failure to repay the Annual Assessment Obligation will result in interest and penalties and may result in foreclosure on your Property.

*30-year financing term is only available for certain products in certain areas. See Appendix F for interest rates and financing terms.

3.3 Foreclosure

Not later than October 1 each year, the County shall determine whether any annual assessment obligation 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 obligation.

3.4 Prepayment of the Assessment

The Assessment may be prepaid, in whole or any other amount of \$2,500 or more, at any time. Prepayments will be applied at the end of the month in which funds are received. Upon request, a payoff statement and payment instructions will be provided. The prepayment amount will include (i) a credit for any refund of capitalized interest, (ii) accrued interest and interest that would otherwise accrue on the amount prepaid through the first bond interest payment date that is at least 65 days following the date of the prepayment and (iii) the reasonable costs of the County related to the prepayment.

If you make any prepayments, then on or prior to June 30*, an updated payment schedule that reduces subsequent annual installments so that the remaining scheduled payments will be sufficient to repay all amounts then due under the Assessment by the end of the original term of this Agreement will be sent. **While you will enjoy a lower annual installment following a prepayment, the term of the Assessment will not reduce. Therefore, you will pay more interest over the remaining term of the Assessment than you would pay if the subsequent annual installments were not reduced because the remaining principal balance of the Assessment will be repaid more slowly.**

*This date will change depending on year and Sponsor. Please contact Renew Financial for the exact dates.

Due to circumstances outside the Sponsor's control, prepayments made after June 30 of any calendar year may result in you receiving a tax bill that does not reflect that prepayment. In these circumstances, you must pay the full tax bill and the Sponsor will refund overpayments to you when the Sponsor receives the money from the tax collector.

In order to prepay, you will need to contact the Program Call Center to initiate the prepayment. If the Assessment is to be prepaid in full or part, this will include a calculation of the prepayment amount as described above. Renew Financial does not charge the property owner a fee when a prepayment is made.

4 Program Process

This section describes the application and financing process for you and the Participating Contractor.

4.1 Scope of Project - Obtain Quote

You can select which Eligible Product(s) you wish to finance through the Program. A Participating Contractor can help you determine which measures are best suited for your home and offer the best energy savings.

Funding is only available for products listed on the Eligible Products List and Custom Products, if approved by the Program Administrator. Eligible Products are listed in Appendix C of this Handbook.

Energy Audit and Solar Site Evaluation

It is highly recommended that you get a comprehensive energy and/or water audit on your Property before considering any Eligible Products. An energy or water audit can help you identify which products are most applicable to your home and which present the greatest energy or water savings potential.

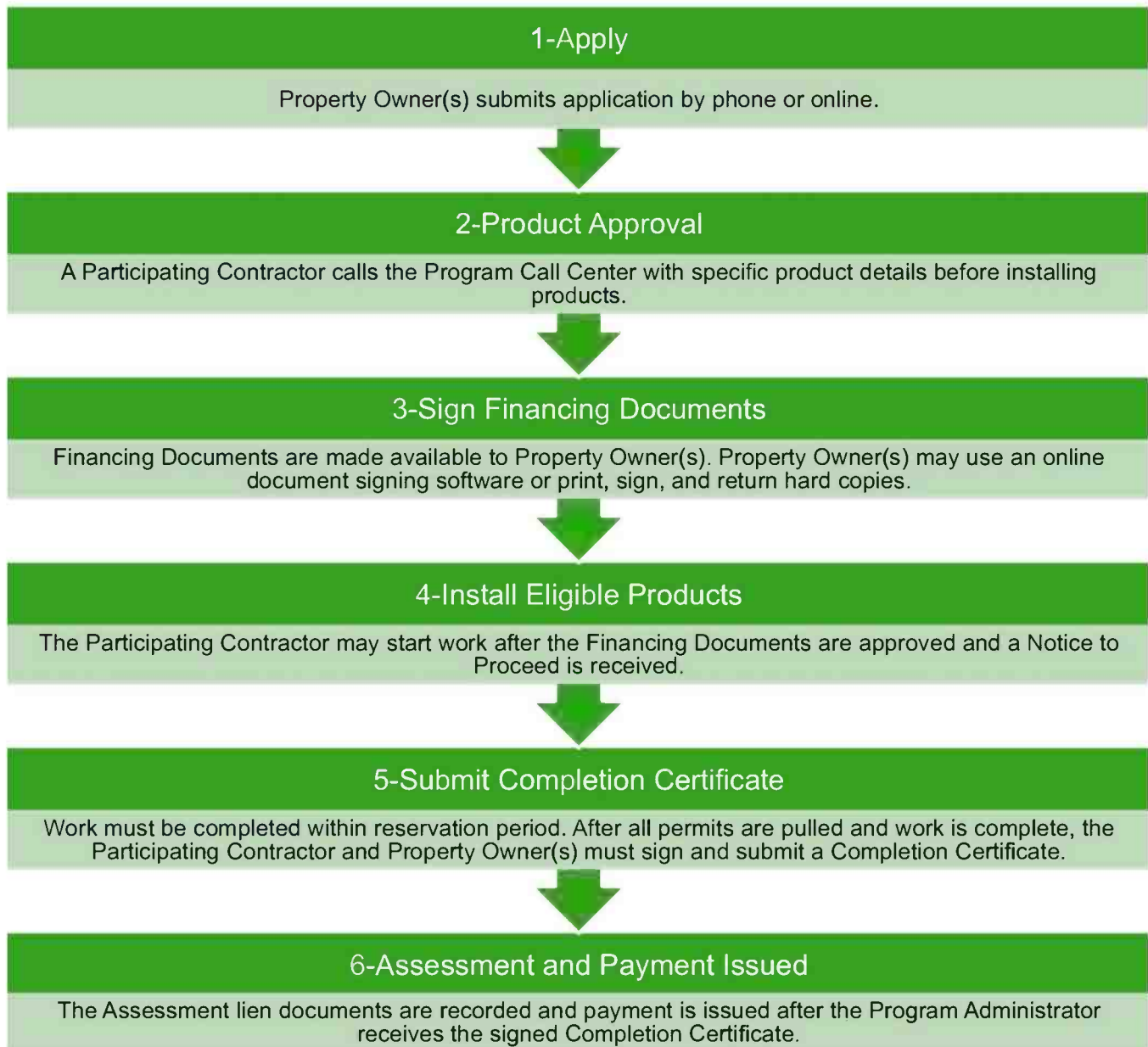
If you are interested in solar PV or solar thermal, many solar contractors can provide a solar evaluation of your home.

Eligible Products

Prior to submitting an application, you should work with your Participating Contractor to determine whether a product is eligible by reviewing the current Eligible Products List. However, you should not purchase or install Eligible Products until you have a Notice to Proceed from the Program Administrator.

4.2 Process Overview

The chart below shows the steps to finance an Eligible Product through the Program:



4.3 Apply for the Program

Application

You will need to complete an application to receive financing. You can submit the application online, by phone, or mail at the contact information provided in Section 1.2.

Submission of an application does not guarantee that you will be approved for financing. Additionally, if you proceed with installing your project prior to receiving approval, you assume the risk that your project, Property or Participating Contractor may not be eligible for financing.

By submitting an application, you are specifically authorizing and agreeing that the Program Administrator has permission to obtain a credit report for each Property Owner and any other informational reports needed to verify bankruptcy and current property debt, obtain a property valuation, verify your declarations regarding title to the Property and current and historical property tax status, and complete any other necessary record checks to verify information in the application or confirm eligibility for the Program.

Participating Contractor Call In or Online Application

Participating Contractors may submit an application online on your behalf or call in an application to the Program. You and all other Property Owners must be available to provide information and authorization for a credit report to be pulled when the Participating Contractor calls in the application.

Hard Copy Application

A hard copy application is available for you to fill out. You may obtain the hard copy application from the Program website or from your Participating Contractor. Once completed, you may submit a hard copy application by mail or fax.

Financing Disclosures

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. A full understanding of any item listed below can be gained only by reviewing the relevant laws, policy statements, and/or the contractual documents related to the Program. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or if you need copies of any document related to the Program.

Existing Mortgage. The Program establishes the manner by which the Sponsor 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 Sponsor.

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 SPONSOR. 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.

See Section 3.4 for details on prepayment of the Assessment.

If your lender requires an impound for your property taxes, please consider notifying them of the annual assessment payment amount so they can adjust your impound amount.

Foreclosure. Please see section 3.3.

4.4 Application Review

The Program Administrator will review the application and issue a notification of status as defined below.

Application Review Results

You will receive an email notification of the status of your application immediately if applying through the contractor call in method. If applying through a hard copy application, the Program Administrator will notify you of the application status determination by email or mail once the application is processed. There are three possible application review results:

Approved. An application will be approved if the Program Administrator has verified all of the items' eligibility requirements and Eligible Products have been approved. An "approved" applicant will receive the Financing Documents listed in Section 4.6 for electronic signature.

Pending. An application will be considered “Pending” if all the submitted information meets the underwriting eligibility requirements, but additional information or documentation is required to complete the application. The applicant can be approved once additional information is received. Examples of reasons for a project to be “pending” may include 1) that required trust or corporate authorization for applicable Properties is not yet provided, 2) credit report(s) must still be pulled, and/or 3) Eligible Product information is not yet provided. “Pending” applicants will be notified by email of the issues that need to be resolved before the application can move forward.

Declined. An application will be declined if the Program Administrator determines the applicant(s), the Property, or Products do not meet the Eligibility Requirements. A Property Owner will be notified by US mail of the specific reason(s) why his or her application was denied. If the Property Owner believes there has been an error based on the stated reasons in the declination letter and is unable to resolve it quickly by contacting the Program Administrator, the Property Owner must follow the steps set forth in Section 6, Dispute Resolution, in order to formally contest the Program Administrator’s decision.

4.5 Obtain Program Approval for Eligible Products

You must obtain approval of all Eligible Products to be installed prior to installation.

Contact Call Center for Product Approval

You or your Participating Contractor will need to call the Program Call Center to obtain approval of specific Eligible Products and installation costs before an application can be approved. The installation cost provided by you or your Participating Contractor to the Program Administrator is a “Not to Exceed” amount and the final invoiced amount of the project may not exceed this number.

The current Eligible Products List and the minimum requirements for each Eligible Product are available in Appendix C.

Product Cost Review

Applications may be reviewed by the Program Administrator and/or the Sponsor to assess the costs of installed eligible products and ensure consumer protection standards are being met. You should notify CaliforniaFIRST if your project installation has extenuating issues that could cause an increase in project costs.

Custom Products

If you wish to finance a Custom Product, you must request approval for the Custom Product. To do so, you or your Participating Contractor must complete the Custom Product Application and provide information on the product, such as:

- (a) product specifications,
- (b) the cost to install, and
- (c) estimated energy or water savings or renewable energy production.

During Custom Product review, the Program Administrator may request additional documentation or additional contractor(s) bid(s) for proposed Custom Products in order to determine that the submitted bid(s) appear to be reasonable as to cost or scope.

All Custom Product Applications must be approved by the Program Administrator and may require approval by the Sponsor.

The Program Administrator reserves the right to deny any Custom Product Application. Reasons for denial may include the following: the product is too experimental or unreliable; the claimed energy or water savings or renewable energy generation product is not clearly supported; the costs do not appear to be in conformance with industry standards; or installation of the product may violate local laws or regulations. The Program Administrator will provide a written explanation for any denial of a Custom Product Application.

4.6 Financing Documents

After Eligible Products are approved, the Program Administrator will provide you with your Financing Documents for signature. The Financing Documents must be signed and received by the Program Administrator within 5 days of the Assessment Contract Date. Financing Documents are generally signed with electronic signature. If Financing Documents are printed for signature, all signed documents must be notarized. Below is a list of the Financing Documents that will be provided:

Financing Documents Provided

1. Welcome Letter (with Property Owner Handbook link)
2. Financing Application & Disclosure
3. Assessment Contract

4. Financing Estimate and Disclosures
5. Notice of Right to Cancel
6. Electronic Record and Signature Disclosure (upon request)
7. Privacy Policy

Financing Documents to Return to the Program

1. Signed Financing Application & Disclosure
2. Signed Assessment Contract
3. Signed Financing Estimate and Disclosures
4. Acknowledged Notice of Right to Cancel

If you or any of the other Property Owners fail to sign and submit Financing Documents by the required date, new Financing Documents may need to be issued. Reissuance of Financing Documents may impact the length of time remaining for installation, result in a new interest rate, and/or change other fees.

4.7 Installation of Eligible Products

After Financing Documents are signed and returned, you and your Participating Contractor will receive a Notice to Proceed, which indicates that you may begin your project. The Notice to Proceed will indicate the time by which all Eligible Products must be installed and payment requested. Eligible projects will have a 90 to 120-day period to install products.

A Completion Certificate will also be sent with the Notice to Proceed. You must complete and return the Completion Certificate after the project has been installed by your Participating Contractor prior to the Expiration Date in order to receive funding.

You and your Participating Contractor are responsible for attaining all necessary approvals from a homeowners' association and/or historical review board regarding the installation of Eligible Products, as applicable to the Property.

If the approval period expires, the Property Owner may be required to submit a new application and may be subject to a new interest rate.

