



Western Riverside Council of Governments Executive Committee

AGENDA

**Monday, August 6, 2018
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 6.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) 405-6703. 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 3390 University Avenue, Suite 450, 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 (Chuck Washington, 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. MINUTES**

- A. **Summary Minutes from the July 2, 2018, Executive Committee Meeting are Available for Consideration** **P. 1**

Requested Action: 1. *Approve the Summary Minutes from the July 2, 2018, Executive Committee meeting.*

5. **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. **Transportation Uniform Mitigation Fee Program Activities Update: Approval of Northwest Zone TIP And Project Reimbursement Agreement** **Christopher Gray** **P. 7**

Requested Actions: 1. *Approve the 2018 5-Year Transportation Improvement Program for the Northwest Zone.*
2. *Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Murrieta for the Engineering Phase of the California Oaks Road Interchange Project in an amount not to exceed \$2,145,959.*

- B. **Western Community Energy Activities Update** **Barbara Spoonhour** **P. 41**

Requested Action: 1. *Direct and authorize the Executive Director to enter into the Implementation and Management Services Agreement between Western Riverside Council of Governments and Western Community Energy, as to form.*

Information items:

- C. **Finance Department Activities Update** **Andrew Ruiz** **P. 67**

Requested Action: 1. *Receive and file.*

- D. **WRCOG Committees and Agency Activities Update** **Rick Bishop** **P. 73**

Requested Action: 1. *Receive and file.*

- E. **Western Riverside Energy Partnership Activities Update** **Tyler Masters** **P. 83**

Requested Action: 1. *Receive and file.*

- F. **Regional Streetlight Program Activities Update** **Tyler Masters** **P. 91**

Requested Action: 1. *Receive and file.*

Requested Action: 1. Receive and file.

6. REPORTS / DISCUSSION

A. PACE Programs Activities Update, PACE Program
Public Hearing, and Approval of Revisions to the
Various PACE Providers' Program Reports and Handbooks

Casey Dailey, WRCOG

P. 109

- Requested Actions:**
1. Adopt WRCOG Resolution Number 36-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of Limited Obligation Improvement Bonds for the Ygrene Program, Amending the Program Report and Approving the Forms of an Administration Agreement with Ygrene Energy Fund California LLC And Trust Indenture and Bond Purchase and Draw Down Agreement for the Issuance of Bonds for the Ygrene Program of the WRCOG Program and Appointing a Trustee.
 2. Adopt WRCOG Resolution Number 37-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing Judicial Validation Proceedings Relating to the Issuance and Sale of Limited Obligation Improvement Bonds Pertaining to the Ygrene Program of the Western Riverside Council of Governments California Hero Program and Other Matters Related Thereto and Approving Additional Actions Related to Such Proceedings.
 3. Adopt WRCOG Resolution Number 18-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to Expand the Program Area within Which Contractual Assessments May be Offered.
 4. Adopt Amended WRCOG Resolution 35-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments amending Resolution Number 35-17 to revise the requirements for the implementation of the financing of seismic strengthening improvements as an 'opt out' option in member or associate member jurisdictions .
 5. Adopt WRCOG Resolution Number 38-18; A Resolution of Executive Committee of the Western Riverside Council of Governments Making Certain Representations and Authorizing the Placement of Assessments on the Tax Roll in Shasta County.
 6. Adopt WRCOG Resolution Number 39-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments to initiate judicial foreclosure on the delinquent property participating in the SAMAS Commercial PACE Program.
 7. Support the Additional Pace Provider Ad Hoc Committee's pending and tentative recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include CleanFund under WRCOG's Commercial PACE umbrella.
 8. Adopt WRCOG Resolution Number 40-18; A Resolution of the Executive Committee of the Western Riverside Council of

Governments making certain representations and authorizing the placement of assessments on the tax roll in Solano County for the SAMAS Commercial Programs.

B. Report from the League of California Cities *Erin Sasse, League of California Cities* **P. 443**

Requested Action: 1. Receive and file.

C. Presentation on Santa Ana Watershed Project Authority One Water One Watershed Activities *Dr. Mike Antos, Santa Ana Watershed Project Authority* **P. 445**

Requested Action: 1. Receive and file

D. General CalPERS Update *Isabel Safie, Best Best & Krieger* **P. 447**

Requested Action: 1. Receive and file

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

8. REPORT FROM COMMITTEE REPRESENTATIVES

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

9. REPORT FROM THE EXECUTIVE DIRECTOR *Rick Bishop*

10. ITEMS FOR FUTURE AGENDAS *Members*

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

11. GENERAL ANNOUNCEMENTS *Members*

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

12. NEXT MEETING: The next Executive Committee meeting is scheduled for Monday, September 10, 2018, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

13. ADJOURNMENT

Western Riverside Council of Governments

4.A

Regular Meeting

~ Minutes ~

Monday, July 2, 2018

2:00 PM

County Administrative Center

1. CALL TO ORDER

The meeting was called to order by Chairman Chuck Washington at 2:02 p.m. on June 4, 2018, at the Riverside County Administrative Center, 4080 Lemon Street, Riverside.

Jurisdiction	Attendee Name	Status	Arrived / Departed
City of Banning	Debbie Franklin	Present	1:55 PM
City of Beaumont	Nancy Carroll	Present	1:55 PM
City of Calimesa	Jim Hyatt	Present	1:55 PM
City of Canyon Lake		Absent	
City of Corona	Eugene Montanez	Present	1:55 PM
City of Eastvale	Adam Rush	Present	1:55 PM
City of Hemet	Bonnie Wright	Present	1:55 PM
City of Jurupa Valley	Laura Roughton	Present	1:55 PM
City of Lake Elsinore	Brian Tisdale	Present	1:55 PM
City of Menifee	John Denver	Present	1:55 PM
City of Moreno Valley	Victoria Baca	Present	1:55 PM
City of Murrieta	Kelly Seyarto	Present	1:55 PM
City of Norco	Kevin Bash	Present	1:55 PM
City of Perris	Rita Rogers	Present	1:55 PM
City of Riverside	Rusty Bailey	Present	
City of San Jacinto	Crystal Ruiz	Present	
City of Temecula	Maryann Edwards	Present	1:55 PM
City of Wildomar	Ben Benoit	Present	1:55 PM
District 1		Absent	
District 2		Absent	
District 3	Chuck Washington	Present	1:55 PM
District 5		Absent	
EMWD	David Slawson	Present	1:55 PM
WMWD	Brenda Dennstedt	Present	2:05 PM
Morongo Band of Mission Indians		Absent	
Office of Education (ex-officio)		Absent	
TAC Chair		Absent	
Executive Director	Rick Bishop	Present	1:55 PM

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

2. PLEDGE OF ALLEGIANCE

Committee member Laura Roughton led members and guests in the Pledge of Allegiance.

3. PUBLIC COMMENTS

There were no public comments.

4. MINUTES

RESULT:	APPROVED AS RECOMMENDED
MOVER:	City of Murrieta
SECONDER:	City of Perris
AYES:	Banning, Beaumont, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, Temecula, Wildomar, District 3, EMWD, WMWD
ABSTAIN:	Calimesa, San Jacinto from item 4.A only
ABSENT:	Canyon Lake, District 1, District 2, District 5, Morongo Band of Mission Indians

A. Summary Minutes from the June 4, 2018, Executive Committee Meeting are Available for Consideration

Action: 1. *Approved the Summary Minutes from the June 4, 2018, Executive Committee meeting.*

B. Summary Minutes from the June 22, 2018, Executive Committee Meeting are Available for Consideration

Action: 1. *Approved the Summary Minutes from the June 22, 2018, Executive Committee meeting.*

5. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED, Items 5.A, 5.B, and 5.D
MOVER:	City of Murrieta
SECONDER:	City of Perris
AYES:	Banning, Beaumont, Calimesa, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 3, EMWD, WMWD
ABSENT:	Canyon Lake, District 1, District 2, District 5, Morongo Band of Mission Indians

A. Finance Department Activities Update

Action: 1. *Received and filed.*

B. WRCOG Committees and Agency Activities Update

Action: 1. *Received and filed.*

C. Western Community Energy Activities Update

This item was pulled for discussion by Committee member Jim Hyatt, who requested a presentation to his City Council on this matter on July 16, 2018.

Action: 1. *Received and filed.*

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

D. Environmental Department Activities Update

Action: 1. *Received and filed.*

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

Casey Dailey, WRCOG Director of Energy and Environmental Programs, reported that over 86,000 projects have been completed, valuing over \$1.8B.

In 2015, Chapter 29 of the Streets & Highways Code was amended to allow C-PACE to finance new construction projects. WRCOG is proposing allowing PACE financing on new commercial construction projects and only for improvements which exceed the minimum energy codes. Of those, 100% of the costs would be eligible for C-PACE funding. Additional supporting documentation for these items include building plans, equipment cut sheets, and Title 20 and 24 Code Compliance Certificates.

Each year, WRCOG levies or submits HERO assessments to various counties to add a HERO assessment to the tax bill via adoption of a resolution by those jurisdictions. Some counties also require a listing of the properties being assessed in order to process the tax roll. Current resolutions are included in today's agenda packet for adoption.

WRCOG has been leading the effort to align its eligible product list with other PACE Programs throughout the state. Staff is recommending a consolidated list of all providers into one cohesive list to be used by all bond issuers in California.

Actions:

1. *Accepted the City of Pismo Beach as an Associate Member of the Western Riverside Council of Governments.*
2. *Approved the proposed changes to the PACE Program Reports and Greenworks Commercial Program Handbook to allow for PACE financing on new commercial construction projects.*
3. *Adopted WRCOG Resolution Number 19-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments certifying compliance with state law with respect to the levying of special assessments in Monterey County.*
4. *Adopted WRCOG Resolution Number 20-18; A Resolution of the Executive Committee of the Western Riverside Council of*

- Governments making certain representations and authorizing the placement of assessments on the tax roll in San Mateo County for the SAMAS Commercial Programs.*
5. *Adopted WRCOG Resolution Number 21-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Kern County for the SAMAS Commercial Programs.*
 6. *Adopted WRCOG Resolution Number 22-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Humboldt County.*
 7. *Adopted WRCOG Resolution Number 23-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Yuba County.*
 8. *Adopted WRCOG Resolution Number 24-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Yolo County.*
 9. *Adopted WRCOG Resolution Number 25-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Sutter County and certifying to the County of Sutter the validity of the legal process used to place direct charges on the secured tax role.*
 10. *Adopted WRCOG Resolution Number 26-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in San Mateo County.*
 11. *Adopted WRCOG Resolution Number 27-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Mendocino County.*
 12. *Adopted WRCOG Resolution Number 28-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Merced County.*
 13. *Adopted WRCOG Resolution Number 29-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Madera County.*
 14. *Adopted WRCOG Resolution Number 30-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Kern County.*
 15. *Adopted WRCOG Resolution Number 31-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Glenn County.*
 16. *Adopted WRCOG Resolution Number 32-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Butte County and*

- certifying to the Butte County the validity of the legal process used to place direct charges on the secured tax roll.*
17. *Adopted WRCOG Resolution Number 33-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Amador County.*
 18. *Adopted WRCOG Resolution Number 34-18; 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.*

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

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chairman was not in attendance.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Debbie Franklin, SCAG Community, Economic, and Human Development Committee representative, reported that a demographic workshop was held a couple of weeks ago. Trends regarding population movement are available in the report online. It is anticipated that population is not going to increase due to migration out of the area given the current housing prices. It is mainly professionals which are moving out of state to make the same earnings in areas where housing is more affordable. Migration from other countries has also decreased.

9. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop, WRCOG Executive Director, reported that General Assembly was held on June 21, and thanked past Chair Debbie Franklin for doing a great job hosting the event, and the Morongo Band of Mission Indians for once again hosting the event.

On July 6, 2018, WRCOG is partnering with the Lake Elsinore Storm to host a Used Oil Recycling Night at the Storm Stadium at that game.

Upcoming presentations in the queue requested by this Committee include presentations on the Santa Ana Watershed Project Authority (in August), AB 1912, and pension reform (both yet to be determined).

Mr. Bishop introduced Sofia Perez, a new WRCOG Staff Analyst in the Energy & Environmental Department with the PACE team, and Rachel Hom, a new WRCOG Staff Analyst within the Governmental Relations Department.

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

11. GENERAL ANNOUNCEMENTS

Committee member Crystal Ruiz announced that she recently met with President Donald Trump on matters pertaining to this region; the President offered financial assistance.

Committee member Brian Tisdale announced that there have been seven drownings of children this year one survivor spoke recently at a meeting who expressed the importance on paying attention to children who are around water, and teaching kids to swim.

12. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, August 6, 2018, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

13. ADJOURNMENT

The meeting adjourned at 2:32 p.m.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Transportation Uniform Mitigation Fee Program Activities Update: Approval of Northwest Zone TIP and Project Reimbursement Agreement

Contact: Christopher Gray, Director of Transportation, cgray@wrcoq.us, (951) 405-6710

Date: August 6, 2018

The purpose of this item is to seek approval of the 2018 5-Year Transportation Improvement Program for the Northwest Zone and approval of a Reimbursement Agreement with the City of Murrieta.

Requested Actions:

1. Approve the 2018 5-Year Transportation Improvement Program for the Northwest Zone.
2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Murrieta for the Engineering Phase of the California Oaks Road Interchange Project in an amount not to exceed \$2,145,959.

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 and the March Joint Powers Authority (JPA) participate in the Program through an adopted ordinance, collect fees from new development, and remit the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of agencies – referred to as TUMF Zones – based on the amount of fees collected in these groups, and the Riverside Transit Agency and the Regional Conservation Authority.

2018 TUMF Transportation Improvement Program (TIP) Update

The Zone TIP update occurs annually after the close of the financial year-end for the TUMF Program Fiscal Year (FY). In late 2017, staff distributed draft Zone TIPs to member agencies for review and requested any adjustments for each programmed project. Agencies had the opportunity to request additional funding and/or add projects to the TIPs if there is sufficient revenue to support the additional programmed funding within the respective TUMF Zone. The Zone actions are as follows:

Northwest Zone: The Zone TAC met on January 23, 2018, and approved the five-year program of projects to be presented to the Zone Committee. The Northwest Zone Committee met on July 24, 2018, and approved the proposed TIP and revenue forecast. There are 29 Agency projects on the proposed 2018 5-Year TIP, totaling \$61 million, programmed over the next five years. The proposed 2018 Northwest Zone 5-Year TIP is included as Attachment 1.

TUMF Reimbursement Agreement

One Reimbursement Agreement for a TUMF project is summarized below.

City of Murrieta (one agreement):

1. California Oaks Road / I-15 Interchange in the amount of \$2,145,959: This Project constructed new on- and off-ramp loops for I-15 and widened the roadway under the Interstate. This Reimbursement Agreement is for construction management expenses that the City incurred during the construction of the improvements to the Interchange.

Prior Action:

None.

Fiscal Impact:

TUMF Program activities are included in the Agency's adopted Fiscal Year 2017/2018 Budget under the Transportation Department.

Attachments:

1. 2018 Northwest Zone 5-Year TIP.
2. Reimbursement Agreement with the City of Murrieta for the Engineering Phase of the California Oaks Road Interchange.

Item 5.A

Transportation Uniform Mitigation
Fee Program Activities Update:
Approval of Northwest Zone TIP and
Project Reimbursement Agreement

Attachment 1

2018 Northwest Zone 5-Year TIP

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Draft 2018 Northwest Zone 5-Year Transportation Improvement Program

Fiscal Year				FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Forecast Revenues				\$ 9,600,000	\$ 9,696,000	\$ 9,792,960	\$ 9,890,890	\$ 9,989,798	\$ 61,873,171	\$ (33,080,239)	\$ 94,953,409
Carryover Revenues (As of 9/30/17)				\$ 13,313,106	\$ 7,674,935	\$ 4,572,935	\$ 5,248,895	\$ (2,511,215)	TIP Adopted April 2017		
									5-Year Avail Forecast/Cash	5-Year Programmed	5-Year Balance
Available Revenues				\$ 22,913,106	\$ 17,370,935	\$ 14,365,895	\$ 15,139,785	\$ 7,478,583	\$ 48,354,863	\$ 43,856,859	\$ 4,498,004
Programmed Expenditures				Status*	Phase**						
City of Corona											
05-NW-COR-1046	Auto Center Dr Grade Separation, Railroad St to Pomona Rd (0.270 mi.)	CLD	PA&ED	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (74,238)	\$ 74,238
		CLD	ENG	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ (295,057)	\$ 295,057
		PND	ROW	\$ 705,316	\$ -	\$ -	\$ -	\$ -	\$ 705,316	\$ (975,695)	\$ 1,681,012
		PND	CON	\$ 69,694	\$ -	\$ -	\$ -	\$ -	\$ 69,694	\$ -	\$ 69,694
18-NW-COR-1202	McKinley St., SR-91 to Magnolia Ave. (.31 mi. 4 to 6 lanes)	PLN	PA&ED	\$ -	\$ 43,000	\$ -	\$ -	\$ -	\$ 43,000	\$ -	\$ 43,000
		PLN	ENG	\$ -	\$ 108,000	\$ -	\$ -	\$ -	\$ 108,000	\$ -	\$ 108,000
		PLN	ROW	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
		PLN	CON	\$ -	\$ -	\$ 631,000	\$ -	\$ -	\$ 631,000	\$ -	\$ 631,000
05-NW-COR-1048	McKinley St. Grade Separation & Bridge (0.330 mi. 4 to 6 lanes)	CLD	PA&ED	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (175,582)	\$ 175,582
		STD	ENG	\$ 1,454,532	\$ -	\$ -	\$ -	\$ -	\$ 1,454,532	\$ -	\$ 1,454,532
16-NW-COR-1181	Foothill Parkway (California to Teddy Bear Lane) (.38 mi., 2 to 4 lanes)	STD	CON	\$ 1,573,150	\$ -	\$ -	\$ -	\$ -	\$ 1,573,150	\$ -	\$ 1,573,150
County of Riverside											
06-NW-RCY-1094	Magnolia Ave Grade Sep., Lincoln St to Buchanan St (0.532 mi.)	CLD	PA&ED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (648,000)	\$ 648,000
		CLD	ENG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (500,000)	\$ 500,000
		CLD	ROW	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ (3,639,000)	\$ 3,639,000
		STD	CON	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,200,000)	\$ 7,200,000
05-NW-RCY-1027	River Road (Archibald) Bridge	PND	CON	\$ 3,449,000	\$ -	\$ -	\$ -	\$ -	\$ 3,449,000	\$ -	\$ 3,449,000
City of Jurupa Valley											
11-NW-JVL-1150	Limonite Avenue (Etiwanda to Bain) (1 mile, 2 to 4 lanes)	STD	PA&ED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (54,891)	\$ 54,891
		CLP	ENG	\$ 48,109	\$ -	\$ -	\$ -	\$ -	\$ 48,109	\$ (442,000)	\$ 490,109
		PLN	CON	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (658,000)	\$ 658,000
16-NW-JVL-1182	Limonite Avenue (Bain to Homestead) (.74 mile, 2 to 4 lanes)	STD	PA&ED	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ 110,000	\$ -	\$ 110,000
		PLN	ENG	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ 350,000
		PLN	ROW	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ 400,000
		PLN	CON	\$ -	\$ -	\$ 850,000	\$ -	\$ -	\$ 850,000	\$ -	\$ 850,000
16-NW-JVL-1183	Market Street Bridge over the Santa Ana River (2 to 4 lanes)	STD	PA&ED	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ -	\$ 225,000
		PLN	ENG	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ 240,000	\$ -	\$ 240,000
		PLN	CON	\$ -	\$ -	\$ -	\$ 4,750,000	\$ -	\$ 4,750,000	\$ -	\$ 4,750,000
16-NW-JVL-1184	Van Buren Blvd, Limonite Ave. to Santa Ana River (1.2 miles, 4 to 6 lanes)	STD	PA&ED	\$ 70,000	\$ 60,000	\$ -	\$ -	\$ -	\$ 130,000	\$ -	\$ 130,000
		PLN	ENG	\$ 180,000	\$ 145,000	\$ -	\$ -	\$ -	\$ 325,000	\$ -	\$ 325,000
		PLN	ROW	\$ -	\$ -	\$ -	\$ 2,231,000	\$ 2,000,000	\$ 4,231,000	\$ -	\$ 4,231,000
		PLN	CON	\$ -	\$ -	\$ -	\$ -	\$ 1,294,000	\$ 1,294,000	\$ -	\$ 1,294,000
18-NW-JVL-1195	Rubidoux Boulevard/SR-60 Interchange	PLN	PA&ED	\$ -	\$ -	\$ 617,000	\$ -	\$ -	\$ 617,000	\$ -	\$ 617,000
18-NW-JVL-1196	Canu Galleano Ranch Road, Gap Closure (Bellegrave to .31 mile west), .31 miles	PLN	PA&ED	\$ -	\$ -	\$ -	\$ -	\$ 22,000	\$ 22,000	\$ -	\$ 22,000
		PLN	ENG	\$ -	\$ -	\$ -	\$ -	\$ 54,000	\$ 54,000	\$ -	\$ 54,000



Draft 2018 Northwest Zone 5-Year Transportation Improvement Program

Fiscal Year				FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Forecast Revenues				\$ 9,600,000	\$ 9,696,000	\$ 9,792,960	\$ 9,890,890	\$ 9,989,798	\$ 61,873,171	\$ (33,080,239)	\$ 94,953,409
Carryover Revenues (As of 9/30/17)				\$ 13,313,106	\$ 7,674,935	\$ 4,572,935	\$ 5,248,895	\$ (2,511,215)	TIP Adopted April 2017		
									5-Year Avail Forecast/Cash	5-Year Programmed	5-Year Balance
Available Revenues				\$ 22,913,106	\$ 17,370,935	\$ 14,365,895	\$ 15,139,785	\$ 7,478,583	\$ 48,354,863	\$ 43,856,859	\$ 4,498,004
18-NW-JVL-1197	Market street (Rubidoux to Santa Ana River), 1.74 miles, 2 to 4 lanes	PLN	PA&ED	\$ -	\$ -	\$ -	227,000	\$ -	\$ 227,000	\$ -	\$ 227,000
		PLN	ENG	\$ -	\$ -	\$ -	\$ -	566,000	\$ 566,000	\$ -	\$ 566,000
City of Norco											
16-NW-NOR-1185	Hamner Ave, 5th Street to 3rd Street (.5 mi. 5 to 6 lanes)	PLN	PA&ED	\$ 31,000	\$ -	\$ -	\$ -	\$ -	\$ 31,000	\$ -	\$ 31,000
		PLN	ENG	\$ 79,000	\$ -	\$ -	\$ -	\$ -	\$ 79,000	\$ -	\$ 79,000
		PLN	ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		PLN	CON	\$ 788,000	\$ -	\$ -	\$ -	\$ -	\$ 788,000	\$ -	\$ 788,000
18-NW-NOR-1200	6th Street/I-15 Interchange Improvements	PLN	ENG	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
		PLN	CON	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
18-NW-NOR-1201	2nd Street, Hamner to I-15 (.1 miles)	PLN	ENG	\$ -	\$ 17,000	\$ -	\$ -	\$ -	\$ 17,000	\$ -	\$ 17,000
		PLN	CON	\$ -	\$ 69,000	\$ -	\$ -	\$ -	\$ 69,000	\$ -	\$ 69,000
18-NW-NOR-1199	Hamner Ave, Santa Ana River to 6th Street (.17 mi. 4 to 6 lanes)	PLN	PA&ED	\$ -	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -	\$ 24,000
		PLN	ENG	\$ -	\$ 59,000	\$ -	\$ -	\$ -	\$ 59,000	\$ -	\$ 59,000
		PLN	ROW	\$ -	\$ -	\$ 269,000	\$ 500,000	\$ -	\$ 769,000	\$ -	\$ 769,000
		PLN	CON	\$ -	\$ -	\$ -	\$ -	\$ 335,000	\$ 335,000	\$ -	\$ 335,000
County of Riverside/Cities of Norco and Eastvale											
05-NW-EAV-1050	Hamner Avenue Bridge (1,200' over Santa Ana River) 2 to 6 lanes	STD	PA&ED	\$ 524,726	\$ -	\$ -	\$ -	\$ -	\$ 524,726	\$ (225,274)	\$ 750,000
		PLN	CON	\$ -	\$ -	\$ 500,000	\$ 5,500,000	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000
City of Riverside											
06-NW-RIV-1097	Magnolia Ave/UP Grade Sep, Beatty Dr. to Elizabeth St (0.177 mi. to 4 lanes)	PND	ROW	\$ 1,660,000	\$ -	\$ -	\$ -	\$ -	\$ 1,660,000	\$ (14,000,000)	\$ 15,660,000
16-NW-RIV-1186	Adams Street/SR-91 Interchange	PLN	PA&ED	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
		PLN	ENG	\$ 1,100,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ 2,100,000	\$ -	\$ 2,100,000
16-NW-RIV-1189	Iowa Avenue, University to Martin Luther King (.51 mi. 2 to 4 lanes)	PLN	PA&ED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		PLN	ENG	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ 80,000
		PLN	ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		PLN	CON	\$ -	\$ 2,920,000	\$ -	\$ -	\$ -	\$ 2,920,000	\$ -	\$ 2,920,000
16-NW-RIV-1190	Third Street Grade Separation	PLN	PA&ED	\$ 500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000
		PLN	ENG	\$ -	\$ 750,000	\$ 1,750,000	\$ -	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000
		PLN	ROW	\$ -	\$ -	\$ 250,000	\$ 750,000	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000



Draft 2018 Northwest Zone 5-Year Transportation Improvement Program

Fiscal Year				FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	Current Programmed Phase Balance	Total Phase Payments/ Expenditures	Original Programmed Phase Cost
Forecast Revenues				\$ 9,600,000	\$ 9,696,000	\$ 9,792,960	\$ 9,890,890	\$ 9,989,798	\$ 61,873,171	\$ (33,080,239)	\$ 94,953,409
Carryover Revenues (As of 9/30/17)				\$ 13,313,106	\$ 7,674,935	\$ 4,572,935	\$ 5,248,895	\$ (2,511,215)	TIP Adopted April 2017		
									5-Year Avail Forecast/Cash	5-Year Programmed	5-Year Balance
Available Revenues				\$ 22,913,106	\$ 17,370,935	\$ 14,365,895	\$ 15,139,785	\$ 7,478,583	\$ 48,354,863	\$ 43,856,859	\$ 4,498,004
18-NW-RIV-1202	Van Buren Blvd., Santa Ana River to Jurupa Ave. (.33 mi. 4 to 6 lanes)	PLN	PA&ED	\$ -	\$ 46,000	\$ -	\$ -	\$ -	\$ 46,000	\$ -	\$ 46,000
		PLN	ENG	\$ -	\$ 114,000	\$ -	\$ -	\$ -	\$ 114,000	\$ -	\$ 114,000
		PLN	ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		PLN	CON	\$ -	\$ -	\$ 1,000,000	\$ 951,000	\$ -	\$ 1,951,000	\$ -	\$ 1,951,000
March JPA											
05-NW-JPA-1052	Van Buren Blvd, Barton St to 1,000' w/o I-215 (2.707 mi. 4 to 6 lanes)(LNR)	PND	ENG	\$ 207,184	\$ -	\$ -	\$ -	\$ -	\$ 207,184	\$ (792,816)	\$ 1,000,000
		STD	ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		STD	CON	\$ 800,314	\$ 2,722,000	\$ 300,000	\$ -	\$ -	\$ 3,822,314	\$ (3,399,686)	\$ 7,222,000
City of Eastvale											
18-NW-EAV-1198	Hamner Avenue, Schliesman Ave. to Santa Ana River (1 mi 2 to 6lanes)	PLN	PA&ED	\$ -	\$ 136,000	\$ -	\$ -	\$ -	\$ 136,000	\$ -	\$ 136,000
		PLN	ENG	\$ -	\$ 346,000	\$ -	\$ -	\$ -	\$ 346,000	\$ -	\$ 346,000
		PLN	ROW	\$ -	\$ -	\$ 200,000	\$ 374,000	\$ -	\$ 574,000	\$ -	\$ 574,000
		PLN	CON	\$ -	\$ -	\$ -	\$ 580,000	\$ 1,000,000	\$ 1,580,000	\$ -	\$ 1,580,000
17-NW-EAV-1192	Limonite Avenue Bridge (over Cucamonga Creek), 0 to 4 lanes	PLN	PA&ED	\$ -	\$ 254,000	\$ -	\$ -	\$ -	\$ 254,000	\$ -	\$ 254,000
		PLN	ENG	\$ -	\$ 636,000	\$ -	\$ -	\$ -	\$ 636,000	\$ -	\$ 636,000
		PLN	CON	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,798,000	\$ 2,798,000	\$ -	\$ 2,798,000
17-NW-EAV-1193	Hamner Avenue, Bellegrave Avenue to Limonite Avenue (.9 mi 2 to 6 lanes)	PLN	PA&ED	\$ -	\$ 197,000	\$ -	\$ -	\$ -	\$ 197,000	\$ -	\$ 197,000
		PLN	ENG	\$ -	\$ 492,000	\$ -	\$ -	\$ -	\$ 492,000	\$ -	\$ 492,000
		PLN	ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		PLN	CON	\$ -	\$ 250,000	\$ 1,250,000	\$ 788,000	\$ -	\$ 2,288,000	\$ -	\$ 2,288,000
16-NW-EAV-1187	Schleisman Rd, Scholar Road to Hamner Avenue (0 to 6 lanes) (DR Horton Los Angeles Holding Company, Inc)	CPL	CON	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-NW-EAV-9014	Schleisman Rd, 1,476' E of Hellman Ave to 2,728' East) (1 lane) (Parkview Meadows Holdings, LLC)	PLN	CON	\$ 233,145	\$ -	\$ -	\$ -	\$ -	\$ 233,145	\$ -	\$ 233,145
Total Programmed Capital Expenditures				\$ 15,238,171	\$ 12,798,000	\$ 9,117,000	\$ 17,651,000	\$ 7,069,000			
Total Programmed Balance Carryover*				\$ 7,674,935	\$ 4,572,935	\$ 5,248,895	\$ (2,511,215)	\$ 409,583			
		Summary Table									
		Fiscal Year	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	5-Year Total Available Revenue	5-Year Total Programmed	5-Year Balance	
		Available Revenues	\$ 22,913,106	\$ 17,370,935	\$ 14,365,895	\$ 15,139,785	\$ 7,478,583				
		Programmed Phases	\$ 15,238,171	\$ 12,798,000	\$ 9,117,000	\$ 17,651,000	\$ 7,069,000				
		Carryover Balance	\$ 7,674,935	\$ 4,572,935	\$ 5,248,895	\$ (2,511,215)	\$ 409,583				

Status: PLN=Planned, STD=Started, PND=Pending final invoice, CPL=Completed, CLD= Phase Closed, TER=Terminated.
 Actual Revenue Forecasts, Carryover, and Payments thru 9/30/17.
 Red font=payments or adjustments; green font= no FY activity; Yellow highlight = obligated funds and overprogramming alert.

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Item 5.A

Transportation Uniform Mitigation
Fee Program Activities Update:
Approval of Northwest Zone TIP and
Project Reimbursement Agreement

Attachment 2

Reimbursement Agreement with the
City of Murrieta for the Engineering
Phase of the California Oaks Road
Interchange

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**TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
CALIFORNIA OAKS ROAD / I-15 INTERCHANGE
ENGINEERING PHASE**

THIS REIMBURSEMENT AGREEMENT (“Agreement”) is entered into as of this 17th day of July, 2018, by and between the Western Riverside Council of Governments (“WRCOG”), a California joint powers authority and the City of Murrieta, a California municipal corporation (“AGENCY”). WRCOG and AGENCY are sometimes hereinafter referred to individually as “Party” and collectively as “Parties”.

RECITALS

A. WRCOG is the Administrator of the Transportation Uniform Mitigation Fee Program of Western Riverside County (“TUMF Program”).

B. WRCOG has identified and designated certain transportation improvement projects throughout Western Riverside County as projects of regional importance (“Qualifying Projects” or “Projects”). The Qualifying Projects are more specifically described in that certain WRCOG study titled “TUMF Nexus Study”, as may be amended from time to time. Qualifying Projects can have Regional or Zonal significance as further described in the TUMF Nexus Study.

C. The TUMF Program is funded by TUMF fees paid by new development in Western Riverside County (collectively, “TUMF Program Funds”). TUMF Program Funds are held in trust by WRCOG for the purpose of funding the Qualifying Projects.

D. The AGENCY proposes to implement a Qualifying Project, and it is the purpose of this Agreement to identify the project and to set forth the terms and conditions by which WRCOG will release TUMF Program Funds.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and subject to the conditions contained herein, the Parties hereby agree as follows:

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for **California Oaks Road/I-15 Interchange**, (the “Project”), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit “A” attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCY and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

2) PS&E – Plans, Specifications and Estimates

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **Two Million, One Hundred Forty Five Thousand, Nine Hundred Fifty-Nine Dollars (\$2,145,959)**, to be used for

reimbursing the AGENCY for eligible Project expenses as described in Section 3 herein (“Funding Amount”). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study (“Maximum TUMF Share”), as may be amended from time to time.

3. Project Costs Eligible for Advance/Reimbursement. The total Project costs (“Total Project Cost”) may include the following items, provided that such items are included in the scope of work attached hereto as Exhibit “A” (“Scope of Work”): (1) AGENCY and/or consultant costs associated with direct Project coordination and support; (2) funds expended in preparation of preliminary engineering studies; (3) funds expended for preparation of environmental review documentation for the Project; (4) all costs associated with right-of-way acquisition, including right-of-way engineering, appraisal, acquisition, legal costs for condemnation procedures if authorized by the AGENCY, and costs of reviewing appraisals and offers for property acquisition; (5) costs reasonably incurred if condemnation proceeds; (6) costs incurred in the preparation of plans, specifications, and estimates by AGENCY or consultants; (7) AGENCY costs associated with bidding, advertising and awarding of the Project contracts; (8) construction costs, including change orders to construction contract approved by the AGENCY; (9) construction management, field inspection and material testing costs; and (10) any AGENCY administrative cost to deliver the Project.

4. Ineligible Project Costs. The Total Project Cost shall not include the following items which shall be borne solely by the AGENCY without reimbursement: (1) any AGENCY administrative fees attributed to the reviewing and processing of the Project; and (2) expenses for items of work not included within the Scope of Work in Exhibit “A”.

5. Procedures for Distribution of TUMF Program Funds to AGENCY.

(a) Initial Payment by the AGENCY. The AGENCY shall be responsible for initial payment of all the Project costs as they are incurred. Following payment of such Project costs, the AGENCY shall submit invoices to WRCOG requesting reimbursement of eligible Project costs. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to the AGENCY, and documents evidencing the AGENCY’s payment of the invoices or demands for payment. Documents evidencing the AGENCY’S payment of the invoices shall be retained for four (4) years and shall be made available for review by WRCOG. The AGENCY shall submit invoices not more often than monthly and not less often than quarterly.

(b) Review and Reimbursement by WRCOG. Upon receipt of an invoice from the AGENCY, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought. Undisputed amounts shall be paid by WRCOG to the AGENCY within thirty (30) days. In the event that WRCOG disputes the eligibility of the AGENCY for reimbursement of all or a portion of an invoiced amount, the Parties shall meet and confer in an attempt to resolve the dispute. If the meet and confer process is unsuccessful in resolving the dispute, the AGENCY may appeal WRCOG’s decision as to the eligibility of one or more invoices to WRCOG’s Executive Director. The WRCOG Executive Director shall

provide his/her decision in writing. If the AGENCY disagrees with the Executive Director's decision, the AGENCY may appeal the decision of the Executive Director to the full WRCOG Executive Committee, provided the AGENCY submits its request for appeal to WRCOG within ten (10) days of the Executive Director's written decision. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the AGENCY's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto and incorporated herein by reference.

(c) Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to the AGENCY in an amount in excess of the Maximum TUMF Share of the Project, or has provided reimbursement of ineligible Project costs, the AGENCY shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

6. Increases in Project Funding. The Funding Amount may, in WRCOG's sole discretion, be augmented with additional TUMF Program Funds if the TUMF Nexus Study is amended to increase the maximum eligible TUMF share for the Project. Any such increase in the Funding Amount must be approved in writing by WRCOG's Executive Director. In no case shall the amount of TUMF Program Funds allocated to the AGENCY exceed the then-current maximum eligible TUMF share for the Project. No such increased funding shall be expended to pay for any Project already completed. For purposes of this Agreement, the Project or any portion thereof shall be deemed complete upon its acceptance by WRCOG's Executive Director which shall be communicated to the AGENCY in writing.

7. No Funding for Temporary Improvements. Only segments or components of the construction that are intended to form part of or be integrated into the Project may be funded by TUMF Program Funds. No improvement which is temporary in nature, including but not limited to temporary roads, curbs, tapers or drainage facilities, shall be funded with TUMF Program Funds, except as needed for staged construction of the Project.

8. AGENCY's Funding Obligation to Complete the Project. In the event that the TUMF Program Funds allocated to the Project represent less than the total cost of the Project, the AGENCY shall provide such additional funds as may be required to complete the Project.

9. AGENCY's Obligation to Repay TUMF Program Funds to WRCOG; Exception For PA&ED Phase Work. Except as otherwise expressly excepted within this paragraph, in the event that: (i) the AGENCY, for any reason, determines not to proceed with or complete the Project; or (ii) the Project is not timely completed, subject to any extension of time granted by WRCOG pursuant to the terms of this Agreement; the AGENCY agrees that any TUMF Program Funds that were distributed to the AGENCY for the Project shall be repaid in full to WRCOG, and the Parties shall enter into good faith negotiations to establish a reasonable repayment schedule and repayment mechanism. If the Project involves work pursuant to a PA&ED phase, AGENCY shall not be obligated to repay TUMF Program Funds to WRCOG relating solely to PA&ED phase work performed for the Project.

10. AGENCY's Local Match Contribution. "AGENCY local match funding is not required, as shown in Exhibit "A" and as called out in the AGENCY's Project Nomination Form submitted to WRCOG in response to its Call for Projects."

11. Term/Notice of Completion. The term of this Agreement shall be from the date first herein above written until the earlier of the following: (i) the date WRCOG formally accepts the Project as complete, pursuant to Section 6; (ii) termination of this Agreement pursuant to Section 15; or (iii) the AGENCY has fully satisfied its obligations under this Agreement. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

12. Representatives of the Parties. WRCOG's Executive Director, or his or her designee, shall serve as WRCOG's representative and shall have the authority to act on behalf of WRCOG for all purposes under this Agreement. The AGENCY hereby designates **Robert K. Moehling, City Engineer**, or his or her designee, as the AGENCY's representative to WRCOG. The AGENCY's representative shall have the authority to act on behalf of the AGENCY for all purposes under this Agreement and shall coordinate all activities of the Project under the AGENCY's responsibility. The AGENCY shall work closely and cooperate fully with WRCOG's representative and any other agencies which may have jurisdiction over or an interest in the Project.

13. Expenditure of Funds by AGENCY Prior to Execution of Agreement. Nothing in this Agreement shall be construed to prevent or preclude the AGENCY from expending funds on the Project prior to the execution of the Agreement, or from being reimbursed by WRCOG for such expenditures. However, the AGENCY understands and acknowledges that any expenditure of funds on the Project prior to the execution of the Agreement is made at the AGENCY's sole risk, and that some expenditures by the AGENCY may not be eligible for reimbursement under this Agreement.

14. Review of Services. The AGENCY shall allow WRCOG's Representative to inspect or review the progress of the Project at any reasonable time in order to determine whether the terms of this Agreement are being met.

15. Termination.

(a) Notice. Either WRCOG or AGENCY may, by written notice to the other party, terminate this Agreement, in whole or in part, in response to a material breach hereof by the other Party, by giving written notice to the other party of such termination and specifying the effective date thereof. The written notice shall provide a 30 day period to cure any alleged breach. During the 30 day cure period, the Parties shall discuss, in good faith, the manner in which the breach can be cured.

(b) Effect of Termination. In the event that the AGENCY terminates this Agreement, the AGENCY shall, within 180 days, repay to WRCOG any unexpended TUMF Program Funds provided to the AGENCY under this Agreement and shall complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. In the event that WRCOG terminates this Agreement, WRCOG shall, within 90 days, distribute to the

AGENCY TUMF Program Funds in an amount equal to the aggregate total of all unpaid invoices which have been received from the AGENCY regarding the Project at the time of the notice of termination; provided, however, that WRCOG shall be entitled to exercise its rights under Section 5(b), including but not limited to conducting a review of the invoices and requesting additional information. Upon such termination, the AGENCY shall, within 180 days, complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. This Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

(c) Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

16. Prevailing Wages. The AGENCY and any other person or entity hired to perform services on the Project are alerted to the requirements of California Labor Code Sections 1770 et seq., which would require the payment of prevailing wages were the services or any portion thereof determined to be a public work, as defined therein. The AGENCY shall ensure compliance with these prevailing wage requirements by any person or entity hired to perform the Project. The AGENCY shall defend, indemnify, and hold harmless WRCOG, its officers, employees, consultants, and agents from any claim or liability, including without limitation attorneys, fees, arising from its failure or alleged failure to comply with California Labor Code Sections 1770 et seq.

17. Progress Reports. WRCOG may request the AGENCY to provide WRCOG with progress reports concerning the status of the Project.

18. Indemnification.

(a) AGENCY Responsibilities. In addition to the indemnification required under Section 16, the AGENCY agrees to indemnify and hold harmless WRCOG, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of the AGENCY or its subcontractors. The AGENCY will reimburse WRCOG for any expenditures, including reasonable attorneys' fees, incurred by WRCOG, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of the AGENCY.

(b) WRCOG Responsibilities. WRCOG agrees to indemnify and hold harmless the AGENCY, its officers, agents, consultants, and employees from any and all claims, demands, costs or liability arising from or connected with all activities governed by this Agreement including all design and construction activities, due to negligent acts, errors or omissions or willful misconduct of WRCOG or its sub-consultants. WRCOG will reimburse the AGENCY for any expenditures, including reasonable attorneys' fees, incurred by the AGENCY, in defending against claims ultimately determined to be due to negligent acts, errors or omissions or willful misconduct of WRCOG.

(c) Effect of Acceptance. The AGENCY shall be responsible for the professional quality, technical accuracy and the coordination of any services provided to complete the Project. WRCOG's review, acceptance or funding of any services performed by the AGENCY or any other person or entity under this Agreement shall not be construed to operate as a waiver of any rights WRCOG may hold under this Agreement or of any cause of action arising out of this Agreement. Further, the AGENCY shall be and remain liable to WRCOG, in accordance with applicable law, for all damages to WRCOG caused by the AGENCY's negligent performance of this Agreement or supervision of any services provided to complete the Project.

19. Insurance. The AGENCY shall require, at a minimum, all persons or entities hired to perform the Project to obtain, and require their subcontractors to obtain, insurance of the types and in the amounts described below and satisfactory to the AGENCY and WRCOG. Such insurance shall be maintained throughout the term of this Agreement, or until completion of the Project, whichever occurs last.

(a) Commercial General Liability Insurance. Occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to the Project or be no less than two times the occurrence limit. Such insurance shall:

(i) Name WRCOG and AGENCY, and their respective officials, officers, employees, agents, and consultants as insured with respect to performance of the services on the Project and shall contain no special limitations on the scope of coverage or the protection afforded to these insured;

(ii) Be primary with respect to any insurance or self-insurance programs covering WRCOG and AGENCY, and/or their respective officials, officers, employees, agents, and consultants; and

(iii) Contain standard separation of insured provisions.

(b) Business Automobile Liability Insurance. Business automobile liability insurance or equivalent form with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

(c) Professional Liability Insurance. Errors and omissions liability insurance with a limit of not less than \$1,000,000.00 Professional liability insurance shall only be required of design or engineering professionals.

(d) Workers' Compensation Insurance. Workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than \$1,000,000.00 each accident.

20. Project Amendments. Changes to the characteristics of the Project, including the deadline for Project completion, and any responsibilities of the AGENCY or WRCOG may be requested in writing by the AGENCY and are subject to the approval of WRCOG's Representative, which approval will not be unreasonably withheld, provided that extensions of time for completion of the Project shall be approved in the sole discretion of WRCOG's Representative. Nothing in this Agreement shall be construed to require or allow completion of the Project without full compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA") and the National Environmental Policy Act of 1969 (42 USC 4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

21. Conflict of Interest. For the term of this Agreement, no member, officer or employee of the AGENCY or WRCOG, during the term of his or her service with the AGENCY or WRCOG, as the case may be, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Limited Scope of Duties. WRCOG's and the AGENCY's duties and obligations under this Agreement are limited to those described herein. WRCOG has no obligation with respect to the safety of any Project performed at a job site. In addition, WRCOG shall not be liable for any action of AGENCY or its contractors relating to the condemnation of property undertaken by AGENCY or construction related to the Project.

23. Books and Records. Each party shall maintain complete, accurate, and clearly identifiable records with respect to costs incurred for the Project under this Agreement. They shall make available for examination by the other party, its authorized agents, officers or employees any and all ledgers and books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or related to the expenditures and disbursements charged to the other party pursuant to this Agreement. Further, each party shall furnish to the other party, its agents or employees such other evidence or information as they may require with respect to any such expense or disbursement charged by them. All such information shall be retained by the Parties for at least four (4) years following termination of this Agreement, and they shall have access to such information during the four-year period for the purposes of examination or audit.

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, 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.

25. Governing Law. This Agreement shall be governed by and construed with the laws of the State of California.

26. Attorneys' Fees. If either party commences an action against the other party 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 attorneys' fees and costs of suit.

27. Time of Essence. Time is of the essence for each and every provision of this Agreement.

28. Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

29. Public Acknowledgement. The AGENCY agrees that all public notices, news releases, information signs and other forms of communication shall indicate that the Project is being cooperatively funded by the AGENCY and WRCOG TUMF Program Funds.

30. No Joint Venture. This Agreement is for funding purposes only and nothing herein shall be construed to make WRCOG a party to the construction of the Project or to make it a partner or joint venture with the AGENCY for such purpose.

31. Compliance With the Law. The AGENCY shall comply with all applicable laws, rules and regulations governing the implementation of the Qualifying Project, including, where applicable, the rules and regulations pertaining to the participation of businesses owned or controlled by minorities and women promulgated by the Federal Highway Administration and the Federal Department of Transportation.

32. Notices. All notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to AGENCY: City of Murrieta,
 1 Town Square
 Murrieta, CA 92562
 Attn: Robert K. Moehling/ City Engineer
 Telephone: 951-461-6036
 Facsimile: 951-461-6049
 bmoehling@murrietaca.gov

If to WRCOG: Western Riverside Council of Governments
 Riverside County Administrative Center
 4080 Lemon Street, Third Floor
 Riverside, California 92501-3609
 Attention: Christopher Gray, Director of Transportation
 Telephone: (951) 955-8304
 Facsimile: (951) 787-7991

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, 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.

33. Integration; Amendment. This Agreement contains the entire agreement between the PARTIES. Any agreement or representation respecting matters addressed herein that are not expressly set forth in this Agreement is null and void. This Agreement may be amended only by mutual written agreement of the PARTIES.

34. Severability. If any term, provision, condition or covenant of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

35. Conflicting Provisions. In the event that provisions of any attached appendices or exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the Agreement.

36. Independent Contractors. Any person or entities retained by the AGENCY or any contractor shall be retained on an independent contractor basis and shall not be employees of WRCOG. Any personnel performing services on the Project shall at all times be under the exclusive direction and control of the AGENCY or contractor, whichever is applicable. The AGENCY or contractor shall pay all wages, salaries and other amounts due such personnel in connection with their performance of services on the Project and as required by law. The AGENCY or consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance and workers' compensation insurance.

37. Effective Date. This Agreement shall not be effective until executed by both Parties. The failure of one party to execute this Agreement within forty-five (45) days of the other party executing this Agreement shall render any execution of this Agreement ineffective.

38. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective on the day and year first above-written.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CITY OF MURRIETA

By: _____ Date: _____
Rick Bishop
Executive Director

By: _____ Date: _____
Jonathan Ingram
Mayor

Approved to Form:

Approved to Form:

By: _____ Date: _____
Steven C. DeBaun
General Counsel

By: _____ Date: _____
Leslie Devaney
City Attorney

EXHIBIT “A”

SCOPE OF WORK

SCOPE OF WORK: Construction management services performed by Hill International during the construction phase of the project. The amount expended for the construction management services and eligible for reimbursement has been determined to be \$2,145,959.

EXHIBIT “A-1”

ESTIMATE OF COST

Phase	TUMF	LOCAL	TOTAL
PA&ED			
PS&E	\$2,145,959		\$2,145,959
RIGHT OF WAY			
CONSTRUCTION			

EXHIBIT “A-2”

PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED			
PS&E	December 2012		
RIGHT OF WAY			
CONSTRUCTION			
TOTAL			

Elements of Compensation

EXHIBIT “B”

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit “B-1” into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.
2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG’s Executive Director with a copy to WRCOG’s Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-2”.
3. For jurisdictions with large construction projects (with the total construction cost exceeding \$10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.
4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits “B-4” and “B-5”. All documentation from the Agency’s contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit “B-3”.
5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit “B” and its attachments.
6. Charges for each task and milestone listed in Exhibit “A” shall be listed separately in the invoice.
7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

“I hereby certify that the hours and salary rates submitted for reimbursement in this invoice are the actual hours and rates worked and paid to the contractors or subcontractors listed.

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.
9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

EXHIBIT “B-1”
[Sample for Professional Services]

For the satisfactory performance and completion of the Services under this Agreement, Agency will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (____INSERT WRITTEN DOLLAR AMOUNT____) (\$__INSERT NUMERICAL DOLLAR AMOUNT__) without written approval of Agency’s City Manager [or applicable position] (“Total Compensation”).

1. ELEMENTS OF COMPENSATION.

Compensation for the Services will be comprised of the following elements: 1.1 Direct Labor Costs; 1.2 Fixed Fee; and 1.3 Additional Direct Costs.

1.1 DIRECT LABOR COSTS.

Direct Labor costs shall be paid in an amount equal to the product of the Direct Salary Costs and the Multiplier which are defined as follows:

1.1.1 DIRECT SALARY COSTS

Direct Salary Costs are the base salaries and wages actually paid to the Contractor's personnel directly engaged in performance of the Services under the Agreement. (The range of hourly rates paid to the Contractor's personnel appears in Section 2 below.)

1.1.2 MULTIPLIER

The Multiplier to be applied to the Direct Salary Costs to determine the Direct Labor Costs is _____, and is the sum of the following components:

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

The Decimal Ratio of Payroll Additives to Direct Salary Costs. Payroll Additives include all employee benefits, allowances for vacation, sick leave, and holidays, and company portion of employee insurance and social and retirement benefits, all federal and state payroll taxes, premiums for insurance which are measured by payroll costs, and other contributions and benefits imposed by applicable laws and regulations.

1.1.2.3 Overhead Costs _____

The Decimal Ratio of Allowable Overhead Costs to the Contractor Firm's Total Direct Salary Costs. Allowable Overhead Costs include general, administrative and overhead costs of maintaining and operating established offices, and consistent with established firm policies, and as defined in the Federal Acquisitions Regulations, Part 31.2.

Total Multiplier _____
(sum of 1.1.2.1, 1.1.2.2, and 1.1.2.3)

1.2 FIXED FEE.

1.2.1 The fixed fee is \$_____.

1.2.2 A pro-rata share of the Fixed Fee shall be applied to the total Direct Labor Costs expended for services each month, and shall be included on each monthly invoice.

1.3 ADDITIONAL DIRECT COSTS.

Additional Direct Costs directly identifiable to the performance of the services of this Agreement shall be reimbursed at the rates below, or at actual invoiced cost.

Rates for identified Additional Direct Costs are as follows:

<u>ITEM</u>	<u>REIMBURSEMENT RATE</u>
	[__insert charges__]
Per Diem	\$ /day
Car mileage	\$ /mile
Travel	\$ /trip
Computer Charges	\$ /hour
Photocopies	\$ /copy
Blueline	\$ /sheet
LD Telephone	\$ /call
Fax	\$ /sheet
Photographs	\$ /sheet

Travel by air and travel in excess of 100 miles from the Contractor's office nearest to Agency's office must have Agency's prior written approval to be reimbursed under this Agreement.

2. DIRECT SALARY RATES

Direct Salary Rates, which are the range of hourly rates to be used in determining Direct Salary Costs in Section 1.1.1 above, are given below and are subject to the following:

- 2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.
- 2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

<u>POSITION OR CLASSIFICATION</u>	<u>RANGE OF HOURLY RATES</u>

[__sample__]

Principal	\$.00 - \$.00/hour
Project Manager	\$.00 - \$.00/hour
Sr. Engineer/Planner	\$.00 - \$.00/hour
Project Engineer/Planner	\$.00 - \$.00/hour
Assoc. Engineer/Planner	\$.00 - \$.00/hour
Technician	\$.00 - \$.00/hour
Drafter/CADD Operator	\$.00 - \$.00/hour
Word Processor	\$.00 - \$.00/hour

- 2.3 The above rates are for the Contractor only. All rates for subcontractors to the Contractor will be in accordance with the Contractor's cost proposal.

3. INVOICING.

- 3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.
- 3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.
- 3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

- 3.4 A charge of \$500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.
- 3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.
- 3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.
- 3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

I hereby certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed.

Signed _____
Title _____
Date _____
Invoice No. _____

4. PAYMENT

- 4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.
- 4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

Date
Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3679
Attention: Deputy Executive Director
ATTN: Accounts Payable

Re: Project Title - Invoice #__

Enclosed for your review and payment approval is the AGENCY's invoice for professional and technical services that was rendered by our contractors in connection with the 2002 Measure "A" Local Streets and Roads Funding per Agreement No. _____ effective (Month/Day/Year). The required support documentation received from each contractor is included as backup to the invoice.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Authorized Agreement Amount:	\$0,000,000.00
Total Invoiced to Date:	\$0,000,000.00
Total Previously Invoiced:	\$0,000,000.00
Balance Remaining:	\$0,000,000.00

Amount due this Invoice:	\$0,000,000.00 =====

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the contractors listed.

By: _____
Name
Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

Western Riverside Council of Governments
Riverside County Administrative Center
4080 Lemon Street, Third Floor
Riverside, California 92501-3679
Attention: Deputy Executive Director
Attn: Accounts Payable

Invoice # _____

For **[type of services]** rendered by **[contractor name]** in connection with **[name of project]**
This is per agreement No. XX-XX-XXX effective Month/Date/Year.

Invoice period covered is from Month/Date/Year to Month/Date/Year.

Total Base Contract Amount:	\$000,000.00
Authorized Extra Work (if Applicable)	\$000,000.00

TOTAL AUTHORIZED CONTRACT AMOUNT:	\$000,000.00
 Total Invoice to Date:	 \$000,000.00
Total Previously Billed:	\$000,000.00
Balance Remaining:	\$000,000.00
 Amount Due this Invoice:	 \$000,000.00
	=====

I certify that the hours and salary rates charged in this invoice are the actual hours and rates worked and paid to the employees listed,

By: _____
Name
Title

EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)

EXHIBIT B-5
Sample Progress Report

REPORTING PERIOD: Month/Date/Year to Month/Date/Year
PROGRESS REPORT: #1

A. Activities and Work Completed during Current Work Periods

TASK 01 – 100% PS&E SUBMITTAL

1. Responded to Segment 1 comments from Department of Transportation
2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

TASK 01 – 100% PS&E SUBMITTAL

1. Completing and to submit Traffic Signal and Electrical Design plans
2. Responding to review comments

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Community Energy Activities Update

Contact: Barbara Spoonhour, Director of CCA Development, bspoonhour@wrcog.us, (951) 405-6760

Date: August 6, 2018

The purpose of this item is to provide an update on the status of implementing Western Community Energy (WCE), a Community Choice Aggregation energy program, for participating jurisdictions in the subregion.

Requested Action:

1. Direct and authorize the Executive Director to enter into the Implementation and Management Services Agreement between Western Riverside Council of Governments and Western Community Energy, as to form.

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 legislation (Assembly Bill 117, Chaptered in 2002) allows for local jurisdictions to form a CCA, and several jurisdictions throughout California are pursuing the formation of CCAs as a way to provide local control in rate-making, and lower energy costs for businesses and residents. A CCA allows a local government – either alone or as a group of jurisdictions in a Joint Powers Authority (JPA) – to purchase power on behalf of its community, while utilizing the delivery system of the investor owned utility, Southern California Edison (SCE) in this region's case.