The Sponsor, the purchasers of bonds from the Sponsor, and the Program Administrator do not endorse contractors who register with the Program, any other person involved with the installed products, or the design of the products, or warrant the economic value, energy savings, safety, durability or reliability of the Eligible Products.

Building Permits and Inspection

You and your Participating Contractor are responsible for obtaining building permits and completing final inspections by the appropriate city or county Building Department. You and your Participating Contractors are also responsible for ensuring that your Eligible Products have met all other applicable federal, state and local laws and regulations. You should speak with your Participating Contractor to determine if your Eligible Products require a building permit and/or inspection and what requirements must be met.

4.8 Submit Completion Certificate

Once installation is complete, you must submit an executed Completion Certificate and all required attachments to the Program Administrator for approval by the Expiration Date.

The Completion Certificate must be submitted with the following documents:

1. Final invoice or contract from Participating Contractor which includes a detailed scope of work (including all financed products) and costs;
2. If required by the jurisdiction, a pulled permit from the appropriate city or county building department for all permitted Eligible Products or Custom Products.

The required attachments are listed on your Completion Certificate Instructions page. The Completion Certificate and required attachments may be submitted to the Program Administrator by fax, mail or via the electronic signature portal.

Assignment of Payment

Payment may be assigned to the contractor or designee.

Generation of New Financing Documents

New Financing Documents must be generated if the Completion Certificate indicates a final financing amount that exceeds the amount approved at application. All appropriate documents reflecting the new financing amount must be signed and a 3-day rescission period will be required prior to the Program Administrator generating a new Completion Certificate.

Right to Validate Products by Program Administrator

The Program Administrator reserves the right to perform independent on-site validation(s) of any Eligible Products financed through the Program at any time, including if permit inspections have already been completed. If a validation visit is required, the Program Administrator will schedule any such on-site validation visit with you.

Payment

The timing of payment is dependent on when the Completion Certificate and all other requirement documents are received and approved by the Program Administrator. Payment will be issued to your Participating Contractor or a payment designee as indicated on your final Completion Certificate. If payment is issued to the Contractor, we will issue payment within 2 business days of approving the Completion Certificate if payment is wired directly into the bank account account.

4.9 Record Lien on Property and Issue Payment

After receiving the executed Completion Certificate and associated documents, the Program Administrator will record the Assessment lien documents on your Property with the county, issue bonds and disburse payment.

4.10 Add Assessment to Property Taxes

The Assessment and a notice of assessment will be recorded with the county and appear along with interest and administrative expenses on your property tax bill for the duration of the Term.

Annual Assessment Obligation Payments on Property Tax Bill

You must be able to pay the agreed-upon Total Assessment Obligations regardless of a change in personal financial circumstances, the condition of the Property, or the condition of the newly installed Eligible Products. As with other property taxes, failure to pay the Total Assessment Obligations will result in penalties, interest and, eventually, foreclosure of the Property by the Sponsor or the county tax collector.

Recordation of the Assessment lien on the Property will establish a continuing annual lien. As with other property taxes, you may pay the entire annual amount due on the date the first installment is due or you may pay in two installments on the dates the installments are due.

Under California law, property taxes and assessments typically stay with the Property when it is sold. However, if you attempt to refinance your Property once the Assessment lien is recorded on the Property, your lender may require that you pay off the entirety of the Assessment prior to granting approval of your refinancing. Similarly, if you wish to sell your Property after the Assessment lien is recorded, the purchaser's mortgage lender may require that the Assessment be paid off in full prior to granting approval of a new mortgage to the purchaser for your Property. You should consult your lenders at the time of refinance or sale of the Property to determine whether your Assessment will need to be paid in full. In addition, by law, you must provide notice of the Assessment to a buyer prior to sale of the Property.

If you use an impound account to pay your taxes, you should contact your lender to increase monthly impound payments by an amount equal to the total Annual Assessment Obligation divided by 12 months.

The Annual Assessment Obligation will be based on the Project Amount, Upfront Costs, the effective Interest Rate of the Program, and Estimated Administrative Fees. Estimated amounts will be specified in the Assessment Contract and in the Financing Statement.

5 Product Installation Requirements

5.1 Contractor Sign-Up

All contractors who install Eligible Products under the Program must sign-up with CaliforniaFIRST in order to become a Participating Contractor.

To be eligible as a Participating Contractor in the Program, contractors must be licensed by the State of California and in good standing with the CSLB, meet all applicable bonding and insurance requirements, and meet any fraud check requirements, and agree to the terms and conditions of a Program. All contractors must meet the requirements outlined here:

<https://renewfund.secure.force.com/apply/resource/1482564616000/ContractorEnrollmentRequirement>

When a contractor is accepted into the CaliforniaFIRST Program, it is required that he/she agrees to abide by all Program terms and conditions as listed in the Contractor Participation Agreement and comply with all policies and procedures outlined in any handbook or other policy document Renew Financial provides to Participating Contractors, each as amended from time to time, including:

- pulling permits as required by the local building department,
- obtaining approval of proposed Eligible Products in advance by calling the Program Call Center or completing the Custom Product Application process,
- installing Eligible Products that meet the required eligibility specifications,
- obtaining a business license in each jurisdiction where the contractor does Program-financed work, and
- only installing Eligible Products for which he/she has the correct contractor's license.

If your contractor is interested in being part of the Program but has not yet become a Participating Contractor, please have him or her call CaliforniaFIRST at the Contractor Registration contact information provided in Section 1.2 or visit www.californiafirst.org.

5.2 Building Permits and Inspection

You and your Participating Contractor are responsible for obtaining building permits and completing final inspections by the appropriate city or county Building Department. You and your Participating Contractors are also responsible for ensuring that your Eligible Products have met all other applicable federal, state and local laws and regulations. You should speak with your Participating Contractor to determine if your Eligible Products require a building permit and/or inspection and what requirements must be met.

5.3 Fraudulent Activity

Any misrepresentations made in connection with the Program in the application, the Participating Contractor's bid, or any other document at any time while you are participating in the may result in a denied application, a notification that any installed Eligible Products will be at your expense, or a legal proceeding, civil or criminal, to recover any fraudulently obtained funds, or other legal action.

5.4 Required Documents

Required documents must be submitted at different steps in the Program process. For a list of required documents which must be submitted and when they need to be submitted, please see Section 4, Program Process.

6 Dispute Resolution

You, the Sponsor and the Program Administrator shall attempt in good faith to promptly resolve any dispute arising out of or relating to any Assessment Contract under the Program. Any party must give the other parties written notice of any dispute. Within 30 calendar days after delivery of the notice to the Program Administrator address or email per Section 1.2, you and the Sponsor and/or the Program Administrator shall have a meeting, and shall attempt to resolve the dispute. If the matter has not been resolved within 30 calendar days of the first meeting, any party may pursue other remedies, including mediation. All negotiations and any mediation conducted pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations, to which Section 1152.5 of the California Evidence Code shall apply, and Section 1152.5 is incorporated herein by reference. You and the Sponsor are required to continue to perform the obligations under the Assessment Contract pending final resolution of any dispute arising out of or relating to the Assessment Contract.

Dispute resolution will follow a similar process if you wish to dispute decision(s) made by the Program Administrator on behalf of the Sponsor, but have not signed a formal Assessment Contract. Written notice must be sent to the Program address identified in Section 1.2. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), the section in the Handbook that the issue(s) pertain(s) to, and a timeline of events. Within 30 calendar days after delivery of the notice, you, the Sponsor and the Program Administrator shall attempt to resolve the dispute. The Program Administrator on behalf of the Sponsor shall render a final written decision in 30 calendar days and send that decision to you.

7 Appendices

Appendix A: Other Useful Resources

California Solar Initiative (Go Solar California)	The California Solar Initiative (CSI) is the solar rebate program for California consumers that are customers of the investor-owned utilities.	http://www.gosolarcalifornia.ca.gov/contacts/consumers.php
Contractors State License Board	The Contractors State License Board (CSLB) protects consumers by licensing and regulating California's construction industry.	www.cslb.ca.gov CLSB License Check check Contractor's License Status 1 (800) 321-CSLB (2752)
Federal Tax Credits	Information page about federal tax credits available for energy efficiency and renewable energy improvements.	www.energysavers.gov/financial/70010.html
State and Local Rebates	See your local utility company information above. See also, Energy Upgrade California to search for rebates by zip code.	See local utility company information above. See also Energy Upgrade California, https://energyupgradeca.org/
Energy Star	Energy Star is a government-backed program helping businesses and individuals protect the environment through superior energy efficiency. Energy Star provides energy efficiency standards, qualified and labeled energy efficiency products and recommended installation methods, among other things.	www.energystar.gov Energy Star Hotline for specific questions about specific products (888) 782-7937
Building Performance Institute	BPI is a national standards development and credentialing organization for residential energy efficiency retrofit work – providing training through a network of training affiliate organizations, individual certifications, company accreditations and quality assurance programs.	www.bpi.org (877) 274-1274
California Building Performance Contractors Association	CBPCA is a non-profit 501c-6 trade association that develops, trains and promotes whole house energy-efficient retrofitting for contractors and professionals in the building performance industry. BPI and HERS training and certification are available.	http://thebpcpa.org/ (510) 433-5042
CalCERTS	CalCERTS is an approved California Energy Commission (CEC) Home Energy Rating System (HERS) Provider. CalCERTS, Inc. is a private organization that provides service, support, training and certification to HERS raters.	https://www.calcerts.com/ (877) 437-7787
Title 24 Hot Line	The Title 24 Hotline is provided by the California Energy Commission and is intended to help contractors and others interpret and understand the rules in California's Title 24 regulations for new construction of and retrofitting of residential and commercial buildings.	www.energy.ca.gov/efficiency/hotline.html (800) 772-3300 Mon.-Fri. 8AM – 12 PM, 1 PM – 4:30 PM

Appendix B: Program Forms and Documents

Samples of Program documents can be found at [the following links](#):

CSCDA

Sample CaliforniaFIRST Financing Documents

<https://renewfinancial.box.com/v/cafirst-fin-docsh>

Sample Notice to Proceed

<https://renewfinancial.box.com/v/cafirst-ntp>

Sample Completion Certificate

<https://renewfinancial.box.com/v/cafirst-comp-cert>

Contractor Participation Agreement

<https://californiafirst.org/for-contractors>

LA

Sample CaliforniaFIRST Financing Documents

<https://renewfinancial.box.com/v/cafirst-la-fin-docs>

Sample Notice to Proceed

<https://renewfinancial.box.com/v/cafirst-la-ntp>

Sample Completion Certificate

<https://renewfinancial.box.com/v/cafirst-la-comp-cert>

Contractor Participation Agreement

<https://californiafirst.org/for-contractors>

Appendix C: Eligible Products List

ELIGIBLE PRODUCT LIST



In addition to the CaliforniaFIRST Product Eligibility Criteria listed below, all product specifications and installation quality must meet or exceed applicable local and state permitting, codes (including Title 24) and health and safety standards. CaliforniaFIRST requires permits for many of the products below if required by the local jurisdiction. All products must be installed per manufacturer's specifications. All products must be permanently installed and remain at the property upon sale or transfer.

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Energy Efficiency	Appliances	Clothes Dryer	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	10
Energy Efficiency	Appliances	Clothes Washer	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	10
Energy Efficiency	Appliances	Dishwasher	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	10
Energy Efficiency	Appliances	Freezer	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	15
Energy Efficiency	Appliances	Microwave Oven	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	10
Energy Efficiency	Appliances	Refrigerator	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	15
Energy Efficiency	HVAC	Air-Source Heat Pump	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Attic Fan	1. Product must have a thermostat control.	15
Energy Efficiency	HVAC	Boiler	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Ceiling Fan	1. Product must comply with Title 24.	10
Energy Efficiency	HVAC	Central Air Conditioner	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Duct Insulation	1. Product must comply with Title 24.	20
Energy Efficiency	HVAC	Duct Replacement	1. Product must comply with Title 24.	20
Energy Efficiency	HVAC	Duct Sealing	1. Product must comply with Title 24.	20
Energy Efficiency	HVAC	Ductless Mini-Split	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Ductless Mini-Split Air Conditioner	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Energy Recovery Ventilation (ERV) System	1. Product must be certified by the Home Ventilating Institute (HVI).	15
Energy Efficiency	HVAC	Evaporative Cooler	1. Product must comply with Title 24. 2. Product must be permanently affixed to the home.	15
Energy Efficiency	HVAC	Furnace	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Gas Fireplace	1. Product must comply with Title 24.	20
Energy Efficiency	HVAC	Geothermal Heat Pump	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Heat Recovery Ventilation (HRV) System	1. Product must be certified by the Home Ventilating Institute (HVI).	15

ELIGIBLE PRODUCT LIST

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Energy Efficiency	HVAC	Heating and Air Conditioning Package Unit	1. Product must comply with Title 24.	15
Energy Efficiency	HVAC	Pellet Stove or Insert	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Programmable Thermostat	1. Product must be on the List of EPA Certified Wood Stoves.	
Energy Efficiency	HVAC	Control	1. Product must comply with Title 24.	15
Energy Efficiency	HVAC	Radiant Heating (Floor, Wall, Ceiling)	1. Product must comply with Title 24.	
Energy Efficiency	HVAC	Ventilating Fans	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Whole House Fan	1. Product must comply with Title 24.	10
Energy Efficiency	Insulation and Air Sealing	Air Sealing	1. Product must comply with Title 24.	20
Energy Efficiency	Insulation and Air Sealing	Attic Insulation	1. Product must comply with Title 24.	20
Energy Efficiency	Insulation and Air Sealing	Floor Insulation (over unconditioned space)	1. Product must comply with Title 24.	25
Energy Efficiency	Insulation and Air Sealing	Foam Insulation - Attic or Roof	1. Product must comply with Title 24.	25
Energy Efficiency	Insulation and Air Sealing	Wall Insulation	1. Product must comply with Title 24.	25
Energy Efficiency	Lighting	Indoor Lighting Fixtures	1. Product must comply with Title 24.	20
Energy Efficiency	Lighting	Lighting Control	1. Product must comply with Title 24.	20
Energy Efficiency	Lighting	Outdoor Lighting Fixtures	1. Product must comply with Title 24.	20
Energy Efficiency	Pool Equipment	Automatic Pool Covers	1. Product must be automatic.	10
Energy Efficiency	Pool Equipment	Gas Pool Heater	1. Product must comply with Title 24.	
Energy Efficiency	Pool Equipment	Heat Pump Pool Heater	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Energy Efficiency	Pool Equipment	Pool Filter	1. Product must comply with Title 24.	5
Energy Efficiency	Pool Equipment	Pool Pump and Motor	1. Product must be a cartridge pool filter.	10
Energy Efficiency	Roofing and Siding	Cool Roof - Performance	1. Product must comply with Title 24.	
Energy Efficiency	Roofing and Siding	Cool Roof - Prescriptive	1. Product must comply with Title 24 exception criteria in ALL climate zones and roof pitches.	25
Energy Efficiency	Roofing and Siding		2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	
Energy Efficiency	Roofing and Siding		1. Product must comply with Title 24 criteria for cool roofs in ALL climate zones.	25
Energy Efficiency	Roofing and Siding		2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	
Energy Efficiency	Roofing and Siding		1. Product must have solar reflectance ≥ 0.5 as tested by third-party laboratory using ASTM C1549-09 test method.	
Energy Efficiency	Roofing and Siding	Exterior Coating	2. Product color must be listed on the Renew Financial Exterior Coating Pre-Approval List.	20
Energy Efficiency	Roofing and Siding	Insulated Siding	1. One of the following performance criteria must be met:	
Energy Efficiency	Roofing and Siding	Radiant Barrier	a. The siding includes an insulated backing with R-value ≥ 2 .	25
Energy Efficiency	Roofing and Siding	Electric Heat Pump Tank Water Heater	b. Insulation with R-value ≥ 2 is installed beneath the siding.	
Energy Efficiency	Roofing and Siding	Gas Storage Tank Water Heater	1. Product must comply with Title 24.	25
Energy Efficiency	Water Heating		1. Product must comply with Title 24.	
Energy Efficiency	Water Heating		2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10

ELIGIBLE PRODUCT LIST

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Energy Efficiency	Water Heating	Gas Tankless Water Heater	1. Product must comply with Title 24.	20
Energy Efficiency	Water Heating	Hot Water Tank Insulation	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Energy Efficiency	Water Heating	Pipe Insulation - Hot Water	1. Product must comply with Title 24.	10
Energy Efficiency	Water Heating	Water Heat Recovery	1. Product must comply with Title 24.	25
Energy Efficiency	Water Heating	Water Softener	1. Heat exchanger must transfer waste heat from drain to hot water tank or hot water delivery system.	20
Energy Efficiency	Windows and Doors	Applied Window Films	1. Product must be a central cation-exchange water softener. (Descalers, water conditioners, and other water treatment products do not qualify.)	10
Energy Efficiency	Windows and Doors	Doors	1. Product must be NFRC Certified.	25
Energy Efficiency	Windows and Doors	Doors	1. Product must comply with Title 24.	25
Energy Efficiency	Windows and Doors	Doors	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	25
Energy Efficiency	Windows and Doors	Doors	1. Product must be permanently installed on the building exterior to shade at least one window or door.	25
Energy Efficiency	Windows and Doors	Doors	2. The following products qualify:	25
Energy Efficiency	Windows and Doors	Doors	a. Awning	25
Energy Efficiency	Windows and Doors	Doors	b. Exterior window shade	25
Energy Efficiency	Windows and Doors	Doors	c. Solar screen	25
Energy Efficiency	Windows and Doors	Doors	d. Patio cover	25
Energy Efficiency	Windows and Doors	Doors	e. Roof overhang	25
Energy Efficiency	Windows and Doors	Doors	(Other exterior structural elements are not eligible.)	25
Energy Efficiency	Windows and Doors	Doors	1. Product must be permanently installed on the interior of a window or door.	15
Energy Efficiency	Windows and Doors	Doors	2. The following products qualify:	15
Energy Efficiency	Windows and Doors	Doors	a. Blinds	15
Energy Efficiency	Windows and Doors	Doors	b. Shades	15
Energy Efficiency	Windows and Doors	Doors	c. Interior Shutters	15
Energy Efficiency	Windows and Doors	Doors	(Draperies, Insulated Panels, Mesh Screens, and Storm Panels are not eligible)	15
Energy Efficiency	Windows and Doors	Doors	1. Product must comply with Title 24.	20
Energy Efficiency	Windows and Doors	Doors	1. Product must comply with Title 24.	20
Energy Efficiency	Windows and Doors	Doors	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	25
Renewable Energy	Electric Vehicle Charging Station	Electric Vehicle Charging Station	1. Product must be a Level 2 charger with SAE J1772 standard charging plug.	10
Renewable Energy	Electric Vehicle Charging Station	Electric Vehicle Charging Station	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Renewable Energy	Electric Vehicle Charging Station	Electric Vehicle Charging Station	1. System must be certified as meeting the ANSI/CSA America FC1 standard.	10
Renewable Energy	Electric Vehicle Charging Station	Electric Vehicle Charging Station	2. Installation must comply with the Standard for the Installation of Stationary Fuel Cell Power Plants (NFPA 853).	10
Renewable Energy	Fuel Cells	Stationary Fuel Cell Power System	3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Renewable Energy	Solar Photovoltaic	Solar Inverters	1. Product must be on California Solar Initiative Eligible Products list.	20
Renewable Energy	Solar Photovoltaic	Solar Inverters	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Renewable Energy	Solar Photovoltaic	Solar Panels - PPA	1. Product must be on California Solar Initiative Eligible Products list.	20
Renewable Energy	Solar Photovoltaic	Solar Panels - PPA	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Renewable Energy	Solar Photovoltaic	Solar Panels - PPA	1. Product must be on California Solar Initiative Eligible Products list.	20
Renewable Energy	Solar Photovoltaic	Solar Panels - PPA	2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Renewable Energy	Solar Photovoltaic	Solar Panels - With Monitoring	3. To qualify for a 30-year term, the system must monitor performance. (Not available in Los Angeles County, unincorporated Sacramento County, or the City of Chula Vista).	30

ELIGIBLE PRODUCT LIST

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Renewable Energy	Solar Photovoltaic	Solar Panels - Without Monitoring	1. Product must be on California Solar Initiative Eligible Products list. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	25
Renewable Energy	Solar Thermal	Solar Pool Heating	1. System must have OG-100 System Certification by Solar Rating and Certification Corporation (SRCC).	15
Renewable Energy	Solar Thermal	Solar Water Heating	1. Product must comply with Title 24. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Renewable Energy	Storage	Advanced Energy Storage Systems	1. Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Renewable Energy	Wind Energy	Small Wind Turbine	1. Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20

Appendix D: Participating Communities by County

Alameda

- Alameda
- Albany
- Berkeley
- Dublin
- Emeryville
- Fremont
- Hayward
- Livermore
- Newark
- Oakland
- Piedmont
- Pleasanton
- San Leandro
- Union City
- Unincorp. County

Amador

- Ione

Butte

- Chico
- Oroville
- Paradise
- Unincorp. County

Contra Costa

- Antioch
- Brentwood
- Clayton
- Concord
- Danville
- El Cerrito
- Hercules
- Lafayette
- Martinez
- Moraga
- Oakley
- Pinole
- Pittsburg
- Pleasant Hill
- Richmond
- San Pablo
- San Ramon
- Walnut Creek

El Dorado

- Placerville
- South Lake Tahoe
- Unincorp. County

Fresno

- Clovis
- Firebaugh
- Fowler
- Fresno
- Huron
- Kerman
- Kingsburg
- Orange Cove
- Reedley
- San Joaquin
- Sanger

- Selma
- Unincorp. County

Glenn

- Orland

Humboldt

- Arcata
- Blue Lake
- Eureka
- Fortuna
- Unincorp. County

Imperial

- El Centro
- Imperial
- Unincorp. County

Kern

- Arvin
- Bakersfield
- Ridgecrest
- Shafter
- Taft
- Wasco
- Unincorp. County

Kings

- Corcoran
- Hanford
- Lemoore

Lake

- Clearlake

Los Angeles

- Agoura Hills
- Alhambra
- Arcadia
- Artesia
- Avalon
- Azusa
- Baldwin Park
- Bell
- Bell Gardens
- Bellflower
- Beverly Hills
- Bradbury
- Burbank
- Calabasas
- Carson
- Cerritos
- Claremont
- Commerce
- Compton
- Covina
- Cudahy
- Culver City
- Diamond Bar
- Downey
- Duarte
- El Monte
- El Segundo

- Gardena
- Glendale
- Glendora
- Hawaiian Gardens
- Hawthorne
- Hermosa Beach
- Hidden Hills
- Huntington Park
- Industry
- Inglewood
- Irwindale
- La Canada-Flintridge
- La Habra Heights
- La Mirada
- La Verne
- La Puente
- Lakewood
- Lancaster
- Lawndale
- Lomita
- Long Beach
- Los Angeles
- Lynwood
- Malibu
- Manhattan Beach
- Maywood
- Monrovia
- Montebello
- Monterey Park
- Norwalk
- Palmdale
- Palos Verdes Estates
- Paramount
- Pasadena
- Pico Rivera
- Pomona
- Rancho Palos Verdes
- Redondo Beach
- Rolling Hills
- Rolling Hills Estates
- Rosemead
- San Dimas
- San Fernando
- San Gabriel
- San Marino
- Santa Clarita
- Santa Fe Springs
- Santa Monica
- Sierra Madre
- Signal Hill
- South El Monte
- South Gate
- South Pasadena

- Temple City
- Torrance
- Walnut
- West Covina
- West Hollywood
- Westlake Village
- Whittier
- Unincorporated County

Madera

- Madera
- Unincorp. County

Marin

- Belvedere
- Corte Madera
- Fairfax
- Larkspur
- Mill Valley
- Novato
- Ross
- San Anselmo
- San Rafael
- Sausalito
- Tiburon
- Unincorp. County

Mendocino

- Fort Bragg
- Point Arena
- Ukiah
- Unincorp. County

Merced

- Atwater
- Los Banos
- Unincorp. County

Mono

- Unincorp. County

Monterey

- Carmel-By-The-Sea
- Del Rey Oaks
- Gonzales
- Greenfield
- King City
- Marina
- Monterey
- Pacific Grove
- Salinas
- Sand City
- Seaside
- Soledad
- Unincorp. County

Napa

- American Canyon
- Calistoga
- Napa
- St. Helena
- Yountville
- Unincorp. County

Nevada

- Nevada City

Orange

- Aliso Viejo

- Anaheim
- Brea
- Buena Park
- Costa Mesa
- Fountain Valley
- Garden Grove
- Huntington Beach
- La Habra
- Laguna Beach
- Laguna Hills
- Lake Forest
- Mission Viejo
- Newport Beach
- San Clemente
- Santa Ana
- Stanton
- Westminster

Riverside

- Beaumont
- Cathedral City
- Coachella
- Desert Hot Springs
- Indian Wells
- Indio
- La Quinta
- Moreno Valley
- Palm Desert
- Palm Springs
- Rancho Mirage
- Riverside
- San Jacinto
- Unincorp. County

Sacramento

- Citrus Heights
- Elk Grove
- Galt
- Rancho Cordova
- Sacramento
- Unincorp. County

San Benito

- Hollister
- San Juan Bautista
- Unincorp. County

San Bernardino

- Adelanto
- Barstow
- Big Bear Lake
- Chino
- Chino Hills
- Colton
- Fontana
- Hesperia
- Highland
- Montclair
- Ontario
- Rancho Cucamonga
- Redlands
- Rialto
- Twentynine Palms
- Unincorp. County

San Diego

- Carlsbad
- Chula Vista
- Coronado
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
- Poway
- **San Diego (cont.)**
- San Diego
- San Marcos
- Santee
- Solana Beach
- Vista
- Unincorp. County

San Francisco

- San Francisco

San Joaquin

- Lodi
- Manteca
- Stockton
- Tracy
- Unincorp. County

San Luis Obispo

- Arroyo Grande
- Atascadero
- El Paso De Robles
- Grover Beach
- Morro Bay
- San Luis Obispo
- Unincorp. County

San Mateo

- Atherton
- Belmont
- Brisbane
- Burlingame
- Colma
- Daly City
- East Palo Alto
- Foster City
- Half Moon Bay
- Hillsborough
- Menlo Park
- Millbrae
- Pacifica
- Portola Valley
- Redwood City
- San Bruno
- San Carlos
- San Mateo
- South San Francisco
- Woodside
- Unincorp. County