A CCA provides a choice for the community, which it does not currently have (unless their community is served by a separate public utility). Under a CCA, residents and businesses have the ability to choose from new rates and power sources (which are often more renewable) offered by the CCA, or they can choose to stay with SCE. Local jurisdictions, by participating in a CCA, allow for their businesses and residents to voluntarily make these choices. Importantly, a CCA also provides local control over rate setting and programs by locally elected city councilmembers. Rates and programs would be designed and implemented at the local level, at local public meetings, where members of the public who are living within the CCA boundaries can readily participate.

There are currently 20 operational CCAs in California; all of them have met their objectives to either reduce costs to consumers and/or achieve environmental gains. Jurisdictions representing 70% of SCE's service territory are examining CCA formation. In Los Angeles and Ventura Counties, more than 31 jurisdictions have recently joined "Clean Power Alliance," the multi-jurisdictional CCA underway in that region, in the last year.

Western Community Energy Update

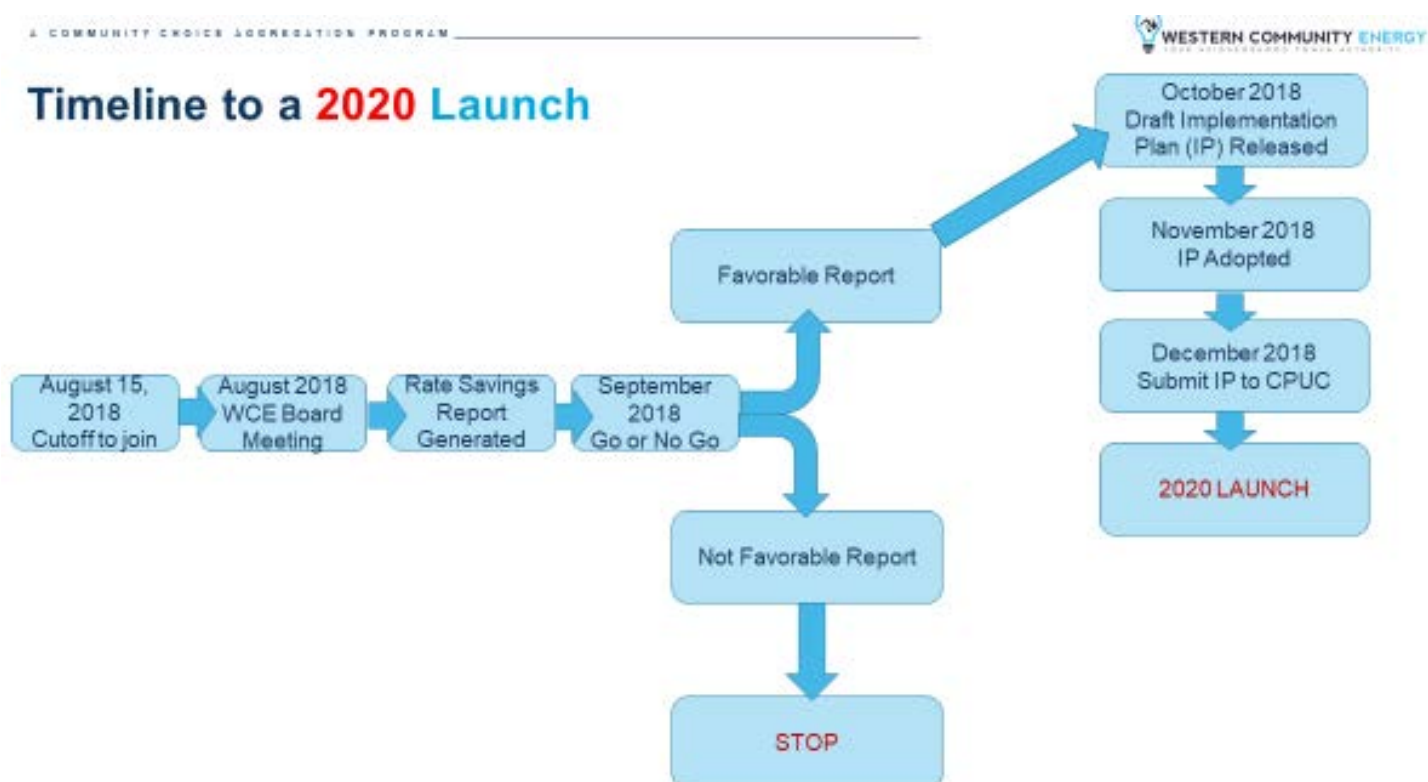
Western Community Energy is the name for the CCA Program that will serve participating jurisdictions in Western Riverside County. As of this writing, the Cities of Canyon Lake, Eastvale, Hemet, Perris, and Wildomar have taken actions to join WCE. There are still a number of other jurisdictions within the subregion that are scheduled to take action to join by the August 15, 2018 deadline. It is anticipated that the first Governing Board meeting could take place on Wednesday, August 22, 2018, from 1:30 p.m. to 2:30 p.m. depending on Governing Board member availability.

Management Agreement: On October 3, 2016, the Executive Committee directed staff to develop a Joint Powers Authority (JPA) that was separate from WRCOG but would utilize WRCOG staffing and resources to implement the Program. Now, with the official establishment of WCE, staff is bringing forward the Implementation and Management Services Agreement (Agreement) between WRCOG and WCE for execution. Upon execution by WRCOG, the Agreement will be presented to the WCE Governing Board at its first meeting in August for execution.

Timing is critical: For any jurisdiction that would like to have the option to service their community in 2020, it must join WCE by August 15, 2018.

The August 15, 2018, deadline is based on the requirement that an Implementation Plan must be submitted to the CPUC in December 2018 to ensure a 2020 launch. Submittal of an Implementation Plan to the CPUC after January 1, 2019, would prohibit a CCA from operating until 2021. In order to submit the Implementation Plan, jurisdictions must join the JPA so that its consultants can develop a cost / environmental savings report to the WCE Governing Board in September 2018. The savings report will indicate whether or not it is favorable for WCE to move forward. If favorable, WCE would prepare its Implementation Plan for a 30-day public review prior to submitting to the CPUC. If it is not favorable, work would stop.

The following outlines the process:



Joining WCE by the August 15, 2018, deadline does not lock the City into implementation. It simply provides for a potential launch in 2020 should the WCE Governing Board make a determination to do so. For those jurisdictions that take action after August 15, 2018, WCE would not be able to service their community until 2021.

For More Information: Attached are responses to commonly asked questions that staff has heard in making WCE presentations during the last few months. Additionally, the Western Community Energy website is up and running, and includes a number of video FAQs that respond to a number of other common questions. Visit the website at www.westerncommunityenergy.com.

Prior Action:

July 2, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachments:

1. Common comments and responses.
2. Implementation and Management Services Agreement between WRCOG and WCE.

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Item 5.B

Western Community Energy
Activities Update

Attachment 1

Common comments and responses

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Community Choice Aggregation (CCA) Common Questions and Answers

Question 1: How does billing work?

- Billing for CCA customers will continue to come from SCE. The only change will be that the billing will include a line item separating out the energy charge (which would be the CCA portion).

Question 2: Are savings inclusive of all the administrative costs?

- Yes.

Question 3: The savings is not that much. Why should we proceed?

- The Feasibility Study performed for Western Riverside County concluded that with very conservative assumptions and inputs a CCA could yield rate savings to businesses and residents of about 4%.
- For a resident with a \$200/month electric bill, a 3% savings (not 4% as contained in the Feasibility Study) would result in an annual savings for a household of \$72. That might not sound like much, but consider the following:
 - At just a 2% savings (1/2 of the estimate in the Feasibility Study), 150,000 homes and 20,000 businesses (which represents just a portion of the total homes and businesses in Western Riverside County) could save nearly \$5.5 million annually on their utility bills. That's more than \$50 million over a ten-year period.
 - In the City of Temecula, for example, a 2% savings (again, less than half of what the Feasibility Study projects) on electricity costs for businesses and residents translates to about \$2.2 million annually in savings for your businesses and residents.
- Residents care about savings. It's evident in many aspects of our everyday lives. We drive across town to save a few cents per gallon on fuel costs. We clip and use coupons at the grocery store, and bargain hunt in many other ways. Businesses are constantly looking for ways to cut costs and remain competitive as well. Local jurisdictions throughout the state are fully aware that utility rate savings is a well-known economic development strategy; that is likely a primary reason for the explosion in CCA operations in California.
- CCAs, and the lower rates that they provide, can help position our jurisdictions to improve their economic standing and ability to compete for business. For businesses that are just moderate users of electricity, utility savings can affect the bottom line and potentially impact decisions on where to locate. A recent County of Riverside staff report on CCAs indicated that *"Estimated potential savings could provide an economic incentive for businesses to locate in Riverside County."*

Question 4: Would the CCA purchase power in a manner that is similar to how SCE purchases power?

- WRCOG's consultants would act as our power brokers, purchasing power in a similar manner that SCE purchases.
- All contracts will be viewed by the Governing Board (the City would have a seat).
- Rates would be set by the Governing Board.

Question 5: Would savings be realized when purchasing small quantities of energy?

- In smaller quantities the cost savings is still present, similar to larger quantity purchases.
- Most of the savings comes from the administrative and operations efficiencies, as the CCA will be considerably leaner than SCE.

Question 6: Is renewable energy more expensive than fossil fuels?

- The costs of renewable energy has dramatically decreased over the past decade.
- In some instances, renewable energy costs are competitive with fossil fuels.

- The State mandates that all electric providers (Utilities and CCAs) are to meet Renewable Portfolio Standards. 33% RPS by 2020 and 50% RPS by 2030.
- The CCA will, at a minimum, meet the renewable standards that are required by State law (will start at the 33% when operations commence in 2020).
- Most CCAs offer a 35%, 50%, and 100% renewable mix to consumers.
- The CCA Governing Board will determine if there are additional renewable energy mixes (e.g., 50%, 100%) that they desire to offer to customers.

Question 7: Government should not be in the energy business and it creates more bureaucracy.

- Government involvement in utilities is relatively common in California. We understand that 59 public agencies in California currently provide power or water to customers. In Western Riverside County, the Cities of Banning, Corona, Moreno Valley, and Riverside provide electricity services to their constituents.
- CCA's are not a new concept.
 - 20 operating CCAs in California – 1 in our subregion (San Jacinto)
 - 9 will begin in 2018/2019/2020 – 1 in our County (Desert Community Energy)
 - Riverside County Unincorporated = possible 2020 launch
 - 65% of SCE's service territory is examining moving to a CCA model, and in the last year alone more than 30 jurisdictions have joined the Los Angeles County CCA.
- While a new JPA is formed to accomplish this work (e.g., a new bureaucracy), we think that having local control and responsibility, and providing choices to constituents are strong, overriding factors. WCE's Governing Board (on which the City would have a seat) would have oversight of the new Agency, which we believe is a superior arrangement to that which currently exists where decisions are made at the state level by the CPUC in San Francisco. A CCA takes important decisions related to energy purchasing and rate setting out of the hands of the CPUC and SCE and gives it back to local leaders.
- AB 117 was chaptered to allow local governments to take control of their energy costs and energy needs.
- As for WCE staffing levels, initial WCE staff support will be provided by WRCOG under an administrative agreement between WRCOG and WCE (this was determined to be the most cost effective approach to operating the CCA by an Ad Hoc Committee comprised of local elected officials). WRCOG anticipates hiring 4 full-time staff, with use of technical consultants, to operate the CCA. The WCE Board could at any time change that arrangement and hire its own staff if it desires.

Question 8: Lancaster's CCA is losing \$6.4 million.

- This statement is untrue.
- Lancaster's CCA currently saves its community 4% on energy costs.
- Lancaster's conservative Feasibility Study assumed that even in a situation where they are at a loss at year one, there are still savings in the long run. This scenario did not occur.

Question 9: What happens when renewable subsidies go away?

- The State mandates all electric providers (Utilities and CCAs) to meet Renewable Portfolio Standards. 33% RPS by 2020 and 50% RPS by 2030.
- Renewable subsidies would positively and/or negatively impact the electric rates of Utilities and CCAs alike (there are no advantages or disadvantages to either).
- All energy contracts will be viewed by the Governing Board.

Question 10: What happens if everyone in a CCA opts out?

- Experience with existing CCAs is that there are very low opt-out rates (less than 10%).
- WRCOG's Feasibility Study used a conservative opt-out rate of 25%.
- WRCOG / WCE will provide numerous notifications to consumers prior to WCE launch giving them information of the CCA and providing them the opportunity to opt-out. Additionally, WCE will work with SCE on an annual basis to provide energy costs for both to consumers so that they can compare and switch from one to the other if they desire.

Question 11: Why can't we opt-in? Why does it have to be opt-out?

- Per State law (AB 117), this is an opt-out Program.

Question 12: Contrary to WRCOG's assertion, one city has dropped out of a CCA.

- WRCOG contacted CalCCA and Clean Power Exchange; they both confirmed that no city has dropped out of a CCA.

Question 13: How are Franchise Fees impacted?

- Investor Owned Utility's (IOU) pay franchise fees to jurisdictions for the right to run pipes, wires, and product through the jurisdiction's land.
- These costs are passed on to customers and distributed to the jurisdiction.
- SCE charges customers a monthly transmission / distribution charge and a Generation Municipal Surcharge.

Question 14: If generation costs are lowered, would Franchise Fees decrease?

- No.
- SB 278 added the Surcharge Act that requires Investor Owned Utility (IOU) to continue to charge a franchise fee on the generation-related component on a CCA customer's bill based on the IOU's generation cost.
- When a CCA is implemented, if SCE charges \$0.085/kwh for generation, the Franchise Fees continue to be calculated at that rate and not at the lower amount the CCA is charging for generation. The difference is made up through the revenues received from implementing the CCA.
- The Surcharge ensures that the amount of Franchise Fee paid to the jurisdiction is the same whether the customer is an IOU customer or a CCA customer.
- Jurisdictions are held harmless on the level of Franchise Fees after a CCA is formed.
- This has been confirmed with other CCAs.
- SCE currently pays the City of Lancaster and San Jacinto (which operates CCAs) Franchise Fees, thus it should be easy to have them confirm.

Question 15: We don't know what the Power Charge Indifference Allocation (PCIA) or "Exit Fee" will be. Why don't we just wait to join?

- The PCIA or Exit Fee is not new, and is charged to CCA customers to cover SCE's stranded costs for its current power contracts. Stranded costs are based on the below formula:
Cost of SCE's contracts – Market value of contracts = Stranded costs
- All current CCA customers and Direct Access Customers (those businesses that have been allowed to purchase energy outside SCE) currently pay a PCIA or Exit Fee.
- SCE currently develops the PCIA or Exit Fee amount and is based on the year the CCA customer leaves SCE.
- WRCOG's Feasibility Study used a high / conservative PCIA in its methodology; it's even higher than SCE believes it needs to be to cover its costs.
- The California Public Utility Commission (CPUC) is currently looking at the methodology and transparency of the current PCIA process.
- A proposed CPUC decision is expected in late July, with the final decision 30 days later.
- Although the CPUC may change the current PCIA methodology, the Feasibility Study used very conservative numbers that will allow adjustments and provide competitiveness in pricing.
- Jurisdictions who are part of WCE will be able to collectively discuss these fees when they become finalized, along with a re-run of other projected costs from the Feasibility Study in order to prepare a Rate Savings Analysis Report (to be completed in October). If that report is favorable, staff, with direction from the WCE Board, would proceed with preparing the Implementation Plan for public comment. If it's not, we will recommend that we not proceed.
- The main entity that will provide comments on the Implementation Plan is SCE.

- In order to give outside entities adequate time to review, transmitting it to them in early November is the best option. (SCE has made comments of other CCAs rushing to get its Implementation Plan into the CPUC and not providing them enough to review; we want to provide adequate time for them.)

Question 16: What happens if the exit charge is too high?

- WRCOG is actively participating in the PCIA proceeding at the CPUC.
- The current PCIA is set for 2018.
- The City joining the JPA is just one of many steps. Once the City joins, there is still a year of activities that need to occur before WCE would start servicing customers in the City.
- If the PCIA determined through the Proceeding that it makes WCE unfeasible to launch, then WCE would not launch.

Question 17: Why the August 15 deadline to join?

- CPUC Resolution E-4907, states that any CCA that wants to operate in 2020 must submit its implementation Plan to the CPUC before January 1, 2019.
- In order to run an updated Rate Savings Analysis Report for those members of WCE and to allow time for SCE to review and provide comments on the draft Implementation Plan prior to submitting it to the CPUC, it is necessary for jurisdictions that desire the option to operate in 2020 to join by August 15, 2018 in order for the necessary steps to be taken to meet the January 1, 2019 deadline.
- In the spirit of transparency, releasing a Draft Implementation Plan early (November) will allow for more review (see No. 15 above) and understanding from the community.
- In summary, joining WCE by August 15, 2018 is a necessary “half-step” that will allow for potential participants who desire to launch in 2020 to proceed responsibly and diligently. Together, JPA participants can work to review assumptions and new data (such as the PCIA), etc. The JPA members will have many avenues to pull back if they do not believe WCE is going to meet the needs of their communities, and we think that by working together all can and will benefit from the input and insights that can be offered in a group setting rather than alone. The City can drop from WCE with no financial responsibilities until energy contracts are purchased on its behalf. This will be in late 2019, which provides more than a year to continue to examine the pros and cons.

Question 18: How much longer does SCE have on its long-term contracts?

- SCE procurement staff has indicated to WRCOG that there is still 8 to 10 more years on its existing contracts.

Question 19: How are other CCAs performing in SCE territory?

	Southern California Edison	Apple Valley Choice Energy	Rancho Mirage Energy Authority	Pico Rivera PRIME	San Jacinto Power	Clean Power Alliance of Southern California
Domestic Generation Rate/kWh (Net of PCIA)	0.0859 - Domestic Rate	CoreChoice: 3% lower MoreChoice: + \$2/month	Base Choice: 5% lower Premium Renewable: +\$0.04/kwh/month	PRIME Power: 3% lower PRIME Future: +\$11/month	SJP Prime Power: 3% lower PrimeGreen: + \$10/month	CPA 36% ~3% lower CPA 50% - 2-3% lower CPA 100% - 5% lower than SCE's Green Rate
FY 2017-2018 Projected Revenues	N/A	\$18.5 M gross revenues	N/A	\$12.7 M gross revenues; net surplus \$2.1 M in first full year (17% net to reserves)	N/A	N/A
Opt-Out Rates	N/A	9.5% (70% occurred pre-launch)	0.5% (enrollments underway)	3.88% (citywide)	6.37% (Most are domestic CARE opt-outs)	None – Phase 1 is municipal accounts
Clean Power/ Renewable Content	28% renewable + 6% carbon free for total of 34% clean portfolio (as of 2017)	CoreChoice 35% MoreChoice 50%	Base Choice 50% Premium Renewable 100%	PRIME Power 50% PRIME Future 100%	SJP Prime Power 35% SJP Prime Green 100%	CPA 36% CPA 50% CPA 100%
Special Programs/ NEM	NEM payout varies with market prices, currently \$0.03094 kWh	YourChoice NEM \$0.06 kWh payout (Note: nothing else budgeted at this time; will consider after meeting reserve targets)	RMEA NEM \$0.06 kWh payout (Note: Anticipate adding programs after meeting reserve targets and debt repayment)	PrimePartner NEM \$0.06 kWh payout (Note: current focus on getting customers to opt-up to PRIME Future)	SJP NEM \$0.06 kWh payout (Note: Anticipate adding programs after meeting reserve targets and debt repayment)	Future CPA programs NEM & FIT, Energy Efficiency & Demand Response, EV's & Bus. Dev. rates

Question 20: Can the City create its own CCA?

- Yes, although CCA formation in California to date is heavy on the JPA model, likely due to cost efficiencies that come with that approach (one administrative arrangement serving several jurisdictional programs vs. individual administrative arrangements serving individual programs).
- If the City chose this option and desires to service customers in 2020, it would need to have its Implementation Plan submitted to the CPUC prior to January 1, 2019.

Question 21: How are WRCOG's consultants being paid?

- WRCOG is covering Program development upfront costs.
- Once the CCA is up and running, the consultant's fees will be built into the rates (which Cities that are WCE members will establish).

Question 22: How does a CCA affect the City's Power Purchase Agreements?

- For facilities covered by the Power Purchase Agreement, those accounts would not be enrolled into the CCA.

Question 23: What if a large number of customers opt-out, how is WCE impacted? What if WCE disbands, would City's be on the hook?

- The average opt-out rate is between 4% and 15%.
- If a significant amount of customers opt-out after WCE began servicing load and the City wanted to remove itself from the JPA, it could do so.
- The City can remove itself prior to any energy contracts being signed without costs (energy contracts are anticipated to be signed in mid-to-late 2019).
- NO CCAs in California have disbanded.
- NO cities in California have dropped from an active CCA. 65% of SCE's territory are examining moving forward with a CCA.
- The City could:
 - Give notice to the JPA to not purchase any more energy for its community and then wait out the contracts so there would be no liability.
 - Give notice to the JPA and then WCE's Portfolio Manager (The Energy Authority) would examine what excess load would be contributable to the City and sell that excess energy. Depending on the markets, it could sell at cost, above cost, or below cost.

Question 24: The concept is good, but would recommend the City look at rates and operating functions on a regular basis.

- As a member of WCE, the City would participate in the rate setting process.
- WCE will be holding regular public meetings in the region, in which the community could participate in.
- WCE can provide regular updates to the City Council and/or the Community as needed.

Question 25: CCA is part of the global economy, cap-n-trade.

- No. CCAs focus on the local economy, and while it will remain under many of the same regulatory requirements of the state, it will be providing local jurisdictions and its community with more control and choice for alternative energy sources.
- CCAs are not part of the cap-n-trade.

Question 26: A Renewable Energy Certificate (REC) is what you buy if you can't afford clean energy.

- WRCOG's business plan does not include purchasing RECs.
- A REC, is a market-based instrument that represents the property rights to the environmental, social and other non-power attributes of renewable electricity generation.
- RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.

Question 27: Why is there a discussion on profits, when we are to be receiving electricity cheaper?

- The Business Plan was developed to show that a CCA was feasible and would be able to operate in the black.
- WCE Governing Board will make the determination on how revenues are directed.
- Whether that is into additional rate savings, Programs, rate incentives, or additional reserves will be the decision of the Board.
- As a member, each City would have a seat at the table to make those decisions. This is currently not the case. SCE does not consult the City and/or its customers on rates and if anyone wants to participate in the rate process, they need to go to San Francisco and make comments to the CPUC.

Question 28: With bonds and loans, won't this put Cities deep into debt?

- WCE does not intend on issuing a bond for debt or needing a loan for the near future.
- WCE's consultants will post the required Bond by the CPUC to cover costs if WCE disbands and all customers are returned to SCE.

Question 29: Many JPA contracts are difficult to get out of, Lancaster is having this issue.

- False.
- The City of Lancaster opened its JPA to have jurisdictions join its program to take advantage of its resources and contracts.
- The cities of San Jacinto, Pico Rivera, and Rancho Mirage have moved in this direction.

Question 30: You cannot deliver energy at a lower cost, you are getting into solar and wind, which is subsidized, and when subsidies go away rate payers will be covering the cost of the subsidies.

- All utilities (CCAs, Municipal Utilities, and Investor Owned Utilities) currently purchase power from wind and solar providers.
- The Solar tax credit for business and residential projects expires in 2021 and the wind tax credit expires December 31, 2019.
- Following the above stated logic, regardless if the City joins WCE or not, rate payers will be covering the subsidies because SCE purchases from these providers.

Question 31: RECs green wash brown or coal energy, CCAs actually create more GHG problems.

- False.
- To clarify, "the RECs" are the bucket 3 or unbundled RECs that have no energy supply associated with them. In-state renewable generation (bucket 1) and out-of-state formed and shaped renewable generation (bucket 2) still include RECs, just "the good" kind.
- The Business Plan does not rely on unbundled RECs for compliance.

Question 32: Does the program require all residents to join?"

- Per state law (AB 117), this is an opt-out Program.
- Those who do want to be part of WCE, can easily (at no cost) opt-out.

Question 33: What is the procedure for opting out?

- Residents and businesses will be able to opt-out via phone, email, or on-line.
- Residents and businesses will be notified at least three times before the CCA launches to provide them information about the CCA and the opportunity to opt-out.
- Annually, the CCA and SCE will provide a cost comparison to residents and businesses of the two agency energy costs; this provides another opportunity for residents and businesses to opt-out of the CCA, or to switch over to it.

Question 34: What are the fees for opting out?

- There are no fees for opting out. SCE will require that the service account stay with SCE before it can go back to WCE.

Question 35: When you opt-out can you join SCE again?

- Yes.

Question 36: What are start-up costs for cities to join?

- Zero. WRCOG is covering the startup costs.

Question 37: What can residents expect to see in their electrical bill as a result?

- An additional line is added on the front of the bill to outline what the WCE generation charges are.

EDISON
As Edison INTERNATIONAL's Company

P.O. Box 300
Rosemead, CA
91772-0001
www.sce.com

Your electricity bill
SMITH, JOHN / Page 1 of 8

For billing and service inquiries call 1-800-974-2356, **1** Customer account X-XX-XXXX-XXXX

Date bill prepared: Mar 31 '17

1234 LANCASTER STREET
LANCASTER, CA 93536-6203

Your account summary

Previous Balance	\$134.59
Payment Received 03/10	-\$134.59
Balance forward	\$0.00
Your new charges	\$115.38
Total amount you owe by Apr 19 '17	\$115.38

Summary of your billing detail

Service account	Service address	Billing period	Your rate	New charges
2 X-XXX-XXXX-XX	1234 LANCASTER STREET LANCASTER, CA	Feb 28 '17 to Mar 29 '17	DOMESTIC (SCE)	4 \$79.02
3 X-XXX-XXXX-XX	1234 LANCASTER STREET LANCASTER, CA	Feb 28 '17 to Mar 29 '17	DOMESTIC	5 \$36.36
				6 \$115.38

Question 38: Have you talked to other cities who have tried this? MCE, Lancaster?

- Yes, WRCOG has met with all of the active CCAs in California and with those in development of new CCAs.

Question 39: What are the salaries of the top level administrators who will manage the CCA?

- WCE estimates its staffing of 4 people combined will be ~\$440k annually.

Question 40: We are concerned that the City's voice is minor in terms of rate setting, because the City will only be 1 vote on a larger regional board.

- Currently, the City has no voice in rate setting or Program design. This is done by SCE and approved by the CPUC at meetings held in San Francisco.
- Not only will the City have a vote in determining rates and programs, the public in the subregion will have a voice in the process because all actions of WCE will occur at a location within the subregion.

Question 41: When will outreach into the Community begin?

- WRCOG will begin outreach into the Community once the Governing Board makes a determination that it wants to move forward with submitting its Implementation Plan to the CPUC in December 2018.
- Most outreach in Communities will occur in 2019.
- By law, WCE is required to give several notices to ALL residents and businesses who will be served by the CCA to make them aware of the change and allow them the opportunity to opt-out.
- WRCOG has a marketing firm on board to develop outreach materials that can be provided at the City's front counters.
- WRCOG has an existing website that members of the Community can view to get information.

Question 42: What about impacts of future regulatory changes?

- As with any Program, there will always be regulatory changes. WCE is active with the CPUC and is a member of CALCCA, which is the CCA statewide trade organization, to keep up to date on potential changes and other matters that could impact CCA operations in a positive or negative fashion.
- The Governing Board will receive all updates and make any determinations in how it wants to proceed in moving forward (i.e., testimony at the CPUC, support or opposition to legislation, etc.).
- Depending on the change, the Governing Board may need to increase rates, just like SCE currently does to cover any regulatory and other factors.
- In a worst case scenario, WCE would disband and the Bond Posted at the CPUC would be used to transfer all customers back to SCE.
- All energy contracts would be sold or mitigated.

Item 5.B

Western Community Energy Activities Update

Attachment 2

Implementation and Management Services Agreement between WRCOG and WCE

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IMPLEMENTATION AND MANAGEMENT SERVICES AGREEMENT
BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AND WESTERN COMMUNITY ENERGY

This Management Services Agreement (“**Agreement**”) is made and entered into as of this ____ day of _____, 2018 by and between the Western Riverside Council of Governments (“**WRCOG**”) and Western Community Energy (“**Authority**”) and shall become effective upon the terms set forth herein. WRCOG and Authority are sometimes referred to in this Agreement individually as a “**Party**,” or collectively as “**Parties**.”

RECITALS

A. WHEREAS, WRCOG is a public agency formed by a Joint Powers Agreement (“**WRCOG JPA**”) made and entered into on the 1st day of April 1991, pursuant to Government Code section 6500 *et seq.* and other pertinent provisions of law, by and between numerous cities located within Western Riverside County and the County of Riverside; and

B. WHEREAS, the purpose of the formation of WRCOG is, among other things, to provide an agency to conduct studies and projects designed to improve and coordinate the common governmental responsibilities and services on an area-wide and regional basis through the establishment of an association of governments; and

C. WHEREAS, WRCOG now consists of the following member agencies: County of Riverside, City of Banning, City of Beaumont, 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, and City of Wildomar, and the following participating agencies: Eastern Municipal Water District, Western Municipal Water District, Riverside County Superintendent of Schools, and Morongo Band of Mission Indians; and

D. WHEREAS, under the WRCOG JPA, the functions of WRCOG include, among other things:

- i. Serving as a forum for consideration, study and recommendations on area-wide and regional problems; and
- ii. Assembling information helpful in the consideration of problems peculiar to Western Riverside County; and
- iii. Exploring practical avenues for intergovernmental cooperation, coordination and action in the interest of local public welfare and means of improvements in the administration of governmental services.

E. WHEREAS, WRCOG has the power to make and enter into contracts under Section 1.2.2 of the WRCOG JPA and Implementation Agreements pursuant to Article VIII of the WRCOG JPA; and

F. WHEREAS, the Authority is a public agency formed by a Joint Powers Agreement (“**Authority JPA**”) made and entered into on the 22nd day of August 2018, pursuant to Government Code section 6500 *et seq.* and other pertinent provisions of law, by and between the County of Riverside and numerous cities located within Western Riverside County; and

G. WHEREAS, the purpose of the formation of Authority is to establish an independent public agency in order to exercise powers common to each Member Agency to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related and climate change programs related to a Community Choice Aggregation program (“**CCA Program**”), and to exercise all other powers necessary and incidental to accomplishing this purpose; and

H. WHEREAS, Authority now consists of [INSERT ENTITIES]; and

I. WHEREAS, Section 3.3 of the Authority JPA sets forth numerous powers of the Authority in carrying out its purposes, including the power to make and enter into contracts and to employ agents, consultants, attorneys and employees. Section 2.12 of the Authority JPA authorizes the Authority through its Board of Directors (“**Board**”) to appoint an Executive Director (“**Executive Director**”) and an attorney. Under Section 2.13, the Authority Board may also

contract with its member agencies for the use of employees of the member agencies on mutually agreeable terms and conditions; and

J. WHEREAS, Section 2.12 of the Authority JPA sets forth certain powers and duties of such Executive Director or other employees of the Authority to whom the Board delegates authority; and

L. WHEREAS, the Authority now desires to contract with WRCOG to provide an Executive Director and such other staff and consultants as required to assist the Authority in its obligations to implement the CCA Program to ensure a regional perspective.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. APPOINTMENT. The Authority hereby retains WRCOG, acting through its Executive Director and/or his or her designees, to serve as the Authority Executive Director and staff/consultants of the Authority to fulfill the needs and requirements of the Authority, and WRCOG agrees to provide such services through such personnel as may be required by the Authority, all upon the terms set forth below.

2. DUTIES OF WRCOG. WRCOG shall administer, coordinate, and supervise the activities of the Authority as set forth in the Authority JPA, and shall act for the Authority in accomplishing its purposes set forth in Section 3.2 of the Authority JPA. The Authority Executive Director appointed in Section 1, above, acting either individually or through such personnel as he or she shall from time to time appoint, shall have and exercise all of those powers and responsibilities of the Authority enumerated in Sections 1.5 and 2.14 of the Authority JPA and of the Authority Executive Director enumerated in Section 2.12 of the Authority JPA.

3. OTHER PERSONNEL SERVICES. The Authority Executive Director may retain and appoint additional staff as may from time to time be necessary or convenient to fulfill the needs of the Authority. Such additional staff may be retained as WRCOG employees or contractors. If such additional staff are employees of the member agencies of the Authority, an

amendment shall be required to the agreement for staffing and services between the member agency and the Authority.

4. TERM; TERMINATION. This Agreement shall be effective for a three-year term as of the effective date of the certain document entitled Western Community Energy Joint Powers Agreement, dated August 22, 2018, and only upon execution by both Authority and WRCOG. Once effective, this Agreement shall continue thereafter for successive three-year terms without further action by the Authority Board or WRCOG. This agreement may be terminated at any time by either party giving the other party 6 months prior written notice.

5. COMPENSATION. In consideration of WRCOG's performance of the services as set forth herein and retention of consultants or incurring of other costs in the performance of this Agreement the Authority shall pay to WRCOG the sums specified in Exhibit A attached hereto. Such sums shall be paid at the times and in the manner specified in Exhibit A. In the event of the early termination of this Agreement under Section 4 above, the Authority shall, with respect to fixed compensation amounts such as personnel salaries and general overhead charges, pay WRCOG a pro rata proportion of the monthly payment represented by the proportion of days of the payment month which this Agreement remains in effect.

6. INDEMNIFICATION AND INSURANCE.

A. Authority shall defend, indemnify and hold the WRCOG, its officials, officers, consultants, 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 in connection with this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses, except for losses ultimately determined to be the result of the sole negligence or willful misconduct of WRCOG. Authority shall defend, at Authority'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, consultants, employees, agents or volunteers in any manner arising out of or in

connection with this Agreement. Authority and WRCOG shall reasonably cooperate in all aspects involving any defense made pursuant to this section. Authority shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG or its directors, officials, officers, consultants, employees, agents or volunteers, in any such suit, action or other legal proceeding in any manner arising out of or in connection with this Agreement. Authority shall reimburse WRCOG and its directors, officials, officers, consultants, employees, agents and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Authority's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, consultants, employees, agents or volunteers. This section shall survive any expiration or termination of this Agreement.

B. During the term of the Agreement, Authority shall maintain Commercial General Liability Insurance with limits not less than \$ 1,000,000 per occurrence. The policies shall be endorsed to state that WRCOG, its directors, officials, officers and employees shall be covered as additional insured under such policy and that such policy shall be primary to any policies held by WRCOG.

7. ADMINISTRATION. The Authority Board, or designee, shall administer this Agreement on behalf of the Authority. The WRCOG Executive Committee shall administer this Agreement on behalf of the WRCOG.

8. COMMON INTEREST. To further their common interests in the CCA Program, the Parties and their respective counsel have shared, and desire to continue to share, orally, in writing, and by other means, information concerning the CCA Program and other material that is subject to the attorney-client privilege, the attorney work product doctrine, and other related or applicable privileges and protections (collectively, "**Common Interest Materials**") without in any way waiving any applicable privilege, protection, or immunity, or diminishing the confidentiality of the Common Interest Materials. With these goals in mind, the Parties agree as follows:

A. Exchange of Information. In consideration of their common interests, the Parties agree that any exchanges among the Parties, their counsel, consultants and/or experts acting on their behalf (collectively, “**Party Affiliates**”) of Common Interest Materials does not waive any privilege, protection, or confidentiality applicable to such materials. The Parties intend that all privileges, protections, and confidentiality applicable to Common Interest Materials shared amongst the Parties and/or Party Affiliates under this Agreement will apply to the same extent as if the Common Interest Materials had not been shared. Without limiting the foregoing, this Agreement and any drafts thereof are Common Interest Materials.

B. Confidentiality. Each Party will keep all Common Interest Materials in strict confidence, and will use such materials only as permitted under this Agreement or as otherwise permitted by the disclosing Party. No Party may disclose Common Interest Materials to any third party for any purpose, except as otherwise permitted by the disclosing Party. For the avoidance of doubt, this Agreement does not restrict a Party from disclosing Common Interest Materials to its own counsel. Nothing in this Agreement obligates any Party to disclose to another Party any privileged or confidential information.

C. Injunctive Relief. The Parties agree that the disclosure of any Common Interest Materials in violation of this Agreement may cause irreparable harm for which there is no adequate remedy at law. Each Party agrees that immediate injunctive relief is an appropriate and necessary remedy for violation of this Agreement.

D. Relationship. Nothing in this Agreement creates either: (a) a fiduciary duty among the Parties or with any third party or (b) an attorney-client relationship between any attorney and any Party that is not represented by that attorney as its counsel.

9. ASSIGNMENT. This Agreement shall not be assigned by either party, in whole or in part, without the prior written consent of the other party.

10. NOTICE. A party giving notice as required in this Agreement shall provide for personal delivery of such notice or shall send such notice by United States mail, postage prepaid, to the agent and address of the other party as set forth below:

If to the Authority: Attn: Executive Director
3390 University Avenue
Suite 450
Riverside, CA 92501-3609
Phone: (951) 405-6700

If to the WRCOG: Attn: Executive Director
3390 University Avenue
Suite 450
Riverside, CA 92501-3609
Phone: (951) 405-6700

11. AMENDMENT; ENTIRE AGREEMENT. This Agreement represents the entire agreement between the parties with respect to personnel provided by WRCOG to the Authority. Any amendment or modification of the provisions of this Agreement must be in writing and signed by each of the parties hereto.

12. WAIVER. Any waiver by either party of a breach of any of the terms of this Agreement shall not be construed as a waiver of any succeeding breach of the same or other term of this Agreement.

13. SEVERABILITY. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the rest of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

14. GOVERNING LAW AND VENUE. This Agreement and its construction and interpretation as to validity, performance and breach shall be construed under the laws of the State of California applicable to agreements both entered into and to be performed in California.

The provisions of the Government Claims Act (Government Code section 900 et seq.) shall be applicable for any disputes under this Agreement.

Venue shall be within the County of Riverside for any legal or equitable action to enforce the terms of this Agreement, to declare the rights of the parties under this Agreement, or for any action which relates to this Agreement in any manner.

15. APPROVAL/COUNTERPARTS. This Agreement must be approved by the Authority Board of Directors and WRCOG. Each party has had the opportunity to participate in drafting and preparation of this Agreement. Any construction to be made in the Agreement of any of its terms or provisions shall not be construed against any one party.

This Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same Agreement.

16. CERTIFICATION OF AUTHORITY TO EXECUTE THIS AGREEMENT. WRCOG and Authority certify that the individuals signing below on behalf of the party has authority to execute this Agreement on behalf of the party, and may legally bind the party to the terms and conditions of this Agreement, and any attachments hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date or dates indicated below.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

BY:

NAME:

WESTERN COMMUNITY ENERGY

BY:

NAME:

EXHIBIT A

Compensation shall be paid to WRCOG by the Authority for the services provided under this agreement. These include:

1. The cost of the WRCOG Executive Director and other WRCOG staff while performing the services under this Agreement. Those costs shall include recapture overhead costs in the amount of the then current Indirect Cost Allocation Plan ("ICAP"), which will be updated annually. As of the date of this Agreement, WRCOG's ICAP rate is _____% which was calculated using audited figures from the 2017-2018 Fiscal Year.

2. The reimbursement of non-employee costs incurred by WRCOG while performing the services hereunder, which may include, but not be limited to, supplies, legal services, consultant services, equipment, board member stipends and board member and staff expense reimbursements. The reimbursement of these costs will be provided at the same rate charged to WRCOG.

WRCOG shall periodically, but no more frequently than monthly nor less frequently than semiannually, provide an invoice to the Authority itemizing charges for the billing period. The Authority shall provide prompt payment to WRCOG by means of Journal Vouchers transferring funds from the Authority to WRCOG.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Finance Department Activities Update

Contact: Andrew Ruiz, Program Manager, aruiz@wrcog.us, (951) 405-6741

Date: August 6, 2018

The purpose of this item is to provide an update on the 4th Quarter Budget amendment schedule for Fiscal Year (FY) 2017/2018, the FY 2017/2018 Agency Audit, and the Agency Financial Report summary through May 2018.

Requested Action:

1. Receive and File.

FY 2017/2018 Agency Audit

FY 2017/2018 ended on June 30, 2018. WRCOG's annual Agency Interim Audit was completed on May 31, 2018. WRCOG utilized the services of the audit firm Rogers, Anderson, Malody, and Scott (RAMS) to conduct its financial audit. The first visit is known as the "interim" audit, which involved preliminary audit work that is conducted prior to fiscal year end. The interim audit tasks are conducted in order to compress the period needed to complete the final audit after fiscal year end. In September, RAMS will return to finish its second round, which is known as "fieldwork." The final Comprehensive Annual Financial Report is expected to be issued no later than November 15, 2018, and will first be reviewed by the Finance Directors Committee. It will then be presented at the November or December 2018 meetings of the Administration & Finance Committee and Technical Advisory Committee, with the Executive Committee expected to receive the report no later than at its January 7, 2019, meeting.

Annual TUMF Review of Participating Agencies

Each year WRCOG meets with participating members to review TUMF Program fee collections and disbursements to ensure compliance with Program requirements. It is anticipated that the reviews for this year will be conducted from August through October, with final reports issued to the respective jurisdictions and agencies by December 2018.

Financial Report Summary through May 2018

The Agency Financial Report summary through May 2018, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Action:

July 11, 2018: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – May 2018.

Item 5.C

Finance Department Activities Update

Attachment 1

Financial Report summary – May 2018

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending May 31, 2018

	Approved 6/30/2018 Budget***	Thru 5/31/2018 Actual	Remaining 6/30/2018 Budget
Revenues			
Member Dues	311,410	313,695	(2,285)
General Assembly	300,000	121,400	178,600
PACE Residential Revenue	816,771	845,632	(28,861)
CA HERO Residential Revenue	4,000,000	3,591,765	408,235
The Gas Company Partnership	50,000	47,254	2,746
SCE WREP Revenue	75,000	89,081	(14,081)
PACE Residential Recording Revenue	182,775	199,490	(16,715)
CA HERO Residential Recording Revenue	1,000,000	792,695	207,305
CA First Residential Revenue	167,000	34,464	132,536
CA First Residential Recording Revenue	86,000	13,081	72,919
Regional Streetlights	228,960	74,544	154,416
Other Misc Revenue	-	27,198	(27,198)
Solid Waste	117,100	78,835	38,265
Used Oil Revenue	255,000	207,961	47,039
Active Transportation Revenue	150,000	211,301	(61,301)
RIVTAM Revenue	25,000	25,000	-
Air Quality-Clean Cities	137,500	205,500	(68,000)
LTF	726,000	726,000	-
Commercial/Service - Admin Portion	101,097	102,919	(1,822)
Retail - Admin Portion	118,867	93,457	25,411
Industrial - Admin Portion	249,133	405,890	(156,757)
Residential/Multi/Single - Admin Portion	1,045,779	970,234	75,545
Multi-Family - Admin Portion	129,787	91,794	37,993
Commercial/Service - Non-Admin Portion	2,426,945	2,572,967	(146,022)
Retail - Non-Admin Portion	2,852,820	2,336,418	516,402
Industrial - Non-Admin Portion	5,979,195	10,147,247	(4,168,052)
Residential/Multi/Single - Non-Admin Portion	25,098,070	24,255,848	842,222
Multi-Family - Non-Admin Portion	3,114,890	2,294,844	820,046
Total Revenues	52,475,415	50,876,514	1,598,901
Expenditures			
Wages & Salaries	2,581,400	2,567,660	13,740
Fringe Benefits	739,956	736,239	3,717
Total Wages and Benefits	3,381,356	3,303,899	77,457
Overhead Allocation	2,219,371	1,849,476	369,895
General Legal Services	634,193	625,394	8,799
3rd Party Litigation	250,000	139,862	110,138
Audit Fees	27,500	20,200	7,300
Bank Fees	29,000	22,666	6,334
Commissioners Per Diem	62,500	46,950	15,550
Office Lease	427,060	213,560	213,500
WRCOG Auto Fuel	750	686	64
WRCOG Auto Maintenance	260	710	(450)
Special Mail Svcs	1,800	1,314	486
Parking Validations	6,458	8,202	(1,744)

Staff Recognition	1,245	761	484
Coffee and Supplies	1,363	1,088	275
Event Support	103,364	71,876	31,488
General Supplies	29,292	20,081	9,211
Computer Supplies	14,004	8,988	5,016
Computer Software	28,522	22,358	6,164
Rent/Lease Equipment	35,100	23,022	12,078
Membership Dues	34,448	20,212	14,236
Subscriptions/Publications	5,238	991	4,247
Meeting Support/Services	19,667	12,817	6,850
Postage	6,412	7,119	(707)
Other Household Expenditures	4,490	2,007	2,483
COG Partnership Agreement	25,000	14,898	10,102
Storage	12,296	11,655	641
Printing Services	16,462	5,603	10,859
Computer Hardware	4,286	1,750	2,536
Misc. Office Equipment	1,376	688	688
EV Charging Equipment	5,975	5,975	-
Communications-Regular	12,978	16,364	(3,386)
Communications-Long Distance	500	231	269
Communications-Cellular	14,155	11,054	3,101
Communications-Comp Sv	77,409	43,783	33,626
Communications-Web Site	8,465	7,550	915
Equipment Maintenance - General	10,000	6,187	3,813
Equipment Maintenance - Computers	26,200	11,927	14,273
Insurance - General/Business Liason	73,705	67,140	6,565
WRCOG Auto Insurance	3,457	3,457	(0)
PACE Recording Fees	1,404,783	1,047,942	356,841
Seminars/Conferences	22,494	14,529	7,965
General Assembly Expenditures	300,000	76,757	223,243
Travel - Mileage Reimbursement	28,033	20,242	7,791
Travel - Ground Transportation	8,272	4,349	3,923
Travel - Airfare	26,506	13,331	13,175
Lodging	18,068	12,182	5,886
Meals	11,283	5,547	5,736
Other Incidentals	11,676	7,238	4,438
Training	15,400	9,245	6,155
Supplies/Materials	63,292	14,310	48,982
Ads	81,071	79,525	1,546
Education Reimbursement	13,553	2,500	11,053
Consulting Labor	4,306,894	2,738,436	1,568,458
Consulting Expenses	96,466	4,443	92,023
TUMF Project Reimbursement	39,000,000	12,942,117	26,057,883
BEYOND Expenditures	2,052,917	583,584	1,469,333
Computer Equipment Purchases	44,877	17,847	27,030
Office Furniture Purchases	312,500	293,945	18,555
Office Improvements	-	84,819	(84,819)
Total General Operations	61,580,166	21,301,489	40,278,677
Total Expenditures	64,961,522	24,605,388	40,356,133

***Includes 1st & 2nd & 3rd quarter budget amendments



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Committees and Agency Activities Update

Contact: Rick Bishop, Executive Director, rbishop@wrcog.us, (951) 405-6701

Date: August 6, 2018

The purpose of this item is to provide updates on noteworthy actions and discussions held in recent standing Committee meetings, and to provide general project updates.

Requested Action:

1. Receive and file.

Attached are summaries of actions and activities from recent WRCOG standing Committee meetings that have taken place since the July 2018 Executive Committee meeting.

Prior Action:

July 2, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachments:

1. WRCOG Committees Activities Matrix (Action items only).
2. Summary recaps from recent Committee meetings.

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Item 5.D

WRCOG Committees and Agency
Activities Update

Attachment 1

WRCOG Committees Activities Matrix
(Action items only)

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<u>WRCOG Committees</u> <u>Activities Matrix</u> <u>(Action Items Only)</u>	<u>Executive Committee</u>	<u>Administration & Finance Committee</u>	<u>Technical Advisory Committee</u>	<u>Planning Directors Committee</u>	<u>Public Works Committee</u>	<u>Finance Directors Committee</u>	<u>Solid Waste Committee</u>
Date of Meeting:	7/2/18	7/11/18	Did not meet	Did not meet	Did not meet	Did not meet	Did not meet
Current Programs / Initiatives:							
Regional Streetlights Program	n/a	Received and filed.					
Property Assessed Clean Energy (PACE) Programs	The Executive Committee accepted the City of Pismo Beach as an Associate Member of the Western Riverside Council of Governments; 2) approved the proposed changes to the PACE Program Reports and Greenworks Commercial Program Handbook to allow for PACE financing on new commercial construction projects; 3) adopted WRCOG Resolution Number 19-18; 4) adopted WRCOG Resolution Number 20-18; 5) adopted WRCOG Resolution Number 21-18; 6) adopted WRCOG Resolution Number 22-18; 7) adopted WRCOG Resolution Number 23-18; 8) adopted WRCOG Resolution Number 24-18; 9) adopted WRCOG Resolution Number 25-18; 10) adopted WRCOG Resolution Number 26-18; 11) adopted WRCOG Resolution Number 27-18; 12) adopted WRCOG Resolution Number 28-18; 13) adopted WRCOG Resolution Number 29-18; 14) adopted WRCOG Resolution Number 30-18; 15) adopted WRCOG Resolution Number 31-18; 16) adopted WRCOG Resolution Number 32-18; 17) adopted WRCOG Resolution Number 33-18; and 18) adopted WRCOG Resolution Number 34-18.	Recommended that the Executive Committee adopt Amended WRCOG Resolution 35-17; and 2) recommended that the Executive Committee initiate judicial foreclosure on the delinquent property participating in the SAMAS Commercial PACE Program.					
Community Choice Aggregation (CCA) / Western Community Energy	Received and filed.	Received and filed.					
TUMF	n/a	n/a					
Fellowship	n/a	Received and filed.					
New Programs / Initiatives:							
EXPERIENCE	n/a	Received and filed.					

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Item 5.D

WRCOG Committees and Agency
Activities Update

Attachment 2

Summary recaps from recent
Committee meetings

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Western Riverside Council of Governments Executive Committee Meeting Recap July 2, 2018

Following is a summary of key items discussed at the last Executive Committee meeting. To review the full agenda and staff reports for all items, click [here](#). To review the meeting PowerPoint presentations, click [here](#).

PACE Program Updates

- The Executive Committee approved changes to the PACE Program Reports to:
 1. Consolidate all residential PACE provider eligible products into a single, uniform list, removing inconsistencies that previously existed between the three Residential PACE Programs WRCOG oversees; and
 2. Allow for PACE financing on new commercial construction projects for improvements which exceed minimum energy codes.

Western Community Energy Update

- Community Choice Aggregation (CCA) allows cities and counties to purchase energy directly from producers, enabling greater local control and often yielding cost savings.
- Western Community Energy (WCE) is the CCA Program that will service jurisdictions in Western Riverside County.
- WRCOG is working with jurisdictions to join the WCE JPA. The deadline to join the WCE JPA to further explore the possibilities – at no obligation – with the opportunity to begin service as early as 2020, is August 15, 2018.

Executive Director's Report

- The Lake Elsinore Storm baseball team will host a Used Oil Recycling Night on July 6th to help promote WRCOG's Used Oil Recycling Program.
- WRCOG's 27th Annual General Assembly & Leadership Address was well received and featured a dynamic presentation from Forbes Media Editor-in-Chief, Steve Forbes, followed by a candid discussion between Mr. Forbes and outgoing WRCOG Chairwoman, Debbie Franklin.

Next Meeting

- The next Executive Committee meeting is scheduled for Monday, August 6, 2018, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.



Western Riverside Council of Governments Administration & Finance Committee Meeting Recap July 11, 2018

Following is a summary of major items discussed at the July 11, 2018, Administration & Finance Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint Presentation, please click [here](#).

PACE Programs Proposal on new Commercial Construction

- Recommended that the Executive Committee 1) adopt an amended resolution revising the requirements for the implementation of the financing of seismic strengthening improvements in member or associate member jurisdictions; and 2) initiate judicial foreclosure on the delinquent property participating in the SAMAS Commercial PACE Program
- Received a presentation on the WRCOG PACE Compliance Manual which serves, among other purposes, to ensure that any agent involved in the promoting, selling, or offering of financing through WRCOG PACE Programs acts responsibly and fully understands each applicable Program and how it works.

BEYOND Program Update and Grant Writing Assistance Update

- Received an update on Round I of the BEYOND Framework Fund, in which 32 projects were funded, of which 23 have been completed, five projects granted extensions are pending completion, and four projects have been approved as multi-year efforts.
- Round II includes BEYOND Core, BEYOND Team, and BEYOND Health. Round II is funding 51 projects. To date, five projects have been completed.
- WRCOG's Grant Writing Assistance Program has allocated \$700,000 toward this Program, of which, approximately \$120,000 has been used, resulting in more than \$1.8 million in awarded grants for the region.

Regional Streetlight Acquisition Process

- Staff is working with each jurisdiction to identify and pursue action on the Regional Program Participation Package.

4th Quarter Budget Amendment

- Recommended that the Executive Committee approve a 4th Quarter Budget Amendment.

Round III of the Public Service Fellowship Program has begun

- Fellows are currently coordinating interviews with their prospective host agency. All confirmed Fellows will begin working in member jurisdictions through March 2019.

Beaumont Settlement Agreement Revenues Distribution discussed

- WRCOG is working with Pass Zone jurisdictions and RCTC regarding distribution of revenues.

Next Meeting

- The next Administration & Finance Committee is dark during the month of August. The next Administration & Finance Committee meeting is scheduled for Wednesday, September 12, 2018, at 12:00 p.m. in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Western Riverside Energy Partnership Activities Update

Contact: Tyler Masters, Program Manager, tmasters@wrcog.us, (951) 405-6732

Date: August 6, 2018

The purpose of this item is to provide information on the 2018 City Tier Updates / City Council presentations, 2018 LED Holiday Light Exchange and Energy Efficiency Kit-Giveaway, and the Building Operator Certification (BOC) Training opportunity for Western Riverside County.

Requested Action:

1. Receive and file.

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

2018 City Tier Updates

One of the main goals of the Partnership is to assist participating member cities in identifying and implementing qualified energy efficiency measures within municipal facilities and, by doing so, saving energy and reducing their utility bills. The more energy a member jurisdiction saves, the further it progresses in the tier structure developed by SCE. The tier structure is comprised of four levels: Value, Silver, Gold, and Platinum.

All jurisdictions start at Value level. In order to move on up in tier level status, member cities must complete several community outreach requirements and implement energy efficiency projects to help reach their goal kWh savings. As members progress through the tiers, they unlock additional incentives and rebate opportunities when implementing energy efficiency projects. While SoCal Gas does not operate a tier structure to provide member jurisdictions additional incentives for projects, they do provide member jurisdictions enhanced incentives for participating in the Partnership. The incentives for gas projects are based off of project type, cost, and savings.

In April 2018, the following Cities achieved an advance in tier status:

- City of Hemet advanced from Gold to Platinum
- City of Murrieta advanced two tier levels from Value – through Silver – to Gold
- City of Wildomar advanced from Silver to Gold

The table below shows the new tier level of these jurisdictions, along with energy savings achieved and measures implemented.

Jurisdiction	Tier Level	Energy Savings (kWh)	Measures Implemented
Hemet	Platinum	58,061	Interior / Exterior LED lighting
Murrieta	Gold	183,755	LED Safety Light retrofit & Interior / Exterior LED lighting
Wildomar	Gold	5,020	Interior / Exterior LED lighting

Projects that assisted these cities with achieving higher tier levels include the installation of interior / exterior LED lighting, LED safety light retrofits, and installation of occupancy sensors in municipal facilities. In total, all three member cities combined saved over 240,000 kWh. This savings amount is equivalent to the CO₂ emissions of approximately 27 homes' electricity use for a full year (data from EPA Greenhouse Gas Equivalencies Calculator <https://www.epa.gov/>). WREP will continue to work with jurisdictional staff throughout 2018 to continue identifying / implementing energy projects and assist with community outreach programs to help each member move up the SCE tier level in order to receive higher incentives.

During the months of July and August, WRCOG staff are attending each City who has elevated in tier status to provide them with their new SCE Tier level award along with a short presentation to their City Council. Staff have presented at the City of Hemet with their Platinum level award on July 10, 2018 and the City of Murrieta received their Gold tier level award on July 17, 2018. The City of Wildomar will receive their Gold tier level award on August 8, 2018.



WRCOG staff & SCE staff with City of Hemet City Council



City of Murrieta Mayor and staff (right)

2018 LED Holiday Light Exchange and Energy Efficiency Kit Giveaway

WRCOG is the process of developing its 5th Annual LED Holiday Light Exchange and Energy Efficiency Starter Kit Giveaway. This Program is in coordination with WREP partners, SCE and SoCal Gas. In 2017, the Partnership team attended five holiday-themed community events across Western Riverside County to provide residents with new LED holiday lights and energy efficiency kits (which included a low-flow shower head and three faucet aerators). Staff provided over 900 holiday lights and over 80 energy efficiency kits, which equates to assistance for over 450 households.