Santa Clara

- Campbell
- Cupertino

Property Owner Handbook



- Gilroy
- Los Altos
- Los Altos Hills
- Los Gatos
- Milpitas
- Monte Sereno
- Morgan Hill
- Mountain View
- Palo Alto
- San Jose
- Santa Clara
- Saratoga
- Sunnyvale

Santa Cruz

- Capitola
- Santa Cruz
- Scotts Valley
- Watsonville
- Unincorp. County

Shasta

- Anderson
- Redding
- Unincorp. County

Siskiyou

- Mount Shasta
- Yreka

Solano

- Benicia
- Dixon
- Fairfield

- Suisun City
- Vacaville
- Vallejo
- Unincorp. County

Sonoma

- Cloverdale
- Cotati
- Healdsburg
- Petaluma
- Rohnert Park
- Sebastopol
- Sonoma
- Windsor
- Unincorp. County

Stanislaus

- Modesto
- Turlock
- Waterford

Sutter

- Live Oak
- Yuba City

Tulare

- Lindsay
- Porterville
- Tulare
- Visalia
- Unincorp. County

Western Riverside

- Banning
- Calimesa

- Canyon Lake
- Corona
- Eastvale
- Hemet
- Jurupa Valley
- Lake Elsinore
- Menifee
- Murrieta
- Norco
- Perris

Ventura

- Camarillo
- Fillmore
- Moorpark
- Ojai
- Oxnard
- Port Hueneme
- San Buenaventura
- Santa Paula
- Simi Valley
- Thousand Oaks
- Unincorp. County

Yolo

- Davis
- West Sacramento
- Winters
- Woodland
- Unincorp. County

Yuba

- Unincorp. County

Appendix E: Additional Underwriting Criteria

For properties within the City of **Chula Vista** only:

- No involuntary liens of any value on the property
- No late mortgage payments in last 36 months
- No bankruptcies declared in last 7 years
- Outstanding property debt + Program Assessment $\leq 95\%$
- No project may be financed for longer than 25 years

For properties within the unincorporated area of **Contra Costa County** only:

- No late property tax payments in last 3 years
- No bankruptcies declared in last 3 years
- Outstanding property debt + Program Assessment $\leq 95\%$

For properties within the City of **San Diego** only:

- No involuntary liens of any value on the property
- No late mortgage payments in last 24 months
- No bankruptcies declared in last 7 years
- Outstanding property debt + Program Assessment $\leq 95\%$

For properties within the unincorporated area of **Sacramento County** only:

- No project may be financed for longer than 25 years

For properties within **Los Angeles County** only:

- No project may be financed for longer than 25 years
- No current involuntary liens and/or judgments may exist
- Property Owners must not have had any bankruptcies (business or personal) in the last 2 years. If a bankruptcy has been discharged in the last two to seven years, then there must be no payments more than 60 days past-due in the last 24 months.
- Only properties which are free from encumbrance of unresolved federal or state income tax liens, judgment liens, mechanic's liens or additional involuntary liens shall qualify for the Program. Properties with liens listed heretofore may be considered for Program approval with furnished proof of 12-months of consistent payments relevant to respective encumbrance.

For properties within the **Western Riverside Council of Governments Program** (see Appendix D for participating cities in this program) only:

- No current involuntary liens and/or judgments may exist
- Property Owners must not have had any bankruptcies (business or personal) in the last 2 years. If a bankruptcy has been discharged in the last two to seven years, then there must be no payments more than 60 days past-due in the last 24 months.
- Only properties which are free from encumbrance of unresolved federal or state income tax liens, judgment liens, mechanic's liens or additional involuntary liens shall qualify for the Program. Properties with liens listed heretofore may be considered for Program approval with furnished proof of 12-months of consistent payments relevant to respective encumbrance.

Appendix F: Program Interest Rates and Financing Terms

Note that All interest rates and fees are subject to change. Interest rates and fees for an Assessment are set at the time that Financing Documents (see Section 4.6) are issued

CSCDA	
Term	Rate
30	8.49%
25	8.39%
20	8.29%
15	7.99%
10	7.59%
5	6.75%

Los Angeles County	
Term	Rate
25	8.39%
20	8.29%
15	7.99%
10	7.59%
5	6.75%

WRCOG	
Term	Rate
30	8.49%
25	8.39%
20	8.29%
15	7.99%
10	7.59%
5	6.75%

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: California Mandatory Conservation Framework Discussion and California WaterFix Update

Contacts: Paul Jones, General Manager, Eastern Municipal Water District, jonesp@emwd.org, (951) 928-6130
John Rossi, General Manager, Western Municipal Water District, jrossi@wmwd.com, (951) 789-5050

Date: March 6, 2017

The purpose of this item is to inform the Committee of activities undertaken by the two regional water districts to address and inform ratepayers on additional conservation mandates that will be imposed by the State Water Resources Control Board, and to update the Committee on the development of a comprehensive solution to addressing imported water reliability from the Sacramento-San Joaquin Bay Delta.

Requested Action:

1. Adopt WRCOG Resolution Number 05-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments in support of the California Waterfix and California Eco-Restore Projects.

This item is reserved for a joint presentation from the General Managers of Eastern Municipal Water District and Western Municipal Water District.

Prior Action:

January 19, 2017: The Technical Advisory Committee received report.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

1. WRCOG Resolution Number 05-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments in support of the California Waterfix and California Eco-Restore Projects.

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Item 5.B

California Mandatory Conservation
Framework Discussion and California
WaterFix Update

Attachment 1

WRCOG Resolution Number 05-17;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments in support of
the California Waterfix and California
Eco-Restore Projects

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Western Riverside Council of Governments

County of Riverside • City of Banning • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale • City of Hemet • City of Jurupa Valley
City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco • City of Perris • City of Riverside • City of San Jacinto
City of Temecula • City of Wildomar • Eastern Municipal Water District • Western Municipal Water District • Morongo Band of Mission Indians
Riverside County Superintendent of Schools

RESOLUTION NUMBER 05-17

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS IN SUPPORT OF THE CALIFORNIA WATERFIX AND CALIFORNIA ECO-RESTORE PROJECTS

WHEREAS, the Sacramento-San Joaquin Delta (Delta) is a 550,000-acre estuary that is formed by the confluence of the Sacramento and San Joaquin Rivers as they come together and flow into the San Francisco Bay; and

WHEREAS, the Delta serves 25 million Californian residents, farms, and businesses throughout the state and supports the water supply that is key to the California economy; and

WHEREAS, the Delta is not sustainable as it exists today, and changes must be made in order to stabilize and mitigate environmental conditions, secure the levees against potential earthquake and erosion, and protect water supplies from salinity intrusion; and

WHEREAS, as a result of federal court decisions, U.S. Fish & Wildlife Service and National Marine Fisheries Service Biological Opinions, as well as other regulatory constraints to protect native species in the Delta, the SWP has not been able to collect, store, and deliver an estimated volume of 3.6 million acre-feet of water since 2008; and

WHEREAS, the California Department of Water Resources and the state Administration have proposed the California WaterFix and Eco-Restore project as the best framework to approach the management of the Delta's water resources; and

WHEREAS, the California WaterFix and Eco-Restore proposals address the core issues brought forth by environmental groups and water agencies to improve essential ecosystem functions and establish water supply reliability; and

WHEREAS, the California WaterFix is the most cost-effective investment to secure water supply reliability for southern California and the state as a whole, and to do nothing would be far more costly to residents, agriculture and businesses in the state; and

WHEREAS, the Delta is not sustainable as it exists today, and changes must be made in order to stabilize and mitigate environmental conditions, secure the levees against potential earthquake and erosion, and protect water supplies from salinity intrusion; and

NOW THEREFORE, BE IT RESOLVED by Executive Committee of the Western Riverside Council of Governments does hereby support the California WaterFix and California Eco-Restore.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on March 6, 2017.

Ben Benoit, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Steven DeBaun
WRCOG Legal Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Transportation Uniform Mitigation Fee (TUMF) Program Activities Update

Contact: Christopher Gray, Director of Transportation, gray@wrcog.coq.ca.us, (951) 955-8304

Date: March 6, 2017

The purpose of this item is to provide Committee members an update on the progress of the TUMF Nexus Study Update and present information regarding recent discussions related to potential management and administrative changes to the TUMF Program.

Requested Actions:

1. Approve the Administration & Finance Committee recommendation to defer taking action on any potential changes to the TUMF Program until after adoption of the Nexus Study.
2. Direct staff to convene a TUMF Program Ad Hoc Committee composed of three members of the Executive Committee, three members of the Technical Advisory Committee, and three members of the Public Works Committee, to discuss potential management and administrative changes to the TUMF Program.
3. Ask the Chairman to appoint three members of the Executive Committee to serve on the TUMF Program Ad Hoc Committee.

WRCOG's TUMF Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions and the March JPA participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA). The TUMF Nexus Study is intended to satisfy the requirements of California Government Code Chapter 5 Section 66000-66008 (also known as the California Mitigation Fee Act) which governs imposing development impact fees in California. The Study establishes a nexus or reasonable relationship between the development impact fee's use and the type of project for which the fee is required. The TUMF Program is a development impact fee and is subject to the California Mitigation Fee Act (AB 1600, Govt. Code § 6600), which mandates that a Nexus Study be prepared to demonstrate a reasonable and rational relationship between the fee and the proposed improvements for which the fee is used. AB 1600 also requires the regular review and update of the Program and Nexus Study to ensure the validity of the Program.

TUMF Nexus Study Update

Draft TUMF Nexus Study: Since the action to delay finalizing the Nexus Study in September 2015, staff and the TUMF consultant have reviewed and updated all components of the technical document, which includes the following:

- Growth Forecast – Adopted in April 2016 by the SCAG Regional Council, the updated demographic data shows that the subregion will add more than 650,000 people, 250,000 households and 400,000 jobs.

- TUMF Network – WRCOG and member jurisdictions undertook a comprehensive review of the facilities included in the TUMF Program to ensure that all facilities warrant inclusion in the Program. Additionally, during the draft 2015 Nexus Study comment period, WRCOG received a comment letter identifying facilities in the TUMF Network that were completed. Staff retained a consultant to review each identified facility and adjusted the TUMF Network accordingly to remove any completed facility or portion of facility.
- Fee calculation methodology – WRCOG and the TUMF consultant used a Vehicle Miles Travel (VMT) approach for fee calculations of residential and non-residential land-use types. This approach has not previously been utilized in past editions of the Nexus Study.
- Data sources – In response to the release of the draft Nexus Study in summer 2015, WRCOG received comments regarding the use of outdated studies for the employee to square footage conversion. Staff reviewed requested studies and included more recent data from SCAG and Riverside County.

A flowchart of major changes to the TUMF Nexus Study is included as Attachment 1. The update to every component of the TUMF Nexus Study resulted in the draft fee schedule presented, which with the exception of the retail land use fee, shows modest increases to the remaining land use types compared to the current fees, which have been in place since 2009.

Staff has received comments from member jurisdictions on what specific components led to the changes in the proposed fee schedule, in particular the non-residential land uses, compared to the draft 2015 draft Nexus Study, which contained fee increases more than fifty percent than the current fee for some uses. The major methodological change was the use of a VMT approach for the fee calculations. Staff had previously received comments from stakeholders regarding the trip lengths of residential uses versus non-residential uses.

With recent changes in state statutory requirements, more specifically the signing into law of SB 743, which changed the way that transportation impacts are to be assessed in order to comply with the California Environmental Quality Act, staff and the TUMF consultant reviewed options to be consistent with the change. Staff determined that the trip end-based approach to determine the relative share of trips by purpose should be updated to also follow a VMT-based methodology to more accurately account for the relative impacts that trips of differing purposes have on the transportation system in Western Riverside County. Therefore, the methodology for determining the relative share of trips by purpose, which is used as the basis to determine the relative distribution of traffic impacts between residential and non-residential uses, was revised from a trip-based approach to a VMT-based approach.

Draft Nexus Study Schedule: WRCOG staff and the TUMF consultant have finalized the comprehensive update and prepared the draft Nexus Study; the last TUMF Program Update was completed in October 2009. The Draft TUMF Nexus Study is now available for review and comment for a 45-day period and can be accessed at http://www.wrcog.cog.ca.us/uploads/media_items/tumfnexusstudy-170228-draft.original.pdf. Staff requests that all comments be submitted in writing to the WRCOG office and/or via e-mail to Christopher Gray at gray@wrcog.cog.ca.us by April 14, 2017. To accompany the Draft TUMF Nexus Study, staff has prepared a cover memo detailing key components of the Nexus Study that have been revised and updated since the delay in the finalizing the Study in 2015. The memo, included as Attachment 2, also addresses comments that WRCOG received in 2015 regarding the Program and implementation of the Nexus Study.

Staff has begun presenting the key components, along with the proposed fee schedule, from the Nexus Study to the WRCOG Committee structure. Additionally, staff is available to meet individually with member jurisdictions and stakeholders regarding the Program update upon request.