The Program originated in 2014, and allows residents within SCE territory to exchange their old incandescent

holiday lights for new, energy efficient LEDs. SoCal Gas joined the Program in 2016 to promote their energy efficiency kits to their customers. To date, staff has attended 20 holiday community events, exchanged over 2,300 holiday lights, and provided 150 energy efficiency starter kits. This equates to benefits provided to over 1,100 households within Western Riverside County.

Jurisdictions interested in participating in this year's Program, should contact Anthony Segura at asegura@wrcog.us for more information.

Building Operator Certification (BOC) Training

The WREP Partnership is collaborating with the Northwest Energy Efficiency Council (NEEC) to conduct a series of trainings within the subregion. These training workshops, known as Building Operator Certification (BOC), will provide the enrolled participants with a continued educational experience to gain skills, through hands on training, and receive a professional credential in energy efficient building maintenance.

This training opportunity will be provided to the members of WRCOG and, through the Partnership, one staff member's enrollment for each WREP member will be covered. The BOC training will begin on September 12, 2018, and run through December 2018. The BOC training flyer (Attachment 1) provides additional information on the course schedule, times, and location of the training.

Please contact Anthony Segura at asegura@wrcog.us for additional information on this training opportunity. The deadline to enroll for this opportunity is August 29, 2018.

Prior Action:

June 4, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Building Operator Certification (BOC) Registration Form

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Item 5.E

Western Riverside Energy
Partnership Activities Update

Attachment 1

Building Operator Certification (BOC)
Registration Form

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ENROLL TODAY

SAVE ENERGY & MONEY TOMORROW



SPECIAL OFFER FOR WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS MEMBER JURISDICTIONS

WRCOG is pleased to offer a Building Operator Certification course in Moreno Valley at **NO CHARGE** for Member Agency Staff.

COURSE BEGINS SEPTEMBER 12, 2018.

Building Operator Certification (BOC®) helps building engineers, maintenance supervisors and others in the skilled trades advance their skills and careers in energy efficient operation of commercial buildings. Since 1996 BOC has equipped building operators with the know-how to reduce building-related energy consumption and occupant comfort complaints.

Participants will gain essential skills through hands-on training and receive a professional credential in energy efficient building maintenance. BOC training includes documentation of building equipment, systems and controls; benchmarking a building's performance; updating occupancy profiles; reviewing HVAC systems and operation; and mapping a facility's electrical distribution system.

BOC Level I is designed for operators with two or more years of experience in building operation and maintenance who wish to broaden their knowledge of the total building system. Completion of Level I requires a time commitment of 74 hours which includes seven classes, work-site projects, and open-book tests.

BOC Level II is designed for experienced facility staff who have earned their BOC Certification or a Level I Training Certificate of Completion (TCOC) and want more advanced training. Completion of Level II requires a time commitment of 61 hours which includes six classes, work-site projects, and open-book tests.



Contract Holder
FBPTA-Aligned

MORENO VALLEY BOC LEVEL I SCHEDULE

All classes are held from 8:30am to 4:30pm.

BOC 1001-A / Energy Efficient Operation of Building HVAC Systems	9/12/18
BOC 1001-B / Energy Efficient Operation of Building HVAC Systems	9/13/18
BOC 1002 / Measuring and Benchmarking Energy Performance	10/4/18
BOC 1003 / Efficient Lighting Fundamentals	10/18/18
BOC 1004 / HVAC Controls Fundamentals	11/1/18
BOC 1005 / Indoor Environmental Quality	11/15/18
BOC 1006 / Common Opportunities for Low-Cost Operational Improvements	12/4/18
BOC 1008 / Operation & Maintenance Practices for Sustainable Buildings	12/13/18

PROGRAM COMPLETION REQUIREMENTS

To earn the BOC Training Certificate of Completion (TCOC), eligible participants must successfully complete seven classes and tests, and five project assignments. To become BOC-certified, participants must meet eligibility requirements, register for and pass the BOC Certification Exam.

COURSE LOCATION

City of Moreno Valley City Hall
(2nd Floor Training Room)
14177 Frederick Street
Moreno Valley, CA 92553



REGISTRATION FEE

Standard Course Registration Fee.....\$1,895

WRCOG Member Agency Staff..... **No Charge**

REGISTRATION INFORMATION

To register for this BOC series fill out this form completely and submit to Anthony Segura at asegura@wrcog.us prior to August 29, 2018.



SPONSORS & SUPPORTERS



MORENO VALLEY REGISTRATION FORM

REGISTRATION DEADLINE: AUGUST 29, 2018

To register for this BOC series fill out this form completely and submit to Anthony Segura at asegura@wrcog.us prior to August 29, 2018.

For Complete Course Descriptions go to: www.theboc.info/h-course-descriptions

LEVEL I - MORENO VALLEY

- Standard Registration Fee.....\$1,895
- WRCOG Member Agency Staff.....No Charge



REGISTRANT'S INFORMATION

Name _____		Title _____		Gender: ☐ Male ☐ Female	
Employer _____					
Address _____		City _____	State _____	ZIP _____	
Phone _____	Fax _____	E-mail _____			
Supervisor's Name _____		Phone _____			
Supervisor's E-mail _____		Facility Size (sq. ft.) _____			

UTILITY COMPANY SERVING YOUR FACILITY

(Check all that apply)

☐ Pacific Gas & Electric	☐ Southern California Edison
☐ Sacramento Municipal Utility District	☐ Southern California Gas
☐ San Diego Gas & Electric	
☐ Other (describe) _____	

INDUSTRY SECTOR

(Check one that applies)

☐ College/University	☐ Healthcare	☐ Military
☐ Government (federal)	☐ Hospitality	☐ Property Management
☐ Government (state)	☐ K-12 School	☐ Retail
☐ Government (city/county)	☐ Manufacturing	
☐ Other (describe) _____		

QUESTIONS?

Phone: 1-877-850-4793 / E-mail: bocinfo@theBOC.info / Web site: www.theboc.info

Substitution, Transfer and Cancellation Policy. If you are unable to attend the course for which you have registered, you may substitute another person in your place, or transfer your registration to another date and location without penalty. Visit our BOC Program Website to view a schedule of other dates and locations. No refunds will be provided for registrations canceled within 3 business days of the first course date. A \$150 service charge will be assessed for registrations canceled less than 15 days prior to the first course date. The examination fee is nontransferable but is refundable (minus a \$50 processing fee) if the candidate notifies NEEC of the test cancellation and refund request in writing no later than 14 days prior to the last class date.

Registration fees shown are valid for this course only.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Regional Streetlight Program Activities Update

Contact: Tyler Masters, Program Manager, tmasters@wrcog.us, (951) 405-6732

Date: August 6, 2018

The purpose of this item is to provide an update on the Western Riverside County streetlight acquisition streetlight transition processes, and the participating jurisdictions' next steps, and regional program management and administration.

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: 1) streetlight inventory; 2) procurement and retrofitting of streetlights; and 3) ongoing operations and maintenance. A major objective of the Program is to provide cost savings to participating member jurisdictions.

Background

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

Regional Streetlight Acquisition Process

Eleven jurisdictions (listed below) have moved forward and signed Purchase and Sales Agreements (Agreement) to acquire current SCE-owned streetlights within their jurisdictional boundaries. Collectively, these account for nearly 48,000 streetlights within Western Riverside County. SCE has transmitted all Agreements to the California Public Utilities Commission (CPUC) for review and approval.

The CPUC has approved ten of the member jurisdictions' applications for streetlight ownership. The City of Menifee will likely be approved by mid-August. The table below provides the status for each jurisdiction participating in the Program and is subject to change as SCE and CPUC progress through the approval processes. WRCOG staff will continue to update the progress as jurisdictions reach each milestone.

	City approves agreement to purchase streetlights	City approves amendment to PSA	SCE executes agreement	SCE sends to CPUC	CPUC approves streetlight transfer	City approves program participation
Eastvale	4/12/17	7/25/17	✓	✓	12/8/17	5/9/18
Hemet	3/14/17	9/11/17	✓	✓	3/31/18	7/24/18
JCSD	3/13/17	N/A	✓	✓	3/11/18	7/23/18
Lake Elsinore	1/24/17	8/17/17	✓	✓	3/11/18	7/24/18
Menifee	2/15/17	3/7/18	✓	✓		
Moreno Valley	3/21/17	10/16/17	✓	✓	3/31/18	6/19/18
Murrieta	3/7/17	7/11/17	✓	✓	9/29/17	12/19/17
Perris	3/28/17	N/A	✓	✓	3/31/18	5/8/18
San Jacinto	3/28/17	N/A	✓	✓	3/31/18	12/19/17
Temecula	2/28/17	5/30/17	✓	✓	6/21/18	
Wildomar	3/8/17	N/A	✓	✓	3/31/18	

As part of the next step of the Program, staff will work with remaining jurisdictions to identify and pursue action on the Regional Program Participation Package including:

1. Financing: If approved, the jurisdiction will enter into an agreement with the Program's financing lender, Banc of America. Banc of America will be working with each respective jurisdiction to provide the adequate amount for Acquisition and/or LED Retrofit.
2. Retrofit, operation & maintenance: If approved, the jurisdiction will elect to enter into an agreement with WRCOG's retrofit, operation & maintenance (O&M) service provider, Siemens, which will be conducting retrofit services and ongoing maintenance remedies for any streetlight outages and fixture damages, and provide a 24/7 call center for residents with the goal of meeting and/or exceeding the current service that is being offered.
3. LED fixture selection and procurement: If approved, the jurisdiction will elect to enter into an agreement to convert their current lighting fixtures to LED technology. The LED technology that will be implemented throughout the region will be installed by Siemens.

Streetlight Transition Process

WRCOG receives regular transition timelines and updates from SCE indicating the estimated timing that SCE will initiate and analyze each streetlight pole as part of the acquisition process. Known as the SCE Inventory and Inspection Process (or inventory true-up process), SCE estimates the entire region will have the streetlight transition started by October 2018. At the conclusion of the Process, each jurisdiction will be provided with their own streetlight report containing important information from the amount of sellable streetlight systems, streetlight location, pole material, etc. To date, the City of Murrieta has completed the Process and has received their streetlight data for review. The table below estimates the program milestones for each jurisdiction from the period SCE's Inventory and Inspection Process commences all the way through retrofit completion for the participants. Note that the table provides different scenario timelines based on alternating paces of SCE's process as well as the pace of retrofit and fixture delivery.

	SCE Transition start 1	SCE Transition closing 2		City approval + payment of invoice 3	Additional Application Req. (for cities with LPS lights)	Retrofit Start 4		Retrofit End (Siemens @ 3,000 poles/month) 5		Retrofit End (Siemens @ 1,000/Month)	
		Scenario #1 @ 2,000 /month	Scenario #2 @ 4,000/month			Scenario #1	Scenario #2	Scenario #1	Scenario #2	Scenario #1	Scenario #2
Eastvale	6/1/18	7/31/18	7/1/18	+ 45 days	N/A	9/14/18	8/15/18	10/24/18	09/24/18	01/13/19	12/14/18
Hemet	6/4/18	8/13/18	7/9/18		+ 90 days	12/26/18	11/21/18	01/12/19	12/08/18	02/16/19	01/12/19
JCSD	6/4/18	8/3/18	7/4/18		N/A	9/17/18	8/18/18	10/05/18	09/05/18	11/12/18	10/13/18
Lake Elsinore	6/4/18	8/27/18	7/16/18		N/A	10/11/18	8/30/18	11/11/18	09/30/18	01/14/19	12/03/18
Menifee	10/1/18	1/3/19	11/17/18		+ 90 days	5/18/19	4/1/19	07/20/19	06/03/19	11/23/19	10/07/19
Moreno Valley	9/1/18	1/11/19	11/6/18		N/A	2/25/19	12/21/18	05/24/19	03/19/19	11/17/19	09/12/19
Murrieta	complete	5/1/18	5/1/18		+ 90 days	9/13/18	9/13/18	11/16/18		03/25/19	
Perris	7/1/18	9/1/18	8/1/18		N/A	10/16/18	9/15/18	11/26/18	10/26/18	02/17/19	01/17/19
San Jacinto	7/1/18	7/28/18	7/14/18		N/A	9/11/18	8/28/18	09/29/18	09/15/18	11/04/18	10/21/18
Temecula	10/1/18	1/19/19	11/25/18		+ 90 days	6/3/19	4/9/19	08/15/19	06/21/19	01/09/20	11/15/19
Wildomar	9/1/18	9/22/18	9/11/18		+ 90 days	2/4/19	1/24/19	02/18/19	02/07/19	03/18/19	03/07/19

1. SCE Transition start: Initiation of streetlight inventory and inspection process and final verification of streetlight systems. Completed by SCE's third party contractor.
2. SCE Transition closing: SCE has indicated they can transition between 2,000 to 4,000 lights per month. As such, the table above estimated closing dates using two scenarios. Scenario #1 illustrates a conservative approach where SCE can audit 2,000 poles / month & Scenario #2 illustrates an expedited approach where SCE can audit 4,000 poles per month.
3. City Approval & payment and additional application requirements (if any): Estimated timeframe for City review of streetlight audit & submittal of payment for streetlight purchase to SCE. The 90 day provision for additional application is added for select jurisdictions with Low Pressure Sodium lighting.
4. Retrofit start: Estimated LED retrofit start date. Retrofit start date will be based off of Footnote #2 audit approach.
5. Retrofit end: Estimated LED retrofit end date. Two Scenarios are shown with WRCOG's O&M vendor Siemens providing a 3,000 poles per month retrofit and 1,000 poles per month retrofit scenario(s).

WRCOG Regional Program Management and Administration Update

The Regional Program allows operational economies of scale by offering WRCOG Program Management and Administrative function to support each participating jurisdiction in operating, maintaining, and managing their streetlight systems, ensuring the level of service of streetlight concern is maintained and improved upon. Included in WRCOG's administrative functions are the following:

- Promote / market Streetlight outage call center
- CEQA support (support finding and develop resolution and Notice of Exemption template)
- Develop and process incentive / rebate applications
- Facilitate GIS update to include streetlight acquisition and retrofit data
- Facilitate pole identification tags, or markings, and naming / deployment system
- Regular reports to jurisdictions
- Regular WRCOG Committee updates
- Ongoing regulatory and legislative tracking related to streetlights and rates associated (e.g., SB 649, and Congressional Senate Bill S.3157)
- Participation in streetlight advocacy groups like the California Streetlight Light Association (CALSLA)
- Support Retrofit, Operations & Maintenance Scope of Work
- Support LED fixture selection and delivery logistics

In 2015, the Program Management and Administration fee was developed to allow WRCOG to provide the services listed above. Additionally, this fee included a 3% annual inflation / escalator. In 2015, the fee was \$0.26 per pole per month, which is equivalent to fund one full time analyst and a third full time Program Manager's time to support each jurisdiction efficiently manage their streetlight systems. After inclusion of this 3% escalator, in 2018, the fee is proposed at \$0.284 per pole per month. With cities closing their financing within the 2018 calendar year, staff wanted to inform jurisdictions that this updated fee and updated cash flows will be provided to participating jurisdictions in August.

Prior Actions:

July 11, 2018: The Administration & Finance Committee received and filed.

June 22, 2018: The Executive Committee approved the authorization of the Executive Director, subject to legal counsel review and approval, to enter into an Equipment Purchase Agreement with California Electric Supply for LED fixtures and equipment procurement in an amount not to exceed \$8,400,000.

Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2018/2019 Budget in the Energy Department.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Santa Ana Watershed Project Authority One Water One Watershed Activities Update

Contact: Laura Roughton, Committee Representative, lroughton@jurupavalley.org,
(951) 332-6464

Date: August 6, 2018

The purpose of this item is to inform the Committee of activities occurring on the Santa Ana Watershed Project Authority One Water One Watershed (OWOW) Steering Committee.

Requested Action:

1. Receive and file.
-

Laura Roughton, Councilmember, City of Jurupa Valley, serves as the WRCOG representative on the Santa Ana Watershed Project Authority OWOW Steering Committee. Attached are meeting recaps for the meetings held on January 25, March 22, and May 24, 2018.

Prior Action:

February 5, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachments:

1. OWOW meeting recap of January 25, 2018.
2. OWOW meeting recap of March 22, 2018.
3. OWOW meeting recap of May 24, 2018.

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Item 5.G

Santa Ana Watershed Project
Authority One Water One Watershed
Activities Update

Attachment 1

OWOW meeting recap of
January 25, 2018

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OWOW Steering Committee Meeting
Jan. 25, 2018

Business Item-

-Projects of the OWOW Plan Update 2018: Receive and file presentation and provide guidance to SAWPA Staff about the effort to include projects in the OWOW Plan Update 2018.

Draft goals for the Plan will be sent out with Call for Projects which will be distributed to the OWOW contact list, non-profits, water agencies, cities, etc. Having your project listed in the OWOW Plan can be a source of acclaim or a way to generate new partnerships or multi-benefit programs. Sub-regional Plans such as the Santa Ana River Conservancy Plan, The OC Stormwater Plan and others will be included in the Plan update.

The Steering Committee is responsible for: 1) Issuing Call for Projects for inclusion in the Plan, 2) Developing a ranked portfolio of those projects that are in the OWOW Plan Update 2018 that wish to compete for Prop 1 Integrated Regional Water Management (IRWM) implementation grants, and 3) Developing a policy for how the list of projects can be continuously updated over time and how that policy will interact with the need of organization to approve the OWOW Plan Update 2018.

Convener Sullivan recommended staff appear before each Council of Governments within the watershed and provide them with an outline of the process, stating emails may not be as effective.

Informational Items:

- Finalization of Watershed Signage with Bri Communications: Receive and File.
 - 64- 4' x 4' educational signs have been placed throughout the watershed. They include educational messaging, a map of the watershed, major cities, county boundaries, water resources such as tributaries, rivers and lakes, and major freeways along with a 3" x 3" logo from each of the sponsors who are paying \$5,600 every two years for sponsorship for a four year project. In addition to SAWPA, there are 10 additional sponsors. The SAWPA logo has a URL link to One Water One Watershed SAWPA webpage.
- OWOW Proposition 84 2015 Round Projects Update: Receive and File.
 - Imad Guirgis of Riverside County Flood Control and Water Conservation District informed the committee that two of the project proponents who have received funding for the OWOW Proposition 84 2015 Round are requesting amendments to the SAWPA Grant Agreement executed by Department of Water Resources (DWR) in Nov. 2016. The two projects are the 2015 Integrated Watershed Protection Program and the Santa Ana Conservation and Conjunctive Use Program (SARCCUP). Each has three components focusing on one or more of the following: water supply, flood protection and/or ecosystem restoration.
- OWOW Plan Update 2018 Status: Receive and File.
 - Eight draft annotated outlines of the Pillar chapters have been received to date and three more are expected by the end of January. It is anticipated that the Call for Projects will be distributed in March with an internal review of the chapters with all the Pillars and Stakeholders in April. Looking forward to a six week public review period beginning in July with final approval for the SAWPA Commission in November. Dudek was selected as a technical writing consultant to help support the Plan update and a new agreement is being developed to allow U.S. Bureau of Reclamation to update climate data in support of the Plan update. The Plan is on schedule and on budget.
- Disadvantaged Community Involvement (DCI) Program Status: Receive and File.

- There are three DCI Program elements, 1) Strength and Needs Assessment, 2) Education and Engagement, 3) Project Development. SAWPA Staff continues to support the DCI Tribal Community Pillar and is in the process of developing a Technical Advisory Committee (TAC) which will then recommend how best to allocate the Project Development funds within the grant. The Steering Committee was also informed that the 2nd Homelessness and Water Symposium was held in Fullerton on Dec. 7, 2017 and 90 people attended. The DCI Program is on schedule and on budget.
- Proposition 1 IRWM Round 1 Status and Sacramento Trip: Receive and File.
 - The Santa Ana Funding Area, one of 12 Funding areas in the State, is approximately SAWPA's service area. SAWPA is the only State-recognized, grant-eligible IRWM group in the Funding Area. Under Prop 1, \$63 mil is allocated with \$6.3 mil for DAC Involvement, \$6.3 mil for DAC Projects and \$45.9 mil for other projects that implement the OWOW Plan.

Agenda and Staff reports may be found at www.sawpa.org

Item 5.G

Santa Ana Watershed Project
Authority One Water One Watershed
Activities Update

Attachment 2

OWOW meeting recap of
March 22, 2018

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OWOW Steering Committee Meeting
March 22, 2018

Business Items:

- OWOW Plan Update 2018 Call for Projects and Procedure for Including Submitted Projects in the OWOW Plan Update 2018: Approve the opening of the OWOW Plan Update 2018 Call for Projects.
 - Approved the opening of the OWOW Plan Update 2018 Call for Projects and approved the procedure for managing the inclusion of projects to the OWOW Plan Update 2018 from a continuously-open call. With this approval SAWPA will open the Call for Projects with an email blast, tweets, and direct contact with select agencies. The online project submitting tool will be available for anyone in the watershed to propose a project and describe how that project will help achieve the goals of the OWOW Plan Update 2018. Other lists of projects by other planning efforts in the watershed are being targeted to be included in the Plan update. There are many benefits to having a plan included in the Plan update.
 - The OWOW Steering Committee has three roles in this effort: 1) Setting policies for the OWOW Plan Update 2018 Call for Projects to be included in the Plan. 2) Setting policy for how the OWOW Program, outside a plan update process, can receive and include projects. 3) Setting priorities so that projects competing for funding can be scored/ranked.

Informational Items:

- DWR Proposition 1 Implementation Grants and OWOW Project Selection Weighting and Ranking: Receive presentation and provide guidance/discussion for effort to establish a rating and ranking system for projects competing for Proposition 1 IRWM implementation grants.
- DWR is expected to release a draft Project Solicitation Project (PSP) in May, 2018, followed by a 45-day comment period during which DWR will hold three meetings across the State to review the document. The final PSP will be released in the summer with grant proposals due in December 2018. After April meeting of Pillars and stakeholders, their input regarding project selection criteria and process recommendations will be brought to the Steering Committee in May and July with the goal of approving a weighting and ranking system in July. Eventually using submitted project data, the OWOW Steering Committee will oversee the rating and ranking processor projects to be included in the grant proposal submitted by SAWPA to DWR.
- California Water Plan update 2018 Pilot Study in the Watershed: Receive and provide feedback to presentation from SAWPA Staff and a consultant Team for the CA Water Plan Update 2018
 - Betty Andrews of Environmental Science Associates and Peter Vorster of the Bay Institute provided a Power Point presentation on the Sustainability Assessment for the Santa Ana River Watershed. DWR is engaged at the level of providing support in the form of resources for the CA Water Plan Update 2018 Pilot Study in the Watershed. Next steps involve selection of indicators which are driven by the Goals for the OWOW Plan Update 2018 and then presenting the indicators at the Pillar Integration Workshop for discussion. A proposed suite of indicators will then be brought back to the Steering Committee in May. Once approved the assessment will begin in June or July with submission of a Draft White Paper in September. It is anticipated that the Final Assessment White Paper can be adapted and incorporated into the OWOW Plan Update 2018.

- Committee member questions included: How will the indicators be determined? How will the process go forward?, How will the process be separated between the planning of projects and allocating money for projects?, How the completed projects and their impact on the watershed will be assessed? A request was made to have a list of goals and objectives along with the list of indicators to be presented at the May meeting and also to include in the indicators a component for human usage of the watershed and the river due to the awareness of the ecological character of the watershed.

Agenda and Staff reports may be found at www.sawpa.org

Item 5.G

Santa Ana Watershed Project
Authority One Water One Watershed
Activities Update

Attachment 3

OWOW meeting recap of
May 24, 2018

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OWOW Steering Committee Meeting
May 24, 2018

Informational Item:

- OWOW Program Status: Receive, review and provide comment.
 - The OWOW Program currently is undertaking three main efforts: 1) the OWOW Plan Update 2018, 2) the Disadvantaged Communities Involvement (DCI) Program, 3) the upcoming Prop 1 IRWM Implementation Grant opportunity. The following are the highlights of each effort.
 - OWOW Plan Update 2018: Chapter Updates and Call for Projects to be included in the Plan.
 - Disadvantaged Communities Involvement Program: Strengths and Need Assessment, Trust the Tap, and Technical Assistance.
 - Prop 1 IRWM Grant Program: Expected late 2018 and some new/changed processes from DWR

Business Items:

- Incorporating Sub-regional Plans into OWOW Plan Update 2018: Receive presentation from Friends of Harbors, Beaches and Parks, Incorporate as an appendix in the OWOW Plan Update 2018 and Request SAWPA Staff to work to ensure proposed projects in the Newport Bay Watershed Idea Book (2015) are imported and fully submitted to the OWOW Program Project Database to ensure inclusion in the Plan Update.
 - Presentation was well received and recommendations were as per Staff report. Because the plan contains project concepts or a list of proposed projects, the “incorporation” of the Plan does not also include automatic incorporation of those projects. Rather for the projects to be included in the OWOW Plan Update 2018 they must be submitted through the online OWOW Program Project Database. SAWPA Staff will assist in this process to import the list of projects.
 - Some sub regional or topic-specific plans are required by policy to be incorporated into an IRWM Plan, as is the case for Stormwater Resources Management Plans. Some sub regional or topic-specific plans seek to be acknowledged, and to reveal the alignment with the goals and purpose of the OWOW Plan.
- CA Water Plan 2018 Indicators Pilot Status: Receive update presentation on the effort to develop indicators of progress towards the OWOW Plan Update 2018 Goals.
 - The presentation was received from the consultants to the DWR CA Water Plan 2018, Betty Andrews and Peter Vorster. The indicators will be used to measure results in the watershed based on projects being implemented and are the projects supporting the Goals of the Plan. Two indicators were drafted for each of the six goals, wherever possible utilizing data that is already collected for topics that would work well as indicators measuring the goals of the Plan. Discussion ensued and a final (hopefully) draft of the indicators will be brought back in July.
- Proposition 1 IRWM Grant Program- Project rating and Ranking Process: Receive, review and provide comment to SAWPA staff about ongoing work to develop a rating and ranking system for evaluating projects that may qualify for Prop 1 IRWM program grant funding.
 - Upon release of a Prop 1 Project Solicitation Package from DWR, The OWOW Steering Committee becomes responsible for bringing the SAWPA Commission a portfolio of projects that are eligible for the funding opportunity, are suitably ready to proceed, have

sufficient local match funding identified, and most importantly, provide benefits to the watershed in line with the goals of the OWOW Plan Update 2018. A critical aspect of this process is the development and application of a set of Rating and Ranking Criteria. This tool is used to assess and rank all competing projects in a way that is transparent and appropriate. The current proposal contains: Eligibility Criteria (yes or no), Rating Criteria, and Ranking System. Discussion included the draft idea for small vs. large projects and the possibility of allocating 10% of the \$52 mil available for small budget projects of \$1 mil or less and 90% for large budget projects over \$1 mil. This does not include the Disadvantaged Communities benefit set-aside of \$6.3 mil.

- As project proponents work their way through the process, the highest ranked would attend an open house at SAWPA, led by the Pillar Chairs, where the project proponents on that list would make presentations to the Pillar Chairs and Stakeholders. This would follow a formal and equitable process for each presenter. The final portfolio of recommended projects would be brought to the OWOW Steering Committee for action and when appropriate, to the SAWPA Commission to authorize submittal to the State.

Agenda and Staff reports may be found at www.sawpa.org



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: PACE Programs Activities Update, PACE Program Public Hearing, and Approval of Revisions to the Various PACE Providers' Program Reports and Handbooks

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcoq.us, (951) 405-6720

Date: August 6, 2018

The purpose of this item is to request that the Executive Committee adopt Ygrene as a residential provider in the subregion and proceed with judicial validation filing; approve revisions to the WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report and CA HERO Program Report to include Pismo Beach as an associate member, as well as prepare to levy assessments for Fiscal Year 2018/2019 for the CA HERO and SAMAS Program in Shasta and Solano County; approve amended WRCOG Resolution 35-17, which authorizes the financing of seismic strengthening improvements, as well as initiate judicial foreclosure on a delinquent Commercial PACE property; and accept the Additional PACE Provider Ad Hoc Committee's recommendation regarding entering into negotiations with CleanFund.

Requested Actions:

1. Adopt WRCOG Resolution Number 36-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of Limited Obligation Improvement Bonds for the Ygrene Program, Amending the Program Report and Approving the Forms of an Administration Agreement with Ygrene Energy Fund California LLC And Trust Indenture and Bond Purchase and Draw Down Agreement for the Issuance of Bonds for the Ygrene Program of the WRCOG Program and Appointing a Trustee.
2. Adopt WRCOG Resolution Number 37-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing Judicial Validation Proceedings Relating to the Issuance and Sale of Limited Obligation Improvement Bonds Pertaining to the Ygrene Program of the Western Riverside Council of Governments California Hero Program and Other Matters Related Thereto and Approving Additional Actions Related to Such Proceedings.
3. Adopt WRCOG Resolution Number 18-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to Expand the Program Area within Which Contractual Assessments May be Offered.
4. Adopt Amended WRCOG Resolution 35-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments amending Resolution Number 35-17 to revise the requirements for the implementation of the financing of seismic strengthening improvements as an 'opt out' option in member or associate member jurisdictions.
5. Adopt WRCOG Resolution Number 38-18; A Resolution of Executive Committee of the Western Riverside Council of Governments Making Certain Representations and Authorizing the Placement of Assessments on the Tax Roll in Shasta County.
6. Adopt WRCOG Resolution Number 39-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments to initiate judicial foreclosure on the delinquent property participating in the SAMAS Commercial PACE Program.
7. Support the Additional Pace Provider Ad Hoc Committee's pending and tentative recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include CleanFund under WRCOG's Commercial PACE umbrella.

8. Adopt WRCOG Resolution Number 40-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Solano County for the SAMAS Commercial Programs.

WRCOG's PACE Programs provide financing to property owners to implement energy saving, renewable energy, and water conservation improvements to their homes and businesses. 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. WRCOG now offers CaliforniaFIRST, Greenworks, and PACE Funding as additional PACE Providers under the WRCOG PACE Program.

Overall PACE Program Update

The following table provides a summary of all residential projects that have been completed under the residential WRCOG PACE Programs through July 19, 2018:

PACE Program	Date Program Launched	Projects Completed	Total Project Value	Product Type Installed
WRCOG HERO	December 2011	26,352	\$521,538,327	HVAC: 32.0%; Solar: 26.1%; Windows / Doors: 18.1%; Roofing: 9.1%; Landscape: 4.4%
California HERO	December 2013	60,491	\$1,317,060,648	HVAC: 29.4%; Solar: 27.3%; Windows / Doors: 17.7%; Roofing: 10.3 %; Landscape: 5.4%
CaliforniaFIRST	May 2017	158	\$4,898,819	HVAC: 29.8%; Solar: 27.7%; Windows / Doors: 17.1%; Roofing: 11.5 %; Landscape: 5.3%
PACE Funding	November 2017	97	\$2,358,830	HVAC: 31.5%; Solar: 28.2%; Windows / Doors: 24.1%; Roofing: 7.4%; Landscape: 4.5%
Total:		87,098	\$1,846,036,624	

The following table 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	889 GWh
GHG Reductions – Annually	177,332 tons
Gallons Saved – Annually	456 Million
\$ Saved – Annually	94 Million
Projected Annual Economic Impact	\$ 2.7 Billion
Projected Annual Job Creation/Retention	16,149 Jobs

Ygrene as an Additional WRCOG PACE Provider in the Subregion

In June 2016, staff distributed a solicitation to PACE providers offering an opportunity to operate in the WRCOG subregion under the WRCOG PACE “umbrella.” Under this structure, WRCOG would serve as the bond issuer. WRCOG would retain oversight of the Program and be responsible for Program management and record the assessments on the property.

On June 6, 2016, the Executive Committee established a PACE Ad Hoc Committee to review and complete the vetting process and provide recommendations on the possible inclusion of additional PACE providers under the WRCOG umbrella for the subregion. The Ad Hoc Committee consists of representation from the Cities of Banning, Jurupa Valley, Lake Elsinore, and Wildomar with assistance from WRCOG staff and WRCOG’s Bond Counsel (Best & Krieger).

To date, the Executive Committee has approved CaliforniaFIRST, Spruce, and PACE Funding to operate under the WRCOG PACE umbrella.

On October 2, 2017, the Executive Committee authorized the Executive Director to enter into negotiations with Ygrene. Since then, negotiations were executed, with counsel from Best Best & Krieger, and Ygrene to finalize the following program documents and agreements for consideration of approval (Attachments 3 - 7):

- (i) Administration Agreement
- (ii) Trust Indenture
- (iii) Bond Purchase and Draw-Down Agreement (BPBDA)
- (iv) Redlined Program Report including form of Assessment Contract
- (v) Ygrene Residential Program Handbook

If the Executive Committee adopts Ygrene as an additional provider, the provider will automatically be able to operate in each member jurisdiction, unless the jurisdiction takes action to prohibit its inclusion. If a jurisdiction desires NOT to include Ygrene as an additional provider, it must adopt a resolution to opt-out of the Program, which is available upon request. Ygrene will not, however, be required to market its Program through WRCOG to the County of Riverside and the following Cities: Beaumont, Corona, Moreno Valley, Riverside, San Jacinto and Unincorporated Areas. These cities have approved a PACE Program sponsored by the Golden State Finance Authority, for which Ygrene is contractually obligated to provide Program administration services.

Ygrene’s proposed bond structure differs from the current bond structure that the WRCOG Program employs with the other PACE providers. Due to this difference in bond structures, the Executive Committee would need to adopt WRCOG Resolution 36-18 (Attachment 1) to, among other actions, authorize the issuance of bonds for the Ygrene program, and WRCOG Resolution 37-18 (Attachment 2) to authorize WRCOG to file an action in the Superior Court to validate the issuance by WRCOG of bonds pursuant to the Ygrene bond structure. Such validation action will begin in August 2018 and is estimated to conclude within 6 months of the initial filing.

Public Hearing and Related Resolution

Recently, the City of Pismo Beach took action to become Associate Members of WRCOG, thereby enabling the Executive Committee to undertake proceedings to increase the area within which voluntary contractual assessments may be offered pursuant to the Program (the “Program Area”) to include the jurisdictions of such Associate Members.

On July 2, 2018, the Executive Committee adopted its Resolution Number 34-18 setting a public hearing to be held on August 6, 2018, acting in accordance with Chapter 29 of the Part 3, Division 7 of the Streets and Highways Code (“Chapter 29”), to consider the modification of the Program Report to increase the Program Area to include the jurisdictional boundaries of such additional Associate Members.

For the August 6, 2018, Executive Committee meeting, staff is presenting the revised Appendix B “Boundary Map” from the Program Report for consideration and potential approval; the Executive Committee will hold a

public hearing to consider increasing the Program Area to include the City of Pismo Beach and, following the closing of the public hearing, will be asked to consider the adoption of Resolution Number 18-18 (Attachment 8), approving the revised Appendix B "Boundary Map" from the Program Report (Attachment 9).

Amendment of WRCOG Resolution 35-17: Addition of Seismic Strengthening Projects

On July 11, 2018, the WRCOG Administration and Finance Committee received a presentation and recommends that the Executive Committee amends Resolution 35-17 to allow for seismic retrofits to be automatically included in the Program and would not require a WRCOG member or associate member to take an action.

On July 10, 2017, the Executive Committee adopted Resolution Number 35-17 (Attachment 10), which approved the proposed modification of the Program Report to include seismic strengthening projects as eligible for PACE financing. The amended language in the Program Reports included supplemental policies, procedures and eligible products.

The resolution provided that WRCOG members and associate members needed to take action to authorize the financing of seismic strengthening within such jurisdiction by entering into an amendment of the Implementation Agreement that each member entered when the PACE Program was originally launched.

This adopted process for both WRCOG members and associate members has proven to be cumbersome and time consuming for both WRCOG staff and the staff within each member jurisdiction. The proposed revised resolution is to remove the requirement for WRCOG members to amend the Implementation Agreements of such members or the adoption by the City Council or Board of Supervisors of associate members to affirmatively authorize financing of seismic strengthening, and will instead allow for WRCOG to finance Seismic Improvements in all participating PACE jurisdictions unless either a WRCOG member or associate member affirmatively elects to opt out of financing such improvements within their jurisdictions.

To complete this action, the Executive Committee will need to adopt Amended WRCOG Resolution 35-17.

Levy of Assessments

Assessment contracts have been entered into with Shasta and Solano Counties. These Counties require one or more of the following representations to be made in order to place the PACE assessment on the tax roll of such Counties:

- a) WRCOG is authorized to levy the assessments;
- b) The assessments are levied in compliance with all applicable laws;
- c) The assessments are exempt or in compliance with the provisions of Proposition 218; and/or
- d) The delinquent assessments will be removed from the tax roll as required by the Master Indenture.

WRCOG's bond counsel has developed Resolution Number 38-18 (Attachment 11) and Resolution Number 40-18 (Attachment 13), which make such representations and authorizes the levy of assessments within the aforementioned Counties for Fiscal Year 2018/2019 and subsequent fiscal years.

Judicial Foreclosure on Commercial PACE Parcel

On July 11, 2018, the WRCOG Administration and Finance Committee received a presentation and is recommending that WRCOG move forward with judicial foreclosure on one commercial PACE Parcel, funded by SAMAS Capital.

WRCOG's PACE Programs offer both residential and commercial properties. One commercial property located in the City of Pomona participating in the SAMAS Commercial Program has been consistently unable to pay their PACE assessment and property taxes since April 2016. As of July 3, 2018, this parcel has been delinquent in the amount of \$27,380.89.

Previously, the Executive Committee has deferred foreclosure on all delinquent parcels as a result of the advancement of funds from a third party, principally Renovate America, on the residential side, but the holder of this particular bond wants to move forward with foreclosure, due to the history of delinquency and non-payment.

Staff is recommending that the Executive Committee authorize the initiation of judicial foreclosure proceedings on the delinquent commercial parcel by adopting Resolution Number 39-18 (Attachment 12). By the adoption of such resolution the Executive Committee will, among other actions, authorize General Counsel to (a) cause an action to be brought in the Superior Court to foreclose the assessment lien on the delinquent property and (b) require payment of all costs and all attorneys' fees incurred in such action.

Additional PACE Provider Ad Hoc Committee

On June 6, 2016, the Executive Committee established a PACE Ad Hoc Committee to review and complete the vetting process and provide recommendations on the possible inclusion of additional PACE providers under the WRCOG commercial program. The Ad Hoc Committee consists of representation from the Cities of Banning, Jurupa Valley, Lake Elsinore, and Wildomar with assistance from WRCOG staff and WRCOG's Bond Counsel (Best Best & Krieger).

On June 27, 2018, WRCOG staff conducted a site visit of CleanFund Commercial PACE Capital, Inc., in Sausalito, CA. On July 11, 2018, the Administrative & Finance Committee authorized the Ad Hoc Committee's recommendation to be directed to the Executive Committee, pending a recommendation to proceed.

The Ad Hoc Committee meeting is scheduled for August 6, 2018, prior to the August Executive Committee meeting. It is anticipated that the Ad Hoc Committee will recommend the Executive Committee move forward on working with CleanFund staff.

Pending an approval of CleanFund from the Ad Hoc Committee, staff is requesting the Executive Committee support Requested Action No. 7, to authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include CleanFund in WRCOG's Commercial PACE Program.

Prior Actions:

July 2, 2018:

The Executive Committee 1) accepted the City of Pismo Beach as an Associate Member of the Western Riverside Council of Governments; 2) approved the proposed changes to the PACE Program Reports and Greenworks Commercial Program Handbook to allow for PACE financing on new commercial construction projects; 3) adopted WRCOG Resolution Number 19-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments certifying compliance with state law with respect to the levying of special assessments in Monterey County; 4) adopted WRCOG Resolution Number 20-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in San Mateo County for the SAMAS Commercial Programs; 5) adopted WRCOG Resolution Number 21-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Kern County for the SAMAS Commercial Programs; 6) adopted WRCOG Resolution Number 22-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Humboldt County; 7) adopted WRCOG Resolution Number 23-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Yuba County; 8) adopted WRCOG Resolution Number 24-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of

assessments on the tax roll in Yolo County; 9) adopted WRCOG Resolution Number 25-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Sutter County and certifying to the County of Sutter the validity of the legal process used to place direct charges on the secured tax roll; 10) adopted WRCOG Resolution Number 26-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in San Mateo County; 11) adopted WRCOG Resolution Number 27-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Mendocino County; 12) adopted WRCOG Resolution Number 28-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Merced County; 13) adopted WRCOG Resolution Number 29-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Madera County; 14) adopted WRCOG Resolution Number 30-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Kern County; 15) adopted WRCOG Resolution Number 31-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Glenn County; 16) adopted WRCOG Resolution Number 32-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Butte County and certifying to the Butte County the validity of the legal process used to place direct charges on the secured tax roll; 17) adopted WRCOG Resolution Number 33-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Amador County; and 18) adopted WRCOG Resolution Number 34-18; 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.

Fiscal Impact:

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

Attachments:

1. WRCOG Resolution Number 36-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of Limited Obligation Improvement Bonds for the Ygrene Program, Amending the Program Report and Approving the Forms of an Administration Agreement with Ygrene Energy Fund California, LLC And Trust Indenture and Bond Purchase and Draw Down Agreement for the Issuance of Bonds for the Ygrene Program of the WRCOG Program and Appointing a Trustee.
2. WRCOG Resolution Number 37-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing Judicial Validation Proceedings Relating to the Issuance and Sale of Limited Obligation Improvement Bonds Pertaining to the Ygrene Program of the Western Riverside Council of Governments California Hero Program and Other Matters Related Thereto and Approving Additional Actions Related to Such Proceedings.
3. Ygrene Program Administration Agreement.
4. Trust Indenture between WRCOG and ZB, National Association D/B/A Zions Bank, a National Bank.
5. Ygrene Bond Purchase and Draw-Down Agreement.

6. Redlined WRCOG Energy Efficiency and Water Conservation Program and Assessment Contract - Revised August - Ygrene
7. Ygrene Residential Program Handbook.
8. WRCOG Resolution Number 18-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to Expand the Program Area within Which Contractual Assessments May be Offered.
9. Redlined Exhibit B of the California HERO Program Report.
10. Amended WRCOG Resolution 35-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments amending Resolution Number 35-17 to revise the requirements for the implementation of the financing of seismic strengthening improvements as an 'opt out' option in member or associate member jurisdictions.
11. WRCOG Resolution Number 38-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Making Certain Representations and Authorizing the Placement of Assessments on the Tax Roll in Shasta County.
12. WRCOG Resolution Number 39-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Ordering the Initiation of Judicial Foreclosure Proceedings Pursuant to the Improvement Bond Act of 1915 of Certain Property for Which the Payment of Assessment Installments are Delinquent.
13. WRCOG Resolution Number 40-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Solano County for the SAMAS Commercial Programs.

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Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 1

WRCOG Resolution Number 36-18; A
Resolution of the Executive Committee
of the Western Riverside Council of
Governments Authorizing the Issuance
of Limited Obligation Improvement
Bonds for the Ygrene Program,
Amending the Program Report and
Approving the Forms of an
Administration Agreement with Ygrene
Energy Fund California LLC And Trust
Indenture and Bond Purchase and Draw
Down Agreement for the Issuance of
Bonds for the Ygrene Program of the
WRCOG Program and Appointing a
Trustee

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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 36-18

**A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AUTHORIZING THE ISSUANCE OF LIMITED OBLIGATION IMPROVEMENT BONDS
FOR THE YGRENE PROGRAM, AMENDING THE PROGRAM REPORT AND
APPROVING THE FORMS OF AN ADMINISTRATION AGREEMENT WITH YGRENE
ENERGY FUND CALIFORNIA LLC AND TRUST INDENTURE AND BOND
PURCHASE AND DRAW DOWN AGREEMENT FOR THE ISSUANCE OF BONDS
FOR THE YGRENE PROGRAM OF THE WRCOG 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 WRCOG Program Area (defined below), with the cost of installing distributed generation renewable energy sources, energy and water efficiency improvements, electric vehicle charging and seismic strengthening infrastructure that are permanently affixed to their property ("Authorized Improvements"), as further described in the Energy Efficiency and Water Conservation Program for Western Riverside County Administrative Guidelines and Program Report (the "Program Report") adopted by the Executive Committee in establishing the Program; 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 WRCOG 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 Ygrene Energy Fund California LLC ("Ygrene") to serve as an additional program administrator for a separate program of the WRCOG Program to be known as the Ygrene Program to finance the installation of Authorized Improvements on properties within the WRCOG Program Area, and there has been submitted to the Executive Committee a form of an Administration Agreement that sets forth the terms and conditions of the performance by Ygrene of such services; and

WHEREAS, in connection with adding Ygrene as an additional program administrator for the Ygrene Program, there has been submitted to the Executive Committee an updated Program Report incorporating program requirements for the Ygrene Program and a Program Handbook for the Ygrene Program; and

WHEREAS, there has been submitted to the Executive Committee a form of a Trust Indenture providing for the issuance of one or more series or subseries of limited obligation improvement bonds (the "Bonds") and the use of the proceeds of such Bonds to finance the installation of Authorized Improvements on parcels that are participating in the Ygrene 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 the form of a Bond Purchase and Draw Down Agreement providing for the terms and conditions for the purchase of the Bonds by Ygrene and this Executive Committee, with the aid of its staff, has reviewed the document and found it to be in proper order.

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 Original Resolution of Issuance and this Resolution in an amount not to exceed \$50,000,000.

Section 2. Approval of Ygrene as Program Administrator. The Executive Committee hereby approves (i) Ygrene as an additional program administrator for the Ygrene Program of the WRCOG Program; and (ii) the form of 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 (the "Executive Director") and the execution thereof by the Executive Director or any designee of the Executive Director (each, an "Authorized Representative") shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes the delivery and performance of the 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 pertaining to the Ygrene Program presented to the Executive Committee at this meeting.

Section 4. Approval of the Ygrene Program Handbook for Residential Property. The Executive Committee hereby approves the form of the Program Handbook for the Ygrene Program pertaining to residential property 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.

Section 5. Approval of Forms of Trust Indenture for Residential Property. The Executive Committee hereby approves the form of Trust Indenture for 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, and the execution thereof by an Authorized Representative 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 Trust Indenture. The Executive Committee hereby authorizes and directs the Chair or Vice Chair of the Executive Committee, the Executive Director or any other officer of WRCOG designated by the Executive Director (each, an "Authorized Representative") to execute the final forms of the Trust

Indenture, and any other related agreements, for an in the name of WRCOG. The Executive Committee hereby authorizes the delivery and performance of the Trust Indenture.

Section 6. Approval of Form of Bond Purchase and Draw Down Agreement. The Executive Committee hereby approves the form of Bond Purchase and Draw Down 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 Representative 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 and Draw Down Agreement.

Section 7. Appointment of Trustee. ZB, National Association d/b/a Zions Bank, a national bank is appointed as Trustee pursuant to each Trust Indenture, to take any and all actions provided for therein to be taken by the Trustee.

Section 8. 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 9. 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 10. Effective Date. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on August 6, 2018.

Chuck Washington, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

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Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 2

WRCOG Resolution Number 37-18; A
Resolution of the Executive Committee
of the Western Riverside Council of
Governments Authorizing Judicial
Validation Proceedings Relating to the
Issuance and Sale of Limited Obligation
Improvement Bonds Pertaining to the
Ygrene Program of the Western
Riverside Council of Governments
California Hero Program and Other
Matters Related Thereto and Approving
Additional Actions Related to Such
Proceedings

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RESOLUTION NUMBER 37-18

**A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AUTHORIZING JUDICIAL VALIDATION PROCEEDINGS RELATING TO
THE ISSUANCE AND SALE OF LIMITED OBLIGATION IMPROVEMENT BONDS
PERTAINING TO THE YGRENE PROGRAM OF THE WESTERN RIVERSIDE
COUNCIL OF GOVERNMENTS CALIFORNIA HERO PROGRAM AND OTHER
MATTERS RELATED THERETO AND APPROVING ADDITIONAL ACTIONS
RELATED TO SUCH PROCEEDINGS**

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 WRCOG Program Area (defined below) with the cost of installing distributed generation renewable energy sources, energy and water efficiency improvements, electric vehicle charging and seismic strengthening infrastructure that are permanently affixed to their property ("Authorized Improvements"), as further described in the Energy Efficiency and Water Conservation Program for Western Riverside County Administrative Guidelines and Program Report (the "Program Report") adopted by the Executive Committee in establishing the Program; 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 WRCOG 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 Ygrene Energy Fund California, LLC ("Ygrene") to serve as an additional program administrator for a separate program of the WRCOG Program to be known as the Ygrene Program to finance the installation of Authorized Improvements on properties within the WRCOG Program Area and there has been submitted to the Executive Committee a form of an Administration Agreement that sets forth the terms and conditions of the performance by Ygrene of such services; and

WHEREAS, there has been submitted to the Executive Committee a form of a Trust Indenture providing for the issuance of one or more series or subseries of limited obligation improvement bonds (the "Bonds") and the use of the proceeds of such Bonds to finance the installation of Authorized Improvements on parcels that are participating in the Ygrene 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, the Executive Committee adopted Resolution Number 36-18 (the "Resolution of Issuance") pursuant to which the Executive Committee approved, among other items, the issuance of one or more series of Bonds the form of the Trust Indenture and the form of a Bond Purchase and Draw Down Agreement; and

WHEREAS, the Executive Committee has determined that it is advisable to file an action to determine the validity issuance of the Bonds and the actions proposed to be taken in connection therewith.

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

Section 1. Authorization to File and Prosecute Validation Proceedings. In order to determine the validity of the Resolution of Issuance, the Bonds and the actions authorized to be taken in connection therewith, the Executive Committee hereby authorizes Best Best & Krieger LLP, general counsel to WRCOG, to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the Resolution of Issuance and the Bonds in the Superior Court of the County of Riverside under and pursuant to the provisions of Section 860 and following of the California Code of Civil Procedure. The Executive Committee further authorizes the Chair, the Vice-Chair, the Executive Director of WRCOG and all other officers, employees and agents of WRCOG to take any and all actions, including the execution and delivery of appropriate documentation, as may be required to conclude such judicial validation proceedings.

Section 2. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on August 6, 2018.

Chuck Washington, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the
Various PACE Providers' Program
Reports and Handbooks

Attachment 3

Ygrene Program Administration
Agreement

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YGRENE PROGRAM ADMINISTRATION AGREEMENT

1. PARTIES AND DATE.

This Ygrene Program Administration Agreement is made and entered into as of [____], 2018 (the “Effective Date”), by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and Ygrene Energy Fund California LLC, a California limited liability company (“Ygrene”). WRCOG and Ygrene are sometimes individually referred to as a “Party” and collectively as the “Parties.” This agreement may be referred to herein as 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 each member agencies that elected to participate in the WRCOG Program (the “Member Agencies”), to assist owners of residential properties (“Residential Properties”) or commercial properties (“Commercial Properties”) within the jurisdictional boundaries of such Member Agencies to finance the cost of installation of distributed generation renewable energy sources, energy efficiency, water conservation improvements, seismic strengthening 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 “Ygrene 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 WRCOG desires Ygrene to serve as an additional program administrator for the WRCOG Program by providing planning, development, funding, marketing, origination, underwriting, training, management and financing of a separate program as a part of the WRCOG Program. In furtherance thereof, the Executive Committee has authorized Ygrene to administer and finance a separate program (the “Ygrene Program”) to finance the installation of Eligible Improvements on Residential Properties and Commercial Properties within the WRCOG Program Area.

2.5 WRCOG and Ygrene now desire and intend to enter into this Agreement pursuant to which Ygrene shall provide administrative services for the Ygrene Program and provide for and establish the terms and conditions pursuant to which WRCOG will sell to Ygrene and Ygrene or its designee shall purchase from WRCOG the limited obligation improvement bonds (“Bonds”) 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 Ygrene Program.

2.6 The Parties hereto desire that this Agreement, together with each Purchase Agreement (as defined below), taken together represent the operating relationship between the parties pertaining to the Ygrene Program.

3. THE PURPOSE OF THE AGREEMENT.

WRCOG and Ygrene desire to enter into the Agreement to establish the terms and conditions pursuant to which Ygrene shall provide administration services to WRCOG for the Ygrene Program (the “Program Administration Services”) as set forth in Exhibit A attached hereto and incorporated herein by this reference. In respect to such services, Ygrene desires to perform and assume responsibility for the provision of such Program Administration Services on the terms and conditions set forth in this Agreement. Ygrene 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 to be issued by WRCOG to finance the installation of Eligible Products on Residential Properties and Commercial Properties located within the WRCOG Program Area shall be incorporated in one or more Bond Purchase and Draw Down Agreements (each, a “Purchase Agreement”) to be entered into between the Parties.

WRCOG desires to engage Ygrene to render such Program Administration Services as are 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. Ygrene promises and agrees to provide Program Administration Services and to furnish the necessary labor, materials, 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 Ygrene 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 Ygrene expressly agrees to any such changes.

4.1.2 Term. The initial term of this Agreement shall commence on the Commencement Date (defined below) and shall terminate on the date that is three (3) years following such date (the “Initial Term”); *provided, however*, such term shall automatically extend for additional one-year terms unless earlier terminated as provided herein (the Initial Term together with all extensions, the “Term”).

The Parties acknowledge that as of the Effective Date of this Agreement, Ygrene has assisted WRCOG with the (i) preparation or review of resolutions required to approve the Ygrene Program; (ii) the development of Ygrene’s participation in the Ygrene Program, including, but not limited to modification of the Program Report to incorporate necessary revisions related to the Ygrene Program Assessment Contract for the Ygrene Program; (iii) the preparation of a residential program handbook for the Ygrene Program (the “Residential Program Handbook”) and a commercial program handbook for the Ygrene Program (the “Commercial Program Handbook,” and together with the Residential Program Handbook, the “Program Handbooks”); and (iv) a judicial validation action to be undertaken by WRCOG to validate the issuance of bonds for the Ygrene Program. It shall be a condition precedent to the commencement of any additional services by Ygrene beyond those described in the preceding sentence that there be entered by the Superior Court of the State of California a final judgment in such the validation action validating the issuance of bonds for the Ygrene Program (the “Commencement Condition”). The day following the date of the entry of such final judgment shall be the “Commencement Date.”

On the Commencement Date Ygrene shall proceed in accordance with Exhibit A to implement and provide the Program Administrative Services for the Ygrene Program.

The Parties agree that time is of the essence and each party shall cooperatively act to advance completion of the Commencement Condition.

4.2 Responsibilities and Rights of Ygrene and WRCOG.

4.2.1 Control and Payment of Subordinates; Independent Contractor and Other Costs. The Program Administration Services shall be performed by Ygrene or its subcontractors in accordance with Section 4.5. Ygrene will determine the means, methods and details of performing the Program Administration Services subject to the requirements of this Agreement. WRCOG retains Ygrene on an independent contractor basis and not as an employee. Any personnel performing Program Administration Services under this Agreement on behalf of Ygrene shall not be employees of WRCOG and shall at all times be under Ygrene’s exclusive direction

and control. Ygrene 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. Ygrene 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) Ygrene shall market the Ygrene Program to cities within the WRCOG Program Area and the County of Riverside (the "County") participating in the WRCOG Program; *provided* that Ygrene shall not be required to market the Ygrene Program to the County or cities that have adopted PACE programs sponsored by the Golden State Finance Authority ("GSFA") and for which Ygrene is contractually obligated to provide program administration services for such programs.

(b) Ygrene hereby acknowledges that WRCOG has appointed and may, in its sole discretion, appoint additional administrators for the WRCOG Program.

(c) WRCOG hereby acknowledges that Ygrene has entered into a Third Party Administration Agreement in March 2015 (the "GSFA Agreement") with GSFA to provide program administration services to a competing PACE program.

(d) Ygrene may continue to provide administrative services to GSFA outside of the WRCOG Program Area and to the County and the cities in the WRCOG Program Area that have adopted PACE programs sponsored by GSFA as of the Effective Date. If, after the Effective Date, a city currently part of the WRCOG Program requests, of its own accord, Ygrene to provide services similar to Program Administration Services for such city through GSFA, (i) Ygrene shall provide WRCOG with notice of such a request, and (ii) if requested by WRCOG, Ygrene shall use commercially reasonable efforts to facilitate and attend a meeting with such city to discuss such request. If such city adopts a PACE program sponsored by GSFA after the Effective Date and Ygrene is required to originate financing agreements through GSFA for such city pursuant to the terms of the GSFA Agreement, Ygrene shall immediately cease originating Ygrene Program Assessment Contracts; *provided, however*, Ygrene may continue to process and fund any applications for Ygrene Program Assessment Contracts submitted prior to such city's adoption of a PACE program sponsored by GSFA. Ygrene shall not commence originating financing agreements for GSFA in such city until it has received an acknowledgment from such city that, as of the date of adoption of the PACE Program sponsored by GSFA, Ygrene will be originating financing agreements in such city through GSFA rather than through WRCOG. Notwithstanding the foregoing, in no event shall Ygrene be required to take any action pursuant to this Section 4.2.2(d) that would constitute or result in a breach of Ygrene's obligations under the GSFA Agreement.

(e) Additionally, Ygrene may enter into agreements to provide administrative services to other PACE programs operating in the WRCOG Program Area (each an "Other Issuer"); *provided, however*, Ygrene (a) must obtain prior written consent of WRCOG

(such consent not to be unreasonably withheld or delayed) and (b) no term of such agreement shall limit Ygrene's ability to originate Ygrene Program Assessment Contracts through the WRCOG Program. For the avoidance of doubt, this Section 4.2.2(e) does not apply to the GSFA Agreement.

(f) So long as Ygrene fulfills its obligations to provide the Program Administration Services, WRCOG acknowledges and agrees that Ygrene, its sub-consultants or any other provider, vendor, consultant, underwriter, or third party used or employed by Ygrene, is permitted, individually or collectively, to advance without conflict any other program, or assist any other program sponsor in any other jurisdiction, or participate in any other capacity in any other program (including as a program administrator), in each case outside the WRCOG Program Area, and that there is and will be no objection by WRCOG to such actions.

4.2.3 Schedule of Responsibilities. Ygrene shall be responsible to perform the Program Administration Services and WRCOG shall perform the WRCOG Responsibilities set out in Section 4.2.4 below. Ygrene 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. WRCOG acknowledges that pursuant to Chapter 29 authority and responsibility for determining whether to participate in the WRCOG Program is reserved for the cities and the county within the WRCOG Program Area. Consequently, WRCOG has entered into an Implementation Agreement with each city and the County of Riverside participating in the WRCOG Program as required by the authorized and adopted resolutions and/or ordinances required to create the district that makes up the WRCOG Program Area.

In addition, WRCOG agrees to do the following:

(i) Following submittal by Ygrene, WRCOG will make a determination that each Ygrene Program Assessment Contract complies with the Ygrene Program eligibility criteria and execute documents required by the Chapter 29, including Ygrene Program Assessment Contracts and notices of assessments, within two (2) business days of submittal;

(ii) Facilitate the ability of jurisdictions wishing to make the Ygrene Program available, to the extent reasonable and necessary, to take the necessary actions to allow property owners within their jurisdictions to participate in the Ygrene Program; and

(iii) At WRCOG's discretion, provide other optional support for the Ygrene Program such as marketing and promotion, contractor training and government relations and reporting to participating cities.

4.2.5 Compensation for Performance of Program Administration Services. WRCOG has no responsibility to directly pay Ygrene, and the only payment to Ygrene for the provision or the performance of the Program Administration Services shall be from the proceeds of the Bonds to be issued to finance the Eligible Improvements for a property participating in the Ygrene Program. As consideration for performing the Program Administration Services, Ygrene

shall be entitled to impose and collect the fees and charges set forth in the Program Handbooks to the extent such fees are in compliance with Schedule 1 attached hereto; provided, that nothing in this Section 4.2.5 is intended to limit Ygrene's right to be reimbursed, solely from proceeds of the Bonds or assessment collections other than those allocated to WRCOG, for (a) amounts advanced by Ygrene on behalf of WRCOG to third parties, including without limitation annual payments to the bond trustee or a WRCOG Program assessment administrator; or (b) amounts advanced by Ygrene to contractors to pay for work financed under a Ygrene Program Assessment Contract. Ygrene agrees to inform WRCOG in advance of any fee adjustments made in the applicable Program Handbooks so long as such adjustments are made in compliance with Schedule 1 attached hereto.

4.2.6 Conformance to Applicable Requirements. At the beginning of each calendar year, Ygrene shall meet with the WRCOG Representative and other WRCOG representatives to review and approve Ygrene's marketing and customer service plans for the Ygrene Program. To the extent there are material changes to the marketing and customer service plans, Ygrene shall meet with the WRCOG Representative and other WRCOG representatives to review and approve the revised marketing and customer service plans. Ygrene and WRCOG shall schedule monthly meetings at Ygrene offices or via teleconference for an update on the Ygrene Program.

4.2.7 The WRCOG Representative. WRCOG hereby designates Rick Bishop, Executive Director, or his 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. Ygrene shall not accept direction or orders from any person on behalf of WRCOG other than the WRCOG Representative or his designee. The WRCOG Representative shall provide written notice to Ygrene of the appointment or the rescission of the appointment of any designee of the WRCOG Representative hereunder.

4.2.8 The Ygrene Representative. Ygrene hereby designates Supriya Sachar, Vice President, Operations and Innovations, or her designee, to act as its representative for the performance of this Agreement (the "Ygrene Representative"). The Ygrene Representative shall have full authority to represent and act on behalf of Ygrene for all purposes under this Agreement. The Ygrene 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 Ygrene Representative shall provide written notice to the WRCOG Representative of the appointment or the rescission of the appointment of any designee of the Ygrene Representative hereunder.

4.2.9 Coordination of Program Administration Services. Ygrene agrees to work closely with WRCOG staff and WRCOG's other consultants engaged to assist WRCOG in the Ygrene Program (the "Ygrene Program Consultants") in the performance of Program Administration Services and shall be reasonably available to WRCOG's staff and the Ygrene Program Consultants.

4.2.10 Standard of Care. Ygrene 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. Ygrene represents and maintains that it is skilled in the professional calling and has the financial resources necessary to perform Program Administration Services. Ygrene warrants that all employees and/or agents of Ygrene shall have sufficient skill and experience to perform Program Administration Services assigned to them. Finally, Ygrene 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. Ygrene shall perform, at its own cost and expense and without reimbursement from WRCOG, any services necessary to correct errors or omissions that are caused by Ygrene's failure to comply with the standard of care provided for herein.

4.2.11 Laws, Regulations and Guidelines. Ygrene 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 Ygrene Program or Program Administration Services, including without limitation, all applicable Department of Business Oversight and Cal/OSHA requirements and all applicable federal and state securities laws and regulations, and shall give all notices required by law. Ygrene shall be liable for all violations of such laws, rules and regulations in connection with Program Administration Services. If Ygrene performs or fails to perform any work contrary to such laws, rules and regulations, Ygrene shall be solely responsible for all costs arising therefrom. Ygrene 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 Ygrene to comply with such laws, rules or regulations.

Ygrene shall also comply with the consumer protection policies adopted by WRCOG, as such policies may be amended from time to time by mutual agreement. With respect to those items in Section 9.11, 10.2, 11.5, 12, 12.1, 13.5 of the consumer protection policies in effect as of the date hereof, the parties will mutually agree on a date of implementation of such items.¹

4.2.12 Monthly Report. No later than the thirtieth day after each calendar month during the Term, Ygrene shall provide to WRCOG a detailed report (each, a "Monthly Report") regarding its administration of the WRCOG Program for the preceding calendar month, including, but not limited to, the number, types, terms and amounts of Ygrene Program Assessment Contracts entered into, the associated financing charges, estimated annual administrative fees paid by property owners to county tax collectors for collecting assessments, an accounting of the administrative fees owed to WRCOG, and any other information reasonably requested by

¹ Discuss the consumer protection policies with WRCOG. We note that we do not offer subordination so Section 1.5 of the CPP is not applicable. We also note that with respect to Section 4.3 of the CPP, we currently have procedures in place for handling requests for prepayments but as discussed previously we do not accept partial prepayments at this time.

WRCOG. Ygrene shall provide to WRCOG any documentation reasonably requested by WRCOG to substantiate the information in each Monthly Report.

4.2.13 Limitation of Origination of Assessment Contracts. Ygrene shall only originate Ygrene Program Assessment Contracts for which it has the funding necessary to finance the costs of the installation of the improvements under such Ygrene Program Assessment Contracts. Ygrene acknowledges that it shall be responsible to fund any amounts in such Ygrene Program Assessment Contracts that have been fully executed.

4.2.14 Bond Issuance of Asset-Backed Securities. WRCOG agrees that Ygrene (or an affiliate designated by Ygrene) shall have the sole and exclusive right to purchase Bonds related to Ygrene Program Assessment Contracts originated by Ygrene hereunder, and all proceeds of such Bond issuance closings shall be distributed to Ygrene. Ygrene may assign such right to close and fund the acquisition of the Bonds to a third party. From time to time, a purchaser of the Bonds may elect at its own expense to (a) securitize its interest in Bonds and sell such securities to the investment community or (b) sell the Bonds. All fees and costs associated with such purchaser's issuance of asset-backed securities or selling the Bonds, including costs of issuance and annual disclosure costs, shall be borne by the purchaser.

4.3 Accounting Records – Maintenance and Inspection.

Ygrene 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 Ygrene Program. All such records shall be clearly identifiable. Ygrene 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. Ygrene shall, at reasonable times and upon reasonable notice, allow inspection of all work, data, documents, proceedings, and activities related to the Agreement. Ygrene 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 Ygrene may, by written notice to the other Party, terminate the whole or any part of this Agreement at any time after the Initial Term 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").

(a) Effect of Termination. Ygrene shall cease originating Ygrene Program Assessment Contracts on the Termination Date and shall notify WRCOG of all pending applications for Ygrene Program Assessment Contracts as of such date (each, a "Pending Ygrene Program Assessment Contract"). Ygrene shall have the right to process and fund such Pending Ygrene Assessment Contracts subject to the review of the appropriate documentation by WRCOG. Upon termination, Ygrene shall be compensated in the amount and from the sources set forth in

Section 4.2.5 only for those Program Administration Services which have been adequately rendered (including with respect to any Pending Ygrene Program Assessment Contracts that are funded following the Termination Date), and Ygrene shall be entitled to no further compensation hereunder for such Program Administration Services. If this Agreement is terminated as provided herein, WRCOG may require Ygrene to provide all finished or unfinished documents and data and other information of any kind prepared by Ygrene in connection with the performance of services under this Agreement. Ygrene shall be required to provide such document and other information within thirty (30) days of the request.

(b) 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.

4.4.2 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:

Ygrene: Ygrene Energy Fund California LLC
2100 S. McDowell Blvd.
Petaluma, CA 94954
Attn: COO
Email: stephen.tich@ygrene.com

With copies to: Attn: CFO
Email: tim.condon@ygrene.com

Attn: General Counsel
Email: sven.kaludzinski@ygrene.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.

4.4.3 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 by 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 the Ygrene 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. Neither Party shall use the other Party's name or insignia in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the other Party. Notwithstanding the above, any documents jointly prepared by the Parties for the Ygrene 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 Ygrene ("Proprietary Software") in performing the Program Administration Services is proprietary and Ygrene, 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 Ygrene and its affiliates, or its licensors, will have spent substantial time and effort in collecting and compiling data and information (the "Data Compilations") in connection with the Program Administration Services and that such Data Compilations may be used by Ygrene (or such licensors) for their own purposes, including, without limitation, sale or distribution to third parties; *provided, however*, that Ygrene 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.

4.4.4 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 reasonably necessary, appropriate or convenient to attain the purposes of this Agreement.

4.4.5 Arbitration and Equitable Relief. This Section shall govern the resolution of all controversies or claims between WRCOG and Ygrene 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, Ygrene 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 Ygrene'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. Ygrene 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. Ygrene 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. Ygrene 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 Ygrene and WRCOG. Accordingly, except as provided for by the Rules and this Agreement, neither Ygrene nor WRCOG will be permitted to pursue court action regarding claims that are subject to arbitration.

(c) Availability of Injunctive Relief. Ygrene and WRCOG agree that either Ygrene or WRCOG may petition a court for provisional relief, including injunctive relief. Ygrene 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 Ygrene hereby consent to the issuance of an injunction.

4.4.6 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.

4.4.7 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

4.4.8 Time of Essence. Time is of the essence for each and every provision of this Agreement.

4.4.9 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

4.4.10 Assignment or Transfer. Neither Party shall assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the other Party; *provided, however*, Ygrene 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 Ygrene hereunder. Any attempt to assign, hypothecate or transfer in violation of this Section 4.4.10 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.

4.4.11 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 Ygrene include all personnel, employees, agents, and subcontractors of Ygrene, 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 Ygrene 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.

4.4.12 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

4.4.13 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.

4.4.14 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. Ygrene maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Ygrene or independent contractors and consultants engaged by Ygrene 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, Ygrene 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 Ygrene, 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. Ygrene 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, Ygrene 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. Each Party has all requisite power and authority to conduct its business and to execute, deliver, and perform this 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. Ygrene shall not subcontract any portion of Program Administration Services, except as expressly stated herein, without prior approval of WRCOG; *provided* that Ygrene 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 Ygrene. 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. Ygrene 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, Ygrene 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.²

4.6.2 Minimum Requirements. Ygrene 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 this Agreement by Ygrene, its agents, representatives, employees or subcontractors. Ygrene shall also require all of

² Subcontractor requirements under review.

its subcontractors to procure and maintain the same insurance for the duration of this 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. Ygrene 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. Ygrene shall 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 \$500,000.

4.6.4 Privacy/Network Security (Cyber) Liability Coverage. Ygrene 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, and (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 Ygrene 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 Ygrene, 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 Ygrene's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of Ygrene'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 Ygrene or for which Ygrene 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 Ygrene's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of Ygrene'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 Ygrene; *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 Ygrene) 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 \$500,000 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, Ygrene 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. Ygrene shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms reasonably 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 Ygrene. Ygrene 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 negligent or wrongful acts or omissions or willful misconduct of Ygrene, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Ygrene Program or this Agreement, including without limitation, the negligent disclosure of WRCOG's confidential information contained in Data Compilations under Section 4.4.3(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. Ygrene shall defend, at Ygrene'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. Ygrene 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. Ygrene 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. Ygrene'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 Ygrene, 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 Ygrene 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 Ygrene, its directors, officials, officers, employees, agents or volunteers. WRCOG shall pay and satisfy any judgment, award or decree that may be rendered against Ygrene or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. WRCOG shall reimburse Ygrene 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 Ygrene, 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

YGRENE ENERGY FUND CALIFORNIA
LLC

By: _____
Rick Bishop, Executive Director

By: _____
Tim Condon, Treasurer

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

EXHIBIT A

YGRENE SCOPE OF SERVICES

Under the Chapter 29, participating property owners will enter into an agreement with WRCOG whereby property owners receive financing to fund a range of improvement projects on their property including those that provide renewable energy generation, increase energy efficiency, install electric vehicle charging stations, conserve water and strengthen structures on their property against seismic damage. Such financing is repaid through an annual assessment on property tax bills. The annual assessment reflects the installment required to amortize the cost of the improvements along with associated program interest and fees as set forth in the applicable Program Handbook. If the property is sold, the obligation to make the remaining payments on the assessment may remain on the property or can be paid off along with the primary mortgage(s). Tax collections are made by the County of Riverside tax collector and remitted directly to a Program trustee.

In accordance with Section 4.1 of this Agreement, Ygrene shall perform the following Program Administration Services:

1. **Program Implementation**

a. Program Report. Ygrene will provide information to WRCOG for the Program Report, prepare the Program Handbooks and documents sufficient to fulfill legal requirements and provide participating property owners with information they need to make informed decisions, including:

- Assessment Contract. Copy of a sample Ygrene Program Assessment Contract, consistent with the Chapter 29, specifying the terms and conditions for a property owner to fund and finance or lease Eligible Products.
- Finance Plan. A description of the funding approaches to be offered through the Ygrene Program for projects financed by the voluntary non-ad valorem assessments under the Ygrene Program.
- Payment Schedules. Payment schedules that identify the amount and timing of payments to be made during the term of the assessments. This schedule will be the basis for the assessment installments that will be submitted annually to the tax collector of the County of Riverside for inclusion on property tax bills.
- Criteria for the Approval/Denial Process. Qualification requirements based upon the Chapter 29, any other applicable law or regulation and the Ygrene Program underwriting guidelines.

b. Presentation to WRCOG. Once the Ygrene Program elements are completed and approved by WRCOG, Ygrene will assist staff in presenting such information and materials to its legislative body as requested, provide key information and suggestions, review the related staff report, and participate in the meeting of the Executive Committee.

c. Update and Amend Program Report, Program Handbooks and other Program Documents. As necessary, in a manner consistent with the Chapter 29, the Parties may agree to make changes and/or amendments to the Ygrene Program elements.

d. Submission of Documents to the County of Riverside. To the extent required, timely and complete preparation of documentation, in the format required by the County, regarding the assessments to be imposed on properties within such County, for submission to County auditors. Any penalties or fees charged by the County for documentation that is submitted late, incorrect or in the improper format shall be borne by Ygrene at its sole cost and expense.

2. Administration

a. Internet Presence. Deliver internet-based software with components and services that offer the following:

- Program Branding. Provide a branded website to provide interested persons with Ygrene Program information, updates, data analysis and statistical modeling to segment Ygrene Program properties.
- Community Outreach. Allow property owners to pre-qualify for the Ygrene Program and, in coordination with WRCOG, provide information to all local stakeholders.
- Contractor Engagement. Offer contractors the ability to access Ygrene Program services.

b. Administrative Software. Provide an administrative software system that offers capabilities that include, but are not necessarily limited to, the following:

- Contractor Registration. Registration of contractors and training on Ygrene Program requirements in support of their participation.
- Project Tracking. Features that track contractors, properties and jobs from initial inquiries through funding.
- Application Processing and Status. Everything necessary to apply for financing under the Ygrene Program.
- Eligible Products. A description of authorized upgrades that qualify under the Ygrene Program.
- Program forms. All Ygrene Program forms with capabilities for electronic preparation.

c. Contractor Registration and Training. Establish standards, check qualifications and confirm contractor eligibility for participation in the Ygrene Program through a process that provides the following services:

- Screening: Confirm that participating contractors are properly licensed, bonded/insured and in good standing with CSLB to qualify for participation in the Ygrene Program.
 - Training: Provide a training program that includes classroom instruction, webinars and ride-along reviews to teach contractors Ygrene Program requirements, use of software tools, customer service, consumer protection and sales strategies.
 - Administrative software tool: Provide a software platform through which contractors, once confirmed, can administer and track projects.
 - Project pre-approval: Provide software that allows contractors to re-screen properties and property owners.
- d. Program Forms. Provide a portfolio of electronic Ygrene Program forms including, but not limited to, the following:
- Schedule of Fees
 - List of Eligible Products
 - Underwriting Terms
 - Property Owner Disclosures
 - Application Form
 - Ygrene Program Assessment Contract
- e. Eligible Products. Provide a list of Eligible Products for residential, commercial, industrial, agricultural and government owned properties under the Ygrene Program in the Program Handbooks.
- f. Application and Project Management. Utilize the following procedure for all projects:
- Evaluate applications and process projects
 - Underwrite properties and property owners
 - Provide initial written approval or denial for all applications
 - Obtain lender consent for all commercial projects
 - Complete a live telephone call (recorded and maintained in file) to confirm the residential property owner's understanding of the Ygrene Program and the financing they are undertaking
 - Provide the registered Contractor selected by the property owner with access to the administrative software for project management
 - Review submitted commercial energy audits for Ygrene Program compliance
 - Evaluate owner-approved construction projects for Ygrene Program compliance
 - Instruct property owner to review and execute the Financing Agreement
 - Inform property owner of the 3-day right to cancel
 - Confirm the recording of the property tax lien and authorize property owner (and contractor) to obtain permits and commence construction

- Confirm building permits (or other evidence of project completion) and lien releases, obtain property owner approval of final project construction and accounting and submit for funding
- Obtain property owner payment instructions and fund the project
- Submit final project accounting to tax administrator for inclusion on the property tax bill
- Set up ongoing assessment administration for the property

g. Marketing. Ygrene's current model provides for a centralized customer service and underwriting capability that supports (i) regional account managers working with a sales channel that consists of Ygrene Program registered contractors and (ii) a staff of inside sales specialists that work with property owners and provide a list of registered contractors for their consideration. Ygrene will provide comprehensive marketing plans for the Ygrene Program to include, but not be limited to, the following:

- Branded Collateral Materials. Produce a range of Ygrene Program materials including informational brochures and direct mail pieces
- Coordinate community events and seminars with WRCOG
- On-site and internet-based contractor education and professional development seminars
- Editorial coverage and Ygrene Program promotion
- Utility, trade group, financial community and political outreach
- Well trained customer service representatives who are assigned to individual regions and contractors.
- Fast underwriting response times than allow quick approvals and high service levels for contractors and property owners.
- Extended hours on evenings and weekends that provide convenience and access to contractors and property owners.
- An informative public-facing website.
- Personal face-to-face relationships with participating contractors

h. Program Support. Provide a range of support services to all Ygrene Program stakeholders, including:

- Ongoing assessment tracking, verification and management
- Monthly program reporting of program activity as set forth above

- Staff accessibility during business hours
- Attendance at WRCOG status meetings and hearings on an as-needed basis
- Perform the obligations of program administrator as set forth in each Purchase Agreement to which Ygrene is a party (including any related Bond Indenture).

3. Financial Model

a. Funding Services. Through a financial subsidiary, Ygrene has agreements with multiple funding sources to provide both interim and long-term financing for its PACE programs. All authorized project costs are as defined in the Program Report and can be in the form of direct purchase, lease and/or power purchase agreement (PPA), as allowed by law. Ygrene will also fund program operations including setup, administration, marketing and legal costs of the Ygrene Program, which may be reimbursed through Ygrene Program fees at no cost to WRCOG.

b. Underwriting. All property owners and properties for improvement located in a jurisdiction participating in the WRCOG Program must meet the WRCOG Program's criteria for approved property types and must meet the underwriting criteria as set forth in the applicable Program Handbook (as may be updated from time to time).

c. Program Interest Rate. The Ygrene Program interest rate(s) will be set with the intention of creating a self-sustaining program at rates that are competitively priced to compare to financing options available through banking or other financial institutions, balanced with the ability to remarket the securities and encourage the future liquidity of the Ygrene Program.

The interest rate for an assessment on a residential property is set according to guidelines in the Program Report or the Residential Program Handbook.

The interest rate for an assessment on a commercial property is set according to guidelines in the Program Report or the Commercial Program Handbook.

d. Capitalized Interest. Capitalized interest will be calculated from the funding date to the date the assessment is placed on the tax rolls.

e. Administrative Program Costs. Ygrene will cover all or a portion of its costs of establishing the Ygrene Program; marketing and origination; reviewing and approving a property owner's application; processing the assessment contract and other related financing and contract documents; and issuing the bonds that will finance the Ygrene Program through an expense component to be added to the amount of the financing request. The expense component will be based upon prevailing market conditions as determined by Ygrene. In addition, there may be other costs that are not covered in the expense component and will be borne by the property owners as set forth in the Program Handbooks. These costs may include the types of fees set forth in Schedule 1 attached hereto.

The Program Handbooks will describe which costs and fees, if any, may be financed through the assessment.

f. Program Legal Fees. Ygrene shall reimburse or pay directly all reasonable attorney's fees and expenses incurred by WRCOG in undertaking the judicial validation proceedings referred to in Section 4.1.2. Ygrene and WRCOG shall enter into a separate agreement pertaining to the payment of legal fees incurred by WRCOG for bond counsel and other ongoing Program legal services.

g. Annual Servicing Costs. Annual assessment administration, collection, county and trustee costs will be added each year to the annual assessment levy on property tax bills and will be adjusted in subsequent years based on third party increases or decreases in cost.

h. Other Costs. The following project costs may apply to specific projects:

- Escrow, Title and Legal. Special legal, escrow or title costs, including title insurance, where required, may be paid by the property owner.
- Onsite Inspection Fees. While not normally necessary, onsite inspection fees may be required to enable Ygrene to confirm that Eligible Products were actually installed prior to funding; *provided, however*, that such fee may not exceed the actual cost to undertake the inspection.
- Early Payment Premium. Any prepayment premiums for early prepayment of assessments by a property owner will be applied as set forth in the applicable Program Handbook.

i. Other Financial Products/Services. Ygrene may present other related financial products and/or services from time to time and the Parties agree to work cooperatively to implement those products and services that they agree are beneficial for the Ygrene Program. So long as such products or services are not prohibited by applicable law, Ygrene shall obtain WRCOG consent prior to offering any such products or services in the WRCOG Program Area (such consent not to be unreasonably withheld or delayed).

j. Carbon Credits and CRA Credits. The Ygrene Program documents provide that property owners may be required to assign to WRCOG carbon credits and other environmental attributes that result from projects funded by the Ygrene Program. The Ygrene Program may also generate Community Reinvestment Act (CRA) Credits. The Parties agree that such credits are the sole property of WRCOG.

SCHEDULE 1

PROGRAM FEES

The Ygrene Program fees applicable from time to time shall be set forth in the applicable Program Handbook but in all cases shall be in compliance with the following:

Upfront Program Fees

The total payable residential upfront program fees shall not exceed the cumulative total of fees set forth in the below table without the approval of WRCOG.

RESIDENTIAL PROGRAM FEE SCHEDULE ³		
<u>Item</u>	<u>Amount</u>	<u>When Payable</u>
Ygrene Application Fee	\$50	N/A
Ygrene Processing and Underwriting	\$250 maximum	At disbursement*
Ygrene Recording and Documentation	\$250 maximum	At disbursement*
WRCOG Program Cost Recovery	Not to exceed 1% or minimum \$100	At disbursement*
Ygrene Title and Escrow Fee	\$250 maximum	At disbursement*
Reserve Fund	Not to exceed 0.075%	At disbursement*
Ygrene Funding Fee	Not to exceed 4%	At disbursement*

Ygrene shall reimburse WRCOG on a monthly basis for recording fees incurred and invoiced by WRCOG for the Ygrene Program. Ygrene and WRCOG shall cooperate to obtain the applicable rates from the County.

Ygrene shall pay to WRCOG the WRCOG Program Cost Recovery fee on a calendar quarter basis.

Annual Fees

³ All costs that appear as a percentage in this table shall be calculated as a percentage of the project costs (i.e. excluding any program fees or capitalized interest).

The annual county auditor controller, tax administrator, trustee, program administrator and WRCOG fees are estimated to be approximately \$60 per year, but may be updated from time to time to reflect any actual increases in costs.

Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the
Various PACE Providers' Program
Reports and Handbooks

Attachment 4

Trust Indenture between WRCOG
and ZB, National Association D/B/A
Zions Bank, a National Bank

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

and

ZB, NATIONAL ASSOCIATION D/B/A ZIONS BANK, A NATIONAL BANK,
as Trustee

TRUST INDENTURE

Dated as of August 6, 2018

Relating to

Western Riverside Council of Governments
Energy Efficiency and Water Conservation Program
for Western Riverside County
Limited Obligation Improvement Bonds
Series 2018A
Series 2018B
Series 2018C
Series 2018D
Series 2018E
Series 2018F

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TRUST INDENTURE

This TRUST INDENTURE dated as of [Dated Date] (this “**Indenture**”), by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a public entity of the State of California (the “**WRCOG**”), and ZB, NATIONAL ASSOCIATION D/B/A ZIONS BANK, A NATIONAL BANK, a national banking association organized and existing under and by virtue of the laws of the United States, and being duly qualified to accept and administer the trusts created hereby, as trustee (the “**Trustee**”),

WITNESSETH:

WHEREAS, WRCOG is authorized under Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “**Joint Exercise of Powers Act**”) and a Joint Exercise of Powers Agreement originally made and entered into as of April 1, 1991, as further amended to date, (the “**Joint Exercise of Powers Agreement**”) by a number of California counties and cities in accordance with the Joint Exercise of Powers Act to authorize contractual assessments to finance or refinance the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, and electric vehicle charging infrastructure that are permanently fixed to real property (including, but not limited to, residential properties and, upon approval by WRCOG, commercial properties), all in accordance with Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended (“**Chapter 29**”) (the “**Qualifying Improvements**”); 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 Chapter 29 in and for the territory within the County of Riverside (the “**County**”) and the cities listed in the hereinafter defined Program Report (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 or refinance the installation of Qualifying Improvements;

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 Act**”), 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**”), which has been subsequently amended, pursuant to which the Executive Committee, among others, of financing or refinancing the other things, (i) confirmed and approved a report (as subsequently amended as described below, the “**Program Report**”) addressing all the matters required by Chapter 29, 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 Representatives (as defined herein) to execute Assessment Contracts (as defined herein) with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of Qualifying Improvements;

WHEREAS, under Chapter 29 and the Bond Act, the Executive Committee adopted Resolution No. 03-12 on July 29, 2011, which has been subsequently amended (the “**Initial Resolution of Issuance**”), which among other matters, authorized the issuance of one or more series of limited obligation improvement bonds of WRCOG upon the security of assessments levied on the participating parcels (including but not limited to residential and commercial properties) within the Program Area under Chapter 29 and the Bond Act, and provided that the issuance of the Bonds (as defined herein) would be in accordance with the Bond Act and a master indenture and authorized the execution thereof;

WHEREAS, under Chapter 29 and the Bond Act, the Executive Committee subsequently adopted Resolution No. __-18 on _____, 2018 (the “**Resolution of Issuance**”), which among other matters, approved Ygrene as an additional program administrator for the Program, approved the form of a trust indenture and authorized the Executive Director of WRCOG to enter into any ancillary or supplemental agreements as may be necessary or for the convenience of WRCOG to perform its duties under the trust indenture, and authorized the issuance of one or more series of limited obligation improvement bonds of WRCOG upon the security of assessments levied on the participating parcels within the Program Area and under Chapter 29 and the Bond Act, and provided that the issuance of such bonds would be in accordance with the Bond Act and a trust indenture and authorized the execution thereof;

WHEREAS, WRCOG has determined to issue its Energy Efficiency and Water Conservation Program for Western Riverside County Program YGRENE Limited Obligation Improvement Bonds, Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F (collectively, the “**Series 2018 Bonds**”) as provided in this Indenture for the purpose, among others, of financing or refinancing the installation of Qualifying Improvements; and

WHEREAS, the Series 2018 Bonds shall be issued as six separate draw-down bonds in an unlimited aggregate principal amount, as follows:

- (a) a Series 2018A Drawdown Bond, which shall be drawn in connection with Assessment Contracts (as defined herein) having a 30-year Assessment (as defined herein) term (the “**Series 2018A Drawdown Bond**”);
- (b) a Series 2018B Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 25-year Assessment term (the “**Series 2018B Drawdown Bond**”);
- (c) a Series 2018C Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 20-year Assessment term (the “**Series 2018C Drawdown Bond**”);
- (d) a Series 2018D Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 15-year Assessment term (the “**Series 2018D Drawdown Bond**”);
- (e) a Series 2018E Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 10-year Assessment term (the “**Series 2018E Drawdown Bond**”); and
- (f) a Series 2018F Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 5-year Assessment term (the “**Series 2018F Drawdown Bond**” and, together with the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond and the Series 2018E Drawdown Bond, the “**Drawdown Bonds**”); and

WHEREAS, additional series of limited obligation improvement bonds may be issued by WRCOG under one or more separate trust indentures setting forth the particular terms of such additional series; and

WHEREAS, Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement hereinafter referred to, the “**Purchaser**”) will purchase the Drawdown Bonds and pay the purchase price of the Drawdown Bonds by making Advances (as defined herein) pursuant to and in accordance with this Indenture and the Bond Purchase and Draw-Down Agreement (the “**Purchase Agreement**”) among WRCOG, the Trustee, the Program Administrator, the Purchaser and the Escrow Agent; and

WHEREAS, each Advance under each Drawdown Bond will be considered a sub-series of such Drawdown Bond, will be registered by the Trustee with a separate sub-series number, will be secured solely by the Matching Collateral (hereinafter defined), will be not be cross-collateralized or cross-defaulted with any other sub-series bond, and will be designated as follows:

- (a) Each Advance under the Series 2018A Drawdown Bond will be designated as a Series 2018A Sub-Series Bond (all such Advances are collectively referred to as the “**Series 2018A Sub-Series Bonds**”);
- (b) Each Advance under the Series 2018B Drawdown Bond will be designated as a Series 2018B Sub-Series Bond (all such Advances are collectively referred to as the “**Series 2018B Sub-Series Bonds**”);
- (c) Each Advance under the Series 2018C Drawdown Bond will be designated as a Series 2018C Sub-Series Bond (all such Advances are collectively referred to as the “**Series 2018C Sub-Series Bonds**”);
- (d) Each Advance under the Series 2018D Drawdown Bond will be designated as a Series 2018D Sub-Series Bond (all such Advances are collectively referred to as the “**Series 2018D Sub-Series Bonds**”);
- (e) Each Advance under the Series 2018E Drawdown Bond will be designated as a Series 2018E Sub-Series Bond (all such Advances are collectively referred to as the “**Series 2018E Sub-Series Bonds**”); and
- (f) Each Advance under the Series 2018F Drawdown Bond will be designated as a Series 2018F Sub-Series Bond (all such Advances are collectively referred to as the “**Series 2018F Sub-Series Bonds**” and, together with the Series 2018A Sub-Series Bonds, the Series 2018B Sub-Series Bonds, the Series 2018C Sub-Series Bonds, the Series 2018D Sub-Series Bonds and the Series 2018E Sub-Series Bonds, the “**Sub-Series Bonds**”); and

WHEREAS, the Purchaser shall have the right to transfer and sell any Sub-Series Bond or Bonds to another investor, so long as the aggregate principal amount of the Sub-Series Bond or Bonds transferred and sold to any such investor equals or exceeds the Minimum Transfer Amount (as hereinafter defined) and all other conditions contained herein for the transfer of Series 2018 Bonds are met; and

WHEREAS, each Owner of a Sub-Series Bond shall have the right to transfer and sell any Sub-Series Bond or Bonds owned by it to another investor, so long as the aggregate principal amount of the Sub-Series Bond or Bonds transferred and sold to any such investor equals or exceeds the Minimum

Transfer Amount (as hereinafter defined) and all other conditions contained herein for the transfer of Series 2018 Bonds are met; and

WHEREAS, WRCOG has agreed to (i) make payments sufficient to pay the principal of and interest on the Series 2018 Bonds when due (whether at maturity, by redemption, or otherwise), but solely from the sources set forth herein and (ii) observe the other covenants and agreements and make the other payments set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

GRANTING CLAUSES

WRCOG, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2018 Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of and interest on the Series 2018 Bonds according to their tenor and effect, and to secure the performance and observance by WRCOG of all the covenants, agreements and conditions herein and in the Series 2018 Bonds contained, does hereby transfer, pledge and assign, without recourse, to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in and to all and singular the property described in paragraphs (a), (b), (c) and (d) below, to wit (the **“Transferred Property”**):

(a) All right, title and interest of WRCOG in and to the Pledged Revenues, the Assessments and the Assessment Contracts (as those terms are defined below); and

(b) The Funds and Accounts (including all accounts and subaccounts therein) established under this Indenture, and all moneys on deposit therein;

(c) Any and all property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder to the Trustee, which the Trustee is hereby authorized to receive at any and all times and to hold and apply the same subject to the terms of this Indenture; and

(d) All proceeds of the foregoing;

TO HAVE AND TO HOLD, all and singular, the above-described property, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever;

IN TRUST NEVERTHELESS, upon the terms and conditions herein set forth for the benefit, security and protection of all present and future Owners of the Series 2018 Bonds Outstanding; **provided, however, that each Sub-Series Bond shall be secured only by the Matching Collateral for such Sub-Series Bond and shall have no lien on or right to any other collateral held by the Trustee hereunder under any circumstances, including any Event of Default under Section 6.02**;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition, that if WRCOG or its successors or assigns shall well and truly pay or cause to be paid the principal of such

Series 2018 Bonds with interest, according to the provisions set forth in the Series 2018 Bonds, or shall provide for the payment or redemption of such Series 2018 Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions of Article IX (it being understood that any payment with respect to the principal of or interest on Series 2018 Bonds made by WRCOG shall not be deemed payment or provision for the payment of the principal of or interest on Series 2018 Bonds, except Series 2018 Bonds purchased and canceled by the Trustee, all such uncanceled Series 2018 Bonds to remain Outstanding and the principal of and interest thereon payable to the Owners thereof), and shall also pay or cause to be paid all other sums payable hereunder by WRCOG, then these presents and the rights hereby granted shall cease, terminate and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of WRCOG and upon the payment by WRCOG of the cost and expenses thereof, shall duly execute, acknowledge and deliver to WRCOG such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to WRCOG all and singular the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force;

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Series 2018 Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Transferred Property is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and WRCOG does hereby agree and covenant with the Trustee, for the benefit of the respective Owners from time to time of the Series 2018 Bonds as follows:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.01 Definitions. The following capitalized terms, as used in this Indenture, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms which are defined in the Purchase Agreement, and not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

“Accounts” means any accounts established hereunder.

“Addendum” has the meaning set forth in Section 5.01(c) of the Purchase Agreement.

“Advance” means each payment by the Purchaser of a portion of the purchase price of a Drawdown Bond in accordance with the terms of the Purchase Agreement. **“Advanced”** means that an Advance has been made. **“Advances”** means more than one Advance.

“Affiliates” or **“Affiliate”** means, if with respect to an entity, (i) any manager, member, officer or director thereof and any Person who or which is, directly or indirectly, the beneficial owner of more than 10% of any class of shares or other equity security, or (ii) any Person which, directly or indirectly, controls or is controlled by or is under common control with such entity. Control (including the correlative meanings of "controlled by" and "under common control with") means effective power, directly or indirectly, to direct or cause the direction of the management and policies of such Person. With respect to a partnership or venture, "Affiliate" shall include, without limitation, any (i) general partner, (ii) general partner of a general partner, or (iii) partnership with a common general partner, and if any general partner is a corporation, any Person which is an "Affiliate" (as defined above) of such

corporation. With respect to a limited liability company, "Affiliate" shall include, without limitation, any member.

"Ancillary Investor" has the meaning set forth in Section 2.04 hereof.

"Assessment Contract" means a contract between WRCOG and the owner of a property (which may include, but is not limited to, residential or commercial properties) pursuant to which the owner agrees to pay a contractual assessment securing a Sub-Series Bond pursuant to the Program and WRCOG agrees to finance or refinance the installation of the applicable Qualifying Improvements. In addition, upon execution of an Addendum, the term "Assessment Contract", as it relates to a specific property, shall mean collectively the original Assessment Contract for such property and the related Addendum.

"Assessment Identification Instructions" has the meaning set forth in Section 2.03 hereof.

"Assessment Liens" shall mean liens imposed by the Assessments levied upon the properties which are subject to the Assessment Contracts, which liens shall be coequal to and independent of the lien for general ad valorem taxes.

"Assessment(s)" means the unpaid contractual assessments levied pursuant to an Assessment Contract or Assessment Contracts that secure a Sub-Series Bond.

"Authorized Representative" means, (i) with respect to WRCOG, any person or persons designated to act on behalf of WRCOG by a certificate filed with the Trustee and the Program Administrator containing the specimen signatures of such person or persons and signed on behalf of WRCOG by its Chairperson, Vice-Chairperson, Secretary of the Executive Committee or Executive Director; (ii) with respect to the Program Administrator, any person or persons designated to act on behalf of the Program Administrator by a certificate filed with WRCOG and the Trustee, containing the specimen signatures of such person or persons and signed on behalf of the Program Administrator by its President, Vice President or Secretary; and (iii) with respect to the Purchaser, any person or persons designated to act on behalf of the Purchaser by a certificate filed with WRCOG and the Trustee, containing the specimen signatures of such person or persons and signed on behalf of the Purchaser by its President, Vice President or Secretary. Each such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties and exercise all powers of an Authorized Representative.

"Bond Act" has the meaning set forth for that term in the Recitals above.

"Bond Counsel" means Best Best & Krieger LLP, or any other attorney or firm of attorneys of nationally recognized standing in the field of municipal finance law whose opinions are generally accepted by purchasers of municipal obligations and who is acceptable to WRCOG.

"Bond Documents" means, collectively, this Indenture, the Purchase Agreement, the Program Administration Agreement and the Assessment Contracts, and any amendments thereto, together with all other documents or instruments executed by WRCOG which evidence, secure or pertain to the Series 2018 Bonds.

"Bond Obligations" means the obligations to pay the principal of and interest on all or any portion of the Series 2018 Bonds.

“Bond Payment Date” means each Interest Payment Date and each Principal Payment Date, and any other date on which principal or redemption price or interest shall be payable on any of the Series 2018 Bonds according to their respective terms.

“Business Day” means a day of the year which is not a Saturday or Sunday or any other day on which banks located in the city of New York, New York and banks located in the city in which the Principal Office of the Trustee is located are required or authorized by law to remain closed and on which The New York Stock Exchange is not closed.

“Closing Date” means, as to any Drawdown Bond, the date of issuance and initial funding of such Drawdown Bond. The Closing Date for a particular Drawdown Bond may be different from that of another Drawdown Bond.

“Collateral Information” has the meaning set forth in Section 3.05(d) hereof.

“Counsel” means an attorney or firm of attorneys acceptable to the Trustee and the Program Administrator, and may be, but need not be, Bond Counsel, counsel to WRCOG or counsel to the Program Administrator.

“County” means any County in the State in which a parcel subject to an Assessment is located.

“Defeasance Collateral” has the meaning set forth in Section 9.03 hereof.

“Drawdown Bonds” has the meaning set forth for that term in the Recitals above.

“Escrow Agent” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“Event of Default” means any of those events defined as Events of Default by Section 6.01 of this Indenture.

“Executive Committee” means the Executive Committee of WRCOG.

“First Priority Perfected Lien” means a lien upon the respective real property which secures an Assessment levied upon such parcel that is prior and superior to all liens, claims and encumbrances except (a) the lien for general taxes or ad valorem assessments in nature of and collected as taxes levied by the State, the County, city, special district or other local agency; (b) the lien of any special assessment or assessments constituting servitudes upon or burdens on said lands; (c) water right, the record title to which is held separately from the title to said lands; and (d) restrictions of record, as set forth in Article 13 of Division 2 of Title 4 of the California Government Code.

“Funds” means the funds established pursuant to Section 5.01 hereof.

“Funding Notice and Requisition” has the meaning set forth in Section 3.05(d) hereof.

“Governmental Authority” means the United States, the State of California and any political subdivision, agency, department, commission, board, bureau, authority or instrumentality of any of them, including any local authorities, or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of government, which has jurisdiction over the Program.

“Government Obligations” means direct obligations of, or obligations guaranteed by, the United States of America.

“Identifying Number” has the meaning set forth for that term in Section 3.05(d) hereof.

“Indenture” has the meaning set forth for that term in the Preamble above.

“Interest Payment Date” means with respect to each Sub-Series Bond, each March 2 and September 2, commencing on the March 2 or September 2 specified in such Sub-Series Bond.

“Investment Securities” means any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State for moneys proposed to be invested therein:

(a) Bonds or other obligations of the State or bonds or other obligations, the principal of and interest on which are guaranteed by the full faith and credit of the State;

(b) Bonds or other obligations of the United States or of subsidiary corporations of the United States Government which are fully guaranteed by such government;

(c) Obligations of agencies of the United States Government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;

(d) Bonds or other obligations issued by any public housing agency or municipality in the United States, which bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipality in the United States and fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(e) Certificates of deposit of national or state banks, federal savings and loan associations and state building and loan associations which have deposits insured by the Federal Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of San Francisco, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association, of one or more the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or of any county or municipal corporation in the State, obligations of the United States or subsidiary corporations included in paragraph (ii) hereof, obligations of the agencies of the United States Government included in paragraph (iii) hereof, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in paragraph (iv) hereof;

(f) Interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the

Federal Reserve Bank having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956 and whose unsecured or uncollateralized long-term debt obligations of which are rated in the two highest letter rating categories of S&P or Moody's or whose unsecured and uncollateralized short-term debt obligations are rated in the two highest letter rating categories of S&P or Moody's at the time of purchase, provided that each such interest-bearing deposit, repurchase agreement, reverse repurchase agreement, guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys;

(g) Any and all other obligations of investment grade and having a nationally recognized market, including, but not limited to, rate guarantee agreements, guaranteed investment contracts, or other similar arrangements offered by any firm, agency, business, governmental unit, bank, insurance company or other entity; provided, that each such obligation shall permit moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys;

(h) Any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations; or

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Program Administrator.

"Joint Exercise of Powers Act" has the meaning set forth for that term in the Recitals above.

"Joint Exercise of Powers Agreement" has the meaning set forth for that term in the Recitals above.

"Legal Requirements" means any legal requirements related to the Program, including any local, state or federal statute, law, ordinance, code, rule or regulation, now or hereinafter in effect (including environmental laws), or any order, judgment, decree, injunction, permit, license, authorization, certificate, franchise, approval, notice, demand, direction or determination of any Governmental Authority.

"Matching Collateral" has the meaning set forth in Section 3.08(a) hereof.

"Maturity Date" means with respect to each Sub-Series Bond, the date established for such Sub-Series Bond pursuant to Section 3.05(h) hereof.

"Member" means each party to the Joint Exercise of Powers Agreement pursuant to Section 2.1 thereof.

"Minimum Transfer Amount" means \$100,000.

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by WRCOG, with the consent of the Program Administrator.

“Notice Address” means the applicable address set forth in, or provided in accordance with, Section 10.08 hereof.

“Outstanding” means, when used with respect to the Series 2018 Bonds, as of any date, all Series 2018 Bonds theretofore authenticated and delivered under this Indenture except:

(a) any Series 2018 Bond or any Sub-Series Bond canceled or delivered to the registrar for cancellation on or before such date;

(b) any Series 2018 Bond or any Sub-Series Bond in lieu of or in exchange for which another Series 2018 Bond or any Sub-Series Bond shall have been authenticated and delivered pursuant to Article III of this Indenture;

(c) any Series 2018 Bond or any Sub-Series Bond deemed to have been paid as provided in Section 9.02 or Section 9.03 of this Indenture; and

(d) any undelivered Series 2018 Bond or Sub-Series Bond (except for purposes of receiving the purchase price thereof upon surrender in accordance with this Indenture).

“Owner” or **“Owners”** means the registered owner, or owners, of the Series 2018 Bonds, including any Sub-Series Bond.

“Person” means any natural individual, corporation, partnership, trust, unincorporated association, business or other legal entity, and any government or governmental agency or political subdivision thereof.

“Pledged Revenues” means, with respect to each Sub-Series Bond, the proceeds of the related Assessment(s), including the interest due thereon and any applicable penalties collected by or on behalf of WRCOG (including interest, penalties and other amounts received from the sale of the property upon which any Assessment is levied by judicial foreclosure or otherwise), and including any payments pursuant to a County’s Teeter Plan with respect to the related Assessments, if applicable, and, with respect to each Drawdown Bond, the Pledged Revenues for all the Sub-Series Bonds issued thereunder.

“Principal Office” means, with respect to any party, the office designated as such in, or as designated by the respective party in writing pursuant to, this Indenture.

“Principal Payment Date” means with respect to each Sub-Series Bond, each September 2, commencing on the September 2 that is at least one year following the first time the Assessment related to such Sub-Series Bond is placed on a property tax bill or hand billed (whichever is earlier).

“Program” has the meaning set forth for that term in the Recitals above.

“Program Administration Agreement” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator, as the same may be amended from time to time.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchase Agreement” has the meaning set forth for that term in the Recitals above.

“Purchaser” has the meaning set forth for that term in the Recitals above.

“Qualifying Improvements” has the meaning set forth for that term in the Recitals above.

“Record Date” means, with respect to each Bond Payment Date, the close of business on the day preceding such Bond Payment Date, whether or not such day is a Business Day.

“Reserve Fund” means the fund of that name established pursuant to Section 5.02 of this Indenture.

“Resolution Confirming Report” has the meaning set forth for that term in the Recitals above.

“Resolution of Intention” has the meaning set forth for that term in the Recitals above.

“Resolution of Issuance” has the meaning set forth for that term in the Recitals above.

“Revenue Fund” means the fund of that name established pursuant to Section 5.01 of this Indenture, which is also the redemption fund for the Series 2018 Bonds under the Bond Act.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by WRCOG, with the consent of WRCOG and the Program Administrator.

“Schedule of Drawings” has the meaning set forth for that term in Section 3.05(f) hereof.

“Series 2018 Bond” or **“Series 2018 Bonds”** has the meaning set forth for that term in the Recitals above. For purposes of clarification and for the avoidance of doubt, the Series 2018 Bonds consist of the Drawdown Bonds including all of the Sub-Series Bonds.

“Series 2018A Drawdown Bond” has the meaning set forth for that term in the Recitals above.

“Series 2018A Sub-Series Bonds” has the meaning set forth for that term in the Recitals above.

“Series 2018B Drawdown Bond” has the meaning set forth for that term in the Recitals above.

“Series 2018B Sub-Series Bonds” has the meaning set forth for that term in the Recitals above.

“Series 2018C Drawdown Bond” has the meaning set forth for that term in the Recitals above.

“Series 2018C Sub-Series Bonds” has the meaning set forth for that term in the Recitals above.

“Series 2018D Drawdown Bond” has the meaning set forth for that term in the Recitals above.

“Series 2018D Sub-Series Bonds” has the meaning set forth for that term in the Recitals above.

“Series 2018E Drawdown Bond” has the meaning set forth for that term in the Recitals above.

“Series 2018E Sub-Series Bonds” has the meaning set forth for that term in the Recitals above.

“Series 2018F Drawdown Bond” has the meaning set forth for that term in the Recitals above.

“Series 2018F Sub-Series Bonds” has the meaning set forth for that term in the Recitals above.

“Sub-Series Bonds” has the meaning set forth for that term in the Recitals above.

“State” means the State of California.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between WRCOG and the Trustee in accordance with Article VIII hereof, amending, modifying or supplementing this Indenture.

“Tax Collector” means, with respect to each parcel subject to an Assessment, the auditor/controller or tax collector of the County in which such parcel is located, or such other official of that County who is responsible for preparing real property tax bills.

“Teeter Plan” means any alternative procedure for the distribution of property taxes and assessments adopted by a County pursuant to Revenue and Taxation Code sections 4701 through 4717.

“Transferred Property” has the meaning set forth for that term in the Granting Clauses above

“Trustee” has the meaning set forth for that term in the Preamble above, and includes any successor trustee appointed pursuant to Section 7.08.

“Trustee Fees” means the fees of the Trustee described in a separate agreement between the Trustee and the Program Administrator pursuant to which the Program Administrator agrees to pay the fees and expenses of the Trustee.

“Trustee Expenses” means the reasonable fees and expenses of the Trustee for necessary extraordinary services rendered by it under this Indenture as and when the same become due, including reasonable counsel fees.

“WRCOG” has the meaning set forth for that term in the Preamble above.

Section 1.02 Construction. In this Indenture, unless the context otherwise requires:

Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Indenture.

The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Indenture.

Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

Words importing the redemption of a Series 2018 Bond or the calling of a Series 2018 Bond for redemption do not include or connote the payment of such Series 2018 Bonds at its stated maturity or the purchase of such Series 2018 Bonds.

References in this Indenture to particular sections of Chapter 29, the Bond Act or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignation for codification purposes.

The terms “receipt”, “received”, “recovery”, “recovered” and any similar terms, when used in this Indenture with respect to moneys or payments due WRCOG, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to WRCOG, the Owners of the Series 2018 Bonds or the Trustee on its behalf.

ARTICLE II

REPRESENTATIONS AND COVENANTS OF THE ISSUER

Section 2.01 Representations by WRCOG. WRCOG represents and warrants to the Trustee and the Owners of the Series 2018 Bonds that:

(a) WRCOG is a joint powers agency organized and existing under the laws of the State.

(b) WRCOG has power and lawful authority to adopt the Resolution of Intention, the Resolution Confirming Report and the Resolution of Issuance, to undertake the Program, to execute and deliver the Bond Documents to which it is a party, to issue the Series 2018 Bonds and receive the proceeds of the Series 2018 Bonds, to apply the proceeds of the Series 2018 Bonds as set forth herein, to pledge the Pledged Revenues to the Trustee, and to perform and observe the provisions of the Bond Documents to which it is a party and the Series 2018 Bonds on its part to be performed and observed.

(c) WRCOG has duly authorized the execution and delivery of each of the Bond Documents to which it is a party, the issuance, execution, sale and delivery of the Series 2018 Bonds, and the performance of the obligations of WRCOG thereunder.

(d) WRCOG is not in violation of any Legal Requirements which would affect its existence or its ability to issue, execute, sell or deliver the Series 2018 Bonds, to enter into any of the Bond Documents or to perform any of its obligations thereunder.

(e) Each Assessment Contract, when entered into, will be a valid and binding agreement of WRCOG. Each Assessment will be secured by a First Priority Perfected Lien.

Section 2.02 Covenants of WRCOG. WRCOG hereby agrees with the Trustee and the Owners from time to time of the Series 2018 Bonds that, so long as the Series 2018 Bonds remain unpaid:

(a) WRCOG will pay or cause to be paid the principal of and the interest on the Series 2018 Bonds as the same become due, whether at maturity or upon redemption, purchase or otherwise, but solely to the extent provided in Section 10.02 hereof.

(b) WRCOG will do, execute, acknowledge, when appropriate, and deliver from time to time at the request of the Owners of the Series 2018 Bonds and/or the Trustee such further acts, instruments, financing statements and other documents as are necessary or desirable to better assure, transfer, pledge or assign to the Owners or the Trustee, and grant a security interest unto the Owners and/or the Trustee in and to the Transferred Property and the other properties and revenues herein described and otherwise to carry out the intent and purpose of the Bond Documents to which it is a party and the Series 2018 Bonds.

(c) WRCOG agrees to the payment, solely from the sources specified herein and in the Purchase Agreement, including the Transferred Property upon the exercise of remedies as described in Section 6.05 hereof, of the Trustee Fees and Trustee Expenses to the Trustee. The Purchaser shall be responsible for paying any printing costs of the Series 2018 Bonds, including any certificates required to be prepared for use in connection with any exchanges of Series 2018 Bonds, for the cost of which WRCOG shall not be liable. WRCOG also agrees to the payment, solely from the sources specified herein and in the Purchase Agreement, to the Program Administrator, of the Program Administrator Fees (as defined or set forth in the Purchase Agreement).

(d) WRCOG agrees to the payment, solely from the sources specified herein and in the Purchase Agreement, including the Transferred Property upon the exercise of remedies as described in Section 6.05 hereof, as and when the same become due, to the Trustee, of any extraordinary expenses, including, without limitation, any costs of litigation, which may be incurred by the Trustee in connection with this Indenture, including the reasonable, actually incurred costs and fees of any attorneys or other experts retained by the Trustee in connection therewith.

(e) Subject to Section 10.02 hereof, the obligations of WRCOG to make any payments required by the terms of this Indenture and the other Bond Documents, including, without limitation, the payments required in this Section 2.02, and to perform and observe the other agreements on its part contained herein and in the other Bond Documents shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim, abatement or otherwise, until such time as the principal of and interest on the Series 2018 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture. WRCOG (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for herein or in the other Bond Documents, (ii) will perform and observe all of its other agreements contained herein and the other Bond Documents and (iii) will not suspend the performance of its obligations hereunder and under the other Bond Documents for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, any change in the laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, or any failure of WRCOG to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Indenture or the other Bond Documents. WRCOG may, at its own cost and expense and in its own name, prosecute or defend any action or proceeding or take any other action involving third persons which WRCOG deems reasonably necessary in order to secure or protect its rights hereunder.

Section 2.03 Deposits to Revenue Fund. WRCOG will (i) instruct the Tax Collector to have all Pledged Revenues sent directly to the Trustee as received and (ii) not change such instruction without the consent of all Owners, the Program Administrator and the Purchaser. The Trustee shall notify the Program Administrator each time it receives Pledged Revenues, and the Program Administrator shall promptly send to the Trustee written instructions identifying (i) the amount associated with each property and (ii) the corresponding Sub-Series Bond (the “**Assessment Identification Instructions**”). In the event that the Tax Collector inadvertently sends Pledged Revenues to WRCOG or the Program Administrator, WRCOG or the Program Administrator, as applicable, shall remit to the Trustee, immediately upon receipt, for deposit into the Revenue Fund, all Pledged Revenues received by it, accompanied by Assessment Identification Instructions. The Trustee shall pay the amounts indicated in the Assessment Identification Instructions to the Owners of the corresponding Sub-Series Bonds on each Bond Payment Date. The Trustee shall have no responsibility to determine whether the information contained in the Assessment Identification Instructions is accurate and shall have no liability with respect thereto.