TUMF Nexus Study Ad Hoc Committee: In September 2016, WRCOG convened an Ad Hoc Committee with the goal of ultimately selecting a preferred fee schedule option to recommend to the Committee structure for finalizing the Nexus Study. Information presented to the Ad Hoc Committee included detailed background information regarding the components of the Nexus Study, including TUMF Network facilities, growth forecast data, and the fee comparison study. During meetings held in late 2016, WRCOG informed the Ad Hoc Committee that staff, in coordination with member jurisdictions, had conducted a comprehensive review of the TUMF Network in order to ensure all facilities met the criteria for inclusion in the TUMF Program. The Ad Hoc Committee directed staff to provide fee phase-in options for review.

The Ad Hoc Committee met for a third time on January 23, 2017, to review a set of potential phase-in options to the fee schedule resulting from the revised TUMF Nexus Study. The Ad Hoc Committee has recommended that the various WRCOG Committees (including the Public Works Committee, the Technical Advisory Committee, the Administration & Finance Committee, and ultimately the Executive Committee) review and consider implementing a 2-year freeze and subsequent 2-year phase-in for the retail fee, plus a 2-year single-family residential phase-in option for implementation. The Ad Hoc Committee also discussed the implications of how any phase-in option is implemented and how any loss to the Program would be made up. Revenue loss resulting from any phase-in could be addressed through various options, including project savings in the delivery of TUMF facilities. It is important to note that losses created by reduced fees cannot be addressed by increasing fees on other land uses, nor can they be captured by way of future Nexus Studies.

The proposed fee schedule based on the Ad Hoc Committee's recommendation is as follows:

Land Use Type	Current Fee	July 1, 2017*	July 1, 2018	July 1, 2019	July 1, 2020
Single-Family Residential	\$8,873	\$9,429	\$9,985	\$9,985	\$9,985
Multi-Family Residential	\$6,231	\$6,503	\$6,503	\$6,503	\$6,503
Industrial	\$1.73	\$1.88	\$1.88	\$1.88	\$1.88
Retail	\$10.49	\$10.49	\$10.49	\$11.77	\$13.05
Service	\$4.19	\$4.84	\$4.84	\$4.84	\$4.84

*Depending on each member jurisdictions approval of TUMF Ordinance / Fee Resolution

Responsibilities for Administering the Western Riverside County TUMF Program

Since 2003, WRCOG has administered the TUMF Program as a cooperative effort involving member jurisdictions, the Riverside County Transportation Commission (RCTC), the Riverside Transit Agency (RTA), and the Riverside County Conservation Agency (RCA). A fundamental tenet of the Program is that there is a clear and purposeful division between overall Program administration responsibilities between WRCOG and the implementing agencies. WRCOG focuses on preparing the technical Nexus Study, fee ordinances, credit agreements, fee calculation handbook and Administrative Plan, for example. The implementing agencies, including RCTC, RTA, the County, and the member agencies, implement TUMF projects through based on programming decisions made by these agencies instead of WRCOG.

Another key role for WRCOG is that it exercises an oversight role to verify that all reimbursements requests are for funding project implementation. WRCOG reviews project invoices from the RTA, the County, and its other member agencies to verify that TUMF funds are expended appropriately. Consistent with State requirements, WRCOG conducts 5-year reviews of the TUMF Program expenditures to verify that all project funds are expended on project delivery. For example, our most recent review completed at the end of 2016 verified that all of the funds spent by agencies implementing the TUMF went towards specific project efforts rather than general agency operations. TUMF implementing agencies include Riverside County, cities, RCTC, RTA, and the RCA, whom all receive TUMF funds from WRCOG.

As the Program Manager and Program Administrator, WRCOG has continually fielded questions and requests regarding the TUMF Program. In most cases, staff address these requests through changes to the TUMF Administrative Plan, Nexus Study updates, and new policies. In many instances, the WRCOG Committees review and approve these Programmatic Changes.

During the most recent process to update the Nexus Study, WRCOG received additional requests to evaluate the TUMF Program and consider whether it is appropriate to modify elements of the Program to better serve member jurisdiction needs. Some examples of these requests include, but are not limited to, the following:

- Develop a more streamlined process to reimburse member jurisdictions;
- Evaluate differences in the CVAG TUMF compared to the WRCOG TUMF;

- Develop a more formalized approach to prioritize projects;
- Revisit projects eligible for reimbursement through TUMF; and
- Revisit the Zone system.

On January 11, 2017, Riverside County Supervisor Kevin Jeffries suggested at the monthly RCTC meeting that there "...should be a discussion with WRCOG to have RCTC take over the TUMF Program." The Supervisor suggested that the matter should be discussed with WRCOG and pros and cons should be evaluated. On January 26, 2017, RCTC directed its staff to undertake an exercise to evaluate the potential transfer.

There has been considerable turnover among both member staff and elected officials since the Program's inception in 2003, and thus the opportunities to educate officials regarding the historical and purposeful construct of the Program, including administrative staffing, programmatic, and other aspects of the Program are always welcome.

Staff's experience is that any potential changes to the TUMF Program should be considered carefully, given the magnitude of the Program. Additionally, the implementation of the TUMF occurs through Ordinances adopted by member jurisdictions, Credit Agreements, and Reimbursement Agreements, all of which may have to be updated or revised, depending on any changes made to the Program. For example, WRCOG is currently a party to hundreds of agreements related to TUMF credits or jurisdiction reimbursements, which could be affected by any changes.

While RCTC staff now has direction to undertake an evaluation of the TUMF Program within Western Riverside County (the Commission's action excluded examination of the Coachella Valley TUMF Program), WRCOG believes it is prudent to discuss this issue with the WRCOG Committee structure.

At its February 8, 2017, meeting, the Administration & Finance Committee recommended that the Technical Advisory Committee should defer making any potential changes to the TUMF Program until after adoption of the TUMF Nexus Study. The Technical Advisory Committee reviewed the Administration & Finance Committee recommendation at its February 16, 2017, meeting, and approved the recommendation to defer taking action on any potential changes to the TUMF Program until after adoption of the TUMF Nexus Study.

Staff is requesting that the Executive Committee form a TUMF Program Ad Hoc Committee to begin the discussions of the Program though no action on potential changes, if any, would occur until after action on the TUMF Nexus Study. This would provide an opportunity for members to discuss all aspects of the Program and WRCOG would convene these discussions within one month of action to form the Ad Hoc Committee. The ultimate goal of the Ad Hoc Committee would be to provide the WRCOG Committee structure with a recommendation regarding the management and administration of the TUMF Program. Staff also recommends that the Ad Hoc Committee be composed of Executive Committee members (appointed by the Chairman), and no more than three City Managers and three Public Works Directors. This Ad Hoc Committee would then have the same composition as the previously convened Nexus Study Ad Hoc Committee.

Zone TUMF TIP Update

The TIP Update occurs in the fall after the close of the financial year-end for the TUMF Program Fiscal Year (FY). For FY 2015/2016, in October 2016, staff prepared and distributed Project Worksheets associated with projects programmed on the Zone TIPs for jurisdictions to review and make any necessary adjustments. Because this is a full biennial TIP review, jurisdictions had the opportunity to request additional funding and/or add projects to the TIPs if there was sufficient revenue to support the additional programmed funding.

WRCOG has held Technical Advisory Committee (TAC) meetings for all five Zones. The Zone TAC's are comprised of City Managers and Public Works Directors / City Engineers.

Central Zone: The Central Zone TAC met on October 24, 2016. WRCOG staff received requests for TUMF funding to be programmed on the 2017 Central Zone 5-Year TIP from Zone member jurisdictions for projects, including:

- Scott Road / I-215 Interchange
 - Heacock Street Widening
 - Perris Boulevard Widening
- There was sufficient near-term funding to accommodate all of these requests.

Southwest Zone: The Southwest Zone TAC met on October 31, 2016. Staff received requests for TUMF funding for various projects including:

- Temescal Canyon Road Bridge
- Bundy Canyon Road Widening
- Clinton Keith Road Widening
- Keller Road Interchange

The Zone has sufficient funding to accommodate most but not all of the requests received. Staff held a second meeting on November 28, 2016, to discuss potential options for the Zone to review potential approaches to accommodate all funding requests to the extent feasible. The Zone took action to scale back the requested funding for a project to balance the TIP over the five fiscal year period.

Pass Zone: The Pass Zone TAC met on October 31, 2016. Staff discussed with Pass Zone members that there was insufficient funding in the Zone currently to fully fund projects in the near-term. However, staff did inform the Pass Zone cities that funding could be provided to reimburse agencies for expenses as funds become available. Therefore, staff is coordinating with the Cities of Banning and Calimesa to identify a priority project for each to program TUMF funding for reimbursement as revenue is collected in the Zone.

Northwest Zone: The Northwest Zone TAC met on November 8, 2016. Staff received requests for TUMF funding to be programmed on the 2017 Northwest Zone 5-Year TIP from Zone member jurisdictions for projects, including:

- Adams Street/SR-91 Interchange
- Limonite Avenue Widening
- Van Buren Boulevard Widening
- Hamner Avenue Bridge
- Market Street Bridge

Staff determined that there was sufficient funding to accommodate these requests and determined that there is capacity to provide additional funding to member agencies. Staff requested that agencies identify additional projects to fully program available funds within the Zone. After receiving these additional requests, staff determined that there is not a need for an additional meeting of the Zone TAC as the TIP is balanced over the five fiscal year period.

Hemet / San Jacinto Zone: The Hemet / San Jacinto Zone TAC met on November 14, 2016. WRCOG staff received requests for TUMF funding to be programmed on the 2017 Hemet/San Jacinto Zone 5-Year TIP from Zone member jurisdictions for projects, including:

- Esplanade Avenue Widening
- Warren Road Widening

There was sufficient near-term funding to accommodate all of these requests.

The next step in the process is for the Zone Committee, which is comprised of elected officials, to meet and approve their respective Zone TIPs before they are forwarded to the Executive Committee for approval. Staff has solicited dates for the Zone Committees to schedule meetings to approve their respective Zone TIPs. Each member jurisdiction will need representation by its Executive Committee member or alternate to vote on the TIP. Staff would like Executive Committee members to note that there is the option to delegate the representation of the member jurisdiction to his/her alternate on the Executive Committee. The Executive Committee will take action on all the Zone TIPs after the individual Zone has approved each TIP, which will allow member jurisdictions to invoice WRCOG against programmed funding for reimbursement. Therefore, WRCOG would like to schedule these meetings as soon as possible, so that member jurisdictions can receive TUMF reimbursement on any funding additions made during the 2017 Zone TIP update.

Prior Actions:

- February 16, 2017: The Technical Advisory Committee approved the Administration & Finance Committee recommendation to defer taking action on any potential changes to the TUMF Program until after adoption of the TUMF Nexus Study.
- February 9, 2017: The Public Works Committee received report.
- February 8, 2017: The Administration & Finance Committee recommended that the Technical Advisory Committee should defer making any potential changes to the TUMF Program until after adoption of the TUMF Nexus Study.

Fiscal Impact:

TUMF activities are included in the Agency's adopted Fiscal Year 2016/2017 Budget under the Transportation Department.

Attachments:

1. TUMF Nexus Study Update Flowchart.
2. Draft TUMF Nexus Study Cover Memo.

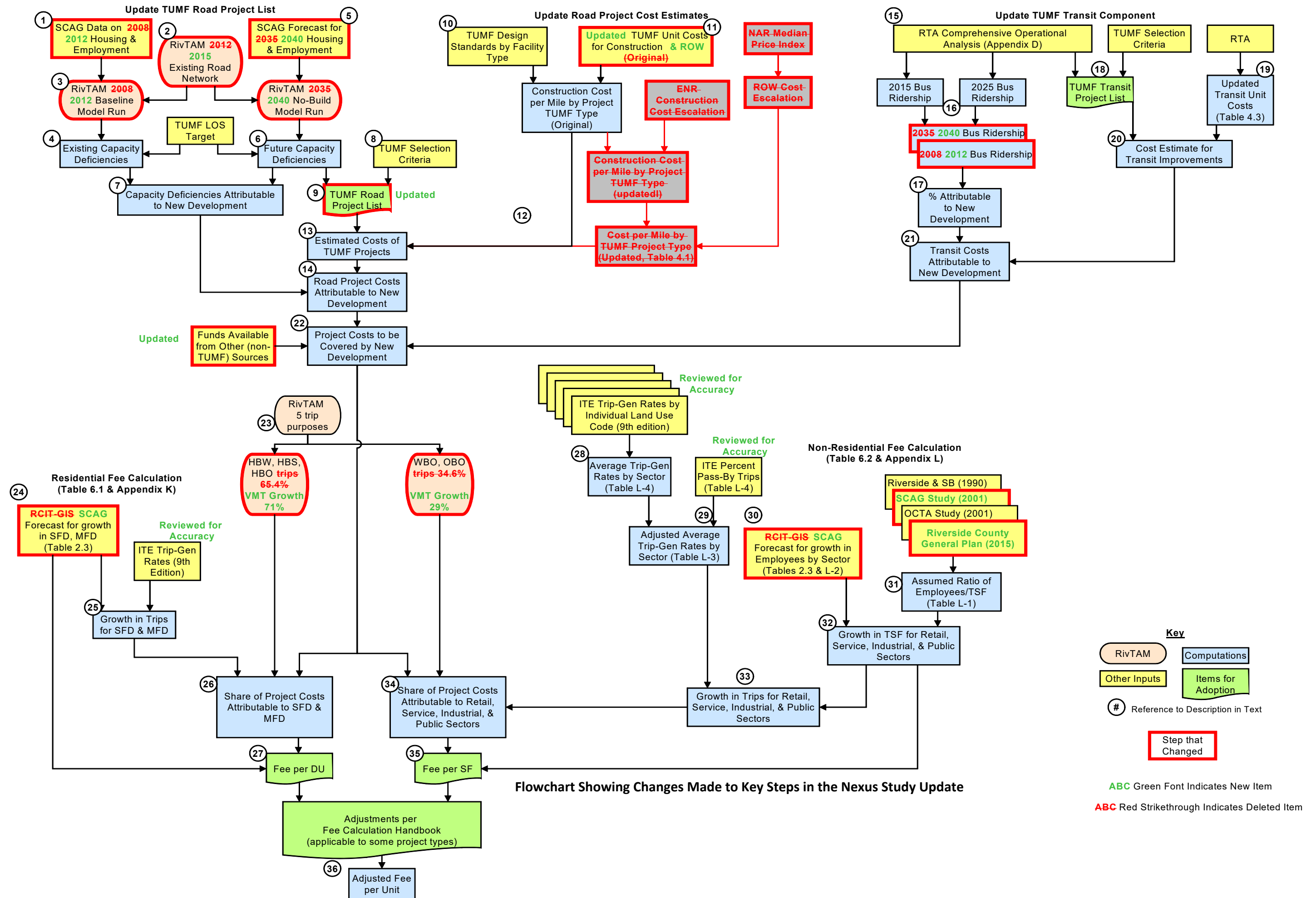
Item 5.C

Transportation Uniform Mitigation
Fee (TUMF) Program Activities
Update

Attachment 1

TUMF Nexus Study Update
Flowchart

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Item 5.C

Transportation Uniform Mitigation
Fee (TUMF) Program Activities
Update

Attachment 2

Draft TUMF Nexus Study
Cover Memo

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Western Riverside Council of Governments