Section 2.04 Covenant to Commence Judicial Foreclosure Proceedings. WRCOG hereby covenants with and for the benefit of the Owners of the Series 2018 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 Assessment installment which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive, of the Bond Act and the conditions specified in this Section 2.04. The costs of the prosecution by WRCOG or on behalf of WRCOG shall be borne by WRCOG.

Not later than October 1 each year, WRCOG will determine or cause to be determined whether any parcel subject to an Assessment is delinquent in the payment of any installment of the applicable Assessment (the “**Delinquency Determination**”) and WRCOG will notify or cause to be notified the Owner or Owners of the related Sub-Series Bonds. WRCOG will commence, or cause to be commenced, the foreclosure proceedings against such delinquent parcels, including collection actions preparatory to the filing of any complaint, but will file the complaint within 60 days from the date of the Delinquency Determination.

However, notwithstanding the foregoing, WRCOG may elect, in its sole discretion, to defer foreclosure proceedings on any parcel if WRCOG has received funds equal to the delinquent Assessment installment for that parcel from any other source, including but not limited to funds received pursuant to the applicable County’s Teeter Plan.

In the event that a foreclosure judgment is entered in favor of WRCOG in any foreclosure proceeding undertaken pursuant to this Section 2.04 and the applicable parcel fails to sell for the minimum price required by Streets and Highways Code Section 8832, WRCOG shall not petition the court to modify the judgment and authorize such parcel to be sold at a lesser minimum price or without a minimum price without the prior written consent of the Owners of the related Sub-Series Bond.

Amounts collected by WRCOG or any other person pursuant to this Section 2.04 shall be held in trust by such person for the benefit of the Owners of the related Sub-Series Bond until all such amounts have been deposited into the Revenue Fund (excluding amounts identified as representing attorney's fees and costs incurred by WRCOG or such other person in prosecuting any action initiated pursuant to this Section 2.04).

Notwithstanding the foregoing, WRCOG shall assign the causes of action and the foreclosure proceedings to a trustee upon receipt of a written request for assignment from the Owners of the related Sub-Series Bond, identification of the trustee to which such assignment is to be made and the agreement by such Owners to assume all costs and expenses of such foreclosure proceedings and the release of WRCOG of its obligations pursuant to this Section 2.04 to prosecute such foreclosure proceedings.

The Program Administrator, the Purchaser, any affiliate of either or, with written approval of the Program Administrator, any third party (each an “**Ancillary Investor**”), at its sole discretion, may deposit with the Trustee in the Revenue Fund, to be credited to a Sub-Series Bond, as directed by the Program Administrator under this Section 2.04, an amount of money equal to the amount of any delinquent Assessment installment with respect to an Assessment that is part of the Matching Collateral for that Sub-Series Bond. Notwithstanding anything to the contrary contained in this Indenture, if the amount of a delinquent Assessment installment with respect to a Series of Bonds has been deposited with the Trustee by an Ancillary Investor, then upon remittance by the applicable property owner to the Trustee of such delinquent Assessment installment or any related penalties or interest arising from that delinquency (whether in due course or upon foreclosure or otherwise), the Trustee shall transfer such amounts (net of any applicable unrecovered foreclosure or collection costs) to such Ancillary Investor (as applicable) that deposited the amount of the delinquency with the Trustee as aforesaid. The Program

Administrator shall provide written notice to WRCOG of any amounts deposited with the Trustee by an Ancillary Investor.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.01 Authorization of Series 2018 Bonds.

There is hereby authorized, established and created six series of Bonds of WRCOG, to be known and designated as the “Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds Series 2018A,” “Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds Series 2018B,” “Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds Series 2018C,” “Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds Series 2018D,” “Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds Series 2018E” and “Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds Series 2018F.” No additional Bonds shall be authorized or issued under this Indenture. Each Drawdown Bond shall be issued for the purposes set forth herein by the Purchaser making an Advance thereunder pursuant to the Purchase Agreement. Each Drawdown Bond may be issued on the same day or on separate days. The maximum principal amount of the Series 2018 Bonds is not limited; subject, however, to any limitations imposed by law and to the right of WRCOG, which is hereby reserved, to limit the aggregate principal amount of the Series 2018 Bonds that may be Outstanding hereunder.

Section 3.02 Conditions Precedent to Authentication and Delivery of Each Series of the Series 2018 Bonds. Prior to the initial authentication and delivery of each Drawdown Bond, the Trustee shall have received each of the following:

- (a) executed original counterparts of this Indenture and the Purchase Agreement;
- (b) certified copies of the Resolution of Intention, the Resolution Confirming Report and the Resolution of Issuance;
- (c) evidence of the payment of the initial purchase price of such Drawdown Bond as provided for in Sections 3.01 and 3.05(d) of this Indenture;
- (d) an opinion of Bond Counsel substantially to the effect that such Drawdown Bond constitutes the legal, valid and binding obligation of WRCOG; and
- (e) an original investor letter executed by the initial purchaser(s) of such Drawdown Bond, in substantially the form set forth in Exhibit D hereto.

Section 3.03 Registered Bonds. The Series 2018 Bonds shall be in fully registered form and shall be payable in accordance with the provisions hereof and of the Series 2018 Bonds to the Owner thereof as shown on the records maintained by the Trustee.

Section 3.04 Loss, Theft, Destruction or Mutilation of Series 2018 Bonds. In the event a Series 2018 Bond is mutilated, lost, stolen or destroyed, WRCOG may execute and the Trustee may authenticate and deliver a new Series 2018 Bond bearing a notation indicating the principal amount outstanding, in exchange for the mutilated Series 2018 Bond, or in substitution for a Series 2018 Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to WRCOG and the Trustee (i) such security or indemnity as may be required by them to save them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of a Series 2018 Bond and of the ownership thereof. Upon the issuance of a Series 2018 Bond upon such exchange or substitution, the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of WRCOG and the Trustee. In case a Series 2018 Bond shall become mutilated or be destroyed, lost or stolen, the Trustee may, instead of authenticating a Series 2018 Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Series 2018 Bond) if the applicant for such payment shall furnish to WRCOG and the Trustee such security or indemnity as they may require to save them harmless and evidence satisfactory to them of the mutilation, destruction, loss or theft of the Series 2018 Bond and of the ownership thereof.

Section 3.05 Terms of Series 2018 Bonds - General.

(a) Registration; Denomination. The Series 2018 Bonds shall be issuable initially as six Drawdown Bonds registered in the name of the Purchaser, as follows:

(i) a Series 2018A Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 30-year Assessment term;

(ii) a Series 2018B Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 25-year Assessment term;

(iii) a Series 2018C Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 20-year Assessment term;

(iv) a Series 2018D Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 15-year Assessment term;

(v) a Series 2018E Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 10-year Assessment term; and

(vi) a Series 2018F Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 5-year Assessment term;

provided, however, the principal amount due on each Drawdown Bond shall be only such amount as has been drawn down by WRCOG on such Drawdown Bond.

(b) Numbering.

(i) The Series 2018A Drawdown Bond shall be numbered RA-1. Each Advance made under the Series 2018A Drawdown Bond will be considered a Series 2018A Sub-Series Bond and will be numbered consecutively from SUBRA-1 upward.

(ii) The Series 2018B Drawdown Bond shall be numbered RB-1. Each Advance made under the Series 2018B Drawdown Bond will be considered a Series 2018B Sub-Series Bond and will be numbered consecutively from SUBRB-1 upward.

(iii) The Series 2018C Drawdown Bond shall be numbered RC-1. Each Advance made under the Series 2018C Drawdown Bond will be considered a Series 2018C Sub-Series Bond and will be numbered consecutively from SUBRC-1 upward.

(iv) The Series 2018D Drawdown Bond shall be numbered RD-1. Each Advance made under the Series 2018D Drawdown Bond will be considered a Series 2018D Sub-Series Bond and will be numbered consecutively from SUBRD-1 upward.

(v) The Series 2018E Drawdown Bond shall be numbered RE-1. Each Advance made under the Series 2018E Drawdown Bond will be considered a Series 2018E Sub-Series Bond and will be numbered consecutively from SUBRE-1 upward.

(vi) The Series 2018F Drawdown Bond shall be numbered RF-1. Each Advance made under the Series 2018F Drawdown Bond will be considered a Series 2018F Sub-Series Bond and will be numbered consecutively from SUBRF-1 upward..

(c) Forms of Series 2018 Bonds. The Drawdown Bonds shall be substantially in the forms of Exhibits A-1, A-2, A-3, A-4, A-5, and A-6 hereto, with such amendments and changes as the officers executing the same shall deem appropriate. The Sub-Series Bonds shall be substantially in the forms of Exhibits B-1, B-2, B-3, B-4, B-5 and B-6 hereto, with such amendments and changes as the officers executing the same shall deem appropriate.

(d) Advances Under Each Drawdown Bond. The Purchaser shall fund the purchase price of each Drawdown Bond by making Advances thereunder evidencing one or more related Sub-Series Bonds. The initial Advance for the purchase of the Series 2018A Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018B Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018C Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018D Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018E Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018F Drawdown Bond may consist of

one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date.

Provided that the conditions to Advances contained in the Purchase Agreement are either satisfied or waived by the Purchaser, the balance of the purchase price of each Drawdown Bond shall be Advanced to the Escrow Agent in subsequent installments by the Purchaser.

The Program Administrator shall provide notice to the Escrow Agent, the Trustee, WRCOG and Bond Counsel at least one (1) Business Day prior to the date when such funds will be Advanced in the form of a Funding Notice and Requisition (defined below). A Funding Notice and Requisition may be submitted with respect to multiple Advances, as specified therein. Each Funding Notice and Requisition shall be substantially in the form of Exhibit C hereto (the “**Funding Notice and Requisition**”), and shall contain with respect to each Assessment included therein: (1) the date of the Advance, (2) the amount of the Advance, (3) the Identifying Number or Identifying Numbers of the Assessment Contract or Assessment Contracts associated with the Advance (the “**Identifying Number**”), (4) the interest rate applicable to the Advance and the corresponding Sub-Series Bond, (5) the year in which the first Bond Payment Date occurs and (6) the name of the initial Owner of the applicable Sub-Series Bond (collectively, the “**Collateral Information**”), as well as the schedule and direction to the Escrow Agent of payments to be made to the appropriate parties. Upon receipt by the Escrow Agent of an Advance in accordance with the terms of this Section 3.05(d):

(i) the Escrow Agent shall notify the Trustee in writing (which may be by fax or email) that it has received the funds;

(ii) the Trustee shall thereafter issue, authenticate and register one or more Sub-Series Bonds corresponding to such Advance, in accordance with the information contained in the corresponding Funding Notice and Requisition;

(iii) the Trustee shall assign a SUBR_— number to each Sub-Series Bond, issue, authenticate and register each Sub-Series Bond, and notify the Purchaser, the Program Administrator, WRCOG and Bond Counsel in writing (which may be by fax or email) that each Sub-Series Bond has been issued;

(iv) the Trustee shall note on the applicable Drawdown Bond that an additional principal amount of the Drawdown Bond, equal to the amount of the Advance (and the principal amount of the corresponding Sub-Series Bond), has been purchased; and

(v) the Escrow Agent shall disburse the Advance to or upon the order of the Program Administrator (or, at the direction of the Program Administrator, to such contractors or subcontractors as specified in writing to the Escrow Agent by the Program Administrator in the Funding Notice and Requisition).

(e) Record of Advances, Drawdowns and Prepayments. The Program Administrator shall provide to the Trustee, WRCOG and Bond Counsel the Collateral Information, as well as all information required under Sections 4.01 and 4.02 upon redemption of any Sub-Series Bond, and on the basis of such information the Trustee shall maintain, or cause to be maintained, complete and accurate records regarding:

(i) the Collateral Information and the SUBR_— number of the related Sub-Series Bond, and the amount and the corresponding increase in the Outstanding principal amount of the Drawdown Bond that has been purchased; and

(ii) the redemption of all or any portion of each Sub-Series Bond, the date of such redemption and the corresponding decrease in the Outstanding principal amount of the Drawdown Bond that has been redeemed.

The Trustee shall provide copies of such records to WRCOG, Bond Counsel, the Purchaser and the Program Administrator upon their written request.

(f) Notations on Drawdown Bonds. The Trustee shall hold in its custody, and maintain for the sole benefit of the Purchaser, the Drawdown Bonds. Amounts Advanced by the Purchaser in accordance with the provisions of Section 3.05(d) shall be noted on Schedule A attached to the Drawdown Bond (the “**Schedule of Drawings**”). Upon transfer by the Purchaser of any Sub-Series Bond in accordance with Section 3.10, the Trustee shall note such transfer on Schedule B attached to the Drawdown Bond. Notwithstanding the foregoing, the Trustee may maintain such logs of Advances and transfers through its bond recordkeeping system rather than by making physical notations on the Drawdown Bonds.

(g) Limitation of Liability. Neither the Trustee nor WRCOG shall be responsible for the application by the Program Administrator or the Escrow Agent of monies disbursed to, or at the direction of, the Program Administrator, in accordance with Section 3.05(d).

(h) Dates and Maturity. Each Drawdown Bond shall be dated the Closing Date and shall mature on the last maturity date of the Sub-Series Bonds issued for such Drawdown Bond. Each Sub-Series Bond shall be dated its date of issuance and shall mature on the maturity date set forth in the applicable Funding Notice and Requisition, unless sooner redeemed or accelerated. Each Sub-Series Bond shall bear interest from its date of issuance until paid in full, payable for the periods, in the amounts, and at the rates, as provided in Section 3.06 hereof. Interest on each Drawdown Bond shall accrue only on such principal amount as has been actually drawn by WRCOG and is Outstanding, as noted on the Schedule of Drawings maintained by the Trustee, but failure to so note shall not nullify the effectiveness of any Advances made.

(i) Payment. The principal of and interest on the Series 2018 Bonds shall be payable in lawful money of the United States of America by check or draft of the Trustee. Payments of principal and interest shall be mailed by first-class mail to the Owners of the Series 2018 Bonds at their addresses appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018 Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer to an account within the United States or other means requested in writing by the Owner.

Section 3.06 Interest on the Series 2018 Bonds.

(a) General. The Series 2018 Bonds shall bear interest on the outstanding principal amount, from time to time, at the interest rates determined and payable in the following manner.

(i) Each Advance and the corresponding Sub-Series Bond shall have its own interest rate and maturity date associated with it. On each date that an Advance is made hereunder, the interest rate on the amount Advanced (i.e., the interest rate on the Sub-Series Bond) shall be established by the Program Administrator and computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed. The Program Administrator shall provide to the Trustee and the Purchaser the interest rate and maturity date applicable to each Advance and corresponding Sub-Series Bond in the Funding Notice and Requisition. Absent manifest error, the determination of the interest rate by the Program Administrator shall be conclusive and binding upon the Owners, the Purchaser, WRCOG and

the Trustee. The interest rate established for each Advance and corresponding Sub-Series Bond shall be fixed for the entire term that the Assessment Contract or Assessment Contracts associated with the Advance are in effect.

(ii) The amount of interest payable on each Interest Payment Date shall be the amount of interest accrued on the outstanding balance of the aggregate Advances made, as provided in the last sentence of this paragraph. The Program Administrator shall calculate the amount of interest due on each Interest Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Interest Payment Date. The amount of interest payable on each Sub-Series Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the date of the Advance for such Sub-Series Bond to, but not including, the first Interest Payment Date for such Sub-Series Bond (subtracting therefrom the amount of capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding balance of such Advance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date (subtracting therefrom the amount of capitalized interest paid by the respective property owners on the date of project funding that has not been applied to any previous Interest Payment Dates).

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to this Indenture and the Series 2018 Bonds, and all agreements made in connection with the Indenture, the Series 2018 Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest or the amounts paid for the use of money Advanced or to be Advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of this Indenture, the Series 2018 Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG. This paragraph shall control every other provision of the Series 2018 Bonds, this Indenture and all other Bond Documents.

In determining whether the amount of interest charged and paid might otherwise exceed the limit prescribed by law, WRCOG intends and agrees that (i) interest shall be computed upon the assumption that payments under this Indenture and other Bond Documents will be paid according to the agreed terms, and (ii) any sums of money that are taken into account in the calculation of interest, even though paid at one time, shall be spread over the actual term of the Series 2018 Bonds.

Section 3.07 Payment of Principal on the Series 2018 Bonds. Principal of the Series 2018 Bonds shall be payable on each Principal Payment Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from all of the annual Assessment payments made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of any of the Series 2018 Bonds, the principal amount being redeemed. The Program Administrator shall calculate the amount of principal due on each Principal Payment Date and shall provide written notice of such amount, together with a breakdown of the

amount applicable to each Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Principal Payment Date.

Section 3.08 Security for Sub-Series Bonds.

(a) With respect to each Sub-Series Bond, the related Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien or Assessment Liens, the right to enforce each such Assessment and each such related Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 hereof, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for such Sub-Series Bond. The Matching Collateral constitutes the security for a Sub-Series Bond.

(b) THE MATCHING COLLATERAL FOR ANY SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF SUCH SUB-SERIES BOND, AND SUCH SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD HEREUNDER. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SUB-SERIES BOND.

(c) Notwithstanding this Section 3.08 or anything to the contrary in this Indenture, any Sub-Series Bond may be exchanged for one or more new Sub-Series Bonds, each such new Sub-Series Bond to be secured by specified Matching Collateral separate from any other new Sub-Series Bond at the request and direction of 100% of the Owners of such Sub-Series Bond to be so exchanged. The cost for any services rendered or any expenses incurred by the Trustee or WRCOG (including attorney’s fees) in connection with any such exchange of a Sub-Series Bond will be paid by the Owner(s) requesting such exchange.

Section 3.09 Execution and Authentication of Series 2018 Bonds.

(a) The Drawdown Bonds and the Sub-Series Bonds shall be executed on behalf of WRCOG by the manual or facsimile signature of an Authorized Representative of WRCOG and attested by the manual or facsimile signature of an Authorized Representative of WRCOG.

(b) In case any officer of WRCOG whose signature or facsimile signature shall appear on any Drawdown Bonds or Sub-Series Bond shall cease to be such officer before such Drawdown Bond or Sub-Series Bond so signed shall have been actually delivered, such Drawdown Bond or Sub-Series Bond may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed such Drawdown Bond or Sub-Series Bond had not ceased to hold such offices or be so employed. Any Drawdown Bond or Sub-Series Bond issued in exchange for, or in substitution of, any Drawdown Bond or Sub-Series Bond pursuant to Section 3.04 hereof may be signed on behalf of WRCOG by such persons as, at the actual time of the execution of such substitute Drawdown Bond or Sub-Series Bond, shall be duly authorized or hold the proper office in or employment by WRCOG, although at the date of such Drawdown Bond or Sub-Series Bond such persons may not have been so authorized nor have held such office or employment. WRCOG may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the execution and delivery of this Indenture, notwithstanding that either or both shall have ceased to hold such office at the time any Drawdown Bond or Sub-Series Bond shall be actually issued, authenticated and delivered.

(c) No Series 2018 Bond that is issued as a certificated instrument shall be valid or obligatory for any purpose or shall be entitled to any right or benefit under this Indenture unless there shall be endorsed on such Series 2018 Bond a certificate of authentication in the form set forth in such Series 2018 Bond duly executed by the Trustee, by the manual signature of an authorized signatory thereof, and such certificate of the Trustee upon any Series 2018 Bond executed on behalf of WRCOG shall be conclusive evidence that the Series 2018 Bond so authenticated has been duly issued under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

Section 3.10 Negotiability, Transfer and Registry of Series 2018 Bonds.

(a) All the Series 2018 Bonds issued under this Indenture shall be negotiable, subject to the provisions for registration and transfer and transfer restrictions contained in this Indenture and in the Series 2018 Bonds. So long as this Indenture remains in force, the Trustee, as registrar, shall maintain and keep books for the recordation of the taxpayer identification number of each of the Owners of the Series 2018 Bonds and the registration, transfer and exchange of Series 2018 Bonds. Each Series 2018 Bond shall be transferable only upon the books of registration. The Trustee is hereby appointed registrar, to act as agent of WRCOG for the registration and transfer of Series 2018 Bonds and the maintenance of the books of registration. WRCOG may appoint a successor registrar upon notice by mail to the Trustee and the Owners of the Series 2018 Bonds.

(b) Since no portion of the Matching Collateral for any Sub-Series Bond may be transferred to any other Sub-Series Bond, a Sub-Series Bond may only be transferred in whole and not in part, and the Matching Collateral for such Sub-Series Bond will continue to secure only such Sub-Series Bond.

(c) The Owner shall bear all costs in connection with any transfer or exchange of Series 2018 Bonds, including the reasonable fees and expenses of WRCOG, Bond Counsel and the Trustee and of any required indemnity for WRCOG and the Trustee.

(d) Series 2018 Bonds shall be transferred upon presentation and surrender thereof at the Principal Office of the Trustee by the Owner thereof or his attorney duly authorized in writing with due endorsement for transfer or accompanied by a written instrument of transfer in form satisfactory to the Trustee. All Series 2018 Bonds surrendered in any exchanges or transfers shall forthwith be canceled. For every such exchange or transfer of Series 2018 Bonds, there shall be made a charge sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be obligated to (i) authenticate, exchange or transfer any Series 2018 Bond during a period beginning at the opening of business on any Record Date and ending at the close of business on the next succeeding Interest Payment Date, (ii) authenticate, exchange or transfer any Series 2018 Bond during a period beginning at the opening of business 15 days next preceding any selection of Series 2018 Bonds to be redeemed and ending at the close of business on the date of the first giving of notice of such redemption, or (iii) transfer or exchange any Series 2018 Bonds called or being called for redemption in whole or in part.

(e) A Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(i) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(ii) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(iii) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (ii) above, or on its own behalf); or

(iv) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (ii) above).

Any transfer (but not a pledge as collateral for a loan) of a Sub-Series Bond described in clauses (ii), (iii) or (iv) of this Section 3.10(e) shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E hereto; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018 Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018 Bonds.

(f) No Sub-Series Bond may be transferred unless:

(i) the Outstanding principal amount of such Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) such Sub-Series Bond is being transferred to a single investor meeting the requirements of paragraph (e) simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph (f) shall not apply to a pledge of a Sub-Series Bond in whole by any Owner as collateral for a loan. Each Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of such Sub-Series Bond.

Section 3.11 Ownership of Series 2018 Bonds. WRCOG, the Trustee and any other Person may treat the registered owner of any Series 2018 Bond as the absolute owner thereof, whether such Series 2018 Bonds shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or redemption price of and interest on such Series 2018 Bonds and for all other purposes whatsoever, and payment of the principal or redemption price, if any, of and interest on any such Series 2018 Bonds shall be made only to, or upon the order of, such registered owner. All such payments to such registered owner shall be valid and effectual to satisfy and discharge the liability of WRCOG upon such Series 2018 Bonds to the extent of the sum or sums so paid, and neither WRCOG nor any Trustee shall be affected by any notice to the contrary. The Series 2018 Sub-Series Bonds shall not be issued to more than one registered Owner without the consent of the then existing registered Owner.

Section 3.12 Payments on Bonds Due on Non-Business Days. In any case where any Bond Payment Date shall be a day other than a Business Day, then payment of the Series 2018 Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the Bond Payment Date, and no interest shall accrue for the period after such date.

Section 3.13 Series 2018 Bonds to Be Certificated.

The Series 2018 Bonds shall be a physically certificated instruments, and shall not be held in a book-entry only system unless approved in advance in writing by WRCOG in its sole discretion.

Section 3.14 Refunding of Series 2018 Bonds. Any Sub-Series Bond may be refunded by WRCOG pursuant to Chapter 29 or 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 Sub-Series Bond as provided in Parts 8, 9, 11, or 11.1 of the Bond Act, nor will this Section apply to or in any manner limit the redemption and payment of any Sub-Series Bond pursuant to subsequent proceedings providing for the payment of amounts to eliminate previously imposed fixed lien assessments, including the Assessment or Assessments securing such Sub-Series Bond. In the event that any Sub-Series Bond is refunded by WRCOG pursuant to this Section 3.14 or for any other reason, nothing contained herein shall limit or eliminate the requirement that such Sub-Series Bond be redeemed at par plus accrued interest as set forth in Section 4.02. Upon the refunding of any Sub-Series Bond as provided herein, the Trustee shall transfer the Matching Collateral for such Sub-Series Bond to the trustee for the bonds that refunded such Sub-Series Bond.

Section 3.15 Transfer and Reissuance of Series 2018 Bonds.

(a) Any Owner of a Series 2018 Sub-Series Bond may, upon written notice to the Trustee, direct the Trustee to transfer the Matching Collateral for such Sub-Series Bond from the 2018 Indenture to the trustee under any other separate trust indenture authorized under the Resolution of Issuance . Upon such transfer, such Series 2018 Sub-Series Bond shall be cancelled under the 2018 Indenture and the Matching Collateral for such Series 2018 Sub-Series Bond shall be released from and no longer subject to the lien of the 2018 Indenture.

(b) Any owner of a sub-series bond issued under any other separate trust indenture authorized under the Resolution of Issuance may, upon written notice to the trustee under such separate trust indenture, direct such trustee to transfer the collateral for such sub-series bond to the Trustee to secure a Sub-Series Bond issued under this 2018 Indenture. Upon such transfer, a Sub-Series Bond

shall be issued under this Indenture and the collateral transferred to the Trustee in connection with the issuance of such Sub-Series Bond shall be the Matching Collateral for such Sub-Series Bond.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01 Mandatory Redemption.

(a) Each Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment, at a redemption price equal to the principal amount paid on such Assessment in accordance with the payment schedule for such Assessment, together with accrued interest to the date of redemption. Prior to any such redemption, in accordance with the provisions of Section 2.03 hereof, the Program Administrator will have provided to the Trustee the applicable information described in the preceding sentence. The Trustee shall thereupon note on its books the portion of the Sub-Series Bond that has been redeemed.

(b) Each Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts. Prior to any such redemption, the Program Administrator shall provide to the Trustee the applicable Collateral Information related to such prepayment. The Trustee shall thereupon (i) note on its books the portion of the Sub-Series Bond that has been redeemed or that the Sub-Series Bond has been redeemed in full and (ii) if the redemption is in full, cancel such Sub-Series Bond.

Section 4.02 Optional Redemption. Each Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner of such Sub-Series Bond, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner of such Sub-Series Bond, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator shall provide to the Trustee the Collateral Information related to such Sub-Series Bond to be redeemed. The Trustee shall thereupon (i) note on its books that the Sub-Series Bond has been redeemed in full, and (ii) cancel such Sub-Series Bond.

Simultaneous with the receipt of sufficient funds for the optional redemption of any Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner of such Sub-Series Bond, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner of such Sub-Series Bond, as applicable, the Matching Collateral that secured the Sub-Series Bond that is being redeemed and the related liens and rights, as well as any other document that the Purchaser or the Owner of such Sub-Series Bond, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Section 4.03 Notice of Redemption.

(a) Notice of redemption of any Sub-Series Bond pursuant to Section 4.01(b) or Section 4.02 shall be given by the Trustee to the registered Owner of such Sub-Series Bond by facsimile

transmission or other similar electronic means of communication, promptly confirmed in writing, not less than two (2) Business Days prior to the date fixed for redemption. Such notice shall state that the redemption of the Sub-Series Bonds is conditioned upon receipt by the Trustee on or prior to the redemption date of immediately available funds sufficient to pay the redemption price thereof, and that if such condition is not satisfied, the redemption shall not take place and the Owner of such Sub-Series Bond shall continue to be the Owner thereof. Receipt of such notice of redemption shall not be a condition precedent to such redemption, and failure to so notify such registered Owner shall not affect the validity of the proceedings for the redemption of such Sub-Series Bond.

(b) Notice of redemption having been given as provided in subsection (a) of this Section 4.03 and all conditions precedent, if any, specified in such notice having been satisfied, such Sub-Series Bond or portion thereof so to be redeemed shall become due and payable on the date fixed for redemption at the redemption price specified therein plus any accrued interest to the redemption date. On the redemption date specified in such notice, such Sub-Series Bond or portion thereof shall be paid at the redemption price, plus any accrued interest to the redemption date. On and after the redemption date of any Sub-Series Bond being redeemed in whole (unless funds for the payment of the redemption price and accrued interest shall not have been provided to the Trustee), (i) such Sub-Series Bond shall cease to bear interest and (ii) such Sub-Series Bond shall no longer be considered as Outstanding under this Indenture.

Section 4.04 Partial Redemption of Sub-Series Bond.

In case part but not all of a Sub-Series Bond shall be subject to redemption, the Trustee shall note in its books and records the amount of such Sub-Series Bond so redeemed.

Section 4.05 Reborrowing of Amounts Redeemed.

The principal amount of any Sub-Series Bond redeemed hereunder in whole or in part shall be added to the amount available to draw under the applicable Drawdown Bond (i.e., such redeemed amount may be reborrowed by WRCOG under such Drawdown Bond).

ARTICLE V

ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS, APPLICATION THEREOF AND SECURITY THEREFOR

Section 5.01 Revenue Fund.

(a) Establishment of Revenue Fund. A Revenue Fund is hereby created and established as a special trust fund. The Revenue Fund shall be held by the Trustee in trust for application only in accordance with the provisions of this Indenture. The Revenue Fund is hereby designated by WRCOG as the redemption fund for the Series 2018 Bonds under the Bond Act.

(b) Deposits to Revenue Fund. All amounts received from by the Trustee, WRCOG, the Program Administrator or the Tax Collector pursuant to Section 2.03 hereof, including payments in respect of the Matching Collateral for interest and principal and mandatory and optional redemptions of each Sub-Series Bond, shall be deposited into the Revenue Fund. On each Bond Payment Date, the Trustee shall pay to the Owners of the Sub-Series Bonds interest and principal due thereon.

(c) Disbursements from Revenue Fund.

(i) The Trustee shall disburse amounts held in the Revenue Fund as provided in Section 2.03 hereof.

(ii) If a Sub-Series Bond is redeemed in whole or in part upon prepayment of the associated Assessment pursuant to Section 4.01(b) hereof, the Trustee shall release the amount held in the Revenue Fund associated with such prepayment, and such amount shall be applied to redeem such Sub-Series Bond.

(d) Interest Earnings and Surplus Funds. Interest earnings on amounts held in the Revenue Fund shall be held therein. Upon payment in full of all the Series 2018 Bonds and termination of the Indenture, any remaining amounts held in the Revenue Fund shall be remitted to WRCOG.

Section 5.02 Reserve Fund.

(a) Establishment of Reserve Fund. A Reserve Fund is hereby created and established as a special trust fund. The Reserve Fund shall be held by the Trustee in trust for application only in accordance with the provisions of this Indenture.

(b) Deposits to Reserve Fund. Any amounts received by the Trustee from the Escrow Agent pursuant to a Funding Notice and Requisition for deposit in the Reserve Fund shall be deposited into the Reserve Fund.

(c) Disbursements from Reserve Fund. All amounts held in the Reserve Fund shall be used and withdrawn by the Trustee solely to pay the interest and principal of Series 2018 Bonds when due in the event insufficient moneys are available in the Revenue Fund for such purpose.

(d) Interest Earnings and Surplus Funds. Interest earnings on amounts held in the Reserve Fund shall be held therein. Upon payment in full of all the Series 2018 Bonds and termination of the Indenture, any remaining amounts held in the Reserve Fund shall be remitted to WRCOG.

Section 5.03 Moneys Held in Trust; Investment of Moneys.

All moneys from time to time received by the Trustee and held in the Funds and Accounts created hereby shall be held in trust as security for the benefit of the Owner of the particular Sub-Series Bond to which such Fund or Account relates. All such moneys shall be invested as provided in this Indenture.

Any such investments shall be held by or under the control of the Trustee. A sufficient amount of such investments shall be liquidated whenever the cash balance in any Fund or Account is insufficient to pay any amounts as they become due. Any moneys held as a part of the Funds and Accounts shall be invested or reinvested, to the extent permitted by law, in Investment Securities at the request of and as directed in writing by an Authorized Representative of WRCOG or by the Program Administrator (to the extent delegated to the Program Administrator by WRCOG).

Section 5.04 Investment Earnings. Earnings on investments held in any Fund or Account hereunder shall be retained therein and applied in the manner prescribed herein for such Fund or Account.

Section 5.05 Records. The Trustee shall keep and maintain adequate records pertaining to the Funds and Accounts established hereunder, including all deposits to and disbursements from said Funds and Accounts. The Trustee shall retain in its possession all certifications and other

documents presented to it, all such records and all records of principal and interest paid on the Series 2018 Bonds, subject to the inspection of WRCOG, the Program Administrator and the Owners of the Series 2018 Bonds and their representatives at all reasonable times and upon reasonable prior notice.

Section 5.06 Reports From the Trustee. The Trustee shall, annually within sixty (60) days after each Bond Payment Date, file with the Program Administrator and WRCOG a statement setting forth in respect to the preceding year:

(a) the amount withdrawn or transferred by it and the amount deposited within or on account of each Fund and Account held by it under the provisions of this Indenture, including the amount of investment income on each Fund and Account;

(b) the amount on deposit with it at the end of such period to the credit of each Fund and Account;

(c) a brief description of all obligations held by it as an investment of moneys in each such Fund and Account;

(d) a record of the purchase or redemption of Series 2018 Bonds and a description of the Sub-Series Bonds so purchased or redeemed; and

(e) any other information which the Program Administrator or WRCOG may reasonably request and to which the Trustee has access in the ordinary course of its operations.

Upon the written request of any Owner of a Sub-Series Bond then Outstanding, the Trustee, at the cost of such Owner, shall provide to such Owner the information from such statement that relates to the particular Sub-Series Bonds owned by such Owner. All records and files pertaining to the Transferred Property shall be open at all reasonable times to the inspection of WRCOG, the Purchaser, the Program Administrator and their agents and representatives upon reasonable prior notice.

ARTICLE VI

DEFAULT PROVISIONS; REMEDIES

Section 6.01 Events of Default Applicable to Each Sub-Series Bond. An Event of Default under this Section 6.01 shall be applicable only to the particular Sub-Series Bond to which the event of default applies. The Sub-Series Bonds are not cross-collateralized with one another under any circumstances, including a default under Section 6.02. Except as provided in Section 6.02, the Sub-Series Bonds are not cross-defaulted with one another. With respect to each Sub-Series Bond, each of the following events is hereby declared an “Event of Default” under this Indenture:

(a) The failure to pay any installment of principal or the redemption price of a Sub-Series Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise; or

(b) The failure to pay any installment of interest on a Sub-Series Bond when and as the same shall become due and payable.

Section 6.02 Events of Default Applicable to all Series 2018 Bonds. It shall also be an Event of default hereunder applicable to all Sub-Series Bonds and the Drawdown Bonds if WRCOG fails to perform or observe any other covenant, agreement or condition on its part contained in this

Indenture, in any other agreement entered into by WRCOG in connection with the issuance of the Series 2018 Bonds, or in the Series 2018 Bonds, and such failure shall continue for a period of thirty (30) days after written notice thereof to WRCOG by the Trustee or by the Owners of not less than twenty-five percent (25%) in principal amount of the Series 2018 Bonds Outstanding.

Section 6.03 Remedies Applicable to Each Sub-Series Bond.

(a) With respect to any Event of Default under Section 6.01, the Trustee shall take only such actions in respect of an Event of Default as it shall be directed in writing to take by the Owner of the Sub-Series Bond to which such Event of Default relates; provided that if such Owner has granted to any party a lien or security interest in respect of such Series 2018 Sub-Series Bond, as identified in an irrevocable instruction letter delivered to the Trustee, the consent of the secured party shall be required prior to the exercise of any remedy. Such actions may include the following:

(i) Implementation of actions for the recovery of the amounts due on such Sub-Series Bond pursuant to the Bond Documents, including enforcement of Matching Collateral; or

(ii) Implementation of such other rights and remedies as may be available under the Bond Documents or applicable law.

(b) Notwithstanding anything in this Indenture to the contrary, the principal of Sub-Series Bonds will not be subject to acceleration hereunder. Nothing in this Section 6.03(b) will in any way prohibit the redemption of Sub-Series Bonds, the refunding of Sub-Series Bonds, or the defeasance of Sub-Series Bonds and discharge of this Indenture as authorized or permitted pursuant to this Indenture or affect in any way the powers or remedies conferred upon the Owners elsewhere in the Indenture or by Chapter 29 or the Bond Act.

Section 6.04 Remedies Applicable to all Series 2018 Bonds.

(a) With respect to any Event of Default under Section 6.02, the Trustee shall take only such actions in respect of an Event of Default as it shall be directed in writing to take by the Owners of not less than fifty-one percent (51%) in principal amount of the Series 2018 Bonds Outstanding. Such actions may include implementation of any rights and remedies as may be available under the Bond Documents or applicable law; provided, however, that under no circumstances are the Sub-Series Bonds cross-collateralized, and the remedies for any Event of Default under Section 6.02 shall not include any sharing of collateral among Sub-Series Bonds. **Each Sub-Series Bond shall be secured only by the Matching Collateral for such Sub-Series Bond and shall have no lien on or right to any other collateral held by the Trustee hereunder under any circumstances, including any Event of Default under Section 6.02.**

(b) At any time before the completion of the enforcement of any remedy under this Section 6.04, the Trustee, if so directed by the Owners of not less than fifty-one percent (51%) in principal amount of the Series 2018 Bonds Outstanding, shall annul the declaration of an Event of Default and its consequences. In such event, WRCOG, the Trustee and all of the Owners shall be restored to the same position as before the occurrence of the Event of Default. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(c) Notwithstanding anything in this Indenture, the principal of the Series 2018 Bonds will not be subject to acceleration hereunder. Nothing in this Section 6.04(c) will in any way prohibit the redemption of Series 2018 Bonds, the refunding of Series 2018 Bonds, or the defeasance of Series 2018 Bonds and discharge of this Indenture as authorized or permitted pursuant to this Indenture or affect in

any way the powers or remedies conferred upon the Owners elsewhere in the Indenture or by Chapter 29 or the Bond Act.

Section 6.05 Application of Revenues and Other Moneys After Default Applicable to a Sub-Series Bond.

If an Event of Default under Section 6.01 shall occur and shall not have been remedied, the Trustee shall establish a segregated account in the Revenue Fund for the Sub-Series Bond to which such Event of Default relates, and shall transfer thereto, any Pledged Revenues held by the Trustee related to such Sub-Series Bond and, as promptly as practicable after receipt thereof, all other Pledged Revenues and other payments or receipts pledged under this Indenture related solely to the Sub-Series Bond to which such Event of Default relates and all proceeds realized as a result of remedial action under the Bond Documents and Matching Collateral.

During the continuation of an Event of Default, the Trustee shall apply such moneys, securities, revenues, payments and receipts and the income therefrom as follows and in the following order:

(a) To the payment of Trustee Expenses;

(b) At the direction of the Owner of the Sub-Series Bond, to the payment of the amounts required to reimburse the Owner of the Sub-Series Bond for any reasonable legal or other out-of-pocket costs incurred by it in connection with such remedial action and the reasonable fees and expenses of WRCOG in carrying out this Indenture or other Bond Documents;

(c) To the payment of the interest and principal installments or redemption price then due and payable on the Sub-Series Bond, as follows:

First: To the payment to the Owner of all installments of interest then due and payable on such Sub-Series Bond in the order of the maturity of such installments; and

Second: To the payment to the Owner of the unpaid principal installments or redemption price of such Sub-Series Bond which shall have become due and payable, whether at maturity or by call for redemption, in the order of their due dates.

Notwithstanding anything contained herein to the contrary, the Owner may by written notice to the Trustee direct the application of funds other than in the manner set forth above (except that the priority of payment of Trustee's fees and expenses shall not be altered), including, without limitation, the application of funds between the principal of or interest on such Sub-Series Bond. Any such determination by the Owner shall be deemed conclusive, and WRCOG and the Trustee shall have no liability for the tax consequences of said determination.

Section 6.06 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Owners of the Series 2018 Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute (including the Bond Act) on or after the date of adoption of this Indenture.

Section 6.07 Remedies Vested in Trustee and Owner of Particular Sub-Series Bond. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Series 2018 Bonds may be enforced by the Trustee and by the Owner of the Sub-Series Bond in default

without the possession of any of the Series 2018 Bonds or the production thereof in any trial or other proceedings relating thereto. Subject to the rights of the Owner of any Sub-Series Bond to direct proceedings hereunder with respect to such Sub-Series Bond, any such suit or proceeding instituted by the Trustee shall be brought in its name under the authority herein granted without the necessity of joining as plaintiffs or defendants any Owner of a Sub-Series Bond.

Section 6.08 Individual Bond Owners Action Restricted.

No Owner of any Sub-Series Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust under this Indenture or for any remedy under this Indenture.

Nothing contained in this Indenture shall affect or impair, or be construed to affect or impair, the right of the Owner of any Sub-Series Bond (i) to receive payment of the principal of or interest on such Sub-Series Bond on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Owner of any Sub-Series Bond may institute or prosecute any such suit or enter judgment therein, if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein, under applicable law, would result in the surrender, impairment, waiver or loss of the lien of this Indenture on the moneys, funds and properties pledged under this Indenture for the benefit of the Owner of the Sub-Series Bond appertaining thereto.

Section 6.09 Termination of Proceedings. In case any proceeding taken by the Owner of a Sub-Series Bond or by the Trustee at the direction of such Owner on account of any Event of Default under Section 6.01 shall have been discontinued or abandoned for any reason or shall have been determined adversely to such Owner, WRCOG, the Trustee, and such Owner shall be restored to their former positions and rights under this Indenture, and all rights, remedies and powers of the such parties shall continue as if no such proceeding had been taken.

Section 6.10 Waiver and Non-Waiver of Event of Default.

No delay or omission of the Trustee or the Owners of the Series 2018 Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VI to any party may be exercised from time to time and as often as may be deemed expedient.

In case of any waiver by the Trustee, acting upon the direction of (i) an Owner of a Sub-Series Bond, of an Event of Default under Section 6.01 of this Indenture or (ii) the Owners of not less than fifty-one percent (51%) in principal amount of the Series 2018 Bonds Outstanding with respect to an Event of Default under Section 6.02 of this Indenture, WRCOG, the Trustee and the Owner of a Sub-Series Bond or the Owners of the Series 2018 Bonds, as the case may be, shall be restored to their former positions and rights under this Indenture, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

ARTICLE VII

CONCERNING THE TRUSTEE AND THE PROGRAM ADMINISTRATOR

Section 7.01 Trustee; Appointment and Acceptance of Duties.

(a) WRCOG hereby appoints ZB National Association d/b/a Zions Bank, a national bank as trustee hereunder. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing this Indenture.

(b) Unless otherwise provided, the corporate trust offices of the Trustee are designated as the respective offices or agencies of the Trustee for the authentication and delivery of Series 2018 Bonds.

Section 7.02 Responsibilities of Trustee.

(a) The recitals of fact herein and in the Series 2018 Bonds contained (other than the certificate of authentication) shall be taken as the statements of WRCOG, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Series 2018 Bonds issued hereunder or as to the security afforded by this Indenture, and the Trustee shall incur no liability in respect thereof. The Trustee shall be under no responsibility or duty with respect to the application of any moneys properly paid to it except as provided herein or as otherwise expressly agreed by the Trustee. Except for the payment of principal and interest on the Series 2018 Bonds, the Trustee shall be under no obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect of this Indenture or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. Subject to the provisions of subsection (b) of this Section 7.02, the Trustee shall not be liable in connection with the performance of its duties under this Indenture except for its own negligence or willful misconduct.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (and has not been cured within any applicable grace period) and subject to the rights of an Owner of a Sub-Series Bond with respect to control of remedies following an Event of Default hereunder, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Any provisions of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 7.02.

(c) The Trustee shall cooperate fully with (i) an Owner of a Sub-Series Bond with respect to an Event of Default under Section 6.01 of this Indenture or (ii) the Owners of not less than fifty-one percent (51%) in principal amount of the Series 2018 Bonds Outstanding with respect to an Event of Default under Section 6.02 of this Indenture, in the enforcement and protection of the rights of the Owner or Owners, as the case may be, to the fullest extent possible under this Indenture, the Bond Documents and applicable law. Toward this end, the Trustee shall take such action as so directed, including, with respect to a Sub-Series Bond, foreclosure of the property in default if permitted under applicable law, suit for specific performance of the Bond Documents or for damages for nonperformance thereof and assignment of the applicable Assessment Contract to the Owner of a Sub-Series Bond in default for purposes of enforcing the rights of such Owner.

(d) The Trustee shall not take any discretionary action under the Bond Documents without the written approval of the affected Owner or requisite percentage of Owners, as the case may be, and

shall take such discretionary action permitted or required under the Bond Documents, as may be directed in writing by the affected Owner or requisite percentage of Owners, as the case may be.

(e) The Trustee shall notify the affected Owner or Owners of any notification received by the Trustee under or pursuant to the Bond Documents promptly after receipt of said notice.

(f) If any Event of Default occurs and is continuing hereunder and if the Trustee has received written notice thereof or is deemed to have notice pursuant to this Indenture, the Trustee shall give to all affected Owners and WRCOG written notice of such default or Event of Default within thirty (30) days after receipt of such information. For the purpose of this Section 7.02 only, the term “**default**” means any event which is, or after notice or lapse of time or both would become, an Event of Default under Section 6.01 or 6.02 hereof.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default under Section 6.02 hereof, unless the Trustee shall have received written notice of such Event of Default by WRCOG or by the Owners of not less than 25% in aggregate principal amount of the Series 2018 Bonds then Outstanding.

Section 7.03 Evidence on Which Trustee May Act.

(a) The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel selected by it in respect of any action taken or suffered by the Trustee under this Indenture. Specifically, and without limiting the foregoing, the Trustee may rely upon directions, instructions and information given or provided to it by the Program Administrator, the Escrow Agent or the Purchaser, or persons or entities acting on their behalf, as set forth in this Indenture or the Purchase Agreement, without further review thereof (other than examining such instrument to determine whether it conforms to the requirements of this Indenture), and shall not be liable or responsible for the accuracy of the contents contained in such directions, instructions and information or for taking any actions on the basis thereof.

(b) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of this Indenture by WRCOG, the Purchaser, the Escrow Agent or the Program Administrator to the Trustee shall be sufficiently executed if executed in the name of WRCOG, the Purchaser, the Escrow Agent or the Program Administrator by an Authorized Representative of WRCOG, the Purchaser, the Escrow Agent or the Program Administrator, as applicable.

Section 7.04 Compensation; No Trustee Liens. Pursuant to the provisions of the Purchase Agreement and a separate agreement between the Trustee and the Program Administrator, the Program Administrator has agreed to pay to the Trustee, as provided therein, the Trustee Fees and Trustee Expenses from time to time as set forth therein as compensation for all services rendered under this Indenture and the Purchase Agreement, provided that the Trustee shall not have a lien therefor on any moneys or Investment Securities at any time held or received by it under this Indenture, except as provided in Section 6.05 hereof. WRCOG hereby approves the provision for payment of the Trustee Fees and Trustee Expenses as set forth in the preceding sentence and the Purchase Agreement.

Section 7.05 Certain Permitted Acts. The Trustee may become the Owner of any Series 2018 Bond with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of the Series 2018 Bonds or to effect or aid in any reorganization growing out of the enforcement of the Series 2018 Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Series 2018 Bonds then Outstanding.

Section 7.06 Resignation of Trustee. The Trustee may resign at any time and be discharged of the duties and obligations created by this Indenture by giving not less than sixty (60) days' written notice to WRCOG and the Owners of the Series 2018 Bonds, provided that no resignation shall become effective until the acceptance of appointment by a successor Trustee as provided in Section 7.09 of this Indenture. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 60 days after the giving of such notice of resignation, the retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 7.07 Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, signed by either WRCOG or by the Owners of not less than fifty-one percent (51%) in principal amount of the Series 2018 Bonds Outstanding and filed with the Trustee; provided that no removal shall become effective until the acceptance of appointment by a successor Trustee as provided in Section 7.09 of this Indenture

Section 7.08 Appointment of Successor Trustee; Temporary Trustee. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, WRCOG shall appoint a successor Trustee, subject to the prior written consent by the Owners of not less than fifty-one percent (51%) in principal amount of the Series 2018 Bonds Outstanding (which consent shall not be unreasonably withheld or delayed).

Section 7.09 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor, and also to WRCOG, the Program Administrator, the Purchaser, the Escrow Agent and to any Owner which shall request the same, an instrument accepting such appointment and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named; but the Trustee ceasing to act nevertheless, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in or pursuant to this Indenture. Should any deed, conveyance or instrument in

writing from WRCOG be required by such successor Trustee for more fully and certainly vesting in and confirming any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by WRCOG.

Section 7.10 Merger or Consolidation of Trustee. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

Section 7.11 Program Administrator and Escrow Agent. The Program Administrator and Escrow Agent shall each signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing the Purchase Agreement. If any Program Administrator appointed under the Program Administration Agreement is removed by WRCOG at any time in accordance with the terms of the Program Administration Agreement, WRCOG shall give written notice to the Trustee. At any time when a Program Administrator has not been appointed, all references in this Indenture and in the other Bond Documents to the Program Administrator shall be deemed to refer to the Purchaser.

ARTICLE VIII

AMENDMENTS AND SUPPLEMENTAL INDENTURES; AMENDMENTS OF BOND DOCUMENTS

Section 8.01 Supplemental Indentures Not Requiring Consent of Owners of Series 2018 Bonds. WRCOG and the Trustee may, without the consent of, or notice to, the Owners of any Series 2018 Bonds (but only with the consent of any one person or entity who is the Owner of at least fifty-one percent (51%) in aggregate principal amount of the Outstanding Series 2018 Bonds), enter into one or more Supplemental Indentures for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to grant to or confer any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Owners of the Series 2018 Bonds or the Trustee, or to make any change which, in the judgment of the Trustee, is not to the prejudice of the Owners of the Series 2018 Bonds;
- (c) to subject to the pledge and lien of this Indenture additional revenues, properties and collateral;
- (d) to evidence the appointment of a separate Trustee or co-Trustee or the succession of a new Trustee;
- (e) to modify, amend or supplement this Indenture in any other respect which is not materially adverse to the Owners of the Series 2018 Bonds to be Outstanding after the effective date of the change and which does not involve a change described in Section 8.02 hereof; or

(f) modify, amend or supplement this Indenture to provide for the issuance of new Series of Bonds hereunder.

Section 8.02 Supplemental Indentures Requiring Consent of Owners of Series 2018 Bonds.

(a) Exclusive of Supplemental Indentures covered by Section 8.01 of this Indenture and subject to the terms and provisions contained in this Section 8.02, and not otherwise, neither WRCOG nor the Trustee shall enter into any amendment, change or modification of this Indenture without the prior written consent of the Owners of not less than two-thirds in aggregate principal amount of the Series 2018 Bonds then Outstanding; provided, however, that nothing in this Section 8.02 contained shall permit, or be construed as permitting, without the consent of the Owners of all of the Series 2018 Bonds, (i) an extension of the maturity date of the principal of or the interest on any Series 2018 Bond, (ii) a reduction in the principal amount of any Series 2018 Bond or the rate of interest thereon, (iii) change in a privilege or priority of any Series 2018 Bond or Bonds over any other Series 2018 Bond or Bonds, (iv) a reduction in the percentages of the Owners of the Outstanding Bonds required for consent to such Supplemental Indenture, (v) the creation of any lien other than a lien ratably securing all of the Series 2018 Bonds at any time Outstanding, (vi) any reduction of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee or (vii) the sharing of collateral among the Sub-Series Bonds. Notwithstanding the foregoing, any amendment, change or modification of this Indenture that affects only certain Sub-Series Bonds may be made with the prior written consent of only the Owners of such Sub-Series Bonds.

(b) If at any time WRCOG and the Trustee shall desire to execute and deliver a Supplemental Indenture for any of the purposes of this Section 8.02, the Trustee shall, upon being provided with reasonably satisfactory arrangements for payment of its fees and expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each Owner of the Series 2018 Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners of the Series 2018 Bonds. If within 60 days or such longer period as shall be prescribed by WRCOG following the giving of such notice, the Owners of not less than two-thirds in aggregate principal amount of the Series 2018 Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Series 2018 Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain WRCOG from adopting the same or from taking any action pursuant to the provisions thereof. Subject to Section 8.04 hereof, upon the execution of any such Supplemental Indenture as in this Section 8.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. Notwithstanding the foregoing, notice of any Supplemental Indenture that affects only certain Sub-Series Bonds may be sent only to the Owners of such Sub-Series Bonds.

Section 8.03 Reliance on Opinion of Counsel. The Trustee and WRCOG shall be entitled to rely upon an opinion of Counsel stating that a Supplemental Indenture is authorized or permitted by this Indenture.

Section 8.04 Consents Required. Anything herein to the contrary notwithstanding, a Supplemental Indenture described in Section 8.02 hereof which adversely affects any rights of WRCOG, the Purchaser, the Program Administrator, the Escrow Agent or the Trustee shall not become effective unless and until the affected party shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution

and delivery of any Supplemental Indenture together with a copy of the proposed Supplemental Indenture to be mailed as provided in Section 4.03 with respect to the redemption of Series 2018 Bonds to WRCOG, the Program Administrator, the Escrow Agent and the Purchaser at least ten (10) days before the date of its proposed execution and delivery.

Section 8.05 Amendments of Bond Documents Not Requiring Consent of Owners of Series 2018 Bonds. WRCOG and the Trustee may, without the consent of or notice to any of the Owners of Series 2018 Bonds (but only with the consent of any one person or entity that owns at least fifty-one percent (51%) in aggregate principal amount of the Outstanding Series 2018 Bonds) enter into any amendment, change or modification of any of the Bond Documents as may be required (a) by the provisions of this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission therein, (c) so as to add additional rights and remedies for the benefit of Owners of the Series 2018 Bonds, (d) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Owners of the Series 2018 Bonds or (e) to modify, amend or supplement any of the Bond Documents to conform such documents to any modifications, amendments or supplements to the Indenture made for the purpose of providing for the issuance of new Series of Bonds under the Indenture.

Section 8.06 Amendments of Bond Documents Requiring Consent of Owners of Series 2018 Bonds. Except for the amendments, changes or modifications as provided in Section 8.05 hereof, neither of WRCOG or the Trustee shall enter into any other amendment, change or modification of the Bond Documents without the mailing of notice and the written approval or consent of the Owners of not less than 66-2/3% in aggregate principal amount of the Outstanding Bonds; provided, however, that nothing in this Section or Section 8.05 hereof shall permit or be construed as permitting without the consent of the Owners of all of the Series 2018 Bonds (a) an extension of the time of the payment of any amounts payable under the Bond Documents, (b) a reduction in the amount of any payment or in the total amount due under the Bond Documents or (c) the sharing of collateral among the Sub-Series Bonds. If at any time WRCOG or the Trustee shall desire the consent to any such proposed amendment, change or modification, the Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided herein with respect to redemption of Series 2018 Bonds. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by all Owners of Series 2018 Bonds. If, within sixty (60) days, or such longer period as shall be prescribed by the Trustee as the case may be, following the mailing of such notice, the Owners of 66-2/3% in aggregate principal amount of the Series 2018 Bonds Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as hereto provided, no Owner of any Series 2018 Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain WRCOG or the Trustee, as the case may be, from executing the same or from taking any action pursuant to the provisions thereof. WRCOG or the Trustee, as the case may be, shall have the right to extend from time to time the period within which such consent and approval may be obtained from Owners of the Series 2018 Bonds. Upon the execution of any such amendment, change or modification as in this Section permitted and provided, the Bond Documents shall be and be deemed to be modified, changed and amended in accordance therewith. Notwithstanding the foregoing, any amendment, change or modification of the Bond Documents that affects only certain Sub-Series Bonds may be made with the prior written consent of, and notice to, only the Owners of such Sub-Series Bonds.

ARTICLE IX

DISCHARGE

Section 9.01 Discharge of Indenture. If WRCOG shall pay, or there shall otherwise be paid, to the Owners of all Series 2018 Bonds the principal or redemption price, if applicable, and interest due thereon, at the times and in the manner stipulated therein and in this Indenture and if all

Trustee Fees and Trustee Expenses and all amounts payable to WRCOG for its own account (including expenses and indemnification) shall be paid in full, then the pledge of revenues, other moneys and securities under this Indenture, and all covenants, agreements and other obligations of WRCOG to the Owners of Series 2018 Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by WRCOG to be prepared and filed with WRCOG and, upon the request of WRCOG, shall execute and deliver to WRCOG all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver as provided in Article V hereof all moneys or securities held by them pursuant to this Indenture after the payment of principal or redemption price, if applicable, of or interest on the Series 2018 Bonds.

Section 9.02 Discharge by Delivery. The Bond Obligations may be discharged by the delivery of the Drawdown Bonds to the Trustee accompanied by written direction from the Purchaser to cancel the Drawdown Bonds, and delivery to the Trustee of written directions from the Owners of all Sub-Series Bonds to cancel such Sub-Series Bonds, without payment (except as provided hereafter in this Section 9.02), and upon such delivery, such Series 2018 Bonds Obligations shall be canceled and deemed paid. In the event only a portion of the Series 2018 Bond Obligations shall be canceled and deemed paid pursuant to the terms of this Section 9.02, those Bond Obligations which are not so canceled and deemed paid shall remain Outstanding for all purposes of this Indenture.

Section 9.03 Discharge by Deposit. The obligation to pay the principal of and interest on all or a portion of the Series 2018 Bonds may be discharged if WRCOG has deposited or caused to be deposited, as trust funds, with the Trustee cash and/or Government Obligations which do not permit the redemption thereof at the option of the issuer thereof, the principal of and interest on which when due (or upon the redemption thereof at the option of the Owner), will, without reinvestment, provide cash which together with the cash, if any, on deposit with the Trustee at the same time, shall be sufficient, to pay and discharge the entire indebtedness on the Series 2018 Bonds not theretofore canceled by the Trustee or delivered to the Trustee for cancellation by the payment of interest on and principal of the Series 2018 Bonds which have become due and payable or which shall become due at their stated maturity or redemption date, as the case may be (the “**Defeasance Collateral**”), and which are to be discharged under the provisions hereof, and has made arrangements satisfactory to the Trustee for the giving of notice of redemption, if any, by the Trustee in the name, and at the expense, of WRCOG. If the period over which payments will be made from the Defeasance Collateral is greater than ninety (90) days, WRCOG must also deliver to the Trustee a verification report prepared by a certified public accountant, with respect to the sufficiency of the Defeasance Collateral to make such payments.

ARTICLE X

MISCELLANEOUS

Section 10.01 Evidence of Signatures of Bond Owners and Ownership of Series 2018 Bonds.

(a) Any request, consent, revocation of consent or other instrument that this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of such instruments may be proved by a guaranty of the signature thereon by a bank, trust company or national banking association or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument 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. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guaranty, certificate or affidavit also shall constitute sufficient proof of his authority.

(b) The ownership of Series 2018 Bonds and the amount, numbers and other identification, and date of holding the same, shall be proved by the registry books maintained by the Trustee.

(c) Any request or consent by the Owner of any Series 2018 Bond shall bind all future owners of such Series 2018 Bond in respect of anything done or suffered to be done by WRCOG or any Trustee in accordance therewith.

Section 10.02 Series 2018 Bonds Not an Obligation of the State or Any Political Subdivision.

(a) WRCOG shall not be obligated to pay the principal or redemption price of or interest on any Sub-Series Bond, except from the collateral securing such Bond and other moneys and assets held by the Trustee pursuant to this Indenture and available therefor as provided herein. Neither the faith and credit nor the taxing power of the State of California or any political subdivision thereof (including any Member of WRCOG), nor the faith and credit of WRCOG is pledged to the payment of the principal or redemption price of or interest on the Series 2018 Bonds. Neither WRCOG nor any Member of WRCOG shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Indenture, the Series 2018 Bonds or any Assessment Contract, except only to the extent amounts are received for the payment thereof from the Series 2018 Bonds or collateral and other moneys and assets held by the Trustee pursuant to this Indenture and available therefor as provided herein. The Trustee hereby acknowledges that WRCOG's sole source of moneys to repay any Series 2018 Bond will be provided by the Assessment or Assessments securing such Series 2018 Bond and other money and assets held by the Trustee pursuant to this Indenture and available therefor as provided herein.

(b) THE SERIES 2018 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN WRCOG, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. WRCOG SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2018 BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING WRCOG, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE SERIES 2018 BONDS. THE ISSUANCE OF THE SERIES 2018 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

(c) Each Sub-Series Bond is a "Limited Obligation Improvement Bond" pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore hereunder. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

(d) No recourse may be had for the enforcement of any obligation, promise or agreement of WRCOG contained herein, in any other Bond Documents or in the Series 2018 Bonds or for any claim based hereon or thereon or otherwise in respect hereof or thereof against any member of the Executive Committee of WRCOG, officer, agent, attorney or employee, as such, in his individual capacity, past, present or future, of WRCOG, any Member of WRCOG or of any successor entity to any of them, either directly or through WRCOG, any Member of WRCOG or any successor entity to any of them, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty otherwise. No personal liability whatsoever will attach to, or be incurred by, any member of the Executive Committee of WRCOG, officer, agent, attorney or employee as such, past, present or future, of WRCOG, any Member of WRCOG or of any successor entity to any of them, either directly or through WRCOG, any Member or any successor entity to any of them, under or by reason of any of the obligations, promises or agreements entered into in the Series 2018 Bonds or between WRCOG and the Trustee, whether contained herein or to be implied herefrom as being supplemental hereto; and all personal liability of that character against every such member of the Executive Committee, officer, agent, attorney and employee is, by the execution of this Indenture and as a condition of, and as part of the consideration for, the execution of this Indenture, expressly waived and released.

Section 10.03 Preservation and Inspection of Documents. All documents received by any Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times and upon reasonable prior notice to the inspection of WRCOG, any other Trustee, and any Owner of the Series 2018 Bonds and their agents and their representatives, any of whom may make copies thereof. Any or all documents required to be maintained hereunder by the Trustee may be maintained in electronic format in accordance with prevailing industry standards.

Section 10.04 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than WRCOG, the Trustee, the Program Administrator, the Purchaser, the Escrow Agent and the Owners of the Series 2018 Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation of this Indenture; and all the covenants, stipulations, promises and agreements in this Indenture shall be for the sole and exclusive benefit of WRCOG, the Trustee, the Program Administrator, the Purchaser, the Escrow Agent and the Owners of the Series 2018 Bonds.

Section 10.05 No Recourse on the Series 2018 Bonds. No recourse shall be had for the payment of the principal or redemption price or purchase price of or interest on the Series 2018 Bonds or for any claim based thereon or on this Indenture or any other Bond Documents against any member of the Executive Committee, officer, employee or agent of WRCOG or any person executing the Series 2018 Bonds.

Section 10.06 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of WRCOG or any Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and in no way shall affect the validity of the other provisions of this Indenture.

Section 10.07 Successors. Whenever in this Indenture WRCOG is named or referred to, it shall be deemed to include any entity that may succeed to the principal functions and powers of WRCOG under Chapter 29, and all the covenants and agreements contained in this Indenture by or on behalf of WRCOG shall bind and inure to the benefit of said successor whether so expressed or not.

Section 10.08 Notices, Demands and Requests. Except as otherwise provided in Section 4.03, all notices, demands and requests to be given or made under this Indenture shall be in writing and

shall be sufficiently given and shall be deemed given (a) three days after mailing by certified mail, first-class, postage prepaid; (b) the Business Day after sending by expedited overnight delivery service; (c) the date of receipt if delivered by personal delivery; (d) if sent by facsimile, email or other means of electronic communication, the date of transmission, if receipt of such transmission is telephonically or electronically confirmed on such day and addressed to the Notice Address of the respective addressee. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as set forth below; however, with respect to any future Purchaser, such address as may be shown in the records of the Trustee. A party may change the Notice Address listed for it or designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, at any time upon ten days' prior written notice of such change sent by United States mail, postage prepaid, to the other parties, which change shall be effective upon receipt. No notice need be given to any party if such party is no longer a party to the transactions contemplated by this Indenture.

To WRCOG: Western Riverside Council of Governments
3390 University Avenue, Suite 450
Riverside, CA 92501
Attention: Executive Director

with a copy to: Western Riverside Council of Governments
3390 University Avenue, Suite 450
Riverside, CA 92501
Attention: General Counsel

To the Trustee: ZB National Association d/b/a Zions Bank
550 South Hope Street, Suite 2875
Los Angeles, CA 90071
Attention: Corporate Trust Department

To the Series 2018 Bond Registrar
and Paying Agent: [Same as Trustee]

To the initial Purchaser: Ygrene Energy Fund California LLC
2100 S. McDowell Blvd.
Petaluma, CA 94954
Attention: Tim Condon, CFO

with a copy to: Ygrene Energy Fund California LLC
2100 S. McDowell Blvd.
Petaluma, CA 94954
Attention: General Counsel

To the initial Program Administrator: Ygrene Energy Fund California LLC
2100 S. McDowell Blvd.
Petaluma, CA 94954
Attention: Tim Condon, CFO

with a copy to:

Ygrene Energy Fund California LLC
2100 S. McDowell Blvd.
Petaluma, CA 94954
Attention: General Counsel

To the initial Escrow Agent:

Cortland Capital Market Services LLC
225 W. Washington St., 9th Floor
Chicago, Illinois 60606
Attention: Legal Department and Escrow
Department
Email: legal@cortlandglobal.com
escrow@cortlandglobal.com

Section 10.09 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 10.10 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Articles and Sections of this Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Indenture.

Section 10.11 Effective Date. This Indenture shall take effect immediately upon the execution and delivery by all of the parties hereto.

Section 10.12 Execution of Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Indenture by electronic means shall be effective as delivery of a manually executed counterpart.

SIGNATURE PAGES FOLLOW

IN WITNESS WHEREOF, WRCOG has caused these presents to be executed in its name by its duly authorized official; and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be executed in its corporate name and with its corporate seal hereunto affixed and attested by its duly authorized officer, as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Authorized Representative

Attest: _____
Bond Counsel

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Representative

[Signature Page – Trust Indenture]

EXHIBIT A
FORMS OF SERIES 2018 DRAWDOWN BONDS

[text begins on following page]

EXHIBIT A

FORM OF SERIES 2018A DRAWDOWN BOND

[to be used with 30 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018A

No.: RA-1

Dated Date: _____, 20__

Registered Owner: Ygrene Energy Fund California LLC

Interest Rate: Variable, as provided herein

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount hereof as shall have been Advanced to WRCOG as reflected by the Schedule of Drawings attached as Schedule A hereto (and as confirmed by the Trustee (as hereinafter defined) on the Schedule of Drawings maintained by the Trustee) on each Principal Payment Date for each such Advance, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the interest rates per annum on each Advance hereunder. Upon transfer by the Owner of any portion of this Drawdown Bond evidenced by a Series 2018A Sub-Series Bond (as defined below) in accordance with the Indenture, the Trustee shall note such transfer on Schedule B attached hereto. Notwithstanding the foregoing, the Trustee may maintain such log through its bond recordkeeping system.

Interest shall accrue only on such Principal Amount as has been actually drawn by WRCOG, as reflected on the Schedule of Drawings attached hereto and as confirmed on the Schedule of Drawings maintained by the Trustee. THE ACTUAL OUTSTANDING PRINCIPAL BALANCE OF THIS BOND CANNOT BE DETERMINED BY REFERENCE TO THE FACE OF THIS BOND. Advances by the Owner of this Bond shall, upon presentation of this Bond to the Trustee (or while the Trustee holds this Bond in its custody on behalf of the Owner), be noted on the Schedule of Drawings attached to this Bond, but failure to so note such Advance shall not nullify the effectiveness of any such advance by the Owner.

Each Advance made under this Drawdown Bond will be considered a Series 2018A Sub-Series Bond (each a “**Series 2018A Sub-Series Bond**”), will be separately certificated as a Series 2018A Sub-Series Bond, and will be numbered consecutively from SUBRA-1 upward on the books and records of the Trustee.

The principal of and interest on this Drawdown Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owners of the Series 2018A Sub-Series Bonds (as defined below) issued hereunder at their addresses appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018A Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018A, issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) (the “**Series 2018A Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

This Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date], between WRCOG and ZB National Association d/b/a Zions Bank, a national bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture). Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of this Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means with respect to each Series 2018A Sub-Series Bond, each March 2 and September 2, commencing on the March 2 or September 2 specified in such Sub-Series Bond.

“Minimum Transfer Amount” means \$100,000.

“Principal Payment Date” means with respect to each Series 2018A Sub-Series Bond, each September 2, commencing on the September 2 that is at least one year following the first time the Assessment related to such Series 2018A Sub-Series Bond is placed on a property tax bill.

“Program Administration Agreement” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2018 BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE SERIES 2018 BONDS. THE ISSUANCE OF THE SERIES 2018 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018A Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

The Series 2018A Bonds are issuable as one fully registered Drawdown Bond in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due hereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under this Drawdown Bond will be considered a Series 2018A Sub-Series Bond and will be

numbered consecutively from SUBRA-1 upward on the books and records of the Trustee. WRCOG, the Trustee, and any other person may treat the person in whose name this Drawdown Bond and any Series 2018A Sub-Series Bond is registered on the books of registry as the Owner hereof or thereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

Interest Rates.

(a) General. The Series 2018A Bonds shall bear interest on the outstanding principal amount, from time to time, at the interest rate determined and payable in the following manner.

(i) Each Advance and the corresponding Series 2018A Sub-Series Bond shall have its own interest rate associated with it. On each date that an Advance is made hereunder, the interest rate on the amount Advanced shall be determined by the Program Administrator and computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed. The Program Administrator shall provide to the Trustee and the Purchaser the interest rate and maturity date applicable to each Advance and corresponding Series 2018A Sub-Series Bond in the Funding Notice and Requisition. Absent manifest error, the determination of the interest rate by the Program Administrator shall be conclusive and binding upon the Owners, the Purchaser, WRCOG and the Trustee. The interest rate established for each Advance shall be fixed for the entire term that the Assessment Contract or Assessment Contracts associated with the Advance is/are in effect.

(ii) The amount of interest payable on each Interest Payment Date shall be the amount of interest accrued on the outstanding balance of the aggregate Advances made, as provided in the last sentence of this paragraph. The Program Administrator shall calculate the amount of interest due on each Interest Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018A Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Interest Payment Date. The amount of interest payable on each Series 2018A Sub-Series Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the date of the Advance for such Series 2018A Sub-Series Bond to, but not including, the first Interest Payment Date for such Sub-Series Bond (subtracting therefrom the amount of capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding balance of such Advance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018A Bonds, and all agreements made in connection with the Indenture, the Series 2018A Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest or the amounts paid for the use of money Advanced or to be Advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018A Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of

interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of the Series 2018A Bonds shall be payable on each Principal Payment Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from all of the annual Assessment payments made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of any of the Series 2018A Bonds, the principal amount being redeemed. The Program Administrator shall calculate the amount of principal due on each Principal Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018A Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Principal Payment Date.

Security.

(a) Pursuant to the provisions of the Purchase Agreement and the Indenture, at least two (2) Business Days prior to the date when such funds will be Advanced hereunder, the Program Administrator shall provide a Funding Notice and Requisition to the Escrow Agent and the Trustee, which shall contain, with respect to each Assessment included therein: (1) the date of the Advance, (2) the amount of the Advance, (3) the Identifying Number or Identifying Numbers of the Assessment Contract or Assessment Contracts associated with the Advance, (4) the interest rate applicable to the Advance and the corresponding Series 2018A Sub-Series Bond, (5) the year in which the first Bond Payment Date occurs and (6) the name of the Registered owner of the applicable Series 2018A Sub-Series Bond (collectively, the “**Collateral Information**”), as well as the schedule and direction to the Escrow Agent of payments to be made to the appropriate parties. A separate Funding Notice and Requisition shall be submitted with respect to each Advance.

(b) The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for such Series 2018A Sub-Series Bond.

(c) **THE MATCHING COLLATERAL FOR ANY SERIES 2018A SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018A SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF SUCH SERIES 2018A SUB-SERIES BOND, AND SUCH SERIES 2018A SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018A SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SUB-SERIES BOND.**

Registration and Transfer.

A Series 2018A Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SERIES 2018A SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM ANY SERIES 2018A SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of a Series 2018A Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018A Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018A Bonds.

No Series 2018A Sub-Series Bond may be transferred unless:

(i) the Outstanding principal amount of such Series 2018A Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) such Series 2018A Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of a Series 2018A Sub-Series Bond in whole by any Owner as collateral for a loan. Any Series 2018A Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of the Series 2018A Sub-Series Bond.

Mandatory Redemption.

(a) Each Series 2018A Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued

interest to the date of redemption. Prior to any such redemption, the Program Administrator will have provided to the Trustee the applicable information described in the preceding sentence. The Trustee shall thereupon note on its books the portion of the Series 2018A Sub-Series Bond that has been redeemed.

(b) Each Series 2018A Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts. Prior to any such redemption, the Program Administrator shall provide to the Trustee the applicable Collateral Information related to such prepayment. The Trustee shall thereupon (i) note on its books the portion of the Series 2018A Sub-Series Bond that has been redeemed or that the Series 2018A Sub-Series Bond has been redeemed in full and (ii) if the redemption is in full, cancel such Series 2018A Sub-Series Bond.

Optional Redemption.

Each Series 2018A Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner of such Series 2018A Sub-Series Bond, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner of such Sub-Series Bond, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator shall provide to the Trustee the Collateral Information related to such Series 2018A Sub-Series Bond to be redeemed. The Trustee shall thereupon (i) note on its books that the Series 2018A Sub-Series Bond has been redeemed in full, and (ii) cancel such Series 2018A Sub-Series Bond.

Simultaneous with the receipt of sufficient funds for the optional redemption of any Series 2018A Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner of such Series 2018A Sub-Series Bond, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner of such Series 2018A Sub-Series Bond, as applicable, the Matching Collateral that secured the Series 2018A Sub-Series Bond that is being redeemed and the related liens and rights, as well as any other document that the Purchaser or the Owner of such Series 2018A Sub-Series Bond, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of each Series 2018A Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of its Series 2018A Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to such Series 2018A Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to such Series 2018A Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Drawdown Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Drawdown Bond exist, have happened and have been performed and that the issue of the Series 2018A Bonds is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Drawdown Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

Exhibit A

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

SCHEDULE A

SCHEDULE OF DRAWINGS

Date of Draw

Amount of Draw

SCHEDULE B

SCHEDULE OF TRANSFERS

Date of Transfer

Series 2018A Sub-Series Bond Transferred

EXHIBIT A-2

FORM OF SERIES 2018B DRAWDOWN BOND

[to be used with 25 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018B

No.: RB-1

Dated Date: _____, 20__

Registered Owner: Ygrene Energy Fund California LLC

Interest Rate: Variable, as provided herein

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount hereof as shall have been Advanced to WRCOG as reflected by the Schedule of Drawings attached as Schedule A hereto (and as confirmed by the Trustee (as hereinafter defined) on the Schedule of Drawings maintained by the Trustee) on each Principal Payment Date for each such Advance, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the interest rates per annum on each Advance hereunder. Upon transfer by the Owner of any portion of this Drawdown Bond evidenced by a Series 2018B Sub-Series Bond (as defined below) in accordance with the Indenture, the Trustee shall note such transfer on Schedule B attached hereto. Notwithstanding the foregoing, the Trustee may maintain such log through its bond recordkeeping system.

Interest shall accrue only on such Principal Amount as has been actually drawn by WRCOG, as reflected on the Schedule of Drawings attached hereto and as confirmed on the Schedule of Drawings maintained by the Trustee. THE ACTUAL OUTSTANDING PRINCIPAL BALANCE OF THIS BOND CANNOT BE DETERMINED BY REFERENCE TO THE FACE OF THIS BOND. Advances by the Owner of this Bond shall, upon presentation of this Bond to the Trustee (or while the Trustee holds this Bond in its custody on behalf of the Owner), be noted on the Schedule of Drawings attached to this Bond, but failure to so note such Advance shall not nullify the effectiveness of any such advance by the Owner.

Each Advance made under this Drawdown Bond will be considered a Series 2018B Sub-Series Bond (each a “**Series 2018B Sub-Series Bond**”), will be separately certificated as a Series 2018B Sub-Series Bond, and will be numbered consecutively from SUBRB-1 upward on the books and records of the Trustee.

The principal of and interest on this Drawdown Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owners of the Series 2018B Sub-Series Bonds (as defined below) issued hereunder at their addresses appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018B Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018B, issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) (the “**Series 2018B Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

This Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date], between WRCOG and ZB National Association d/b/a Zions Bank, a national bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture). Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of this Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means with respect to each Series 2018B Sub-Series Bond, each March 2 and September 2, commencing on the March 2 or September 2 specified in such Sub-Series Bond.

“Minimum Transfer Amount” means \$100,000.

“Principal Payment Date” means with respect to each Series 2018B Sub-Series Bond, each September 2, commencing on the September 2 that is at least one year following the first time the Assessment related to such Series 2018B Sub-Series Bond is placed on a property tax bill.

“Program Administration Agreement” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2018 BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE SERIES 2018 BONDS. THE ISSUANCE OF THE SERIES 2018 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018B Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

The Series 2018B Bonds are issuable as one fully registered Drawdown Bond in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due hereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under this Drawdown Bond will be considered a Series 2018B Sub-Series Bond and will be

numbered consecutively from SUBRB-1 upward on the books and records of the Trustee. WRCOG, the Trustee, and any other person may treat the person in whose name this Drawdown Bond and any Series 2018B Sub-Series Bond is registered on the books of registry as the Owner hereof or thereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

Interest Rates.

(a) General. The Series 2018B Bonds shall bear interest on the outstanding principal amount, from time to time, at the interest rate determined and payable in the following manner.

(iii) Each Advance and the corresponding Series 2018B Sub-Series Bond shall have its own interest rate associated with it. On each date that an Advance is made hereunder, the interest rate on the amount Advanced shall be determined by the Program Administrator and computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed. The Program Administrator shall provide to the Trustee and the Purchaser the interest rate and maturity date applicable to each Advance and corresponding Series 2018B Sub-Series Bond in the Funding Notice and Requisition. Absent manifest error, the determination of the interest rate by the Program Administrator shall be conclusive and binding upon the Owners, the Purchaser, WRCOG and the Trustee. The interest rate established for each Advance shall be fixed for the entire term that the Assessment Contract or Assessment Contracts associated with the Advance is/are in effect.

(iv) The amount of interest payable on each Interest Payment Date shall be the amount of interest accrued on the outstanding balance of the aggregate Advances made, as provided in the last sentence of this paragraph. The Program Administrator shall calculate the amount of interest due on each Interest Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018B Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Interest Payment Date. The amount of interest payable on each Series 2018B Sub-Series Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the date of the Advance for such Series 2018B Sub-Series Bond to, but not including, the first Interest Payment Date for such Sub-Series Bond (subtracting therefrom the amount of capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding balance of such Advance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018B Bonds, and all agreements made in connection with the Indenture, the Series 2018B Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest or the amounts paid for the use of money Advanced or to be Advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018B Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of

interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of the Series 2018B Bonds shall be payable on each Principal Payment Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from all of the annual Assessment payments made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of any of the Series 2018B Bonds, the principal amount being redeemed. The Program Administrator shall calculate the amount of principal due on each Principal Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018B Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Principal Payment Date.

Security.

(c) Pursuant to the provisions of the Purchase Agreement and the Indenture, at least two (2) Business Days prior to the date when such funds will be Advanced hereunder, the Program Administrator shall provide a Funding Notice and Requisition to the Escrow Agent and the Trustee, which shall contain, with respect to each Assessment included therein: (1) the date of the Advance, (2) the amount of the Advance, (3) the Identifying Number or Identifying Numbers of the Assessment Contract or Assessment Contracts associated with the Advance, (4) the interest rate applicable to the Advance and the corresponding Series 2018B Sub-Series Bond, (5) the year in which the first Bond Payment Date occurs and (6) the name of the Registered owner of the applicable Series 2018B Sub-Series Bond (collectively, the “**Collateral Information**”), as well as the schedule and direction to the Escrow Agent of payments to be made to the appropriate parties. A separate Funding Notice and Requisition shall be submitted with respect to each Advance.

(d) The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for such Series 2018B Sub-Series Bond.

(c) **THE MATCHING COLLATERAL FOR ANY SERIES 2018B SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018B SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF SUCH SERIES 2018B SUB-SERIES BOND, AND SUCH SERIES 2018B SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018B SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SUB-SERIES BOND.**

Registration and Transfer.

A Series 2018B Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SERIES 2018B SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM ANY SERIES 2018B SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of a Series 2018B Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018B Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018B Bonds.

No Series 2018B Sub-Series Bond may be transferred unless:

(i) the Outstanding principal amount of such Series 2018B Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) such Series 2018B Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of a Series 2018B Sub-Series Bond in whole by any Owner as collateral for a loan. Any Series 2018B Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of the Series 2018B Sub-Series Bond.

Mandatory Redemption.

(a) Each Series 2018B Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued

interest to the date of redemption. Prior to any such redemption, the Program Administrator will have provided to the Trustee the applicable information described in the preceding sentence. The Trustee shall thereupon note on its books the portion of the Series 2018B Sub-Series Bond that has been redeemed.

(b) Each Series 2018B Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts. Prior to any such redemption, the Program Administrator shall provide to the Trustee the applicable Collateral Information related to such prepayment. The Trustee shall thereupon (i) note on its books the portion of the Series 2018B Sub-Series Bond that has been redeemed or that the Series 2018B Sub-Series Bond has been redeemed in full and (ii) if the redemption is in full, cancel such Series 2018B Sub-Series Bond.

Optional Redemption.

Each Series 2018B Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner of such Series 2018B Sub-Series Bond, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner of such Sub-Series Bond, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator shall provide to the Trustee the Collateral Information related to such Series 2018B Sub-Series Bond to be redeemed. The Trustee shall thereupon (i) note on its books that the Series 2018B Sub-Series Bond has been redeemed in full, and (ii) cancel such Series 2018B Sub-Series Bond.

Simultaneous with the receipt of sufficient funds for the optional redemption of any Series 2018B Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner of such Series 2018B Sub-Series Bond, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner of such Series 2018B Sub-Series Bond, as applicable, the Matching Collateral that secured the Series 2018B Sub-Series Bond that is being redeemed and the related liens and rights, as well as any other document that the Purchaser or the Owner of such Series 2018B Sub-Series Bond, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of each Series 2018B Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of its Series 2018B Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to such Series 2018B Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to such Series 2018B Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Drawdown Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Drawdown Bond exist, have happened and have been performed and that the issue of the Series 2018B Bonds is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Drawdown Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

SCHEDULE A

SCHEDULE OF DRAWINGS

Date of Draw

Amount of Draw

SCHEDULE B

SCHEDULE OF TRANSFERS

Date of Transfer

Series 2018B Sub-Series Bond Transferred

EXHIBIT A-3

FORM OF SERIES 2018C DRAWDOWN BOND

[to be used with 20 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018C

No.: RC-1

Dated Date: _____, 20__

Registered Owner: Ygrene Energy Fund California LLC

Interest Rate: Variable, as provided herein

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount hereof as shall have been Advanced to WRCOG as reflected by the Schedule of Drawings attached as Schedule A hereto (and as confirmed by the Trustee (as hereinafter defined) on the Schedule of Drawings maintained by the Trustee) on each Principal Payment Date for each such Advance, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the interest rates per annum on each Advance hereunder. Upon transfer by the Owner of any portion of this Drawdown Bond evidenced by a Series 2018C Sub-Series Bond (as defined below) in accordance with the Indenture, the Trustee shall note such transfer on Schedule B attached hereto. Notwithstanding the foregoing, the Trustee may maintain such log through its bond recordkeeping system.

Interest shall accrue only on such Principal Amount as has been actually drawn by WRCOG, as reflected on the Schedule of Drawings attached hereto and as confirmed on the Schedule of Drawings maintained by the Trustee. THE ACTUAL OUTSTANDING PRINCIPAL BALANCE OF THIS BOND CANNOT BE DETERMINED BY REFERENCE TO THE FACE OF THIS BOND. Advances by the Owner of this Bond shall, upon presentation of this Bond to the Trustee (or while the Trustee holds this Bond in its custody on behalf of the Owner), be noted on the Schedule of Drawings attached to this Bond, but failure to so note such Advance shall not nullify the effectiveness of any such advance by the Owner.

Each Advance made under this Drawdown Bond will be considered a Series 2018C Sub-Series Bond (each a “**Series 2018C Sub-Series Bond**”), will be separately certificated as a Series 2018C Sub-Series Bond, and will be numbered consecutively from SUBRC-1 upward on the books and records of the Trustee.

The principal of and interest on this Drawdown Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owners of the Series 2018C Sub-Series Bonds (as defined below) issued hereunder at their addresses appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018C Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018C, issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) (the “**Series 2018C Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

This Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date], between WRCOG and Zions First National Bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture). Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of this Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means with respect to each Series 2018C Sub-Series Bond, each March 2 and September 2, commencing on the March 2 or September 2 specified in such Sub-Series Bond.

“Minimum Transfer Amount” means \$100,000.

“Principal Payment Date” means with respect to each Series 2018C Sub-Series Bond, each September 2, commencing on the September 2 that is at least one year following the first time the Assessment related to such Series 2018C Sub-Series Bond is placed on a property tax bill.

“Program Administration Agreement” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2018 BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE SERIES 2018 BONDS. THE ISSUANCE OF THE SERIES 2018 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018C Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

The Series 2018C Bonds are issuable as one fully registered Drawdown Bond in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due hereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under this Drawdown Bond will be considered a Series 2018C Sub-Series Bond and will be

numbered consecutively from SUBRC-1 upward on the books and records of the Trustee. WRCOG, the Trustee, and any other person may treat the person in whose name this Drawdown Bond and any Series 2018C Sub-Series Bond is registered on the books of registry as the Owner hereof or thereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

Interest Rates.

(a) General. The Series 2018C Bonds shall bear interest on the outstanding principal amount, from time to time, at the interest rate determined and payable in the following manner.

(v) Each Advance and the corresponding Series 2018C Sub-Series Bond shall have its own interest rate associated with it. On each date that an Advance is made hereunder, the interest rate on the amount Advanced shall be determined by the Program Administrator and computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed. The Program Administrator shall provide to the Trustee and the Purchaser the interest rate and maturity date applicable to each Advance and corresponding Series 2018C Sub-Series Bond in the Funding Notice and Requisition. Absent manifest error, the determination of the interest rate by the Program Administrator shall be conclusive and binding upon the Owners, the Purchaser, WRCOG and the Trustee. The interest rate established for each Advance shall be fixed for the entire term that the Assessment Contract or Assessment Contracts associated with the Advance is/are in effect.

(vi) The amount of interest payable on each Interest Payment Date shall be the amount of interest accrued on the outstanding balance of the aggregate Advances made, as provided in the last sentence of this paragraph. The Program Administrator shall calculate the amount of interest due on each Interest Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018C Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Interest Payment Date. The amount of interest payable on each Series 2018C Sub-Series Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the date of the Advance for such Series 2018C Sub-Series Bond to, but not including, the first Interest Payment Date for such Sub-Series Bond (subtracting therefrom the amount of capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding balance of such Advance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018C Bonds, and all agreements made in connection with the Indenture, the Series 2018C Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest or the amounts paid for the use of money Advanced or to be Advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018C Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of

interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of the Series 2018C Bonds shall be payable on each Principal Payment Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from all of the annual Assessment payments made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of any of the Series 2018C Bonds, the principal amount being redeemed. The Program Administrator shall calculate the amount of principal due on each Principal Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018C Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Principal Payment Date.

Security.

(e) Pursuant to the provisions of the Purchase Agreement and the Indenture, at least two (2) Business Days prior to the date when such funds will be Advanced hereunder, the Program Administrator shall provide a Funding Notice and Requisition to the Escrow Agent and the Trustee, which shall contain, with respect to each Assessment included therein: (1) the date of the Advance, (2) the amount of the Advance, (3) the Identifying Number or Identifying Numbers of the Assessment Contract or Assessment Contracts associated with the Advance, (4) the interest rate applicable to the Advance and the corresponding Series 2018C Sub-Series Bond, (5) the year in which the first Bond Payment Date occurs and (6) the name of the Registered owner of the applicable Series 2018C Sub-Series Bond (collectively, the “**Collateral Information**”), as well as the schedule and direction to the Escrow Agent of payments to be made to the appropriate parties. A separate Funding Notice and Requisition shall be submitted with respect to each Advance.

(f) The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for such Series 2018C Sub-Series Bond.

(c) **THE MATCHING COLLATERAL FOR ANY SERIES 2018C SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018C SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF SUCH SERIES 2018C SUB-SERIES BOND, AND SUCH SERIES 2018C SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018C SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SUB-SERIES BOND.**

Registration and Transfer.

A Series 2018C Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SERIES 2018C SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM ANY SERIES 2018C SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of a Series 2018C Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018C Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018C Bonds.

No Series 2018C Sub-Series Bond may be transferred unless:

(i) the Outstanding principal amount of such Series 2018C Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) such Series 2018C Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of a Series 2018C Sub-Series Bond in whole by any Owner as collateral for a loan. Any Series 2018C Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of the Series 2018C Sub-Series Bond.

Mandatory Redemption.

(a) Each Series 2018C Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued

interest to the date of redemption. Prior to any such redemption, the Program Administrator will have provided to the Trustee the applicable information described in the preceding sentence. The Trustee shall thereupon note on its books the portion of the Series 2018C Sub-Series Bond that has been redeemed.

(b) Each Series 2018C Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts. Prior to any such redemption, the Program Administrator shall provide to the Trustee the applicable Collateral Information related to such prepayment. The Trustee shall thereupon (i) note on its books the portion of the Series 2018C Sub-Series Bond that has been redeemed or that the Series 2018C Sub-Series Bond has been redeemed in full and (ii) if the redemption is in full, cancel such Series 2018C Sub-Series Bond.

Optional Redemption.

Each Series 2018C Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner of such Series 2018C Sub-Series Bond, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner of such Sub-Series Bond, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator shall provide to the Trustee the Collateral Information related to such Series 2018C Sub-Series Bond to be redeemed. The Trustee shall thereupon (i) note on its books that the Series 2018C Sub-Series Bond has been redeemed in full, and (ii) cancel such Series 2018C Sub-Series Bond.

Simultaneous with the receipt of sufficient funds for the optional redemption of any Series 2018C Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner of such Series 2018C Sub-Series Bond, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner of such Series 2018C Sub-Series Bond, as applicable, the Matching Collateral that secured the Series 2018C Sub-Series Bond that is being redeemed and the related liens and rights, as well as any other document that the Purchaser or the Owner of such Series 2018C Sub-Series Bond, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of each Series 2018C Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of its Series 2018C Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to such Series 2018C Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to such Series 2018C Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Drawdown Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Drawdown Bond exist, have happened and have been performed and that the issue of the Series 2018C Bonds is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Drawdown Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

SCHEDULE A

SCHEDULE OF DRAWINGS

Date of Draw

Amount of Draw

SCHEDULE B

SCHEDULE OF TRANSFERS

Date of Transfer

Series 2018C Sub-Series Bond Transferred

EXHIBIT A-4

FORM OF SERIES 2018D DRAWDOWN BOND

[to be used with 15 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018D

No.: RD-1

Dated Date: _____, 20__

Registered Owner: Ygrene Energy Fund California LLC

Interest Rate: Variable, as provided herein

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount hereof as shall have been Advanced to WRCOG as reflected by the Schedule of Drawings attached as Schedule A hereto (and as confirmed by the Trustee (as hereinafter defined) on the Schedule of Drawings maintained by the Trustee) on each Principal Payment Date for each such Advance, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the interest rates per annum on each Advance hereunder. Upon transfer by the Owner of any portion of this Drawdown Bond evidenced by a Series 2018D Sub-Series Bond (as defined below) in accordance with the Indenture, the Trustee shall note such transfer on Schedule B attached hereto. Notwithstanding the foregoing, the Trustee may maintain such log through its bond recordkeeping system.

Interest shall accrue only on such Principal Amount as has been actually drawn by WRCOG, as reflected on the Schedule of Drawings attached hereto and as confirmed on the Schedule of Drawings maintained by the Trustee. THE ACTUAL OUTSTANDING PRINCIPAL BALANCE OF THIS BOND CANNOT BE DETERMINED BY REFERENCE TO THE FACE OF THIS BOND. Advances by the Owner of this Bond shall, upon presentation of this Bond to the Trustee (or while the Trustee holds this Bond in its custody on behalf of the Owner), be noted on the Schedule of Drawings attached to this Bond, but failure to so note such Advance shall not nullify the effectiveness of any such advance by the Owner.

Each Advance made under this Drawdown Bond will be considered a Series 2018D Sub-Series Bond (each a “**Series 2018D Sub-Series Bond**”), will be separately certificated as a Series 2018D Sub-Series Bond, and will be numbered consecutively from SUBRD-1 upward on the books and records of the Trustee.

The principal of and interest on this Drawdown Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owners of the Series 2018D Sub-Series Bonds (as defined below) issued hereunder at their addresses appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018D Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018D, issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) (the “**Series 2018D Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

This Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date], between WRCOG and Zions First National Bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture). Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of this Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means with respect to each Series 2018D Sub-Series Bond, each March 2 and September 2, commencing on the March 2 or September 2 specified in such Sub-Series Bond.

“Minimum Transfer Amount” means \$100,000.

“Principal Payment Date” means with respect to each Series 2018D Sub-Series Bond, each September 2, commencing on the September 2 that is at least one year following the first time the Assessment related to such Series 2018D Sub-Series Bond is placed on a property tax bill.

“Program Administration Agreement” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2018 BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE SERIES 2018 BONDS. THE ISSUANCE OF THE SERIES 2018 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018D Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

The Series 2018D Bonds are issuable as one fully registered Drawdown Bond in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due hereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under this Drawdown Bond will be considered a Series 2018D Sub-Series Bond and will be

numbered consecutively from SUBRD-1 upward on the books and records of the Trustee. WRCOG, the Trustee, and any other person may treat the person in whose name this Drawdown Bond and any Series 2018D Sub-Series Bond is registered on the books of registry as the Owner hereof or thereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

Interest Rates.

(a) General. The Series 2018D Bonds shall bear interest on the outstanding principal amount, from time to time, at the interest rate determined and payable in the following manner.

(vii) Each Advance and the corresponding Series 2018D Sub-Series Bond shall have its own interest rate associated with it. On each date that an Advance is made hereunder, the interest rate on the amount Advanced shall be determined by the Program Administrator and computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed. The Program Administrator shall provide to the Trustee and the Purchaser the interest rate and maturity date applicable to each Advance and corresponding Series 2018D Sub-Series Bond in the Funding Notice and Requisition. Absent manifest error, the determination of the interest rate by the Program Administrator shall be conclusive and binding upon the Owners, the Purchaser, WRCOG and the Trustee. The interest rate established for each Advance shall be fixed for the entire term that the Assessment Contract or Assessment Contracts associated with the Advance is/are in effect.

(viii) The amount of interest payable on each Interest Payment Date shall be the amount of interest accrued on the outstanding balance of the aggregate Advances made, as provided in the last sentence of this paragraph. The Program Administrator shall calculate the amount of interest due on each Interest Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018D Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Interest Payment Date. The amount of interest payable on each Series 2018D Sub-Series Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the date of the Advance for such Series 2018D Sub-Series Bond to, but not including, the first Interest Payment Date for such Sub-Series Bond (subtracting therefrom the amount of capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding balance of such Advance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018D Bonds, and all agreements made in connection with the Indenture, the Series 2018D Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest or the amounts paid for the use of money Advanced or to be Advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018D Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of

interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of the Series 2018D Bonds shall be payable on each Principal Payment Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from all of the annual Assessment payments made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of any of the Series 2018D Bonds, the principal amount being redeemed. The Program Administrator shall calculate the amount of principal due on each Principal Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018D Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Principal Payment Date.

Security.

(g) Pursuant to the provisions of the Purchase Agreement and the Indenture, at least two (2) Business Days prior to the date when such funds will be Advanced hereunder, the Program Administrator shall provide a Funding Notice and Requisition to the Escrow Agent and the Trustee, which shall contain, with respect to each Assessment included therein: (1) the date of the Advance, (2) the amount of the Advance, (3) the Identifying Number or Identifying Numbers of the Assessment Contract or Assessment Contracts associated with the Advance, (4) the interest rate applicable to the Advance and the corresponding Series 2018D Sub-Series Bond, (5) the year in which the first Bond Payment Date occurs and (6) the name of the Registered owner of the applicable Series 2018D Sub-Series Bond (collectively, the “**Collateral Information**”), as well as the schedule and direction to the Escrow Agent of payments to be made to the appropriate parties. A separate Funding Notice and Requisition shall be submitted with respect to each Advance.

(h) The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for such Series 2018D Sub-Series Bond.

(c) **THE MATCHING COLLATERAL FOR ANY SERIES 2018D SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018D SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF SUCH SERIES 2018D SUB-SERIES BOND, AND SUCH SERIES 2018D SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018D SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SUB-SERIES BOND.**

Registration and Transfer.

A Series 2018D Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SERIES 2018D SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM ANY SERIES 2018D SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of a Series 2018D Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018D Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018D Bonds.

No Series 2018D Sub-Series Bond may be transferred unless:

(i) the Outstanding principal amount of such Series 2018D Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) such Series 2018D Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of a Series 2018D Sub-Series Bond in whole by any Owner as collateral for a loan. Any Series 2018D Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of the Series 2018D Sub-Series Bond.

Mandatory Redemption.

(a) Each Series 2018D Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued

interest to the date of redemption. Prior to any such redemption, the Program Administrator will have provided to the Trustee the applicable information described in the preceding sentence. The Trustee shall thereupon note on its books the portion of the Series 2018D Sub-Series Bond that has been redeemed.

(b) Each Series 2018D Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts. Prior to any such redemption, the Program Administrator shall provide to the Trustee the applicable Collateral Information related to such prepayment. The Trustee shall thereupon (i) note on its books the portion of the Series 2018D Sub-Series Bond that has been redeemed or that the Series 2018D Sub-Series Bond has been redeemed in full and (ii) if the redemption is in full, cancel such Series 2018D Sub-Series Bond.

Optional Redemption.

Each Series 2018D Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner of such Series 2018D Sub-Series Bond, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner of such Sub-Series Bond, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator shall provide to the Trustee the Collateral Information related to such Series 2018D Sub-Series Bond to be redeemed. The Trustee shall thereupon (i) note on its books that the Series 2018D Sub-Series Bond has been redeemed in full, and (ii) cancel such Series 2018D Sub-Series Bond.

Simultaneous with the receipt of sufficient funds for the optional redemption of any Series 2018D Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner of such Series 2018D Sub-Series Bond, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner of such Series 2018D Sub-Series Bond, as applicable, the Matching Collateral that secured the Series 2018D Sub-Series Bond that is being redeemed and the related liens and rights, as well as any other document that the Purchaser or the Owner of such Series 2018D Sub-Series Bond, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of each Series 2018D Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of its Series 2018D Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to such Series 2018D Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to such Series 2018D Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Drawdown Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Drawdown Bond exist, have happened and have been performed and that the issue of the Series 2018D Bonds is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Drawdown Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____
By: _____
Title: _____

SCHEDULE A

SCHEDULE OF DRAWINGS

Date of Draw

Amount of Draw

SCHEDULE B

SCHEDULE OF TRANSFERS

Date of Transfer

Series 2018D Sub-Series Bond Transferred

EXHIBIT A-5

FORM OF SERIES 2018E DRAWDOWN BOND

[to be used with 10 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018E

No.: RE-1

Dated Date: _____, 20__

Registered Owner: Ygrene Energy Fund California LLC

Interest Rate: Variable, as provided herein

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount hereof as shall have been Advanced to WRCOG as reflected by the Schedule of Drawings attached as Schedule A hereto (and as confirmed by the Trustee (as hereinafter defined) on the Schedule of Drawings maintained by the Trustee) on each Principal Payment Date for each such Advance, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the interest rates per annum on each Advance hereunder. Upon transfer by the Owner of any portion of this Drawdown Bond evidenced by a Series 2018E Sub-Series Bond (as defined below) in accordance with the Indenture, the Trustee shall note such transfer on Schedule B attached hereto. Notwithstanding the foregoing, the Trustee may maintain such log through its bond recordkeeping system.

Interest shall accrue only on such Principal Amount as has been actually drawn by WRCOG, as reflected on the Schedule of Drawings attached hereto and as confirmed on the Schedule of Drawings maintained by the Trustee. THE ACTUAL OUTSTANDING PRINCIPAL BALANCE OF THIS BOND CANNOT BE DETERMINED BY REFERENCE TO THE FACE OF THIS BOND. Advances by the Owner of this Bond shall, upon presentation of this Bond to the Trustee (or while the Trustee holds this Bond in its custody on behalf of the Owner), be noted on the Schedule of Drawings attached to this Bond, but failure to so note such Advance shall not nullify the effectiveness of any such advance by the Owner.

Each Advance made under this Drawdown Bond will be considered a Series 2018E Sub-Series Bond (each a “**Series 2018E Sub-Series Bond**”), will be separately certificated as a Series 2018E Sub-Series Bond, and will be numbered consecutively from SUBRE-1 upward on the books and records of the Trustee.

The principal of and interest on this Drawdown Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owners of the Series 2018E Sub-Series Bonds (as defined below) issued hereunder at their addresses appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018E Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018E, issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) (the “**Series 2018E Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

This Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date], between WRCOG and Zions First National Bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture). Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of this Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means with respect to each Series 2018E Sub-Series Bond, each March 2 and September 2, commencing on the March 2 or September 2 specified in such Sub-Series Bond.

“**Minimum Transfer Amount**” means \$100,000.

“Principal Payment Date” means with respect to each Series 2018E Sub-Series Bond, each September 2, commencing on the September 2 that is at least one year following the first time the Assessment related to such Series 2018E Sub-Series Bond is placed on a property tax bill.

“Program Administration Agreement” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2018 BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE SERIES 2018 BONDS. THE ISSUANCE OF THE SERIES 2018 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018E Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

The Series 2018E Bonds are issuable as one fully registered Drawdown Bond in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due hereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under this Drawdown Bond will be considered a Series 2018E Sub-Series Bond and will be numbered consecutively from SUBRE-1 upward on the books and records of the Trustee. WRCOG, the Trustee, and any other person may treat the person in whose name this Drawdown Bond and any

Series 2018E Sub-Series Bond is registered on the books of registry as the Owner hereof or thereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

Interest Rates.

(a) General. The Series 2018E Bonds shall bear interest on the outstanding principal amount, from time to time, at the interest rate determined and payable in the following manner.

(ix) Each Advance and the corresponding Series 2018E Sub-Series Bond shall have its own interest rate associated with it. On each date that an Advance is made hereunder, the interest rate on the amount Advanced shall be determined by the Program Administrator and computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed. The Program Administrator shall provide to the Trustee and the Purchaser the interest rate and maturity date applicable to each Advance and corresponding Series 2018E Sub-Series Bond in the Funding Notice and Requisition. Absent manifest error, the determination of the interest rate by the Program Administrator shall be conclusive and binding upon the Owners, the Purchaser, WRCOG and the Trustee. The interest rate established for each Advance shall be fixed for the entire term that the Assessment Contract or Assessment Contracts associated with the Advance is/are in effect.

(x) The amount of interest payable on each Interest Payment Date shall be the amount of interest accrued on the outstanding balance of the aggregate Advances made, as provided in the last sentence of this paragraph. The Program Administrator shall calculate the amount of interest due on each Interest Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018E Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Interest Payment Date. The amount of interest payable on each Series 2018E Sub-Series Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the date of the Advance for such Series 2018E Sub-Series Bond to, but not including, the first Interest Payment Date for such Sub-Series Bond (subtracting therefrom the amount of capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding balance of such Advance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018E Bonds, and all agreements made in connection with the Indenture, the Series 2018E Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest or the amounts paid for the use of money Advanced or to be Advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018E Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of the Series 2018E Bonds shall be payable on each Principal Payment Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from all of the annual Assessment payments made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of any of the Series 2018E Bonds, the principal amount being redeemed. The Program Administrator shall calculate the amount of principal due on each Principal Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018E Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Principal Payment Date.

Security.

(i) Pursuant to the provisions of the Purchase Agreement and the Indenture, at least two (2) Business Days prior to the date when such funds will be Advanced hereunder, the Program Administrator shall provide a Funding Notice and Requisition to the Escrow Agent and the Trustee, which shall contain, with respect to each Assessment included therein: (1) the date of the Advance, (2) the amount of the Advance, (3) the Identifying Number or Identifying Numbers of the Assessment Contract or Assessment Contracts associated with the Advance, (4) the interest rate applicable to the Advance and the corresponding Series 2018E Sub-Series Bond, (5) the year in which the first Bond Payment Date occurs and (6) the name of the Registered owner of the applicable Series 2018E Sub-Series Bond (collectively, the “**Collateral Information**”), as well as the schedule and direction to the Escrow Agent of payments to be made to the appropriate parties. A separate Funding Notice and Requisition shall be submitted with respect to each Advance.

(j) The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for such Series 2018E Sub-Series Bond.

(c) **THE MATCHING COLLATERAL FOR ANY SERIES 2018E SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018E SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF SUCH SERIES 2018E SUB-SERIES BOND, AND SUCH SERIES 2018E SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018E SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SUB-SERIES BOND.**

Registration and Transfer.

A Series 2018E Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SERIES 2018E SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM ANY SERIES 2018E SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of a Series 2018E Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018E Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018E Bonds.

No Series 2018E Sub-Series Bond may be transferred unless:

(i) the Outstanding principal amount of such Series 2018E Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) such Series 2018E Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of a Series 2018E Sub-Series Bond in whole by any Owner as collateral for a loan. Any Series 2018E Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of the Series 2018E Sub-Series Bond.

Mandatory Redemption.

(a) Each Series 2018E Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued interest to the date of redemption. Prior to any such redemption, the Program Administrator will have provided to the Trustee the applicable information described in the preceding sentence. The Trustee shall thereupon note on its books the portion of the Series 2018E Sub-Series Bond that has been redeemed.

(b) Each Series 2018E Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts. Prior to any such redemption, the Program Administrator shall provide to the Trustee the applicable Collateral Information related to such prepayment. The Trustee shall thereupon (i) note on its books the portion of the Series 2018E Sub-Series Bond that has been redeemed or that the Series 2018E Sub-Series Bond has been redeemed in full and (ii) if the redemption is in full, cancel such Series 2018E Sub-Series Bond.

Optional Redemption.

Each Series 2018E Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner of such Series 2018E Sub-Series Bond, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner of such Sub-Series Bond, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator shall provide to the Trustee the Collateral Information related to such Series 2018E Sub-Series Bond to be redeemed. The Trustee shall thereupon (i) note on its books that the Series 2018E Sub-Series Bond has been redeemed in full, and (ii) cancel such Series 2018E Sub-Series Bond.

Simultaneous with the receipt of sufficient funds for the optional redemption of any Series 2018E Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner of such Series 2018E Sub-Series Bond, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner of such Series 2018E Sub-Series Bond, as applicable, the Matching Collateral that secured the Series 2018E Sub-Series Bond that is being redeemed and the related liens and rights, as well as any other document that the Purchaser or the Owner of such Series 2018E Sub-Series Bond, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of each Series 2018E Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of its Series 2018E Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to such Series 2018E Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to such Series 2018E Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Drawdown Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Drawdown Bond exist, have happened and have been performed and that the issue of the Series 2018E Bonds is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Drawdown Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____
By: _____
Title: _____

SCHEDULE A

SCHEDULE OF DRAWINGS

Date of Draw

Amount of Draw

SCHEDULE B

SCHEDULE OF TRANSFERS

Date of Transfer

Series 2018E Sub-Series Bond Transferred

EXHIBIT A-6

FORM OF SERIES 2018F DRAWDOWN BOND

[to be used with 5 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PACE PROGRAM LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018F

No.: RF-1

Dated Date: _____, 20__

Registered Owner: Ygrene Energy Fund California LLC

Interest Rate: Variable, as provided herein

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**Issuer**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount hereof as shall have been Advanced to the Issuer as reflected by the Schedule of Drawings attached as Schedule A hereto (and as confirmed by the Trustee (as hereinafter defined) on the Schedule of Drawings maintained by the Trustee) on each Principal Payment Date for each such Advance, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the interest rates per annum on each Advance hereunder. Upon transfer by the Owner of any portion of this Drawdown Bond evidenced by a Series 2018F Sub-Series Bond (as defined below) in accordance with the Indenture, the Trustee shall note such transfer on Schedule B attached hereto. Notwithstanding the foregoing, the Trustee may maintain such log through its bond recordkeeping system.

Interest shall accrue only on such Principal Amount as has been actually drawn by the Issuer, as reflected on the Schedule of Drawings attached hereto and as confirmed on the Schedule of Drawings maintained by the Trustee. THE ACTUAL OUTSTANDING PRINCIPAL BALANCE OF THIS BOND CANNOT BE DETERMINED BY REFERENCE TO THE FACE OF THIS BOND. Advances by the Owner of this Bond shall, upon presentation of this Bond to the Trustee (or while the Trustee holds this Bond in its custody on behalf of the Owner), be noted on the Schedule of Drawings attached to this Bond, but failure to so note such Advance shall not nullify the effectiveness of any such advance by the Owner.

Each Advance made under this Drawdown Bond will be considered a Series 2018F Sub-Series Bond (each a “**Series 2018F Sub-Series Bond**”), will be separately certificated as a Series 2018F Sub-

Series Bond, and will be numbered consecutively from SUBRF-1 upward on the books and records of the Trustee.

The principal of and interest on this Drawdown Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owners of the Series 2018F Sub-Series Bonds (as defined below) issued hereunder at their addresses appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018F Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of the Issuer designated Western Riverside Council of Governments PACE Program Limited Obligation Improvement Bonds, Series 2018F, issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) (the “**Series 2018F Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

This Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date], between the Issuer and Zions First National Bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture). Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of this Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by the Issuer.

“**Interest Payment Date**” means with respect to each Series 2018F Sub-Series Bond, each March 2 and September 2, commencing on the March 2 or September 2 specified in such Sub-Series Bond.

“**Minimum Transfer Amount**” means \$100,000.

“Principal Payment Date” means with respect to each Series 2018F Sub-Series Bond, each September 2, commencing on the September 2 that is at least one year following the first time the Assessment related to such Series 2018F Sub-Series Bond is placed on a property tax bill.

“Program Administration Agreement” means the Ygrene Program Administration Agreement, dated as of _____, between the Issuer and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by the Issuer under the Program Administration Agreement or such other Person as is appointed by the Issuer, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by the Issuer under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among the Issuer, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THE SERIES 2018 BONDS, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THE SERIES 2018 BONDS. THE ISSUANCE OF THE SERIES 2018 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018F Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither the Issuer nor any member of the Issuer is obligated to advance available surplus funds from the Issuer treasury or the treasury of any member of the Issuer to cure any deficiency in the Revenue Fund.

The Series 2018F Bonds are issuable as one fully registered Drawdown Bond in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due hereon shall be only such amount as has been drawn down by the Issuer. Each Advance made under this Drawdown Bond will be considered a Series 2018F Sub-Series Bond and will be numbered consecutively from SUBRF-1 upward on the books and records of the Trustee. The Issuer, the Trustee, and any other person may treat the person in whose name this Drawdown Bond and any

Series 2018F Sub-Series Bond is registered on the books of registry as the Owner hereof or thereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

Interest Rates.

(a) General. The Series 2018F Bonds shall bear interest on the outstanding principal amount, from time to time, at the interest rate determined and payable in the following manner.

(xi) Each Advance and the corresponding Series 2018F Sub-Series Bond shall have its own interest rate associated with it. On each date that an Advance is made hereunder, the interest rate on the amount Advanced shall be determined by the Program Administrator and computed on the basis of a year of 365 or 366 days, as applicable, for the actual number of days elapsed. The Program Administrator shall provide to the Trustee and the Purchaser the interest rate and maturity date applicable to each Advance and corresponding Series 2018F Sub-Series Bond in the Funding Notice and Requisition. Absent manifest error, the determination of the interest rate by the Program Administrator shall be conclusive and binding upon the Owners, the Purchaser, the Issuer and the Trustee. The interest rate established for each Advance shall be fixed for the entire term that the Assessment Contract or Assessment Contracts associated with the Advance is/are in effect.