County of Riverside • City of Banning • City of Calimesa • City of Canyon Lake • City of Corona • City of Eastvale • City of Hemet • City of Jurupa Valley
City of Lake Elsinore • City of Menifee • City of Moreno Valley • City of Murrieta • City of Norco • City of Perris • City of Riverside • City of San Jacinto
City of Temecula • City of Wildomar • Eastern Municipal Water District • Western Municipal Water District • Morongo Band of Mission Indians
Riverside County Superintendent of Schools

Date: February 28, 2017

To: Member jurisdiction staff, stakeholders, and interested parties

From: Christopher Gray, Director of Transportation

Subj: Release of Draft TUMF Nexus Study

The Western Riverside Council of Governments (WRCOG), in coordination with member and partner agencies, has prepared the Draft Transportation Uniform Mitigation Fee (TUMF) Nexus Study, which is now available for review and comment during a 45 day period which begins on the date of this memo. All comments regarding the Draft TUMF Nexus Study are to be submitted by April 14, 2017.

The TUMF Nexus Study is intended to satisfy the requirements of California Government Code Chapter 5 Section 66000-66008 (also known as the California Mitigation Fee Act) which governs imposing development impact fees in California. The study establishes a nexus or reasonable relationship between the development impact fee's use and the type of project for which the fee is required. WRCOG values your feedback and encourages all stakeholders and interested parties to review the Draft TUMF Nexus Study and provide your comments to WRCOG staff in accordance with the process outlined below.

The Draft TUMF Nexus Study supersedes the previous Draft 2015 TUMF Nexus Study and incorporates significant changes and revisions including, but not limited to the following:

- The socio-economic data has been revised to incorporate the latest growth projections from the Southern California Association of Governments (SCAG) 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).
- WRCOG staff, consultants, and member agency staff completed an extensive exercise to review all of the transportation projects in the Nexus Study, which resulted in the removal of approximately \$300 million in projects based on completed projects and projects which did not meet the criteria for inclusion in the Nexus Study.
- The Nexus Study has been revised to include funding for future projects in the City of Beaumont, which is currently in negotiations with WRCOG to rejoin the TUMF Program. If Beaumont does not rejoin the TUMF Program prior to the adoption of the Nexus Study by the Executive Committee, then the Nexus Study will be revised to remove funding for these projects.
- Many of the technical items in the Nexus Study have been updated, including data on employees per square feet and the unit cost assumptions for the facilities included in the Program. The unit cost assumptions are the basis for the TUMF Network cost.
- This Nexus Study also incorporates the use of Vehicle Miles Traveled (VMT) as an element of the fee calculation process, which is a new approach in the TUMF Program and consistent with implementation of SB 743.

Because of these updated data and new methodological approaches, the resulting fees are substantially different for many of the land use categories in the Draft TUMF Nexus Study as compared to those presented in the Draft 2015 Nexus Study.

When reviewing the Nexus Study, WRCOG staff requests that you keep the following in mind:

- Government/Public non-residential sector fee – Government/public buildings, public schools, and public facilities are **exempt from the TUMF**, as described in the TUMF Ordinance and Administrative Plan. Though the use is exempt, the Nexus Study contains and describes the process of calculating a fee for this use to ensure that the impact of this use is not being passed on to another land use. These uses will continue to be exempt from TUMF and WRCOG is not proposing to assess TUMF fees on these uses.
- Implementation of the Nexus Study – The Nexus Study is the technical document of the Program that establishes the relationship between the fee that is being assessed and the impact of new development as the basis for establishing the maximum amount of the fee that can be imposed. The WRCOG Executive Committee has the **option** of adopting either the maximum fee, adopting a fee less than the maximum, or phasing in the fee over a designated time period. The Executive Committee has the option to review the time period of any phase-in option implemented to take action as it sees fit.
- Phasing of fees – In September 2016, the WRCOG Executive Committee formed an Ad Hoc Committee to review the Nexus Study components and identify a preferred option to finalize the study. The Ad Hoc Committee has recommended that the various WRCOG Committees (including the Public Works Committee, the Technical Advisory Committee, the Administration & Finance Committee, and ultimately the Executive Committee) **consider a 2-year freeze and subsequent 2-year phase in for the proposed maximum retail fee, plus a 2-year single-family residential phase-in option for implementation.**
- Impact of fees on development and regional economy – WRCOG retained a consultant, Economic and Planning Systems, to conduct a comprehensive fee analysis in and around the subregion to determine impact of fees assessed on new development. One of the key findings from the study was that **except for the retail sector, fees on the remaining land use types are assessed similarly in the WRCOG subregion and San Bernardino County.** The Ad Hoc Committee reviewed the findings from the study during the discussions and ultimate selection of the preferred phase-in option to finalize the Nexus Study. This fee study is available on WRCOG's website at www.wrcog.cog.ca.us.

WRCOG staff anticipates the following schedule regarding review of the Nexus Study by the WRCOG Committees:

February 28, 2017:	WRCOG releases a Draft Nexus Study for review and comment by stakeholders (the draft Nexus Study comment period will be 45 days). WRCOG will retain a consultant to conduct a peer review of the Draft Nexus Study.
March 8, 2017:	Administration & Finance Committee reviews Draft TUMF Nexus Study;
March 9, 2017:	Public Works Committee reviews Draft TUMF Nexus Study;
March 16, 2017:	Technical Advisory Committee reviews Draft TUMF Nexus Study;
April 3, 2017:	Executive Committee reviews Draft TUMF Nexus Study;
April 12, 2017:	Administration & Finance Committee reviews comments to date on the Draft TUMF Nexus Study;
April 13, 2017:	Public Works Committee reviews comments to date on the Draft TUMF Nexus Study;

April 14, 2017: Comments due on Draft TUMF Nexus Study;

April 20, 2017: Technical Advisory Committee reviews comments on the Draft TUMF Nexus Study;

May 1, 2017: Executive Committee reviews comments on the Draft TUMF Nexus Study;

May 10, 2017: Administration & Finance Committee makes a recommendation on the Draft TUMF Nexus Study;

May 11, 2017: Public Works Committee makes a recommendation on the Draft TUMF Nexus Study;

May 18, 2017: Technical Advisory Committee makes a recommendation on the Draft TUMF Nexus Study;

June 5, 2017: Executive Committee takes action on the Draft TUMF Nexus Study;

July - August 2017: Any change in fee goes into effect (depending on each member jurisdiction's approval of TUMF Ordinance / Resolutions).

The above schedule is tentative and subject to change depending on input from our Committees and stakeholders.

WRCOG appreciates your participation in the TUMF Program and is happy to answer any questions you may have regarding the Nexus Study. If you have any questions or comments regarding the Nexus Study, please direct them to:

Christopher J. Gray
 Director of Transportation
 Western Riverside Council of Governments
 4080 Lemon Street
 3rd Floor, MS 1032
 Riverside, CA 92501-3609
 Phone: (951) 955-8304
gray@wrcog.cog.ca.us

We would ask that you submit any comments in writing, either via mail at the address above or via email.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Regional Homelessness Dialogue

Contact: Jennifer Ward, Director of Government Relations, ward@wrcog.cog.ca.us, (951) 955-0186

Date: March 6, 2017

The purpose of this item is to update Committee members regarding the ongoing, region-wide dialogue on homelessness and to seek support for a Regional Homelessness Statement of Principles, and to initiate a more focused discussion among members on whether there is a role for WRCOG regarding regional approaches to addressing homelessness in Western Riverside County.

Requested Actions:

1. Approve the Regional Homelessness Statement of Principles.
2. Request that the Administration & Finance Committee discuss and provide recommendations to the Executive Committee on the extent, if any, to which WRCOG can provide assistance to members as they continue to address homelessness in their communities and the region.

WRCOG is participating in some ongoing regional dialogue on the challenges facing local jurisdictions related to homelessness in Riverside County and has been facilitating the sharing of information regarding solutions to this challenge through its Technical Advisory and Executive Committees.

Background

WRCOG staff are participating in numerous regional discussions on the topic of homelessness in Riverside County including the Southwest Riverside County Regional Homelessness Alliance, the WRCOG informal Technical Advisory Committee (TAC) Subcommittee on Homelessness, and ongoing conversations with the County of Riverside, and the Coachella Valley Association of Governments (CVAG) Homelessness Committee. The WRCOG Committee meetings offer a suitable space for the Agency's members to discuss issues related to homelessness and for information-sharing.

These regional discussions have been fruitful in terms of providing staff with a greater understanding of the challenge facing jurisdictions in addressing homelessness as well as the existing resources and initiatives dedicated to providing solutions. Staff have also invited numerous speakers to address the TAC regarding homelessness, and will continue to do so on a regular basis.

Proposed Regional Homelessness Statement of Principles

The Regional Homelessness Statement of Principles (Attachment 1) was discussed and recommended for Executive Committee approval by the TAC on February 16, 2017.

A sub-group of TAC members, which included at various points staff from the Cities of Hemet, Jurupa Valley, Lake Elsinore, Menifee, Murrieta, Riverside, and Temecula, and the County of Riverside, met several times to discuss regional homelessness. These discussions resulted in the drafting of a Statement of Principles, which could serve as a collective identification of both the challenges associated with serving the homeless

population in Riverside County and the strategies that can be employed to address these challenges. The major components of the draft Statement of Principles can be generally categorized as follows (listed in no particular order of importance):

1. Standardize ordinances for panhandling, shopping carts, camping and trespassing
2. Engage homeless and connect to resources using multi-disciplinary teams
3. Provide services that meet the needs of homeless
4. Advertise local resources
5. Participate in broad, community-focused educational marketing campaign
6. Participate in Riverside County Homeless Point in Time Count
7. Utilize the Coordinated Entry System (CES)
8. Identify affordable housing opportunities
9. Seek permanent and diverse funding stream
10. Encourage responsible compassion when helping homeless

WRCOG and member agency staff contributors to the Statement of Principles have taken great strides to ensure these principles are not in conflict with other regional efforts, but rather complement and support the existing initiatives throughout inland Southern California. For example, the Southwest Regional Homelessness Alliance's has also adopted a Homeless Charter, which includes many of the same principles, provided for reference as Attachment 2.

Recognizing there are many existing agencies from the county, city, state, federal, public safety, non-profit, faith-based, and community sectors that already provide leadership on these topics, staff anticipate there could be various levels of involvement and roles for WRCOG to play in addressing some these principles. Staff are seeking input from WRCOG member agencies in determining the most appropriate and effective next steps.

Marketing Materials: Another topic that was discussed at the February 16, 2017, TAC meeting was the potential for developing more uniform, widely used, public outreach messages and educational materials on homelessness. This idea is mentioned as point number five on the Statement of Principles. Staff is requesting that if a jurisdiction currently uses any messages, flyers, or other marketing materials to raise awareness about resources for the homeless, or about how community members can help, to please email copies of these materials to Jennifer Ward at ward@wrcog.cog.ca.us. Samples of marketing materials related to homelessness provided by the Cities of Riverside and Temecula are provided below:

Riverside:

- Riverside Ending Homelessness website: <http://www.endhomeless.info/>
- Homeless Services & Resources: <http://www.endhomeless.info/pdf/Homeless-Guide.pdf>
- Walk to End Homelessness (April 8, 2017) : <http://www.endhomeless.info/walk.asp>
- Ending Homelessness and Give to Positive Change Posters – Attachment 3

Temecula:

- Door Hangars – Attachment 4
- Resource Guide – Attachment 4
- Responsible Compassion Program Q & A and Talking Points – Attachment 4

Potential Next Steps

Staff seeks direction from the Executive Committee regarding the role that WRCOG might play to assist its members address this important local and regional issue. Staff recommends that the Executive Committee request the Administration & Finance to have this discussion, and transmit any recommendations to the Executive Committee for consideration.