(xii) The amount of interest payable on each Interest Payment Date shall be the amount of interest accrued on the outstanding balance of the aggregate Advances made, as provided in the last sentence of this paragraph. The Program Administrator shall calculate the amount of interest due on each Interest Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018F Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Interest Payment Date. The amount of interest payable on each Series 2018F Sub-Series Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the date of the Advance for such Series 2018F Sub-Series Bond to, but not including, the first Interest Payment Date for such Sub-Series Bond (subtracting therefrom the amount of capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding balance of such Advance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. The Issuer intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018F Bonds, and all agreements made in connection with the Indenture, the Series 2018F Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest or the amounts paid for the use of money Advanced or to be Advanced hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018F Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to the Issuer.

Principal Payments. Principal of the Series 2018F Bonds shall be payable on each Principal Payment Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by the Issuer from all of the annual Assessment payments made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of any of the Series 2018F Bonds, the principal amount being redeemed. The Program Administrator shall calculate the amount of principal due on each Principal Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Series 2018F Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Principal Payment Date.

Security.

(k) Pursuant to the provisions of the Purchase Agreement and the Indenture, at least two (2) Business Days prior to the date when such funds will be Advanced hereunder, the Program Administrator shall provide a Funding Notice and Requisition to the Escrow Agent and the Trustee, which shall contain, with respect to each Assessment included therein: (1) the date of the Advance, (2) the amount of the Advance, (3) the Identifying Number or Identifying Numbers of the Assessment Contract or Assessment Contracts associated with the Advance, (4) the interest rate applicable to the Advance and the corresponding Series 2018F Sub-Series Bond, (5) the year in which the first Bond Payment Date occurs and (6) the name of the Registered owner of the applicable Series 2018F Sub-Series Bond (collectively, the “**Collateral Information**”), as well as the schedule and direction to the Escrow Agent of payments to be made to the appropriate parties. A separate Funding Notice and Requisition shall be submitted with respect to each Advance.

(l) The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for such Series 2018F Sub-Series Bond.

(c) **THE MATCHING COLLATERAL FOR ANY SERIES 2018F SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018F SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF SUCH SERIES 2018F SUB-SERIES BOND, AND SUCH SERIES 2018F SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018F SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SUB-SERIES BOND.**

Registration and Transfer.

A Series 2018F Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SERIES 2018F SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM ANY SERIES 2018F SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of a Series 2018F Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018F Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018F Bonds.

No Series 2018F Sub-Series Bond may be transferred unless:

(i) the Outstanding principal amount of such Series 2018F Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) such Series 2018F Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of a Series 2018F Sub-Series Bond in whole by any Owner as collateral for a loan. Any Series 2018F Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of the Series 2018F Sub-Series Bond.

Mandatory Redemption.

(a) Each Series 2018F Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued interest to the date of redemption. Prior to any such redemption, the Program Administrator will have provided to the Trustee the applicable information described in the preceding sentence. The Trustee shall thereupon note on its books the portion of the Series 2018F Sub-Series Bond that has been redeemed.

(b) Each Series 2018F Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts. Prior to any such redemption, the Program Administrator shall provide to the Trustee the applicable Collateral Information related to such prepayment. The Trustee shall thereupon (i) note on its books the portion of the Series 2018F Sub-Series Bond that has been redeemed or that the Series 2018F Sub-Series Bond has been redeemed in full and (ii) if the redemption is in full, cancel such Series 2018F Sub-Series Bond.

Optional Redemption.

Each Series 2018F Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner of such Series 2018F Sub-Series Bond, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner of such Sub-Series Bond, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator shall provide to the Trustee the Collateral Information related to such Series 2018F Sub-Series Bond to be redeemed. The Trustee shall thereupon (i) note on its books that the Series 2018F Sub-Series Bond has been redeemed in full, and (ii) cancel such Series 2018F Sub-Series Bond.

Simultaneous with the receipt of sufficient funds for the optional redemption of any Series 2018F Sub-Series Bond, the Issuer and the Trustee shall execute and deliver to the Purchaser or the Owner of such Series 2018F Sub-Series Bond, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner of such Series 2018F Sub-Series Bond, as applicable, the Matching Collateral that secured the Series 2018F Sub-Series Bond that is being redeemed and the related liens and rights, as well as any other document that the Purchaser or the Owner of such Series 2018F Sub-Series Bond, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of each Series 2018F Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of its Series 2018F Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to such Series 2018F Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to such Series 2018F Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Drawdown Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of the Issuer and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Drawdown Bond exist, have happened and have been performed and that the issue of the Series 2018F Bonds is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Drawdown Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Executive Director, and attested by the manual or facsimile signature of its Secretary.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Executive Director

Attest: _____
Secretary

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

SCHEDULE A

SCHEDULE OF DRAWINGS

Date of Draw

Amount of Draw

SCHEDULE B

SCHEDULE OF TRANSFERS

Date of Transfer

Series 2018F Sub-Series Bond Transferred

EXHIBIT B
FORMS OF SERIES 2018 SUB-SERIES BONDS

[text begins on following page]

EXHIBIT B-1

FORM OF SERIES 2018A SUB-SERIES BOND

[to be used with 30 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018A

No.: SUBRA-__

Dated Date: _____, 20__

Principal Amount: \$ _____

Registered Owner: _____

Maturity Date: _____, 20__

Interest Rate: _____%

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount specified above on the Maturity Date specified above, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the Interest Rate per annum specified above.

The principal of and interest on this Series 2018A Sub-Series Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owner of this Series 2018A Sub-Series Bonds at the address appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018A Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018A authorized to be issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) outstanding from time to time (the “**Series 2018A Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

Exhibit B

-2-

The Series 2018A Bonds were issued as one fully registered Drawdown Bond (the “**Drawdown Bond**”) in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due thereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under the Drawdown Bond is considered a Series 2018A Sub-Series Bond (each a “**Series 2018A Sub-Series Bond**”), is separately certificated as a Series 2018A Sub-Series Bond, and is numbered consecutively from SUBRA-1 upward on the books and records of the Trustee. This Bond is one of the Series 2018A Sub-Series Bonds.

WRCOG, the Trustee, and any other person may treat the person in whose name this Series 2018A Sub-Series Bond is registered on the books of registry as the Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

This Series 2018A Sub-Series Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date] between WRCOG and ZB National Association d/b/a Zions Bank, a national bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture), and represents an Advance under the Drawdown Bond. Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Series 2018A Sub-Series Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of the Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means each March 2 and September 2, commencing on [March]/[September] 2, 20[___].

“**Minimum Transfer Amount**” means \$100,000.

“**Principal Payment Date**” means each September 2, commencing on September 2, 20[___].

“**Program Administration Agreement**” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS SERIES 2018A SUB-SERIES BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THIS SERIES 2018A SUB-SERIES BOND, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THIS SERIES 2018A SUB-SERIES BOND. THE ISSUANCE OF THIS SERIES 2018A SUB-SERIES BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018A Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

Interest Payments.

(a) General. This Series 2018A Sub-Series Bond shall bear interest on the outstanding principal amount, from time to time, at the Interest Rate specified above, payable on each Interest Payment Date. The amount of interest payable on this Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the Dated Date of this Bond (identified above) to, but not including, the first Interest Payment Date for this Bond (subtracting therefrom the amount of any capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding principal balance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018A Bonds, and all agreements made in connection with the Indenture, the Series 2018A Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018A Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of this Series 2018A Sub-Series Bond shall be payable on each Principal Payment Date, on the Maturity Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from the annual Assessment payment associated with this Series 2018A Sub-Series Bond made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of this Series 2018A Sub-Series Bond, the principal amount being redeemed.

Security.

The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for this Series 2018A Sub-Series Bond.

THE MATCHING COLLATERAL FOR THIS SERIES 2018A SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018A SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF THIS SERIES 2018A SUB-SERIES BOND, AND THIS SERIES 2018A SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018A SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SERIES 2018A SUB-SERIES BOND.

Registration and Transfer.

This Series 2018A Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS SERIES 2018A SUB-SERIES BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SERIES 2018A SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SERIES 2018A SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of this Series 2018A Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018A Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018A Bonds.

This Series 2018A Sub-Series Bond may not be transferred unless:

(i) the Outstanding principal amount of this Series 2018A Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) this Series 2018A Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of this Series 2018A Sub-Series Bond in whole by any Owner as collateral for a loan. This Series 2018A Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of this Series 2018A Sub-Series Bond.

Mandatory Redemption.

(a) This Series 2018A Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued interest to the date of redemption.

(b) This Series 2018A Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts.

Optional Redemption.

This Series 2018A Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator, shall provide to the Trustee the Collateral Information related to such Series 2018A Sub-Series Bond to be redeemed.

Simultaneous with the receipt of sufficient funds for the optional redemption of this Series 2018A Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner, as applicable, the Matching Collateral that secured this Series 2018A Sub-Series Bond and the related liens and rights, as well as any other document that the Purchaser or the Owner, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of this Series 2018A Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of this Series 2018A Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to this Series 2018A Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to this Series 2018A Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Series 2018A Sub-Series Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2018A Sub-Series Bond exist, have happened and have been performed and that the issue of this Series 2018A Sub-Series Bond is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Series 2018A Sub-Series Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

EXHIBIT B-2

FORM OF SERIES 2018B SUB-SERIES BOND

[to be used with 25 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018B

No.: SUBRB-__

Dated Date: _____, 20__

Principal Amount: \$ _____

Registered Owner: _____

Maturity Date: _____, 20__

Interest Rate: _____%

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount specified above on the Maturity Date specified above, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the Interest Rate per annum specified above.

The principal of and interest on this Series 2018B Sub-Series Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owner of this Series 2018B Sub-Series Bonds at the address appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018B Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018B authorized to be issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) outstanding from time to time (the “**Series 2018B Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

Exhibit B

-10-

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The Series 2018B Bonds were issued as one fully registered Drawdown Bond (the “**Drawdown Bond**”) in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due thereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under the Drawdown Bond is considered a Series 2018B Sub-Series Bond (each a “**Series 2018B Sub-Series Bond**”), is separately certificated as a Series 2018B Sub-Series Bond, and is numbered consecutively from SUBRB-1 upward on the books and records of the Trustee. This Bond is one of the Series 2018B Sub-Series Bonds.

WRCOG, the Trustee, and any other person may treat the person in whose name this Series 2018B Sub-Series Bond is registered on the books of registry as the Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

This Series 2018B Sub-Series Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date] between WRCOG and ZB National Association d/b/a Zions Bank, a national bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture), and represents an Advance under the Drawdown Bond. Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Series 2018B Sub-Series Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of the Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means each March 2 and September 2, commencing on [March]/[September] 2, 20[___].

“**Minimum Transfer Amount**” means \$100,000.

“**Principal Payment Date**” means each September 2, commencing on September 2, 20[___].

“**Program Administration Agreement**” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS SERIES 2018B SUB-SERIES BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THIS SERIES 2018B SUB-SERIES BOND, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THIS SERIES 2018B SUB-SERIES BOND. THE ISSUANCE OF THIS SERIES 2018B SUB-SERIES BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018B Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

Interest Payments.

(a) General. This Series 2018B Sub-Series Bond shall bear interest on the outstanding principal amount, from time to time, at the Interest Rate specified above, payable on each Interest Payment Date. The amount of interest payable on this Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the Dated Date of this Bond (identified above) to, but not including, the first Interest Payment Date for this Bond (subtracting therefrom the amount of any capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding principal balance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018B Bonds, and all agreements made in connection with the Indenture, the Series 2018B Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018B Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of this Series 2018B Sub-Series Bond shall be payable on each Principal Payment Date, on the Maturity Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from the annual Assessment payment associated with this Series 2018B Sub-Series Bond made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of this Series 2018B Sub-Series Bond, the principal amount being redeemed.

Security.

The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for this Series 2018B Sub-Series Bond.

THE MATCHING COLLATERAL FOR THIS SERIES 2018B SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018B SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF THIS SERIES 2018B SUB-SERIES BOND, AND THIS SERIES 2018B SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018B SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SERIES 2018B SUB-SERIES BOND.

Registration and Transfer.

This Series 2018B Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS SERIES 2018B SUB-SERIES BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SERIES 2018B SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SERIES 2018B SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of this Series 2018B Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018B Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018B Bonds.

This Series 2018B Sub-Series Bond may not be transferred unless:

(i) the Outstanding principal amount of this Series 2018A Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) this Series 2018A Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of this Series 2018B Sub-Series Bond in whole by any Owner as collateral for a loan. This Series 2018B Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of this Series 2018B Sub-Series Bond.

Mandatory Redemption.

(a) This Series 2018B Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued interest to the date of redemption.

(b) This Series 2018B Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts.

Optional Redemption.

This Series 2018B Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator, shall provide to the Trustee the Collateral Information related to such Series 2018B Sub-Series Bond to be redeemed.

Simultaneous with the receipt of sufficient funds for the optional redemption of this Series 2018B Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner, as applicable, the Matching Collateral that secured this Series 2018B Sub-Series Bond and the related liens and rights, as well as any other document that the Purchaser or the Owner, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of this Series 2018B Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of this Series 2018B Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to this Series 2018B Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to this Series 2018B Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Series 2018B Sub-Series Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2018B Sub-Series Bond exist, have happened and have been performed and that the issue of this Series 2018B Sub-Series Bond is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Series 2018B Sub-Series Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____(Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

EXHIBIT B-3

FORM OF SERIES 2018C SUB-SERIES BOND

[to be used with 20 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018C

No.: SUBRC-__
Dated Date: _____, 20__
Principal Amount: \$ _____
Registered Owner: _____
Maturity Date: _____, 20__
Interest Rate: _____%

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount specified above on the Maturity Date specified above, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the Interest Rate per annum specified above.

The principal of and interest on this Series 2018C Sub-Series Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owner of this Series 2018C Sub-Series Bonds at the address appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018C Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018C authorized to be issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) outstanding from time to time (the “**Series 2018C Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

The Series 2018C Bonds were issued as one fully registered Drawdown Bond (the “**Drawdown Bond**”) in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due thereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under the Drawdown Bond is considered a Series 2018C Sub-Series Bond (each a “**Series 2018C Sub-Series Bond**”), is separately certificated as a Series 2018C Sub-Series Bond, and is numbered consecutively from SUBRC-1 upward on the books and records of the Trustee. This Bond is one of the Series 2018C Sub-Series Bonds.

WRCOG, the Trustee, and any other person may treat the person in whose name this Series 2018C Sub-Series Bond is registered on the books of registry as the Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

This Series 2018C Sub-Series Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date] between WRCOG and ZB National Association d/b/a Zions Bank, a national bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture), and represents an Advance under the Drawdown Bond. Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Series 2018C Sub-Series Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of the Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means each March 2 and September 2, commencing on [March]/[September] 2, 20[___].

“**Minimum Transfer Amount**” means \$100,000.

“**Principal Payment Date**” means each September 2, commencing on September 2, 20[___].

“**Program Administration Agreement**” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS SERIES 2018C SUB-SERIES BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THIS SERIES 2018C SUB-SERIES BOND, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THIS SERIES 2018C SUB-SERIES BOND. THE ISSUANCE OF THIS SERIES 2018C SUB-SERIES BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018C Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

Interest Payments.

(a) General. This Series 2018C Sub-Series Bond shall bear interest on the outstanding principal amount, from time to time, at the Interest Rate specified above, payable on each Interest Payment Date. The amount of interest payable on this Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the Dated Date of this Bond (identified above) to, but not including, the first Interest Payment Date for this Bond (subtracting therefrom the amount of any capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding principal balance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018C Bonds, and all agreements made in connection with the Indenture, the Series 2018C Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018C Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of this Series 2018C Sub-Series Bond shall be payable on each Principal Payment Date, on the Maturity Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from the annual Assessment payment associated with this Series 2018C Sub-Series Bond made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of this Series 2018C Sub-Series Bond, the principal amount being redeemed.

Security.

The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for this Series 2018C Sub-Series Bond.

THE MATCHING COLLATERAL FOR THIS SERIES 2018C SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018C SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF THIS SERIES 2018C SUB-SERIES BOND, AND THIS SERIES 2018C SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018C SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SERIES 2018C SUB-SERIES BOND.

Registration and Transfer.

This Series 2018C Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS SERIES 2018C SUB-SERIES BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SERIES 2018C SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SERIES 2018C SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of this Series 2018C Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018C Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018C Bonds.

This Series 2018C Sub-Series Bond may not be transferred unless:

(i) the Outstanding principal amount of this Series 2018C Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) this Series 2018C Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of this Series 2018C Sub-Series Bond in whole by any Owner as collateral for a loan. This Series 2018C Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of this Series 2018C Sub-Series Bond.

Mandatory Redemption.

(a) This Series 2018C Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued interest to the date of redemption.

(b) This Series 2018C Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts.

Optional Redemption.

This Series 2018C Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator, shall provide to the Trustee the Collateral Information related to such Series 2018C Sub-Series Bond to be redeemed.

Simultaneous with the receipt of sufficient funds for the optional redemption of this Series 2018C Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner, as applicable, the Matching Collateral that secured this Series 2018C Sub-Series Bond and the related liens and rights, as well as any other document that the Purchaser or the Owner, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of this Series 2018C Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of this Series 2018C Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to this Series 2018C Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to this Series 2018C Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Series 2018C Sub-Series Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2018C Sub-Series Bond exist, have happened and have been performed and that the issue of this Series 2018C Sub-Series Bond is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Series 2018C Sub-Series Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

EXHIBIT B-4

FORM OF SERIES 2018D SUB-SERIES BOND

[to be used with 15 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018D

No.: SUBRD-__

Dated Date: _____, 20__

Principal Amount: \$ _____

Registered Owner: _____

Maturity Date: _____, 20__

Interest Rate: _____%

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount specified above on the Maturity Date specified above, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the Interest Rate per annum specified above.

The principal of and interest on this Series 2018D Sub-Series Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owner of this Series 2018D Sub-Series Bonds at the address appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018D Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018D authorized to be issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) outstanding from time to time (the “**Series 2018D Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

Exhibit B

-26-

The Series 2018D Bonds were issued as one fully registered Drawdown Bond (the “**Drawdown Bond**”) in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due thereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under the Drawdown Bond is considered a Series 2018D Sub-Series Bond (each a “**Series 2018D Sub-Series Bond**”), is separately certificated as a Series 2018D Sub-Series Bond, and is numbered consecutively from SUBRD-1 upward on the books and records of the Trustee. This Bond is one of the Series 2018D Sub-Series Bonds.

WRCOG, the Trustee, and any other person may treat the person in whose name this Series 2018D Sub-Series Bond is registered on the books of registry as the Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

This Series 2018D Sub-Series Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date] between WRCOG and ZB National Association d/b/a Zions Bank, a national bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture), and represents an Advance under the Drawdown Bond. Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Series 2018D Sub-Series Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of the Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means each March 2 and September 2, commencing on [March]/[September] 2, 20[___].

“**Minimum Transfer Amount**” means \$100,000.

“**Principal Payment Date**” means each September 2, commencing on September 2, 20[___].

“**Program Administration Agreement**” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS SERIES 2018D SUB-SERIES BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THIS SERIES 2018D SUB-SERIES BOND, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THIS SERIES 2018D SUB-SERIES BOND. THE ISSUANCE OF THIS SERIES 2018D SUB-SERIES BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018D Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

Interest Payments.

(a) General. This Series 2018D Sub-Series Bond shall bear interest on the outstanding principal amount, from time to time, at the Interest Rate specified above, payable on each Interest Payment Date. The amount of interest payable on this Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the Dated Date of this Bond (identified above) to, but not including, the first Interest Payment Date for this Bond (subtracting therefrom the amount of any capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding principal balance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018D Bonds, and all agreements made in connection with the Indenture, the Series 2018D Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018D Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of this Series 2018D Sub-Series Bond shall be payable on each Principal Payment Date, on the Maturity Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from the annual Assessment payment associated with this Series 2018D Sub-Series Bond made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of this Series 2018D Sub-Series Bond, the principal amount being redeemed.

Security.

The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for this Series 2018D Sub-Series Bond.

THE MATCHING COLLATERAL FOR THIS SERIES 2018D SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018D SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF THIS SERIES 2018D SUB-SERIES BOND, AND THIS SERIES 2018D SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018D SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SERIES 2018D SUB-SERIES BOND.

Registration and Transfer.

This Series 2018D Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS SERIES 2018D SUB-SERIES BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SERIES 2018D SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SERIES 2018D SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of this Series 2018D Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018D Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018D Bonds.

This Series 2018D Sub-Series Bond may not be transferred unless:

(i) the Outstanding principal amount of this Series 2018D Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) this Series 2018D Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of this Series 2018D Sub-Series Bond in whole by any Owner as collateral for a loan. This Series 2018D Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of this Series 2018D Sub-Series Bond.

Mandatory Redemption.

(a) This Series 2018D Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued interest to the date of redemption.

(b) This Series 2018D Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts.

Optional Redemption.

This Series 2018D Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator, shall provide to the Trustee the Collateral Information related to such Series 2018D Sub-Series Bond to be redeemed.

Simultaneous with the receipt of sufficient funds for the optional redemption of this Series 2018D Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner, as applicable, the Matching Collateral that secured this Series 2018D Sub-Series Bond and the related liens and rights, as well as any other document that the Purchaser or the Owner, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of this Series 2018D Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of this Series 2018D Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to this Series 2018D Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to this Series 2018D Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Series 2018D Sub-Series Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2018D Sub-Series Bond exist, have happened and have been performed and that the issue of this Series 2018D Sub-Series Bond is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Series 2018D Sub-Series Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

EXHIBIT B-5

FORM OF SERIES 2018E SUB-SERIES BOND

[to be used with 10 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018E

No.: SUBRE-__

Dated Date: _____, 20__

Principal Amount: \$ _____

Registered Owner: _____

Maturity Date: _____, 20__

Interest Rate: _____%

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**WRCOG**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount specified above on the Maturity Date specified above, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the Interest Rate per annum specified above.

The principal of and interest on this Series 2018E Sub-Series Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owner of this Series 2018E Sub-Series Bonds at the address appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018E Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of WRCOG designated Western Riverside Council of Governments Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation Improvement Bonds, Series 2018E authorized to be issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) outstanding from time to time (the “**Series 2018E Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

Exhibit B

-34-

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The Series 2018E Bonds were issued as one fully registered Drawdown Bond (the “**Drawdown Bond**”) in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due thereon shall be only such amount as has been drawn down by WRCOG. Each Advance made under the Drawdown Bond is considered a Series 2018E Sub-Series Bond (each a “**Series 2018E Sub-Series Bond**”), is separately certificated as a Series 2018E Sub-Series Bond, and is numbered consecutively from SUBRA-1 upward on the books and records of the Trustee. This Bond is one of the Series 2018E Sub-Series Bonds.

WRCOG, the Trustee, and any other person may treat the person in whose name this Series 2018E Sub-Series Bond is registered on the books of registry as the Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

This Series 2018E Sub-Series Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date] between WRCOG and ZB National Association d/b/a Zions Bank, a national bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture), and represents an Advance under the Drawdown Bond. Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Series 2018E Sub-Series Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of the Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by WRCOG.

“**Interest Payment Date**” means each March 2 and September 2, commencing on [March]/[September] 2, 20[___].

“**Minimum Transfer Amount**” means \$100,000.

“**Principal Payment Date**” means each September 2, commencing on September 2, 20[___].

“**Program Administration Agreement**” means the Ygrene Program Administration Agreement, dated as of _____, between WRCOG and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by WRCOG under the Program Administration Agreement or such other Person as is appointed by WRCOG, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by WRCOG under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among WRCOG, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS SERIES 2018E SUB-SERIES BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THIS SERIES 2018E SUB-SERIES BOND, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THIS SERIES 2018E SUB-SERIES BOND. THE ISSUANCE OF THIS SERIES 2018E SUB-SERIES BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018E Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither WRCOG nor any Member of WRCOG is obligated to advance available surplus funds from WRCOG treasury or the treasury of any Member of WRCOG to cure any deficiency in the Revenue Fund.

Interest Payments.

(a) General. This Series 2018E Sub-Series Bond shall bear interest on the outstanding principal amount, from time to time, at the Interest Rate specified above, payable on each Interest Payment Date. The amount of interest payable on this Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the Dated Date of this Bond (identified above) to, but not including, the first Interest Payment Date for this Bond (subtracting therefrom the amount of any capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding principal balance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. WRCOG intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018E Bonds, and all agreements made in connection with the Indenture, the Series 2018E Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018E Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to WRCOG.

Principal Payments. Principal of this Series 2018E Sub-Series Bond shall be payable on each Principal Payment Date, on the Maturity Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by WRCOG from the annual Assessment payment associated with this Series 2018E Sub-Series Bond made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of this Series 2018E Sub-Series Bond, the principal amount being redeemed.

Security.

The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for this Series 2018E Sub-Series Bond.

THE MATCHING COLLATERAL FOR THIS SERIES 2018E SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018E SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF THIS SERIES 2018E SUB-SERIES BOND, AND THIS SERIES 2018E SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018E SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SERIES 2018E SUB-SERIES BOND.

Registration and Transfer.

This Series 2018E Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

- (a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;
- (b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS SERIES 2018E SUB-SERIES BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SERIES 2018E SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SERIES 2018E SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of this Series 2018E Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018E Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018E Bonds.

This Series 2018E Sub-Series Bond may not be transferred unless:

(i) the Outstanding principal amount of this Series 2018E Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) this Series 2018E Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of this Series 2018E Sub-Series Bond in whole by any Owner as collateral for a loan. This Series 2018E Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of this Series 2018E Sub-Series Bond.

Mandatory Redemption.

(a) This Series 2018E Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued interest to the date of redemption.

(b) This Series 2018E Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts.

Optional Redemption.

This Series 2018E Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator, shall provide to the Trustee the Collateral Information related to such Series 2018E Sub-Series Bond to be redeemed.

Simultaneous with the receipt of sufficient funds for the optional redemption of this Series 2018E Sub-Series Bond, WRCOG and the Trustee shall execute and deliver to the Purchaser or the Owner, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner, as applicable, the Matching Collateral that secured this Series 2018E Sub-Series Bond and the related liens and rights, as well as any other document that the Purchaser or the Owner, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of this Series 2018E Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of this Series 2018E Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to this Series 2018E Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to this Series 2018E Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Series 2018E Sub-Series Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of WRCOG and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2018E Sub-Series Bond exist, have happened and have been performed and that the issue of this Series 2018E Sub-Series Bond is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Series 2018E Sub-Series Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Treasurer, and attested by the manual or facsimile signature of its Secretary of the Executive Committee.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Treasurer

Attest: _____
Secretary of the Executive Committee

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____

By: _____

Title: _____

EXHIBIT B-6

FORM OF SERIES 2018F SUB-SERIES BOND

[to be used with 5 year Assessment Contracts]

SUBJECT TO THE EXCEPTIONS SET FORTH IN SECTION 3.10 OF THE INDENTURE (HEREINAFTER DEFINED), THE PURCHASER OF THIS BOND MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR A “QUALIFIED INSTITUTIONAL BUYER” WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AND WILL BE REQUIRED TO EXECUTE AND DELIVER AN INVESTMENT LETTER THAT WILL, AMONG OTHER THINGS RESTRICT TRANSFER OF THIS BOND.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PACE PROGRAM LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 2018F

No.: SUBRF-____
Dated Date: _____, 20____
Principal Amount: \$ _____
Registered Owner: _____
Maturity Date: _____, 20____
Interest Rate: _____%

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (hereinafter called the “**Issuer**”), a public entity of the State of California, for value received hereby promises to pay (but only from the sources and as hereinafter provided) to the Registered Owner specified above, or registered assigns (the “**Owner**”), (i) the Principal Amount specified above on the Maturity Date specified above, or earlier as provided herein, and (ii) interest on said Principal Amount until the Principal Amount is paid or discharged, at the Interest Rate per annum specified above.

The principal of and interest on this Series 2018F Sub-Series Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee mailed by first-class mail to the Owner of this Series 2018F Sub-Series Bonds at the address appearing on the records of the Trustee; provided, however, that the payment to any Owner of the Series 2018F Sub-Series Bonds shall, upon written request of such Owner, be transmitted by the Trustee by wire transfer or other means requested in writing by the Owner.

This Bond is one of an authorized series of Bonds of the Issuer designated Western Riverside Council of Governments PACE Program Limited Obligation Improvement Bonds, Series 2018F authorized to be issued in an unlimited aggregate principal amount (except as otherwise specified in the Indenture) outstanding from time to time (the “**Series 2018F Bonds**”), for the purpose of providing funds to finance or refinance the cost of Qualifying Improvements (as defined in the hereinafter referred to Indenture).

The Series 2018F Bonds were issued as one fully registered Drawdown Bond (the “**Drawdown Bond**”) in an unlimited aggregate principal amount (except as otherwise specified in the Indenture); however, the principal amount due thereon shall be only such amount as has been drawn down by the Issuer. Each Advance made under the Drawdown Bond is considered a Series 2018F Sub-Series Bond (each a “**Series 2018F Sub-Series Bond**”), is separately certificated as a Series 2018F Sub-Series Bond, and is numbered consecutively from SUBRA-1 upward on the books and records of the Trustee. This Bond is one of the Series 2018F Sub-Series Bonds.

The Issuer, the Trustee, and any other person may treat the person in whose name this Series 2018F Sub-Series Bond is registered on the books of registry as the Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not such Bond be overdue, and no person shall be affected by notice to the contrary.

This Series 2018F Sub-Series Bond is issued under and pursuant to the Trust Indenture dated as of [Dated Date] between the Issuer and ZB National Association d/b/a Zions Bank, a national bank (the “**Trustee**”) (as amended and supplemented from time to time, the “**Indenture**”), and the Bond Act (as that term is defined in the Indenture), and represents an Advance under the Drawdown Bond. Reference is made to the Indenture and the Bond Act for a full statement of their respective terms.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Defined Terms.

The following capitalized terms, as used in this Series 2018F Sub-Series Bond, shall have the meanings specified below unless the context otherwise shall require. All other capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture, which is hereby incorporated herein by reference.

“**Advance**” means each payment by the Purchaser of a portion of the purchase price of the Drawdown Bond in accordance with the terms of the Purchase Agreement. “**Advanced**” means that an Advance has been made.

“**Escrow Agent**” means Cortland Capital Market Services LLC, as Escrow Agent under the Purchase Agreement, and any successor or replacement appointed by the Issuer.

“**Interest Payment Date**” means each March 2 and September 2, commencing on [March]/[September] 2, 20[___].

“**Minimum Transfer Amount**” means \$100,000.

“**Principal Payment Date**” means each September 2, commencing on September 2, 20[___].

“**Program Administration Agreement**” means the Ygrene Program Administration Agreement, dated as of _____, between the Issuer and the Program Administrator.

“Program Administrator” means Ygrene Energy Fund California LLC, as Program Administrator under the Program Administration Agreement, and any successor or replacement appointed by the Issuer under the Program Administration Agreement or such other Person as is appointed by the Issuer, either on its own initiative or at the request of the then-current Program Administrator, to perform all or some of the functions of the Program Administrator under this Indenture and/or the Purchase Agreement.

“Purchaser” means Ygrene Energy Fund California LLC (together with any successor thereto or replacement thereof appointed by the Issuer under the Purchase Agreement).

“Purchase Agreement” means the Bond Purchase and Draw-Down Agreement, dated as of [Dated Date], among the Issuer, the Trustee, the Program Administrator, the Escrow Agent and the Purchaser.

General.

THIS SERIES 2018F SUB-SERIES BOND DOES NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THIS INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF THIS SERIES 2018F SUB-SERIES BOND, OR THE REDEMPTION PREMIUM OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER AND IN ACCORDANCE WITH THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE REDEMPTION PREMIUM OR INTEREST ON THIS SERIES 2018F SUB-SERIES BOND. THE ISSUANCE OF THIS SERIES 2018F SUB-SERIES BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

Each Series 2018F Sub-Series Bond is a “Limited Obligation Improvement Bond” pursuant to section 8769 of the Bond Act and is payable solely from and secured solely by the Assessment or Assessments securing such Bond and the other collateral purported to be pledged and assigned therefore under the Indenture. Notwithstanding any other provision of the Indenture, neither the Issuer nor any member of the Issuer is obligated to advance available surplus funds from the Issuer treasury or the treasury of any member of the Issuer to cure any deficiency in the Revenue Fund.

Interest Payments.

(a) General. This Series 2018F Sub-Series Bond shall bear interest on the outstanding principal amount, from time to time, at the Interest Rate specified above, payable on each Interest Payment Date. The amount of interest payable on this Bond on each Interest Payment Date will be as follows: (A) on the first Interest Payment Date, the amount due from the Dated Date of this Bond (identified above) to, but not including, the first Interest Payment Date for this Bond (subtracting therefrom the amount of any capitalized interest paid by the respective property owners on the date of project funding); and (B) on each Interest Payment Date thereafter, the amount of interest accrued on the outstanding principal balance from the immediately preceding Interest Payment Date to, but not including, such Interest Payment Date.

(b) Usury. The Issuer intends to conform strictly to the usury laws applicable to the Indenture and the Series 2018F Bonds, and all agreements made in connection with the Indenture, the Series 2018F Bonds and the Bond Documents are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Owners as interest hereunder exceed the highest lawful rate prescribed under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, the fulfillment of any provision of the Indenture, the Series 2018F Bonds or the other Bond Documents shall involve the payment of interest in excess of the limit prescribed by any law which a court of competent jurisdiction may deem applicable hereto, then the obligation to pay interest hereunder shall be reduced to the maximum limit prescribed by law. If from any circumstances whatsoever, the Owners shall ever receive anything of value deemed interest, the amount of which would exceed the highest lawful rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Owners, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to the Issuer.

Principal Payments. Principal of this Series 2018F Sub-Series Bond shall be payable on each Principal Payment Date, on the Maturity Date and upon redemption thereof. The amount of principal payable on each Principal Payment Date shall be (i) the amount of principal scheduled to be collected by the Issuer from the annual Assessment payment associated with this Series 2018F Sub-Series Bond made from the preceding Principal Payment Date to, but not including, the Principal Payment Date on which principal is being paid and (ii) upon redemption of this Series 2018F Sub-Series Bond, the principal amount being redeemed.

Security.

The Assessment Contract or Assessment Contracts, the related Assessment or Assessments, the related Assessment Lien, the right to enforce the Assessment and the Assessment Lien, the Pledged Revenues, the funds in any segregated account of the Revenue Fund established pursuant to Section 6.05 of the Indenture, and the proceeds of the foregoing, are hereinafter collectively referred to as the “**Matching Collateral**” for this Series 2018F Sub-Series Bond.

THE MATCHING COLLATERAL FOR THIS SERIES 2018F SUB-SERIES BOND WILL CONTINUE TO BE THE MATCHING COLLATERAL FOR SUCH SERIES 2018F SUB-SERIES BOND UPON ANY TRANSFER OR EXCHANGE OF THIS SERIES 2018F SUB-SERIES BOND, AND THIS SERIES 2018F SUB-SERIES BOND SHALL HAVE NO LIEN ON, AND NO RIGHT TO PAYMENT FROM, ANY OTHER COLLATERAL HELD UNDER THE INDENTURE. NO PORTION OF THE MATCHING COLLATERAL FOR ANY SERIES 2018F SUB-SERIES BOND MAY BE TRANSFERRED TO ANY OTHER SERIES 2018F SUB-SERIES BOND.

Registration and Transfer.

This Series 2018F Sub-Series Bond may be transferred in whole by any Owner, or pledged in whole by any Owner as collateral for a loan, only as follows:

(a) to any subsidiary of the Owner, any Affiliate of the Owner, any entity arising out of any merger or consolidation of the Owner, or a trustee in bankruptcy of the Owner;

(b) to any “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or any “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (b) above, or on its own behalf); or

(d) to any trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (b) above).

BY ITS ACQUISITION HEREOF, THE OWNER OF THIS SERIES 2018F SUB-SERIES BOND (A) REPRESENTS THAT IT IS AN ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH, (B) AGREES THAT IT WILL NOT SELL OR OTHERWISE TRANSFER THIS SERIES 2018F SUB-SERIES BOND EXCEPT AS PROVIDED IN THE INDENTURE, AND (C) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SERIES 2018F SUB-SERIES BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Any transfer (but not a pledge as collateral for a loan) of this Series 2018F Sub-Series Bond described in clauses (b), (c) or (d) immediately above shall be conditioned upon delivery by the proposed transferee to the Trustee of an investor letter in substantially the form set forth in Exhibit E to the Indenture; provided that once a particular entity has delivered such an investor letter in connection with a purchase of Series 2018F Bonds, it shall not be required to deliver another investor letter in connection with a subsequent purchase of Series 2018F Bonds.

This Series 2018F Sub-Series Bond may not be transferred unless:

(i) the Outstanding principal amount of this Series 2018F Sub-Series Bond equals or exceeds the Minimum Transfer Amount; or

(ii) this Series 2018F Sub-Series Bond is being transferred to a single investor meeting the requirements of clauses (b), (c) or (d) immediately above simultaneously with the transfer to such investor of other Sub-Series Bonds, and the aggregate Outstanding principal amount of all of such Sub-Series Bonds being transferred equals or exceeds the Minimum Transfer Amount; or

(iii) the transferee already owns Sub-Series Bonds the aggregate Outstanding principal amount of which equals or exceeds the Minimum Transfer Amount prior to such transfer.

The provisions of this paragraph shall not apply to a pledge of this Series 2018F Sub-Series Bond in whole by any Owner as collateral for a loan. This Series 2018F Sub-Series Bond may be pledged in whole by any Owner as collateral for a loan regardless of the Outstanding principal amount of this Series 2018F Sub-Series Bond.

Mandatory Redemption.

(a) This Series 2018F Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in part on each Principal Payment Date, after and to the extent that the Trustee receives the annual Assessment payment for the related Assessment or Assessments, at a redemption price equal to the principal amount paid on the related Assessment or Assessments in accordance with the payment schedule for the related Assessment or Assessments, together with accrued interest to the date of redemption.

(b) This Series 2018F Sub-Series Bond shall be subject to mandatory redemption, and shall be redeemed prior to maturity, in whole or in part on any date, after and to the extent that the Trustee receives a prepayment of a related Assessment, at a redemption price equal to the principal amount paid on the Assessment being prepaid. Such prepayment received by the Trustee shall also include the accrued interest to the date of redemption and, unless waived, any redemption premium that may be payable as determined by the Program Administrator and specified in the related Assessment Contract or Contracts.

Optional Redemption.

This Series 2018F Sub-Series Bond shall be subject to optional redemption, at the written direction to the Trustee from the Purchaser or the Owner, as applicable, from any source of funds, in whole but not in part, at any time without premium, at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. Prior to any such redemption, the Purchaser or the Owner, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator, shall provide to the Trustee the Collateral Information related to such Series 2018F Sub-Series Bond to be redeemed.

Simultaneous with the receipt of sufficient funds for the optional redemption of this Series 2018F Sub-Series Bond, the Issuer and the Trustee shall execute and deliver to the Purchaser or the Owner, as applicable, upon the written request of such person or entity, a Bill of Sale transferring to the Purchaser or the Owner, as applicable, the Matching Collateral that secured this Series 2018F Sub-Series Bond and the related liens and rights, as well as any other document that the Purchaser or the Owner, as applicable, may reasonably request to assure its right to receive ownership of the assets being transferred to it.

Enforcement. Only the Owner of this Series 2018F Sub-Series Bond shall have the right to direct the Trustee to enforce the provisions of this Series 2018F Sub-Series Bond or the Indenture or to institute any action to enforce the covenants herein or therein related to this Series 2018F Sub-Series Bond, or to take any action with respect to any Event of Default under the Indenture related to this Series 2018F Sub-Series Bond, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Discharge. The Indenture prescribes the manner in which it may be discharged and after which the Series 2018 Bonds shall be deemed to be paid and no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of registration and exchange of Bonds and of such payment.

Modifications. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

This Series 2018F Sub-Series Bond shall not be valid or obligatory for any purpose until it shall have been signed on behalf of the Issuer and such signature attested, by the officer, and in the manner, provided in the Indenture, and authenticated by a duly authorized officer of the Trustee.

It is hereby certified and recited that all conditions, acts and things required by the statutes of the State or by the Bond Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2018F Sub-Series Bond exist, have happened and have been performed and that the issue of this Series 2018F Sub-Series Bond is within every debt and other limit prescribed by said statutes.

In the event of any inconsistency between the provisions of this Series 2018F Sub-Series Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS has caused this Bond to be executed in its name by the manual or facsimile signature of its Executive Director, and attested by the manual or facsimile signature of its Secretary.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Executive Director

Attest: _____
Secretary

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture and issued under the provisions of the within mentioned Indenture.

ZB NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bonds in the books kept by the City for the registration thereof, with full power of substitution in the premises.

Date: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION
NUMBER OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Bond in every particulate, or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor) under
Uniform Transfers to Minors Act of _____ (State).

Additional abbreviations may also be used
though not in the above list.

Name and address of assignee for payment and notice purposes

Notice: _____

Payment: _____

Date: _____

Assignee: _____
By: _____
Title: _____

EXHIBIT C

FORM OF FUNDING NOTICE AND REQUISITION

Western Riverside Council of Governments
Energy Efficiency and Water Conservation Program for Western Riverside County Limited Obligation
Improvement Bonds
Series 2018A
Series 2018B
Series 2018C
Series 2018D
Series 2018E
Series 2018F

Dated: _____, 20__

Drawdown Bond(s) to which this Notice Applies:
Series 2018__
Funding Notice and Requisition No. _____

TO: **ZB National Association d/b/a Zions Bank, a national bank**, as Trustee (the “Trustee”) under the Trust Indenture (the “Indenture”), dated as of [Dated Date] with the **Western Riverside Council of Governments** (the “WRCOG”), and **Cortland Capital Market Services LLC**, as Escrow Agent (the “Escrow Agent”) under the Bond Purchase and Draw-Down Agreement (the “Purchase Agreement”), dated as of [Dated Date], among WRCOG, the Trustee, the undersigned, as the Program Administrator, Ygrene Energy Fund California LLC, as Purchaser, and the Escrow Agent.

This Funding Notice and Requisition is made pursuant to Section 3.05(d) of the Indenture to provide the property owner(s) that executed the Assessment Contract(s) identified below with the funds required by such Assessment Contract(s). All capitalized terms used herein and not otherwise defined herein have the respective meanings accorded such terms in the Indenture.

(1) We hereby notify you that the Escrow Agent will be receiving an Advance under the Indenture on _____, 20__ in connection with the properties identified on the attached Schedule C-1. Schedule C-1 specifies the following information with respect to each particular Property (such information is collectively the “**Collateral Information**” for the properties as required by Section 3.05(d) of the Indenture and Section 4.01(d) of the Purchase Agreement):

Date of Advance
Amount of Advance
Identifying Number(s) of Assessment Contract(s) to which Advance applies
Interest rates on Advance and corresponding Sub-Series Bond(s)
Maturity Date of corresponding Sub-Series Bond
The year in which the first Bond Payment Date occurs for each Sub-Series Bond
The name of the initial Owner of each Sub-Series Bond

(2) The Escrow Agent is hereby directed to apply the Advance when received as indicated in Schedule 1 attached hereto.

Exhibit C

-1-

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(3) Construction of the Qualifying Improvements with respect to each property for which this Funding Notice and Requisition applies have been completed to the satisfaction of the Program Administrator, and payment to the contractor(s) therefor is due and payable. The obligation for which such payments are requested were properly incurred and has not been the basis of a previous Advance.

YGRENE ENERGY FUND CALIFORNIA LLC, as
Program Administrator

By: _____
Title: _____

SCHEDULE C-1

SCHEDULE 1

EXHIBIT D

FORM OF INVESTOR LETTER

(from purchaser of Drawdown Bonds)

_____, 20__

Western Riverside Council of Governments
3390 University Ave.
4th Floor, Suite 450
Riverside, CA 92501
Attention: Executive Director

ZB National Association d/b/a Zions Bank, a national bank, Trustee
550 South Hope Street, Suite 2650
Los Angeles, California 90071
Attention: Corporate Trust Department

Re: Western Riverside Council of Governments Energy Efficiency and Water Conservation
Program for Western Riverside County Limited Obligation Improvement Bonds,
Series 2018__

Ladies and Gentlemen:

The above-referenced bonds (the “**Series 2018__ Bonds**”) are being issued initially as one Drawdown Bond (the “**Drawdown Bond**”). Each Advance made under the Drawdown Bond is considered a Series 2018__ Sub-Series Bond (each, a “**Series 2018__ Sub-Series Bond**”). The undersigned (the “**Purchaser**”) is, on the date hereof, purchasing \$_____ in aggregate principal amount of the Drawdown Bond.

The undersigned acknowledges that the Series 2018__ Bonds were issued for the purpose of financing the cost of Qualifying Improvements (as defined in that certain Trust Indenture dated as of [Dated Date] (the “**Indenture**”), between Western Riverside Council of Governments (the “**WRCOG**”) and ZB National Association d/b/a Zions Bank, a national bank, as trustee (the “**Trustee**”). The undersigned further acknowledges that each Series 2018__ Sub-Series Bond will be secured solely by the Matching Collateral (as defined in the Indenture), and will be not be cross-collateralized or cross-defaulted with any other Series 2018__ Sub-Series Bond.

In connection with the purchase of the Drawdown Bond by the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser has authority to purchase the Drawdown Bond and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Drawdown Bond.

Exhibit D

-1-

2. The Purchaser is (i) an “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or a “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended), (ii) a bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (i), or on its own behalf); or (iii) a trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an accredited investor or qualified institutional buyer. Further, the Purchaser is not a natural person and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other debt obligations, to be able to evaluate the risks and merits of the investment represented by the Drawdown Bond.

3. The Drawdown Bond is being acquired by the Purchaser for investment and not with a view to, or for resale in connection with, any distribution of the Drawdown Bond. The Purchaser intends to sell or transfer Series 2018__ Sub-Series Bonds, strictly in accordance with the restrictions contained in and as permitted by the terms of the Indenture, which include, among other things, a restriction on the sale thereof only to institutions satisfying the requirements described in Paragraph 2, restrictions as described in Paragraph 7, and sales only in Minimum Transfer Amounts (as defined in the Indenture). The Purchaser understands that it may need to bear the risks of its investment in the Drawdown Bond and in Series 2018__ Sub-Series Bonds for an indefinite time, since any sale prior to maturity may not be possible.

4. The Purchaser understands that the Drawdown Bond and the Series 2018__ Sub-Series Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof when issued as provided in the Indenture; and further understands that the Drawdown Bond and the Series 2018__ Sub-Series Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which is not be readily marketable.

5. The Purchaser acknowledges that the Drawdown Bond and the Series 2018__ Sub-Series Bonds are limited obligations of WRCOG payable solely from the Assessments and other collateral as defined and as provided in and subject to the terms and conditions of the Indenture, and WRCOG shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of WRCOG for all or any portion of the principal of and interest on the Drawdown Bond or the Series 2018__ Sub-Series Bonds. The Purchaser acknowledges that each Series 2018__ Sub-Series Bond is secured solely by the Matching Collateral for such Series 2018__ Sub-Series Bond.

6. The Purchaser acknowledges that WRCOG has not prepared an offering document with respect to the Drawdown Bond or the Series 2018__ Sub-Series Bonds, and that the Drawdown Bond and the Series 2018__ Sub-Series Bonds are not and will not be rated.

7. The Purchaser acknowledges that it has either been supplied with or been given access to such information, to which a reasonable investor would attach significance in making investment decisions, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning WRCOG, the Program, the Assessment Contract, the Assessments, the properties securing the Assessments the Indenture, the Bonds and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the to the Drawdown Bond or the Series 2018__ Sub-Series Bonds.

8. Subject to the exceptions set forth in Section 3.10 of the Indenture, the Purchaser acknowledges that it has the right to sell and transfer a Series 2018__ Sub-Series Bond in whole but not in

part, in accordance with the terms of the Indenture, subject to the delivery to the Trustee of an investor's letter from the transferee in substantially the form attached to the Indenture as Exhibit E, with no revisions except as may be approved in writing by WRCOG.

9. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

YGRENE ENERGY FUND CALIFORNIA LLC

By: _____
Signature

Printed Name

Title

EXHIBIT E

FORM OF INVESTOR LETTER

(from investors in Sub-Series Bonds)

_____, 20__

Western Riverside Council of Governments
3390 University Ave.
4th Floor, Suite 450
Riverside, CA 92501
Attention: Executive Director

ZB National Association d/b/a Zions Bank, a national bank, Trustee
550 South Hope Street, Suite 2650
Los Angeles, California 90071
Attention: Corporate Trust Department

Re: Western Riverside Council of Governments Energy Efficiency and Water Conservation
Program for Western Riverside County Limited Obligation Improvement Bonds,
Series 2018__

Ladies and Gentlemen:

The above-referenced bonds (the “**Series 2018__ Bonds**”) were issued initially as one Drawdown Bond (the “**Drawdown Bond**”). Each Advance made under the Drawdown Bond is considered a Series 2018__ Sub-Series Bond (each, a “**Series 2018__ Sub-Series Bond**”). The undersigned (the “**Investor**”) is, on the date hereof, purchasing \$_____ in aggregate principal amount of Series 2018__ Sub-Series Bonds.

The undersigned acknowledges that the Series 2018__ Bonds were issued for the purpose of financing or refinancing the cost of Qualifying Improvements (as defined in that certain Trust Indenture dated as of [Dated Date] (the “**Indenture**”), between Western Riverside Council of Governments (the “**WRCOG**”) and ZB National Association d/b/a Zions Bank, a national bank, as trustee (the “**Trustee**”). The undersigned further acknowledges that each Series 2018__ Sub-Series Bond will be secured solely by the Matching Collateral (as defined below), and will be not be cross-collateralized or cross-defaulted with any other Series 2018__ Sub-Series Bond.

The Indenture authorized six separate series of drawdown bonds to be issued thereunder, designated Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2018E and Series 2018F. Sub-Series Bonds may be issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond. The Sub-Series Bonds issued under the Series 2018A Drawdown Bond, the Series 2018B Drawdown Bond, the Series 2018C Drawdown Bond, the Series 2018D Drawdown Bond, the Series 2018E Drawdown Bond and the Series 2018F Drawdown Bond, are collectively referred to herein as the “**Sub-Series Bonds**.”

Exhibit E

-1-

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The Investor may make future purchases of Sub-Series Bonds in varying amounts. This letter will apply to the purchase being made on the date hereof and to all such future purchases of Sub-Series Bonds without delivery of separate letters for each future purchase.

In connection with the purchase of the Series 2018__ Sub-Series Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Series 2018__ Sub-Series Bonds and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Series 2018__ Sub-Series Bonds.

2. The Investor is (i) an “accredited investor” (as defined in Regulation D promulgated under the Securities Act of 1933, as amended) or a “qualified institutional buyer” (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended), (ii) a bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” or “qualified institutional buyer,” each as defined in clause (i), or on its own behalf); or (iii) a trust or custodial arrangement each of the beneficial owners of which, or owners of certificates issued thereby, is required to be an accredited investor or qualified institutional buyer. Further, the Investor is not a natural person and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other debt obligations, to be able to evaluate the risks and merits of the investment represented by the Series 2018__ Sub-Series Bonds.

3. The Series 2018__ Sub-Series Bonds will be acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Series __ Sub-Series Bonds, and the Investor does not intend at this time to dispose of any Series 2018__ Sub-Series Bond, except in accordance with the restrictions contained in and as permitted by the terms of the Indenture. The Investor understands that it has the right to transfer a Series 2018__ Sub-Series Bond only in whole but not in part. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Series 2018__ Sub-Series Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof when issued as provided in the Indenture; and further understands that the Series 2018__ Sub-Series Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which is not be readily marketable.

5. The Investor acknowledges that the Series 2018__ Sub-Series Bonds are limited obligations of WRCOG payable solely from the Assessments and other collateral as defined and as provided in and subject to the terms and conditions of the Indenture, and WRCOG shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of WRCOG for all or any portion of the principal of and interest on the Series 2018__ Sub-Series Bonds.

6. Each Series 2018__ Sub-Series Bond now or hereafter acquired by the Investor is secured solely by the Matching Collateral for such Series 2018__ Sub-Series Bond, as further described in the Indenture (the “**Matching Collateral**”). A listing of the Matching Collateral for each Series 2018__ Sub-Series Bond is kept in the books and records of the Trustee, and the Investor acknowledges that it will receive written confirmation from the Trustee listing the Matching Collateral for each Series 2018__ Sub-Series Bond prior to such Series 2018__ Sub-Series Bond being acquired by the Investor. The Investor understands that payments of principal of and interest on each Series 2018__ Sub-Series Bond acquired by the Investor will be made solely from the Matching Collateral for each such Series 2018__ Sub-Series

Bond, and that no Series 2018__ Sub-Series Bond has a lien on, or right to payment from, the Matching Collateral for any other Sub-Series Bond.

7. The Investor acknowledges that WRCOG has not prepared an offering document with respect to the Series 2018__ Bonds or any Series 2018__ Sub-Series Bond, and that the Series 2018 Bonds and the Series 2018__ Sub-Series Bonds are not and will not be rated.

8. Subject to the exceptions set forth in Section 3.10 of the Indenture, the Investor acknowledges that it has the right to sell and transfer a Series 2018__ Sub-Series Bond in whole but not in part, in accordance with the terms of the Indenture, subject to the delivery to the Trustee of an investor's letter from the transferee in substantially the form attached to the Indenture as Exhibit E, with no revisions except as may be approved in writing by WRCOG.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

Very truly yours,

By: _____
Signature

Printed Name

Title

Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 5

Ygrene Bond Purchase and Draw-
Down Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

ZB, NATIONAL ASSOCIATION D/B/A ZIONS BANK, A NATIONAL BANK,
as Trustee

YGRENE ENERGY FUND CALIFORNIA LLC, as Purchaser

YGRENE ENERGY FUND CALIFORNIA LLC, as Program Administrator

and

CORTLAND CAPITAL MARKET SERVICES LLC, as Escrow Agent

BOND PURCHASE AND DRAW-DOWN AGREEMENT

Dated as of August 6, 2018

Relating to

Western Riverside Council of Governments
PACE Program Limited Obligation Improvement Bonds
Series 2018A
Series 2018B
Series 2018C
Series 2018D
Series 2018E
Series 2018F

BOND PURCHASE AND DRAW-DOWN AGREEMENT

THIS BOND PURCHASE AND DRAW-DOWN AGREEMENT dated as of [Dated Date] (this “**Purchase Agreement**”) by and among (A) the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a California joint exercise of powers authority (“**WRCOG**”), (B) YGRENE ENERGY FUND CALIFORNIA LLC, a limited liability company organized and existing under the laws of the state of California (together with its successors and assigns, the “**Purchaser**”), as purchaser and initial owner of WRCOG’s YGRENE PACE Program Limited Obligation Improvement Bonds, Series 2018A, B, C, D, E and F (the “**Series 2018 Bonds**”), (C) ZB, NATIONAL ASSOCIATION D/B/A ZIONS BANK, a national bank, organized and existing under and by virtue of the laws of the United States, as trustee (together with its successors and assigns, the “**Trustee**”) under a Trust Indenture, dated as of [Dated Date], between WRCOG and the Trustee, pursuant to which the Series 2018 Bonds are being issued, (D) YGRENE ENERGY FUND CALIFORNIA LLC, a limited liability company organized and existing under the laws of the State of California (together with its successors and assigns, the “**Program Administrator**”), as program administrator under the Ygrene Program Administration Agreement, dated as of [____], between WRCOG and the Program Administrator, as the same may be amended from time to time (the “**Program Administration Agreement**”), pursuant to which the Program Administrator will provide services to and on behalf of WRCOG in connection with administering WRCOG’s Program (as defined in the Indenture) financed by the Series 2018 Bonds, and (E) CORTLAND CAPITAL MARKET SERVICES LLC, a limited liability company organized and existing under the laws of the state of Delaware (together with its successors and assigns, the “**Escrow Agent**”);

WITNESSETH:

NOW, FOR AND IN CONSIDERATION OF THE PURCHASE OF THE SERIES 2018 BONDS BY THE PURCHASER, AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO FORMALLY COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS, TO WIT:

ARTICLE I.

DEFINITIONS

Section 1.01 DEFINITIONS. All of the capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings assigned thereto in Exhibit A hereto and made a part hereof, and to the extent not otherwise defined, as set forth in the Indenture.

Section 1.02 INTERPRETATION.