Prior Action:

February 16, 2017: The Technical Advisory Committee recommended that the Executive Committee approve the Statement of Principles on Homelessness.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachments:

1. Statement of Principles on Homelessness.
2. Southwest Regional Homeless Charter.
3. Riverside Homeless Resources Marketing Materials.
4. Temecula Homeless Resources Marketing Materials.

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Item 5.D

Regional Homelessness Dialogue

Attachment 1

Statement of Principles on Homelessness

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Riverside County Regional Homelessness Statement of Principles

Introduction:

According to the 2016 homeless Point in time count, the County of Riverside has 1,351 unsheltered homeless individuals living on the streets and 814 living in shelters. The total homeless population of 2,165 reflects a 12% decrease from the 2015 point in time count of 2,470. The reduction is attributed to several factors, including an improving economy, lower unemployment rates and a renewed effort to permanently house homeless veterans and the chronically homeless.

The County of Riverside is not unlike many counties and cities across the nation struggling to address the issue of homelessness. While the number of homeless in the County has continued a gradual but steady decrease, the perception is that the issue has worsened. This perception is a result of the “visible” one-third of the homeless population that continue to decline services. Homelessness is not a crime, it knows no political affiliation and is not concerned with jurisdictional delineations. To better address this challenge, a regional approach is needed. Working collaboratively with the County of Riverside a plan can be developed that ensures each city is doing its part to actively address homelessness.

Regional Commitment:

Each city in the county is committed to the following:

1. Standardize ordinances for panhandling, shopping carts, camping and trespassing
 - Makes it easier to enforce these laws consistently (throughout the region)
2. Engage the local homeless population and provide connections to local resources
 - Utilize multi-disciplinary teams that include service providers, faith-based/non-profit organizations law enforcement, code enforcement, etc. to address local homelessness issues as locally as possible
3. Provide services that meet the needs of the local homeless population to help balance the provision of services across the County
4. Advertise local resources for the local homeless population
 - Identify local available resources and submit information to the 211 Volunteer Center
 - Provide local resource guide handouts
5. Participate in a broad community-focused educational marketing campaign to highlight effective ways to help the local homeless population
 - Use consistent messaging and themes throughout the County
 - Advertise on digital boards and local media

Please email questions, comments, or feedback to Moises Lopez at mlopez@riversideca.gov.

6. Participate in the Riverside County Homeless Point in Time Count
 - Having an accurate count enables our community (and region) to be eligible for federal and state funding for homeless services. The count helps us to better understand the demographics and needs of those experiencing homelessness in our community, and helps to ensure a more equitable distribution of resources to meet the needs of the different populations.
7. Utilize the Coordinated Entry System (CES)
 - Coordinated entry ensures that all people experiencing a housing crisis have fair and equal access, are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs
 - CES Assessments can be conducted by the following partners in your community: Outreach workers, law enforcement personnel, code enforcement personnel, library and park and recreation center staff, faith based organizations and non-profit organizations
 - CES Assessment Trainings will be provided by the County of Riverside University Health Systems Behavioral Health
8. Identify housing opportunities that are affordable in the local community
 - Identify housing opportunities
 - Identify funding resources
 - Incentivize the development of housing opportunities that are affordable (i.e., amend a development standard or a modification of the Zoning Code)
 - Partner with developers and property owners/landlords
9. Work towards the development and benefit of a permanent and diverse funding stream for homeless services and affordable housing uses throughout the region
10. Encourage faith-based and non-profit organizations to be responsible and compassionate when helping homeless individuals and families without harming them
 - Assist faith-based and non-profit organizations navigate homelessness in your community
 - Encourage faith-based and non-profit organizations to be part of a broad and coordinated regional effort to leverage resources and maximize impact, rather than engage in singular short-term solutions

Item 5.D

Regional Homelessness Dialogue

Attachment 2

Southwest Regional Homeless
Charter

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MISSION STATEMENT:

The mission of the Regional Homeless Alliance is to develop a collaborative partnership that evaluates and addresses the complex issues of homelessness from a regional perspective and provides coordinated homeless outreach services utilizing public, private and non-profit sector resources.

Purpose and Vision:

To increase housing opportunities to individuals, families and veterans experiencing homelessness while maintaining an effective homeless prevention program.

Goals:

#1	Create a nationally recognized regional collaboration based on proven best practices, such as Solutions for Change.	
		• Provide a monthly forum to discuss homeless issues and community needs
		• Present before each City Council in the region ○ Adoption of resolutions that commits to the principles of the Regional Homeless Alliance (RHA). ○ Encourage each city to add a provisions to their legislative platform regarding the RHA.
		• Develop a white paper through research of the causes of homelessness (paying particular attention to prevention and intervention strategies) and identifying regionally appropriate and realistic solutions.
		• Work with 211 Community Connect to develop a countywide resource guide, with regional focus.
		• Perform an initial and on-going needs-assessment through a gap analysis study.

#2	Provide leadership to combat homelessness through advocacy, education and coordination with local communities and create a broad, coordinated system of care.	
		• Increase communication through service providers and government agencies.
		• Establish a collaborative and coordinated system of identifying, collecting and disseminating local resources for public safety personnel, social service program providers and general community distribution.
		• Increase the awareness of resources to the community-at-large.
		• Reduce transportation barriers for homeless and at-risk population.
		• More effectively involve and collaborate with service agencies, school districts, faith-based organizations, transportation agencies, local Chamber of Commerce, and other stakeholders.

#3	Refocus training for public safety and service organizations from ushering homeless away to steering them to resources.	
		• Increase public safety personnel's training to include knowledge of behavioral health issues and community-based resources, including diversion programs, based on the existing success of the County of Riverside and Temecula Sheriff's HOT team efforts.
		• Increase public safety and city's participation in the annual Point-In-Time count.
		• Actively bridge communication between sworn officers, park rangers, code enforcement and county probation officers.
		• Improve communication between public safety organizations and city/county officials regarding encampments and migration of homeless.

#4	Improve community awareness.	
		• Inform and educate the public about homelessness using responsible compassion. ○ Increase communication to the general public through coordinated messages on social media from local governments and service providers. ○ Work with local service providers and faith-based organizations to host community education/outreach events to provide a productive opportunity to address the concerns of NIMBYs.

#5	Develop a fundraising plan.	
		• Create a plan that forecasts the ultimate capital needs and annual operational costs, identifies potential donors/resources and task the appropriate agencies for completing.
		• Seek additional low-income housing opportunities through private, local, state and federal resources.
		• Facilitate community partnerships to identify and secure funding for expanding education and training programs that lead to employment.

Item 5.D

Regional Homelessness Dialogue

Attachment 3

Riverside Homeless Resources
Marketing Materials

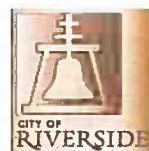
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SAY NO TO PANHANDLERS



GIVE TO POSITIVE CHANGE!

Donate to the
Riverside End Homelessness Fund
EndHomeless.info



City of Arts & Innovation

**GIVE TO
POSITIVE CHANGE!**

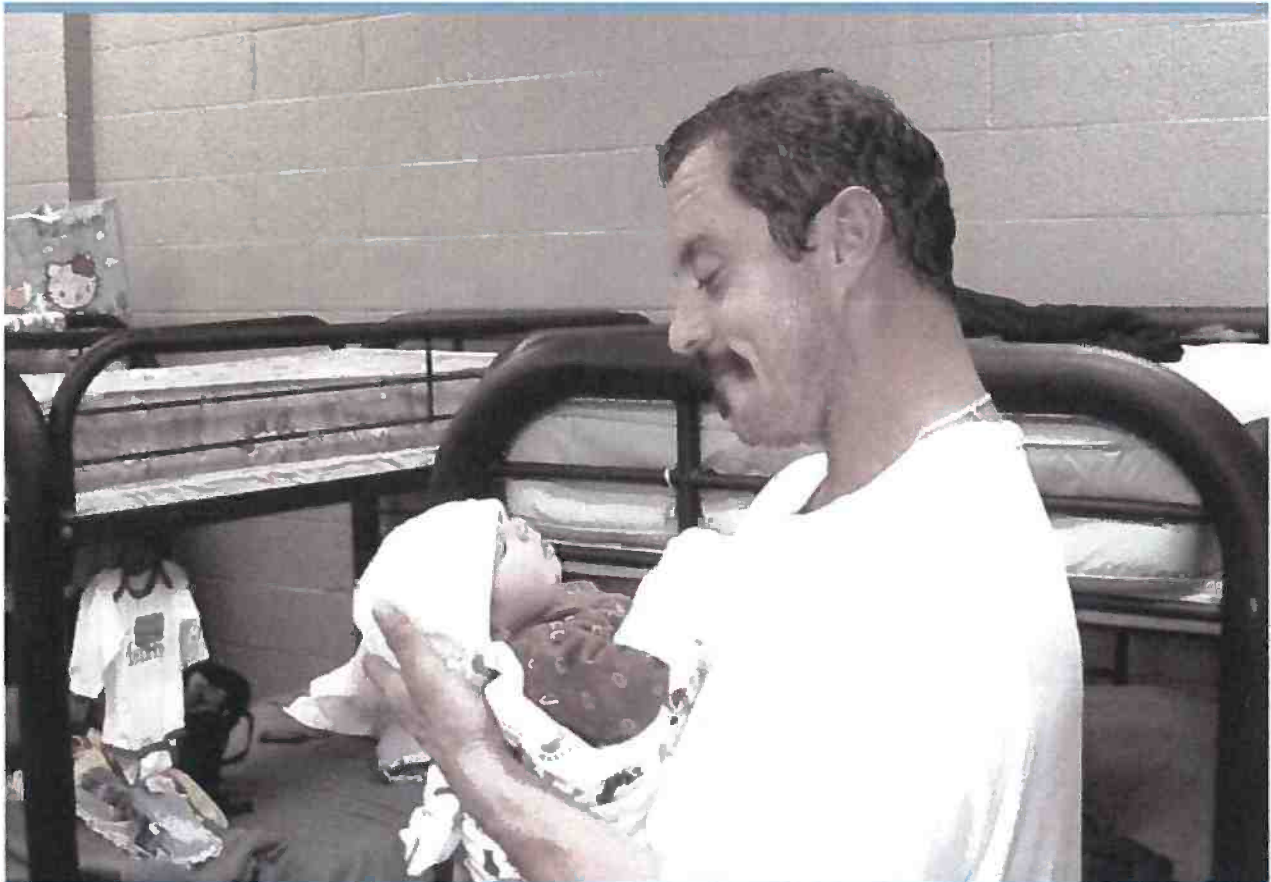


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Riverside End Homelessness Fund
EndHomeless.info**



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**GIVE TO
POSITIVE CHANGE!**

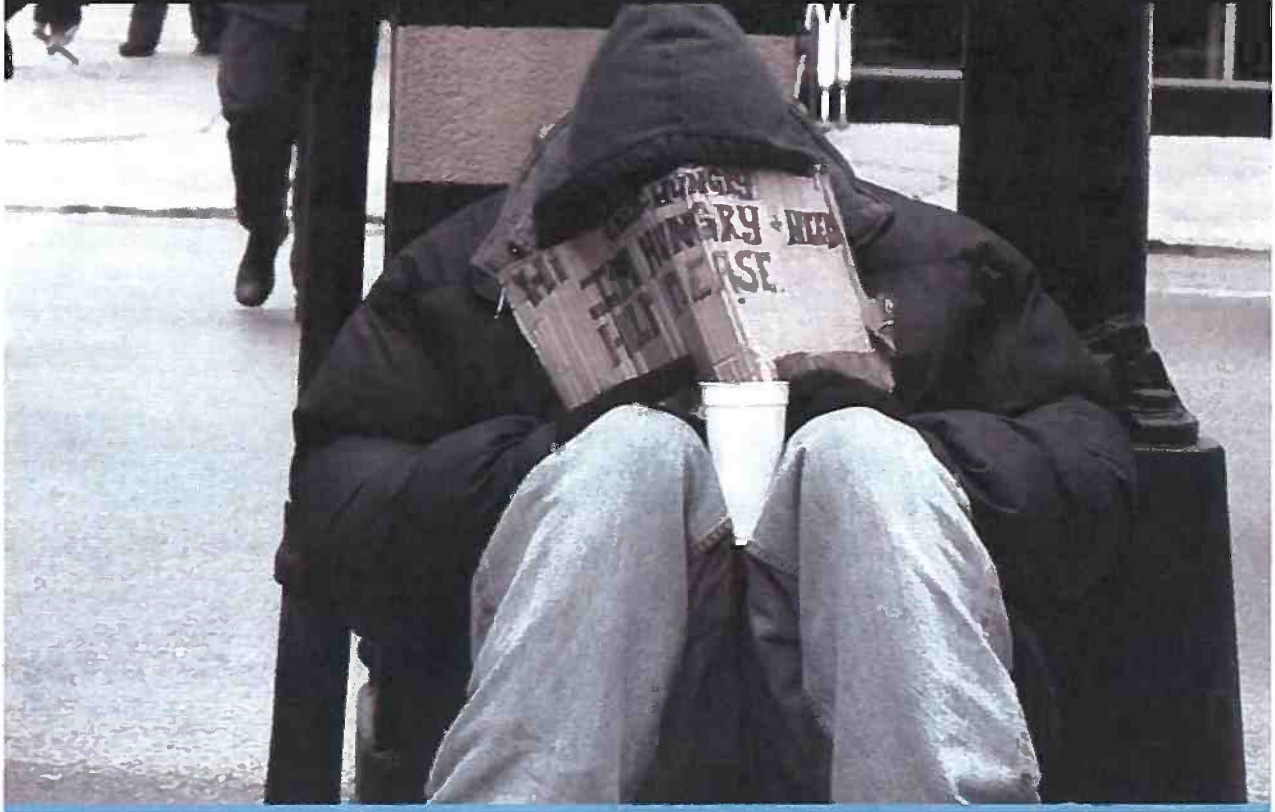


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Riverside End Homelessness Fund
EndHomeless.info**



City of Arts & Innovation

SAY NO TO PANHANDLERS



GIVE TO POSITIVE CHANGE!

Donate to the
Riverside End Homelessness Fund
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City of Arts & Innovation

Item 5.D

Regional Homelessness Dialogue

Attachment 4

Temecula Homeless Resources
Marketing Materials

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RESPONSIBLE COMPASSION FOR THE HOMELESS



HOW YOU CAN HELP

LET YOUR GENEROSITY BE A PART OF THE SOLUTION

DO'S & DON'TS OF RESPONSIBLE COMPASSION

DO answer requests with a firm NO

DO report illegal activity by calling 911

DO treat homeless with respect

DO offer information where they can
get help, dialing 211

DO volunteer your time with a local
organizations helping homeless

DO make donations to organizations
helping homeless

DON'T encourage panhandling by
giving money, food, etc.

DON'T allow anyone to camp or
loiter on your property

DON'T assume you're making a difference
when you are giving; you may actually be
hurting, not helping.



For more info please visit website.com or call 951.123.4567

We Want To Help You

The City of Temecula and the Temecula Police Department believe in educating all citizens in our community. This pamphlet contains locations, telephone numbers and hours of operation for many resources within the County of Riverside. Services offered vary by location, but can include shelter, food, emergency services and cool/warm centers. Our focus is to provide responsible compassion to those in need and walk with them on a path to self-sufficiency. Our goal is that all citizens of Temecula have an excellent quality of life.

WARNING

Below you will find a list of items the Temecula Police Department will administer citations or arrest for:

- Theft of Recyclables
- Possession of a Shopping Cart
- Drinking alcoholic beverages in a park or on public property
- Illegal Camping
- Panhandling/Begging
- Loitering
- Trespassing
- Urinating in Public



Problem Oriented Policing

TEMECULA COMMUNITY PANTRY

28922 Pujol St
Temecula, CA 92590
(951) 676-8022
Monday, Wednesday
and Friday
9:30 am - 12:00 pm
Closed
Tuesday, Thursday,
Saturday and Sunday



The Temecula Pantry is a non-profit organization located in Temecula since 1986. We provide assistance to the homeless, very-low and low-income families in the Temecula Valley, Aguanga and Anza. We welcome all who come to the Pantry regardless of their race, sex, marital status, disability, religion or political affiliation.

Public & Private
Social Services

Resource Guide

For more information regarding your needs you can call

211

Or search the internet at:
www.connectriverside.org

For an emergency or immediate police or Fire response, call

9-1-1

for routine response, call
(951) 776-1099

Riverside County Department of
Public Social Services Homeless
Programs Unit
(951) 358-5637

This brochure is not intended as legal advice nor is the Temecula Police Department engaged in rendering legal advice or services. If legal assistance is required, the services of a competent attorney should be sought.



Temecula

Food:

Community Mission of Hope
27499 Commerce Center Drive,
Temecula, CA 92590
951-444-1404

Temecula Community Pantry
28922 Pujol Street
951-676-8022
(Open: M/W/F 9:30 am-12:00 pm)

Housing:
Project Touch
951-677-9661

Resources:
Department of Social Services
43264 Business Park Drive
Temecula, CA 92590
951-600-6500

Center for Employment Training
27941 Jefferson Ave.
951-296-3010 (getweb.org)

Habitat for Humanity/Restore
27479 Enterprise Circle West
951-296-3362 (Habitat4inlandvalley.org)

Temecula Mental Health Services
41008 County Center Drive Building B #320
951-600-6355

Temecula Department of Social Services
43264 Business Park Drive Suite 102
951-600-6500

Murrieta

Food:

Community Food Pantry of Murrieta (St. Martha's)
38444 Sky Canyon Drive #170-190 951-677-6347
Hours: (M-Sat 9 am - 2 pm; Thu 8:30 - 10:30 am)

Lighthouse Food Pantry
38345 Innovation Court #101 951-698-7633
Hours: (2nd & 4th Thu 3:00-6:00 pm) Bring ID



Community Care Program
38801 Calistoga Drive 951-600-9112
Hours: (12 am-12 pm)

Resources:
Salvation Army

Lake Elsinore

Food:

HOPE
506 W. Minthorn St.
Lake Elsinore, CA 92530 (951) 245-7510
Hours: Tue, Wed, Thr 9:00 am - 12:00 pm

Hemet

Food:

Community Pantry
521 N. San Jacinto 951-929-1101
Hours: (Mon-Thu 9:30-11:30 am)

Resources:

Our Lady of the Valley Catholic Church
780 South State Street 951-924-9964
Call for appointment: 951-929-6131

Valley Restart Center
200 East Menlo 951-766-7476

Perris/Moreno Valley

Food:

St. Christopher Church
25075 Cottonwood Ave 951-924-1968
Hours: (Mon 1-3 pm)

Resources:

Perris Valley Family Resource Center
2055 N. Perris Blvd Suite C-1 951-443-1158
Hours (Tue & Thu 9:30 am-1 pm)

Lutheran Social Services
24310 Myers Ave. 951-656-6020
Hours: 9:00 am - 4:00 pm

PW Enhancement Center
24490 Sunnymead Blvd. Suite 107 951-616-1628
Hours: (Mon & Wed. 12:00-3:00 pm)

God's Helping Hand
13958 Old Highway 215 951-653-2529
Catholic Charities - Moreno Valley Regional Office
23623 Sunnymead Blvd. Suite E 951-924-9964
Hours: (Mon-Fri 8:30 am-4:30 pm) Closed: 12-1pm

Riverside

Abandoned Men & Women Ministries
3560/3562 Chestnut Street 951-965-3190
Hours: (Mon-Fri 7 am-7 pm; Sat. 8 am-6 pm)
At Fairmont Park (Thu & Fri 3:30-5pm)

Path of Life Ministries
2840 Hulen Place 951-462-9822
Hours (Mon-Fri 1-5 pm)
Shelter Hours (5:30pm-10:30 am)

Riverside Homeless Outreach Team
951-826-2200

Operation Safehouse
9685 Hayes Street
951-351-4418

Other Areas

***Banning Church of the Nazarene**
500 N. 8th Street 951-849-5618
Hours: (Thu 6:30-11:30 am)

***Coachella Valley Rescue Mission**
47518 Van Buren St, Indio 760-347-3512
Hours (24hrs/day/7 days/week)

***Corona Norco Rescue Mission**
420 W. Harrison Street, Corona 951-278-2215

***Martha's Kitchen & Village**
83791 Date Ave. Indio 760-347-4741
Hours (24hrs/day/7 days/week)

***Desert Horizon Transitional Housing**
400 South Farrell Drive Suite B205
Palm Springs 760-327-4394
Hours (Mon-Fri 8 am- 5 pm)

Veteran Services

VA Loma Linda Healthcare: 1-909-825-7084
Vet 24 Hour Crisis Hotline: 1-800-273-8255 #1

City of Temecula Responsible Compassion Program

Addressing Homelessness in Temecula

Q: What is the City doing about homelessness?

A: The City has a three-part approach to dealing with homelessness that focuses on Collaboration, Coordination, and Communication:

- We *Collaborate* with partner organizations like Community Mission of Hope and Temecula Community Pantry to provide services and a path to self-sufficiency to those who are currently in need.
- We *Coordinate* with law enforcement, City staff, and other agencies to provide a continual, visible, and physical presence to deter illegal activity.
- We *Communicate* with residents and businesses to educate the public about well-intentioned actions which may unintentionally contribute to unwanted or illegal behaviors which negatively impact quality of life in our City.

At all stages, the City leverages strategic partnerships with established agencies, consistent with our commitment to fiscal responsibility.

Q: Why are there so many homeless people in the City now?

A: The causes of homelessness are many and complex, and include large-scale socioeconomic factors as well as personal risk factors including mental illness, disability, and lack of a family or social network. In our work with other organizations, we have identified four broad categories of at-risk individuals:

1. Those who desire assistance in regaining self-sufficiency
2. Those who suffer from mental illness or other conditions which inhibit reasoning skills
3. Those who refuse help and choose to lawfully live outdoors
4. Those who refuse help and may be engaging in unlawful activity

The City directs its efforts at providing resources to those who are willing to accept help, partnering with regional organizations to address the causes of homelessness, and deterring unwanted behaviors.

Q: If the City is too nice to the homeless, won't we become a "refuge" city?

A: While the City is committed to making resources available those in need who want and will accept help, we are equally committed to maintain the quality of life our residents have come to expect. To that end, we partner with law enforcement and other agencies to simultaneously support a path to self-sufficiency and aggressively deter unwanted and unlawful behaviors.

Q: What should I do when panhandlers approach me?

A: Your first concern is for your safety. If you feel threatened, call 911. The City encourages residents to respond to panhandlers with a respectful but firm "No." All of our partner organizations as well as law enforcement concur that giving money to panhandlers does more harm than good, and may encourage panhandling and support illegal activity including drug use. Responsible options for generosity include volunteering with or donating to any of the local organizations which work to solve homelessness in our community. You may also dial 211 or visit www.connectriverside.org for additional resources for helping those in need, including information about Community Mission of Hope, Temecula Community Pantry, and other front-lines relief organizations.

Q: When can I call the police?

A: You should always call 911 if you need emergency assistance from police or fire, if there is a medical emergency, or an immediate threat to public safety. Additionally, the Temecula Police Department will take action for theft of recyclables, possession of a shopping cart, public consumption of alcohol, illegal camping, panhandling, loitering, trespassing, urinating in public or other disruptive behavior.

Talking Points: City of Temecula Responsible Compassion Program

The City of Temecula has taken the lead on crafting a comprehensive approach to solving the problem of regional homelessness in a way that respects the inherent worth and dignity of every person. The “Responsible Compassion” program is consistent with the City’s *Quality of Life Master Plan* Core Value of Accountable and Responsive City Government and an effective approach to countering the causes and consequences of homelessness within our community.

The City’s efforts include:

1. Partnering with law enforcement, neighboring municipalities, faith-based organizations, and select non-profits to create a cohesive network of resources, proactive outreach, and community education initiatives.
2. Initiating a cooperative agreement to support Community Mission of Hope and Temecula Community Pantry in their missions to help individuals and families chart a path to self-sufficiency by addressing their physical, financial, social, and spiritual needs.
3. Supporting the Problem Oriented Policing (POP) model with a dedicated multi-agency Homelessness Outreach Team (HOT) which works on an individual basis to prevent and respond to unwanted behaviors.
4. Working to educate the community about appropriate avenues for helping homeless individuals without unintentionally exacerbating problem behaviors.
5. Distributing collateral (e.g., *Responsible Compassion* door hanger and tri-fold *Social Services Resource Guide*) to assist in community education.
6. Participating in annual homelessness surveys to support a data-driven approach to policies and initiatives, as well as to gain insight into regional socio-economic factors which impact rates of homelessness in our community.
7. Encouraging continuity among personnel engaged in front-line outreach, because efforts are most effective when staff can engage individuals with an understanding of specific factors which may include mental illness, addiction, disability, willingness to accept help, access to family or other social support, and prior illegal activity.
8. Coordinating with Project T.O.U.C.H. to provide emergency shelter via vouchers during the winter.
9. Sharing best practices with other regional agencies to improve local efforts and create a consistent climate of responsible compassion throughout the region.
10. Utilizing City Park Rangers, other staff, and the Community Action Patrol to act as “eyes and ears” supporting Temecula Police Department in its efforts to deter unlawful behavior and respond quickly to citizen concerns.

The City remains committed to addressing the complex and evolving challenge of homelessness within our community. Future steps include broadening community education to leverage social media, deepening cooperation on the regional level, and reviewing existing initiatives to identify opportunities for improvement.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Report from the League of California Cities

Contact: Erin Sasse, Regional Public Affairs Manager, League of California Cities,
esasse@cacities.org, (951) 321-0771

Date: March 6, 2017

The purpose of this item is to inform the Committee of activities undertaken by the League of California Cities.

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the League of California Cities Regional Public Affairs Manager for Riverside County.

Prior Action:

February 16, 2017: The Technical Advisory Committee received report.

Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

None.