- (a) In this Purchase Agreement, unless the context otherwise requires:
 - (i) the terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Purchase Agreement, refer to this Purchase Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the date of this Purchase Agreement;
 - (ii) words of masculine gender shall mean and include correlative words of the feminine and neuter genders;

- (iii) words importing the singular number shall mean and include the plural number, and vice versa;
 - (iv) any headings preceding the texts of the several Articles and Sections of this Purchase Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Purchase Agreement nor affect its meaning, construction or effect;
 - (v) all references to time in this document refer to California time;
 - (vi) any certificates, letters or opinions required to be given pursuant to this Purchase Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Purchase Agreement; and
 - (vii) in any case where the date of payment of interest on or principal of the Series 2018 Bonds, or the date fixed for redemption of any portion of the Series 2018 Bonds, shall not be a Business Day, then payment of interest or principal need not be made on such date but may be made on the next Business Day with the same force and effect as if made on the date of payment or the date fixed for redemption or purchase, and no interest shall accrue for the period after such date.
- (b) All conditions and requirements of this Purchase Agreement relating to the obligations of the Purchaser to advance the proceeds of the Series 2018 Bonds are for the sole benefit of the Purchaser and no other person or party (including, without limitation, the general contractor or subcontractors and materialmen engaged in the construction of the Qualifying Improvements) shall have the right to rely on the satisfaction of such conditions and requirements by the applicable property owner as a condition precedent to the Purchaser making any advance of the purchase price of the Series 2018 Bonds, or for any other purpose.

ARTICLE II.

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01 REPRESENTATIONS OF AND WARRANTIES BY WRCOG. WRCOG represents and warrants (and it will be a condition of the obligation of the Purchaser to purchase and accept delivery of the Series 2018 Bonds that WRCOG so represent and warrant as of the Closing Date, and such representations and warranties will be deemed to be applicable as of the date of each Advance) that:

- (a) WRCOG is a joint powers agency organized and existing under the laws of the State.
- (b) WRCOG has full power and authority (1) to enter into this Purchase Agreement, (2) to issue and deliver the Series 2018 Bonds as provided herein, (3) to use the proceeds of the Series 2018 Bonds to provide funds to finance or refinance the cost of Qualifying Improvements for use by property owners desiring such improvements and who are willing to enter into Assessment Contracts with WRCOG and agree to the imposition of Assessments, and (4) to carry out the transactions contemplated to be carried out by

WRCOG in this Purchase Agreement, the Indenture and the Program Administration Agreement.

- (c) By official action of WRCOG prior to or concurrently with the acceptance hereof, WRCOG has duly authorized and approved the execution and delivery of, and the performance by WRCOG of the obligations on its part contained in, the Indenture, the Series 2018 Bonds, this Purchase Agreement and the other Bond Documents to which WRCOG is a party and has duly authorized and approved the consummation of the transactions contemplated to be carried out by WRCOG by this Purchase Agreement.
- (d) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by WRCOG of its obligations hereunder and under the Indenture, the Series 2018 Bonds and the Program Administration Agreement have been obtained and WRCOG has taken all actions and obtained all approvals required by the Act.
- (e) WRCOG is not in breach of or in default under any applicable law or administrative regulation of the State or the United States that would materially impair the performance of its obligations under the Indenture, this Purchase Agreement, the Series 2018 Bonds and the Program Administration Agreement, and to acknowledge compliance with the provisions of each thereof, will not conflict with or constitute a material breach or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which WRCOG is a party or is otherwise subject.
- (f) WRCOG has not received notice of any action, suit, proceeding, inquiry or investigation, at law or in equity, before any court, public board or body, pending, and to its actual knowledge, no such action or suit is threatened, against WRCOG, affecting its existence or the titles of its officials to their respective offices or seeking to prohibit, restrain or enjoin the financing or sale, issuance or delivery of the Series 2018 Bonds or the pledge of the Transferred Property to pay the principal of and interest on the Series 2018 Bonds, or in any way contesting or affecting the validity or enforceability of the Series 2018 Bonds, the Indenture, this Purchase Agreement or the Program Administration Agreement, or contesting the powers of WRCOG or any authority for the issuance of the Series 2018 Bonds, the execution and delivery of this Purchase Agreement, the Indenture or the Program Administration Agreement, wherein an unfavorable decision, ruling or finding would materially and adversely affect the validity or enforceability of the Series 2018 Bonds, the Indenture, the Program Administration Agreement or this Purchase Agreement against WRCOG.
- (g) The Series 2018 Bonds, when issued and delivered in accordance with the Indenture and sold to the Purchaser as provided herein, will be the validly issued and outstanding binding obligations of WRCOG enforceable in accordance with their respective terms (except as limited by bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity) and entitled to the benefits of the Indenture as provided therein.
- (h) This Purchase Agreement, the Indenture and the Program Administration Agreement are valid and binding obligations of WRCOG enforceable in accordance with their respective

terms (except as limited by bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity).

- (i) Each Assessment Contract, when entered into, will be a valid and binding agreement of WRCOG. Each Assessment will be secured by a valid and enforceable First Priority Perfected Lien.
- (j) The Resolution of Intention, the Resolution Confirming Report, the Resolution of Issuance, the Indenture, this Purchase Agreement, and the Series 2018 Bonds have been validated by the Superior Court of the State of California, County of Riverside, by final judgment entered on _____ 2018.

Section 2.02 COVENANTS OF WRCOG. WRCOG covenants with the parties hereto for the benefit of the parties hereto and any subsequent Owners from time to time of the Series 2018 Bonds as follows:

- (a) WRCOG will take all action and do all things which it is authorized by law to take and do (1) in order to perform and observe all covenants and agreements on its part to be performed and observed under this Purchase Agreement, the Series 2018 Bonds, the Indenture, the Program Administration Agreement and the other Bond Documents to which WRCOG is a party and (2) in order to provide for and to assure payment of the principal of, and the premium, if any, and interest on, the Series 2018 Bonds when due in accordance with the terms thereof.
- (b) WRCOG will not knowingly and, without the prior written consent of the parties hereto, create, assume or suffer to exist any assignment, pledge, security interest or other lien, encumbrance or charge on the Pledged Revenues, other than as permitted or required under the Bond Documents.
- (c) WRCOG will execute, acknowledge, when appropriate, and deliver from time to time at the request of the Purchaser or the Program Administrator, but at the sole cost and expense of the Program Administrator, such instruments and documents as in the opinion of the Purchaser or the Program Administrator, are reasonably necessary or desirable to carry out the intent and purpose of this Purchase Agreement.
- (d) WRCOG will promptly pay or cause to be paid the principal of and interest on the Series 2018 Bonds solely from the Pledged Revenues as such payments become due, subject to the limitations contained in the Indenture and in Section 11.06 of this Purchase Agreement.
- (e) WRCOG will promptly notify the Purchaser, the Program Administrator, the Escrow Agent and the Trustee of the occurrence of any Event of Default of which it has actual knowledge.

Section 2.03 REPRESENTATIONS OF AND WARRANTIES BY THE PROGRAM ADMINISTRATOR. The Program Administrator represents and warrants (and it will be a condition of the obligation of the Purchaser to purchase and accept delivery of the Series 2018 Bonds that the Program Administrator so represent and warrant as of the Closing Date, and such representations and warranties will be deemed to be applicable as of the date of each Advance):

- (a) The Program Administrator (1) is a limited liability company duly organized and validly existing and in good standing under the laws of the State of California and is duly authorized to do business in the State of California, (2) has full power and authority to execute and deliver the Bond Documents to which the Program Administrator is a party and to enter into and perform its obligations under the Bond Documents to which the Program Administrator is a party, (3) has duly authorized, executed and delivered the Bond Documents to which the Program Administrator is a party and (4) represents and warrants that such documents constitute legal, valid and binding obligations of the Program Administrator enforceable against the Program Administrator in accordance with their respective terms, subject to bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity).
- (b) The representations and warranties contained in the Program Administration Agreement are true in all material respects, and by this reference such representations and warranties are incorporated into this Purchase Agreement.
- (c) The Program Administrator has not received notice of any pending action, suit or proceeding at law or in equity, by or before any Governmental Authority or, to the knowledge of the Program Administrator, threatened against or affecting the Program Administrator or the Program or which may materially adversely affect the financial condition of the Program Administrator, or involving the validity or enforceability of any of the Bond Documents, and, to the Program Administrator's knowledge, neither is the Program Administrator in default with respect to any order, writ, judgment, decree or demand of any court or any Governmental Authority.
- (d) Neither the execution and delivery of the Bond Documents to which the Program Administrator is a party, the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions thereof will (1) result in a breach of or conflict with any term or provision in the operating agreement of the Program Administrator, (2) require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Program Administrator is a party or by which the Program Administrator or any property of the Program Administrator may be bound or affected, or (3) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign) having jurisdiction over the Program Administrator or any of the property of the Program Administrator.
- (e) No approval or other action by any Governmental Authority is required in connection with the execution or performance by the Program Administrator of the Bond Documents to which the Program Administrator is a party.
- (f) There is no default under any Bond Document to which the Program Administrator is a party and no event has occurred and is continuing which with notice or the passage of time or both would constitute a default under any Bond Document to which the Program Administrator is a party.
- (g) All proceeds of the Drawdown Bonds Advanced to or upon the order of the Program Administrator pursuant to a Funding Notice and Requisition as provided for in the

Indenture shall be used solely for paying or refinancing the costs of Qualifying Improvements.

- (h) The Program Administrator will comply with all of the terms, conditions and provisions of the Program Administration Agreement, the Program Report, including the applicable Program Handbooks referenced therein, and the Indenture, each as maybe amended, applicable to it. All of the representations, certifications, statements of reasonable expectation and covenants made by the Program Administrator in the Program Administration Agreement are hereby declared to be for the benefit of, among others, WRCOG and the Purchaser and are incorporated by this reference as though set forth in full herein.
- (i) The Program Administrator will comply with all applicable laws, statutes and regulations.

Section 2.04 COVENANTS OF THE PROGRAM ADMINISTRATOR. The Program Administrator covenants and agrees with the parties hereto for the benefit of the parties hereto and any subsequent Owners from time to time of the Series 2018 Bonds as follows:

- (a) The Program Administrator will promptly notify WRCOG, the Trustee, the Escrow Agent and the Purchaser of the occurrence of any Event of Default of which it has knowledge.
- (b) The Advances of the purchase price of the Series 2018 Bonds pursuant to the terms hereof and of the Indenture and the disbursements to be made by the Escrow Agent of such Advances pursuant to a Funding Notice and Requisition(s) furnished by the Program Administrator to the Escrow Agent, WRCOG and the Trustee, as provided for in the Indenture and otherwise in accordance with the terms hereof and of the Indenture, will, if made in accordance with such Funding Notice and Requisition(s), be applied upon the order of the Program Administrator solely for the purposes set forth herein and in the Indenture.
- (c) The Program Administrator will administer the Program on behalf of WRCOG in accordance with the provisions of the Program Administration Agreement, the Program Report, including the applicable Program Handbooks referenced therein, this Purchase Agreement and the Indenture, and the covenants set forth in the Program Administration Agreement will be observed, such covenants being incorporated into this Purchase Agreement by reference.
- (d) The Program Administrator will not take or omit to take any action which will in any way cause the proceeds of the Series 2018 Bonds to be applied in a manner other than as provided in the Indenture.
- (e) The Program Administrator will comply with all applicable laws, statutes and regulations.
- (f) Prior to the Closing, the Program Administrator will obtain all governmental consents, approvals, orders or authorizations of any Governmental Authority that constitute a condition precedent to the performance of its obligations under this Purchase Agreement, the Program Administration Agreement, the Program Report, including the applicable Program Handbooks referenced therein, and the Indenture.

- (g) The Program Administrator agrees that if it shall no longer be the Program Administrator under the Program Administration Agreement, the Program Administrator shall assign to the successor Program Administrator thereunder all of the Program Administrator's rights and obligations pursuant to the Program Administration Agreement and the other Bond Documents, and in that connection will execute and deliver all instruments and documents necessary or appropriate therefor. Any transfer or assignment of such rights and obligations shall be pursuant to the terms and provisions of the Program Administration Agreement.
- (h) The Program Administrator agrees that if Ygrene Energy Fund California LLC shall no longer be the Purchaser under this Purchase Agreement, WRCOG has the absolute right, in its sole discretion, to terminate and replace Ygrene Energy Fund California LLC as the Program Administrator under the Bond Documents; provided that nothing in this paragraph (g) shall affect the rights of the Purchaser to (1) sell or otherwise dispose of any Sub-Series Bonds owned by the Purchaser prior to the date of such termination in accordance with the Indenture, (2) continue to own any Sub-Series Bonds owned by it prior to such sale or assignment, with all the rights appertaining thereto, and (3) purchase from the successor Purchaser additional Sub-Series Bonds which the successor Purchaser acquires by making Advances hereunder.

Section 2.05 REPRESENTATIONS AND COVENANTS OF THE PURCHASER. The Purchaser represents to and covenants and agrees with the parties hereto, as follows:

- (a) The Purchaser (1) is a limited liability company duly organized and validly existing and in good standing under the laws of the state of California and is duly authorized to do business in the state of California, (2) has full power and authority to execute and deliver the Bond Documents to which the Purchaser is a party and to enter into and perform its obligations under the Bond Documents to which the Purchaser is a party, (3) has duly authorized, executed and delivered the Bond Documents to which the Purchaser is a party and (4) represents and warrants that such documents constitute legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their respective terms, subject to bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity).
- (b) The Purchaser has not received notice of any pending action, suit or proceeding at law or in equity, by or before any Governmental Authority or, to the knowledge of the Purchaser, threatened against or affecting the Purchaser or the Program or which may materially adversely affect the financial condition of the Purchaser, or involving the validity or enforceability of any of the Bond Documents, and, to the Purchaser's knowledge, neither is the Purchaser in default with respect to any order, writ, judgment, decree or demand of any court or any Governmental Authority.
- (c) Neither the execution and delivery of the Bond Documents to which the Purchaser is a party, the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions thereof will (1) result in a breach of or conflict with any term or provision in the articles of organization of the Purchaser, (2) require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Purchaser is a party or by which the Purchaser or any property of the Purchaser may be bound or affected, or

- (3) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign) having jurisdiction over the Purchaser or any of the property of the Purchaser.
- (d) No approval or other action by any Governmental Authority is required in connection with the execution or performance by the Purchaser of the Bond Documents to which the Purchaser is a party.
- (e) There is no default under any Bond Document to which the Purchaser is a party and no event has occurred and is continuing which with notice or the passage of time or both would constitute a default under any Bond Document to which the Purchaser is a party.
- (f) The Purchaser has had an opportunity to make such investigations and has had access to such information with respect to WRCOG and its affairs and condition, financial or otherwise, the Program, the Bond Documents and the Act, which the Purchaser has deemed necessary in connection with and as a basis for the purchase of the Series 2018 Bonds, and any and all information relating to WRCOG, the Program and the Series 2018 Bonds which the Purchaser has requested has been provided to the Purchaser.
- (g) The Drawdown Bonds are being acquired by the Purchaser for investment and not with a view to, or for resale in connection with, any distribution of the Drawdown Bonds not exempt under Section 4(2) of the Securities Act of 1933, as amended. The Purchaser intends to sell or transfer Sub-Series Bonds, strictly in accordance with the restrictions contained in and as permitted by the terms of the Indenture and in compliance with all applicable Securities Laws. The Purchaser understands that it may need to bear the risks of its investment in the Drawdown Bonds and in Sub-Series Bonds for an indefinite time, since any sale prior to maturity may not be possible.
- (h) The Purchaser agrees to notify WRCOG and the Trustee (with a copy to the Program Administrator) in writing of any proposed transfer or sale of any Sub-Series Bond. Any transfer, assignment or resale of a Sub-Series Bond shall be pursuant to the terms and provisions of the Indenture.
- (i) The Purchaser agrees that if it shall no longer be the Purchaser under this Purchase Agreement, the Purchaser shall assign to the successor Purchaser hereunder all of the Purchaser's rights pursuant to this Purchase Agreement and the other Bond Documents, and in that connection will execute and deliver all instruments and documents necessary or appropriate therefor. Notwithstanding the foregoing, the Purchaser shall retain the rights to (1) sell or otherwise dispose of Sub-Series Bonds in accordance with the Indenture, (2) continue to own any Sub-Series Bonds owned by it prior to such assignment, with all the rights appertaining thereto, and (3) purchase from the successor Purchaser additional Sub-Series Bonds which the successor Purchaser acquires by making Advances hereunder. The Purchaser understands that the Series 2018 Bonds are limited obligations of WRCOG payable solely from the sources specified in the Indenture.
- (j) The Purchaser has received from the Program Administrator and WRCOG whatever information requested with respect to the Program Administrator and the Program which the Purchaser deems, as a reasonable investor, important in reaching its investment decision to purchase the Series 2018 Bonds. The Purchaser acknowledges that neither

WRCOG nor its counsel, nor Bond Counsel, have made any investigation or inquiry with respect to the affairs or condition, financial or otherwise, of the Program Administrator, the financial viability of the Program, or the adequacy or sufficiency of the security for the Series 2018 Bonds, and that WRCOG, its counsel and Bond Counsel do not make any representation to the Purchaser with respect to the adequacy, sufficiency or accuracy of any financial statements or other information provided to the Purchaser by the Program Administrator, or with respect to the ability of the Program Administrator to fulfill its obligations with respect to the transactions contemplated in connection therewith. The Purchaser has made an independent evaluation of the factors listed above without reliance upon any evaluation or investigation by WRCOG or its agents as to any of them.

- (k) The Purchaser agrees that if Ygrene Energy Fund California LLC shall no longer be the Program Administrator under the Program Administration Agreement, WRCOG has the absolute right, in its sole discretion, to terminate and replace Ygrene Energy Fund California LLC as the Purchaser hereunder and under the other Bond Documents; provided that nothing in this paragraph (k) shall affect the rights of the Purchaser to (1) sell or otherwise dispose of any Sub-Series Bonds in accordance with the Indenture, (2) continue to own any Sub-Series Bonds owned by it prior to such sale or assignment, with all the rights appertaining thereto, and (3) purchase from the successor Purchaser additional Sub-Series Bonds which the successor Purchaser acquires by making Advances hereunder.

Section 2.06 REPRESENTATIONS OF AND WARRANTIES BY THE ESCROW AGENT.

The Escrow Agent represents and warrants (and it will be a condition of the obligation of the Purchaser to purchase and accept delivery of the Series 2018 Bonds that the Escrow Agent so represent and warrant as of the Closing Date, and such representations and warranties will be deemed to be applicable as of the date of each Advance):

- (a) The Escrow Agent (1) is a limited liability company duly organized and validly existing and in good standing under the laws of the State of Delaware and is duly authorized to do business in the State of California, (2) has full power and authority to execute and deliver the Bond Documents to which the Escrow Agent is a party and to enter into and perform its obligations under the Bond Documents to which the Escrow Agent is a party, (3) has duly authorized, executed and delivered the Bond Documents to which the Escrow Agent is a party and (4) represents and warrants that such documents constitute legal, valid and binding obligations of the Escrow Agent enforceable against the Escrow Agent in accordance with their respective terms (except as limited by bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity).
- (b) The Escrow Agent has not received notice of any pending action, suit or proceeding at law or in equity, by or before any Governmental Authority or, to the knowledge of the Escrow Agent, threatened against or affecting the Escrow Agent or the Program or which may materially adversely affect the financial condition of the Escrow Agent, or involving the validity or enforceability of any of the Bond Documents, and, to the Escrow Agent's knowledge, neither is the Escrow Agent in default with respect to any order, writ, judgment, decree or demand of any court or any Governmental Authority.
- (c) Neither the execution and delivery of the Bond Documents to which the Escrow Agent is a party, the consummation of the transactions contemplated thereby nor the fulfillment of

or compliance with the provisions thereof will (1) result in a breach of or conflict with any term or provision in the operating agreement of the Escrow Agent, (2) require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Escrow Agent is a party or by which the Escrow Agent or any property of the Escrow Agent may be bound or affected, or (3) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign) having jurisdiction over the Escrow Agent or any of the property of the Escrow Agent.

- (d) No approval or other action by any Governmental Authority is required in connection with the execution or performance by the Escrow Agent of the Bond Documents to which the Escrow Agent is a party.
- (e) To the best of the Escrow Agent's knowledge, there is no default under any Bond Document to which the Escrow Agent is a party and no event has occurred and is continuing which with notice or the passage of time or both would constitute a default under any Bond Document to which the Escrow Agent is a party.

Section 2.07 COVENANTS OF THE ESCROW AGENT. The Escrow Agent covenants and agrees with the parties hereto for the benefit of the parties hereto and any subsequent Owners from time to time of the Series 2018 Bonds as follows:

- (a) The Escrow Agent will promptly notify WRCOG, the Trustee, the Program Administrator and the Purchaser of the occurrence of any Event of Default hereunder of which it has knowledge.
- (b) The Advances of the purchase price of the Series 2018 Bonds pursuant to the terms hereof and of the Indenture will be applied by the Escrow Agent solely as set forth in the Funding Notice and Requisition(s) furnished by the Program Administrator as provided for in the Indenture and this Purchase Agreement.
- (c) Unless otherwise directed by the parties hereto, the Escrow Agent will not take or omit to take any action which will in any way cause the proceeds of the Series 2018 Bonds to be applied in a manner other than as provided in the Funding Notice and Requisition(s) or any modifications or amendments thereto.
- (d) The Escrow Agent will not permit any of the Sub-Series Bonds to be encumbered or transferred except as provided in this Purchase Agreement.
- (e) The Escrow Agent agrees that if it shall no longer be the Escrow Agent hereunder, the Escrow Agent shall assign to the successor Escrow Agent hereunder all of the Escrow Agent's rights and obligations hereunder and the other Bond Documents, and in that connection will execute and deliver all instruments and documents necessary or appropriate therefor. Any transfer or assignment of such rights and obligations shall be pursuant to the terms and provisions of this Purchase Agreement.

ARTICLE III.

PURCHASE AND SALE OF THE SERIES 2018 BONDS

Section 3.01 CLOSING DATE. The Series 2018 Bonds shall be issuable initially as six Drawdown Bonds registered in the name of the Purchaser, as follows:

- (a) a Series 2018A Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 30-year Assessment term;
- (b) a Series 2018B Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 25-year Assessment term;
- (c) a Series 2018C Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 20-year Assessment term;
- (d) a Series 2018D Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 15-year Assessment term;
- (e) a Series 2018E Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 10-year Assessment term; and
- (f) a Series 2018F Drawdown Bond, which shall be drawn in connection with Assessment Contracts having a 5-year Assessment term;

however, the principal amount due on each Drawdown Bond shall be only such amount as has been drawn down by WRCOG on such Drawdown Bond.

Upon satisfaction of the conditions set forth in Section 3.02 hereof, the Purchaser will purchase each Drawdown Bond from WRCOG, and WRCOG will sell each Drawdown Bond to the Purchaser, on the Closing Date. Each Advance made under each Drawdown Bond will be considered a Sub-Series Bond of that series. The Purchaser shall fund the purchase price of each Drawdown Bond and each Sub-Series Bond by making Advances. The total aggregate principal of the Drawdown Bonds issued by WRCOG under this Purchase Agreement may not exceed [\$50,000,000].

The initial Advance for the purchase of the Series 2018A Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018B Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018C Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018D Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018E Drawdown Bond may consist of one or more Advances to evidence each property receiving

funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date. The initial Advance for the purchase of the Series 2018F Drawdown Bond may consist of one or more Advances to evidence each property receiving funding and will be made by the Purchaser and received by the Escrow Agent to finance or refinance certain Qualifying Improvements under the related Assessment Contracts on the Closing Date.

Provided that the conditions to Advances contained in this Purchase Agreement are either satisfied or waived by the Purchaser, the balance of the purchase price of each Drawdown Bond shall be advanced in subsequent installments by the Purchaser. The purchase price for each Drawdown Bond shall be the sum of (1) the principal amount of the Initial Advance (which shall be payable in immediately available funds), together with (2) all additional principal amounts of subsequent Advances by the Purchaser from time to time under such Drawdown Bond pursuant to the terms of this Purchase Agreement and the Indenture.

Section 3.02 CONDITIONS PRECEDENT TO THE CLOSING AND THE INITIAL ADVANCE. The Purchaser shall not be obligated hereunder to purchase a Drawdown Bond and to make the Initial Advance under such Drawdown Bond on the Closing Date unless the following conditions and those conditions set forth in Sections 4.01 and 4.02 hereof shall have been satisfied or waived by the Purchaser:

- (a) The Purchaser shall have received (and approved as appropriate):
 - (i) the executed Drawdown Bond and executed counterparts of the Indenture and all of the Bond Documents;
 - (ii) certified copies of the Resolution of Intention, the Resolution Confirming Report and the Resolution of Issuance;
 - (iii) an opinion of counsel to WRCOG in form and substance satisfactory to the Purchaser and its counsel;
 - (iv) an opinion of Bond Counsel substantially to the effect that: (1) the Series 2018 Bonds and the Bond Documents constitute legal, valid and binding obligations of WRCOG, enforceable in accordance with their respective terms (except as limited by bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity); (2) each Assessment Contract will create a valid Assessment secured by a valid lien on the applicable property coequal to and independent of the lien for general ad valorem taxes; (3) the Indenture creates a valid and binding pledge of Matching Collateral to secure Sub-Series Bonds; (4) it is not necessary to qualify the Indenture under the provisions of the Trust Indenture Act of 1939; and (5) the Series 2018 Bonds were validated by the Superior Court of the State of California, County of Riverside, by final judgment issued on _____, 2018, with no appeal taken therefrom within thirty days following such final judgment, and such validation judgment is conclusive under California law as to all matters adjudicated or that could have been adjudicated against WRCOG and all parties affected thereby;
 - (v) a certificate of one or more officers of WRCOG and such other proof as the Purchaser shall require to establish the truth of the representations and warranties set forth in Section 2.01 hereof;

- (vi) a certificate of one or more officers of the Program Administrator and such other proof as the Purchaser shall require to establish the truth of the representations set forth in Section 2.03 hereof;
- (vii) a certificate of one or more officers of the Trustee to the effect that: (1) the Trustee is a national banking association, duly organized, validly existing and in good standing under the laws of the United States and is authorized to exercise trust powers in the state of California; (2) the Trustee has full corporate power and authority, including all necessary trust powers, to execute and deliver this Purchase Agreement and the Indenture, to perform its obligations thereunder and to authenticate the Drawdown Bonds and the Sub-Series Bonds; (3) this Purchase Agreement and the Indenture constitute legal, valid and binding obligations of the Trustee, enforceable against the Trustee in accordance with their respective terms (except as limited by bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity); and (4) the Drawdown Bonds and any Sub-Series Bonds issued on the Closing Date have been duly authenticated by an authorized officer of the Trustee;
- (viii) a certificate of one or more officers of the Program Administrator to the effect that: (1) the Program Administrator is a limited liability company duly organized and validly existing and in good standing under the laws of the State of California and is duly authorized to do business in the State of California; (2) the Program Administrator has full power and authority to execute and deliver the Bond Documents to which the Program Administrator is a party and to enter into and perform its obligations under the Bond Documents to which the Program Administrator is a party; and (3) the Program Administrator has duly authorized, executed and delivered the Bond Documents to which the Program Administrator is a party and such documents constitute legal, valid and binding obligations of the Program Administrator enforceable against the Program Administrator in accordance with their respective terms (except as limited by bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity);
- (ix) a certificate of one or more officers of the Escrow Agent to the effect that: (1) the Escrow Agent is a limited liability company duly organized and validly existing and in good standing under the laws of the State of Delaware; (2) the Escrow Agent has full power and authority to execute and deliver the Bond Documents to which the Escrow Agent is a party and to enter into and perform its obligations under the Bond Documents to which the Escrow Agent is a party; and (3) the Escrow Agent has duly authorized, executed and delivered the Bond Documents to which the Escrow Agent is a party and such documents constitute legal, valid and binding obligations of the Escrow Agent enforceable against the Escrow Agent in accordance with their respective terms, (except as limited by bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally and general principles of equity); and
- (x) such other or further documents, data or information with respect to the Program as the Purchaser or its counsel may reasonably request.
- (b) WRCOG and its counsel shall have received (and approved as appropriate) or waived its right to receive:

- (i) a fully executed copy of the limited liability company operating agreement of the Program Administrator, and a certificate of good standing of the Program Administrator in the State;
- (ii) a certificate of good standing in Delaware of the Escrow Agent;
- (iii) a certified copy of the articles of organization of the Purchaser, and a certificate of good standing of the Purchaser in the State;
- (iv) a resolution (or unanimous written consent) of the appropriate governing body of the Program Administrator approving and authorizing the execution and delivery of the Bond Documents to which the Program Administrator is a party, in form and substance satisfactory to WRCOG;
- (v) a resolution (or unanimous written consent) of the appropriate governing body of the Purchaser approving and authorizing the execution and delivery of the Bond Documents to which the Purchaser is a party, in form and substance satisfactory to WRCOG; and
- (vi) such other or further documents, data or information with respect to the Program Administrator and the Purchaser as WRCOG or its counsel may reasonably request.

ARTICLE IV.

ADVANCES BY THE PURCHASER; CONDITIONS PRECEDENT

Section 4.01 ADVANCES.

- (a) The Purchaser will make (1) the Initial Advances in immediately available funds upon satisfaction of the conditions set forth in Section 3.02 and Section 4.02 hereof and (2) future Advances upon the conditions set forth in Section 4.03 hereof. All such future Advances shall be funded to the Escrow Agent for disbursement in an amount equal to the amount indicated in the corresponding Funding Notice and Requisition. The Program Administrator shall provide to the Trustee and the Escrow Agent a Funding Notice and Requisition at least two (2) Business Days prior to the date when such funds will be Advanced. Each Funding Notice and Requisition shall be substantially in the form attached to the Indenture as Exhibit C. No Owner of a Sub-Series Bond other than the Purchaser shall be required or permitted to make Advances hereunder.
- (b) Each Advance shall constitute a corresponding payment of the purchase price of a portion of the applicable Drawdown Bond.
- (c) Upon receipt by the Escrow Agent of an Advance in accordance with the terms of hereof and of Section 3.05(d) of the Indenture:
 - (i) the Escrow Agent shall notify the Trustee in writing (which may be by fax or email) that it has received the funds and that the Trustee may issue, authenticate and register one or more Sub-Series Bonds corresponding to such Advance, in accordance with the information contained in the corresponding Funding Notice and Requisition;

- (ii) the Trustee shall assign a SUBR_— number to each Sub-Series Bond, issue, authenticate and register each Sub-Series Bond, and notify the Purchaser and the Program Administrator in writing (which may be by fax or email) that the Sub-Series Bond has been issued;
 - (iii) the Trustee shall note on the applicable Drawdown Bond that an additional principal amount of the Drawdown Bond, equal to the amount of the Advance (and the principal amount of the corresponding Sub-Series Bond), has been purchased; and
 - (iv) the Escrow Agent shall disburse the Advance to or upon the order of the Program Administrator (or, at the direction of the Program Administrator, to such contractors or subcontractors as specified in writing to the Escrow Agent by the Program Administrator in the Funding Notice and Requisition).
- (d) The Program Administrator shall provide to the Trustee the Collateral Information, as well as all information required under Sections 4.01 and 4.02 of the Indenture upon redemption of any Sub-Series Bond, and on the basis of such information the Trustee shall maintain, or cause to be maintained, complete and accurate records regarding:
- (i) the Collateral Information and the SUBR_— number of the related Sub-Series Bond, and the amount and the corresponding increase in the Outstanding principal amount of the Drawdown Bond that has been purchased; and
 - (ii) the redemption of all or any portion of each Sub-Series Bond, the date of such redemption and the corresponding decrease in the Outstanding principal amount of the Drawdown Bond that has been redeemed.

Section 4.02 CONDITIONS PRECEDENT TO THE INITIAL ADVANCE. The Purchaser shall not be obligated to make the Initial Advance of the purchase price of a Drawdown Bond unless the representations and warranties of WRCOG and the Program Administrator made in Article II hereof shall be true and correct, there shall be no Event of Default under any of the Bond Documents and there shall be no event that with the passage of time or the giving of notice or both would become an Event of Default.

Section 4.03 CONDITIONS PRECEDENT TO ADVANCES AFTER THE INITIAL ADVANCE.

- (a) Prior to the making of any Advance of the purchase price of a Drawdown Bond after the Initial Advance, the Program Administrator shall provide to the Trustee and the Escrow Agent a Funding Notice and Requisition at least two (2) Business Days prior to the date when such funds will be Advanced. Each Funding Notice and Requisition shall be substantially in the form of Exhibit C to the Indenture.
- (b) The Purchaser's obligation to make any Advance of the purchase price of a Drawdown Bond after the Initial Advance thereunder shall be further subject to satisfaction of the following conditions:
 - (i) The representations and warranties of WRCOG, the Escrow Agent and the Program Administrator made in Article II hereof shall be true and correct as of the date of the Advance, there shall be no Event of Default under any of the Bond Documents and

there shall be no event that with the passage of time or the giving of notice or both would become an Event of Default;

- (ii) The following shall be true and correct on the date of the Advance, and the Program Administrator shall be deemed to have certified to the Purchaser on the date of the Advance, that: (A) the Program Administrator has approved the property owner for financing under the Program in compliance with the Program Administration Agreement and the Program Report, including the applicable Program Handbooks referenced therein; (B) the property owner and WRCOG have entered into an Assessment Contract or Assessment Contracts related to the Qualifying Improvements; (C) construction of the Qualifying Improvements applicable to such Advance has been completed to the satisfaction of the Program Administrator; (D) payment to the property owner or the contractor(s) therefor is due and payable; and (E) a notice of assessment and a notice of payment of contractual assessment required, which may be combined as permitted by Chapter 29, have been recorded against the property securing the Assessment;
- (iii) None of the documents or opinions referred to in Section 3.02 hereof have been amended, modified or withdrawn;
- (iv) No litigation shall be pending or threatened relating to the Qualifying Improvements, the Assessment or the Series 2018 Bonds; and
- (v) All mechanics liens and other encumbrances relating to the Qualifying Improvements have been, or by application of the Advance will be, removed and terminated.

Section 4.04 EFFECT OF ADVANCES.

- (a) The Purchaser shall have no obligations or liability whatsoever with respect to the construction or installation of Qualifying Improvements other than to purchase the Drawdown Bonds in the manner as herein and in the Indenture provided.
- (b) WRCOG shall have no obligations or liability whatsoever with respect to the construction or installation of Qualifying Improvements other than to provide for the financing thereof by issuing the Series 2018 Bonds as provided in the Indenture.
- (c) It is acknowledged and understood by the parties hereto that: (1) the Program Administrator has the sole responsibility for taking and approving applications from Property Owners under the Program, and for ensuring the qualification of the Property Owners and the Qualifying Improvements to meet the requirements of Chapter 29 and the Program Report, including the applicable Program Handbooks referenced therein, all as further set forth in Section 5.01 hereof and in the Program Administration Agreement, (2) that any Advance made hereunder by the Purchaser is made solely in reliance upon the Program Administrator's determinations of the matters described in clause (1), and (3) neither the Purchaser, the Escrow Agent, WRCOG nor the Trustee makes any representation as to such matters.

Section 4.05 ADVANCES UPON EVENTS OF DEFAULT. In the event of the occurrence and during the continuance of any Event of Default hereunder or under the Indenture, the Purchaser shall have the right, but not the obligation, to make any further Advances hereunder.

ARTICLE V.

ASSESSMENT CONTRACTS

Section 5.01 EXECUTION OF ASSESSMENT CONTRACTS.

- (a) Pursuant to the provisions of the Program Administration Agreement and the Program Report, including the applicable Program Handbooks referenced therein, the Program Administrator shall take applications from Property Owners desiring to participate in the Program, perform all required underwriting procedures and approve or disapprove applications.
- (b) Upon providing WRCOG with written evidence of the Program Administrator's approval of a Property Owner's application, WRCOG shall enter into an Assessment Contract, substantially in the form attached hereto as Exhibit B, with such Property Owner in accordance with Section 4.2.4 of the Program Administration Agreement.
- (c) Upon completion of construction of the Qualifying Improvements, as evidenced by a certificate of completion executed by the property owner, and prior to the making of the related Advance hereunder by the Purchaser, WRCOG (or the Program Administrator, at WRCOG's direction) shall record a notice of assessment and notice of payment of contractual assessment against the related property in the official records of the applicable County, which may be combined as permitted by Chapter 29. The notice of assessment will include the Assessment Contract and any Addendum or Addenda thereto (each an "**Addendum**"), which, together, shall indicate the final Assessment amount and the schedule of annual Assessment payments due.

Section 5.02 TRACKING OF ASSESSMENT CONTRACTS. Except as otherwise agreed with the related Owner, the Program Administrator shall hold in its custody, for the sole benefit of the Owner of the associated Sub-Series Bond, each Assessment Contract (including the related Addendum).

ARTICLE VI.

REMITTANCE OF ASSESSMENT PAYMENTS; REDEMPTION OF SERIES 2018 BONDS

Section 6.01 REMITTANCE OF ASSESSMENT PAYMENTS.

- (a) WRCOG shall remit or cause to be remitted to the Trustee, immediately upon receipt, for deposit into the Revenue Fund, all Pledged Revenues received by or for WRCOG. Each such remittance shall be accompanied by Assessment Identification Instructions as provided in Section 2.03 of the Indenture. In the event WRCOG enters into an agreement with the Tax Collector to have all Pledged Revenues sent directly to the Trustee as received, the Trustee shall notify the Program Administrator each time it receives Pledged Revenues, and the Program Administrator shall promptly send to the Trustee the Assessment Identification Instructions related to such Pledged Revenues.
- (b) The Program Administrator shall calculate the amount of interest due on each Interest Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Interest Payment Date.

- (c) The Program Administrator shall calculate the amount of principal due on each Principal Payment Date and shall provide written notice of such amount, together with a breakdown of the amount applicable to each Sub-Series Bond, to the Trustee at least five (5) Business Days prior to such Principal Payment Date.

Section 6.02 PROCEDURES UPON REDEMPTION.

- (a) Prior to any mandatory redemption of a portion of a Sub-Series Bond from moneys received from the regularly scheduled annual payment of the related Assessment or Assessments pursuant to Section 4.01(a) of the Indenture, the Program Administrator shall provide to the Trustee the information related to the payment as described in Section 4.01(a) of the Indenture. Such information shall be provided as part of the written instructions specified in Section 6.01 hereof. The Trustee shall thereupon note on its books the portion of the Sub-Series Bond that has been redeemed.
- (b) Prior to any mandatory redemption of a Sub-Series Bond from moneys received from the prepayment of a related Assessment pursuant to Section 4.01(b) of the Indenture, the Program Administrator shall provide to the Trustee the applicable Collateral Information related to the prepayment. The Trustee shall thereupon (i) note on its books the portion of the Sub-Series Bond that has been redeemed or that the Sub-Series Bond has been redeemed in full and (ii) if the redemption is in full, cancel such Sub-Series Bond. The Program Administrator shall, within thirty (30) days after such redemption, provide the Tax Collector's office with the information that the applicable Assessment has been paid in part or in full and shall deliver any documents required by the Tax Collector's office to evidence such payment.
- (c) In order to call a Sub-Series Bond for optional redemption pursuant to Section 4.02 of the Indenture, the Purchaser or the Owner of such Sub-Series Bond, as applicable, shall provide to the Trustee immediately available funds sufficient to pay the redemption price, and the Program Administrator shall provide to the Trustee the Collateral Information related to such Sub-Series Bond to be redeemed. The Trustee shall thereupon note on its books that the Sub-Series Bond has been redeemed in full, and transfer the Matching Collateral for such Sub-Series Bond to the trustee for the bonds that refunded such Sub-Series Bond.

ARTICLE VII.

REVENUE FUND

Section 7.01 PROCEDURES REGARDING REVENUE FUND.

- (a) If a Sub-Series Bond is redeemed upon prepayment of the associated Assessment pursuant to Section 4.01(b) of the Indenture, the Trustee shall release the amount held in the Revenue Fund associated with such prepayment, and such amount shall be applied to redeem such Sub-Series Bond.
- (b) If a Sub-Series Bond is optionally redeemed in whole pursuant to Section 4.02 of the Indenture, the Trustee shall release the amount held in the Revenue Fund associated with such Sub-Series Bond and which has not yet been paid to the Owner of such Sub-Series

Bond and transfer such amount to the trustee for the bonds that refunded such Sub-Series Bond.

ARTICLE VIII.

PROGRAM COSTS ACCOUNTS

Section 8.01 PROCEDURES REGARDING PROGRAM COSTS.

- (a) Each time an Advance is made, the Escrow Agent shall, unless otherwise directed in writing by the Program Administrator, remit the amount specified in the Funding Notice and Requisition for payment of administrative fees and expenses of the Program to the parties identified in such notice. Such fees shall include:
 - (i) The Program Administrator Fees in the amount owed to it pursuant to the applicable Program Handbook;
 - (ii) The Trustee Fees identified in the separate agreement between the Trustee and the Program Administrator; and
 - (iii) The fees owing to WRCOG in the amount owed to it pursuant to the applicable Program Handbook.
- (b) The Program Administrator shall pay from its own funds, additional fees and expenses of the Trustee, at the times and in the amounts identified in the separate agreement between the Trustee and the Program Administrator. In addition, the Program Administrator shall pay from its own funds all out-of-pocket expenses of the Trustee, as reasonably incurred, documented and invoiced. The Trustee shall advise the Program Administrator of any such expenses in advance whenever possible, and otherwise as soon as they become known.

ARTICLE IX.

THE PURCHASER, THE PROGRAM ADMINISTRATOR AND THE ESCROW AGENT

Section 9.01 PROCEDURES REGARDING TERMINATION.

- (a) The Program Administrator and the Purchaser hereby agree that if Ygrene Energy Fund California LLC shall no longer be the Program Administrator hereunder, under the Program Administration Agreement and under the other Bond Documents or if Ygrene Energy Fund California LLC, as the Purchaser hereunder, at any time fails to perform any of its material obligations hereunder, WRCOG has the absolute right, in its sole discretion, to terminate and replace Ygrene Energy Fund California LLC as the Purchaser hereunder and under the other Bond Documents; provided that nothing in this paragraph (a) shall affect the rights of the Purchaser to (1) sell or otherwise dispose of any Sub-Series Bonds in accordance with the Indenture, (2) continue to own any Sub-Series Bonds owned by it prior to such date, with all the rights appertaining thereto, and (3) purchase from the successor Purchaser additional Sub-Series Bonds which the successor Purchaser acquires by making Advances hereunder.

- (b) The Program Administrator may resign at any time and be discharged of the duties and obligations hereunder, under the Program Administration Agreement and under the other Bond Documents by following the procedures set forth in the Program Administration Agreement. The Trustee shall give notice of such resignation at the earliest practicable time to the Owners of the Series 2018 Bonds.
- (c) The Purchaser may resign at any time and be discharged of the duties and obligations to make Advances hereunder, under the Indenture and under the other Bond Documents by giving not less than one hundred eighty (180) days' written notice to WRCOG, the Trustee, the Escrow Agent and the Program Administrator. If at the time of such resignation the Purchaser is the Owner of any Sub-Series Bonds, the Purchaser shall continue to be the Owner thereof after such resignation, and agrees that it may not transfer, sell or otherwise dispose of such Sub-Series Bonds except as provided in the Indenture. The Trustee shall give notice of such resignation at the earliest practicable time to the Owners of the Series 2018 Bonds.
- (d) WRCOG agrees that it shall have no right to remove the Program Administrator except as otherwise provided in the Program Administration Agreement.
- (e) WRCOG agrees that it shall have no right to remove the Purchaser except as otherwise provided in paragraphs (a) or (g) of this Section 9.01.
- (f) In case at any time the Program Administrator shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Program Administrator, or of its property, shall be appointed, or if any public officer shall take charge or control of the Program Administrator, or of its property or affairs, WRCOG shall appoint a successor Program Administrator.
- (g) In case at any time the Purchaser shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Purchaser, or of its property, shall be appointed, or if any public officer shall take charge or control of the Purchaser, or of its property or affairs, WRCOG shall appoint a successor Purchaser.
- (h) The Escrow Agent may be removed at any time by WRCOG, with or without cause. The Escrow Agent may resign at any time and be discharged of the duties and obligations hereunder and under the other Bond Documents by giving not less than one hundred twenty (120) days' written notice to WRCOG, the Trustee, the Purchaser and the Program Administrator. In case at any time the Escrow Agent shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Escrow Agent, or of its property, shall be appointed, or if any public officer shall take charge or control of the Escrow Agent, or of its property or affairs, WRCOG shall appoint a successor Escrow Agent.

ARTICLE X.

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 EVENTS OF DEFAULT DEFINED.

- (a) The following shall constitute Events of Default hereunder:
 - (i) Any representation or warranty made by WRCOG, the Purchaser, the Escrow Agent or the Program Administrator herein or in any other instrument or document delivered by WRCOG, the Purchaser, the Escrow Agent or the Program Administrator in connection with the Series 2018 Bonds proves to be false or misleading in any material respect at the time it was made;
 - (ii) An Event of Default shall occur under any of the other Bond Documents and continue beyond any applicable notice and/or cure period;
 - (iii) WRCOG, the Program Administrator, the Escrow Agent or the Purchaser shall generally not pay its debts as such debts become due or admits its inability to pay its debts as they become due;
 - (iv) WRCOG, the Program Administrator, the Escrow Agent or the Purchaser shall make an assignment for the benefit of creditors; or
 - (v) (A) The filing by WRCOG, the Program Administrator, the Escrow Agent or the Purchaser (as debtor) of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy statute, (B) the failure by WRCOG, the Program Administrator or the Purchaser within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair WRCOG's, the Program Administrator's, the Escrow Agent's or the Purchaser's ability, as applicable, to carry out its obligations hereunder, (C) the commencement of a case under Title 11 of the United States Code against WRCOG, the Program Administrator, the Escrow Agent or the Purchaser as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against WRCOG, the Program Administrator or the Purchaser and continuation of such case, action or proceeding without dismissal for a period of sixty (60) days, (D) the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of WRCOG, the Program Administrator, the Escrow Agent or the Purchaser, or (E) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of WRCOG, Program Administrator, the Escrow Agent or the Purchaser, unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment;
- (b) WRCOG, the Program Administrator, the Escrow Agent or the Purchaser, as applicable, will furnish to the other parties hereto, within seven (7) days after becoming aware of the existence of any condition or event which constitutes a Default or an Event of Default, written notice specifying the nature and period of existence thereof and the action which

WRCOG, the Program Administrator, the Escrow Agent or the Purchaser, as applicable, is taking or proposes to take with respect thereto.

Section 10.02 REMEDIES ON DEFAULT.

- (a) Whenever any Event of Default shall have occurred and continued beyond any applicable notice and/or cure period, other than a default involving the Purchaser, the Purchaser may, in its sole discretion, by written notice to WRCOG, the Trustee, the Escrow Agent and the Program Administrator, (1) terminate the obligation of the Purchaser to make Advances under the Drawdown Bonds, and/or (2) exercise any of the remedies available to the Purchaser under the terms of the Bond Documents, Chapter 29 or the Bond Act or in law or at equity.
- (b) Whenever any Event of Default involving the Purchaser shall have occurred and continued beyond any applicable notice and/or cure period, WRCOG, the Trustee, the Escrow Agent and/or the Program Administrator, may, by written notice to the other parties hereto, exercise any of the remedies available to such party under the terms of the Bond Documents, Chapter 29 or the Bond Act or in law or at equity.

Section 10.03 REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Purchase Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 10.04 WAIVERS; NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. The parties hereto may at any time and from time to time waive any one or more of the conditions contained herein, but any such waiver shall be deemed to be made in pursuance hereof and not in modification hereof; and any such waiver in any instance or under any particular circumstances shall not be considered a waiver of such condition in any other instance or any other circumstances.

Section 10.05 AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event any party hereunder should default under any of the provisions of this Purchase Agreement, and any other party should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the defaulting party herein contained, the defaulting party shall, on demand therefor, pay to the other party or parties, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

ARTICLE XI.

MISCELLANEOUS

Section 11.01 NOTICES.

- (a) All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) sent to the applicable address stated below by certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or if (2) delivery is

refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

- (b) The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

To WRCOG:	Western Riverside Council of Governments 3390 University Ave., Suite 450 Riverside, CA 92501 Attention: Executive Director
with a copy to:	Best Best & Krieger LLP 3390 University Ave., Suite 450 Riverside, CA 92501 Attention: Steven DeBaun
To the Trustee:	ZB, National Association d/b/a Zions Bank, a national bank 550 South Hope Street, Suite 2875 Los Angeles, CA 90071 Attention: Corporate Trust Department
To the initial Purchaser:	Ygrene Energy Fund California LLC 2100 S. McDowell Blvd. Petaluma, CA 94954 Attention: Tim Condon, CFO
with a copy to:	Ygrene Energy Fund California LLC 2100 S. McDowell Blvd. Petaluma, CA 94954 Attention: General Counsel
To the initial Program Administrator:	Ygrene Energy Fund California LLC 2100 S. McDowell Blvd. Petaluma, CA 94954 Attention: Tim Condon, CFO
with a copy to:	Ygrene Energy Fund California LLC 2100 S. McDowell Blvd. Petaluma, CA 94954 Attention: General Counsel
To the initial Escrow Agent:	Cortland Capital Market Services LLC 225 W. Washington St., 9 th Floor

Chicago, Illinois 60606
Attention: Legal Department and Escrow
Department
Email: legal@cortlandglobal.com
escrow@cortlandglobal.com

It being understood and agreed that each party will use reasonable efforts to send copies of any notices to the address marked "with a copy to" hereinabove set forth, provided, however, that the failure to deliver such copy or copies shall have no consequence whatsoever as to any notice made to any of the other parties hereto.

- (c) A duplicate copy of each notice, certificate and other communication given hereunder by any party shall be given to the other parties hereto.
- (d) The parties hereto may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 11.02 AMENDMENT. This Purchase Agreement may not be amended, changed, modified, altered or terminated except by written instrument executed and delivered by the parties hereto. Notwithstanding the foregoing, it is understood and agreed that WRCOG and the Program Administrator may, with the consent of the Purchaser, modify and amend the Program Report, including the applicable Program Handbooks referenced therein, and the form of Assessment Contract from time to time as they deem necessary without the consent of the Trustee; provided that copies of any such modifications and amendments shall be provided to the Trustee.

Section 11.03 BINDING EFFECT. This Purchase Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 11.04 EXECUTION OF COUNTERPARTS. This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Purchase Agreement by Electronic Means shall be effective as delivery of manually executed counterpart.

Section 11.05 APPLICABLE LAW. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 11.06 NO RECOURSE; LIMITED OBLIGATION. All covenants, stipulations, promises, agreements and obligations of WRCOG contained in this Purchase Agreement, the Series 2018 Bonds, and the other Bond Documents executed by WRCOG and in the other documents and instruments connected herewith or therewith, and in any documents supplemental thereto shall be deemed to be the covenants, stipulations, promises, agreements and obligations of WRCOG and not of any member, associate member, director, officer, agent, servant or employee of WRCOG in his individual capacity, and no recourse under or upon any obligation, covenant or agreement in the Bond Documents contained or otherwise based upon or in respect of the Bond Documents, or for any claim based hereon or thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future member, associate member, director, officer, agent, servant or employee, as such, of WRCOG or of any successor public body or political subdivision or any Person executing any of the Bond Documents on behalf of WRCOG,

either directly or through WRCOG or any successor or political subdivision or any Person so executing any of the Bond Documents on behalf of WRCOG, it being expressly understood that the Bond Documents and the Series 2018 Bonds issued thereunder are solely obligations as described in the Indenture, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, associate member, director, officer, agent, servant or employee of WRCOG or of any successor or political subdivision or any Person so executing any of the Bond Documents on behalf of WRCOG because of the creation of the indebtedness thereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, associate member, director, officer, agent, servant or employee because of the creation of the indebtedness authorized by the Bond Documents, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution by WRCOG of the Bond Documents and the issuance, sale and delivery of the Series 2018 Bonds.

Section 11.07 NO PERSONAL LIABILITY. All covenants, stipulations, promises, agreements and obligations of the Purchaser or the Program Administrator contained in this Purchase Agreement and the other Bond Documents executed by such party and in the other documents and instruments connected herewith or therewith, and in any documents supplemental thereto, shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Purchaser or the Program Administrator, as applicable, and not of any member, director, officer, agent, servant or employee of such party in his individual capacity, and no recourse under or upon any obligation, covenant or agreement in the Bond Documents contained or otherwise based upon or in respect of the Bond Documents, or for any claim based hereon or thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future member, director, officer, agent, servant or employee, as such, of the Purchaser or the Program Administrator, as applicable, or of any Person executing any of the Bond Documents on behalf of such party.

Section 11.08 HEADINGS AND TABLE OF CONTENTS. The table of contents and the headings of the several sections in this Purchase Agreement have been prepared for the convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Purchase Agreement.

Section 11.09 SEVERABILITY.

- (a) If any provision of this Purchase Agreement shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstances shall not render the provision in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained on any provision of any of the other Bond Documents inoperative or unenforceable.
- (b) The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this Purchase Agreement shall not affect the remaining portion of this Purchase Agreement or any part thereof.

Section 11.10 SURVIVAL OF OBLIGATIONS. This Purchase Agreement shall survive the purchase and sale of the Series 2018 Bonds and shall remain in full force and effect until the principal of the Series 2018 Bonds, together with the premium, if any, and interest thereon and all amounts payable under this Purchase Agreement shall have been irrevocably paid in full.

Section 11.11 TRANSFERS AND PARTICIPATION OF SERIES 2018 BONDS.

- (a) Notwithstanding any other provision of this Purchase Agreement, WRCOG, the Trustee, the Escrow Agent and the Program Administrator understand that the Purchaser may at its expense at any time enter into participation agreements with one or more participating banks, financial institutions, insurance companies or other Persons whereby the Purchaser will allocate to each such participant certain percentages of the payment obligations of WRCOG under this Purchase Agreement, the Indenture and the Series 2018 Bonds. Notwithstanding any such participation, the Program Administrator, WRCOG and the Trustee shall continue to deal solely and directly with the Purchaser in connection with the Purchaser's rights and obligations under this Purchase Agreement and any and all rights of the Purchaser hereunder or under the other Bond Documents may be exercised by the Purchaser only.
- (b) Notwithstanding any other provision of this Purchase Agreement, WRCOG, the Trustee and the Program Administrator understand that the Purchaser may sell, transfer or otherwise dispose of all or portions of Series 2018 Bonds owned by it at any time so long as it complies with the requirements set forth herein, in the Series 2018 Bonds and in the Indenture.

Section 11.12 INCONSISTENT PROVISIONS. Any inconsistency or conflict between the terms of this Purchase Agreement and the terms of the Program Administration Agreement shall be governed and controlled by the terms of this Purchase Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, WRCOG, the Trustee, the Program Administrator and the Purchaser have caused this Purchase Agreement to be executed in their respective names by duly authorized officers thereof, and the parties hereto have caused this Purchase Agreement to be dated as of the day and year first above written.

WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

By: _____
Authorized Representative

ZB, NATIONAL ASSOCIATION D/B/A ZIONS
BANK, A NATIONAL BANK, as Trustee

By: _____
Authorized Representative

YGRENE ENERGY FUND CALIFORNIA LLC, as
Purchaser

By: _____
Title: _____

YGRENE ENERGY FUND CALIFORNIA LLC, as
Program Administrator

By: _____
Title: _____

CORTLAND CAPITAL MARKET SERVICES LLC,
as Escrow Agent

By: _____
Title: _____

EXHIBIT A

DEFINITIONS

The following words and terms used in the attached document shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent:

“Electronic Means” means facsimile transmission, e-mail transmission or other similar means of communication capable of being evidenced by a paper copy.

“Initial Advance” means:

- (a) with respect to the Series 2018A Drawdown Bond, the first advance made by the Purchaser under this Purchase Agreement for the purchase of the Series 2018A Drawdown Bond;
- (b) with respect to the Series 2018B Drawdown Bond, the first advance made by the Purchaser under this Purchase Agreement for the purchase of the Series 2018B Drawdown Bond;
- (c) with respect to the Series 2018C Drawdown Bond, the first advance made by the Purchaser under this Purchase Agreement for the purchase of the Series 2018C Drawdown Bond;
- (d) with respect to the Series 2018D Drawdown Bond, the first advance made by the Purchaser under this Purchase Agreement for the purchase of the Series 2018D Drawdown Bond;
- (e) with respect to the Series 2018E Drawdown Bond, the first advance made by the Purchaser under this Purchase Agreement for the purchase of the Series 2018E Drawdown Bond; and
- (f) with respect to the Series 2018F Drawdown Bond, the first advance made by the Purchaser under this Purchase Agreement for the purchase of the Series 2018F Drawdown Bond.

“Program Administrator Fees” means the fees of the Program Administrator retained by it pursuant to Section 8.01(a)(i) hereof.

EXHIBIT B

FORM OF ASSESSMENT CONTRACT

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Item 6.A

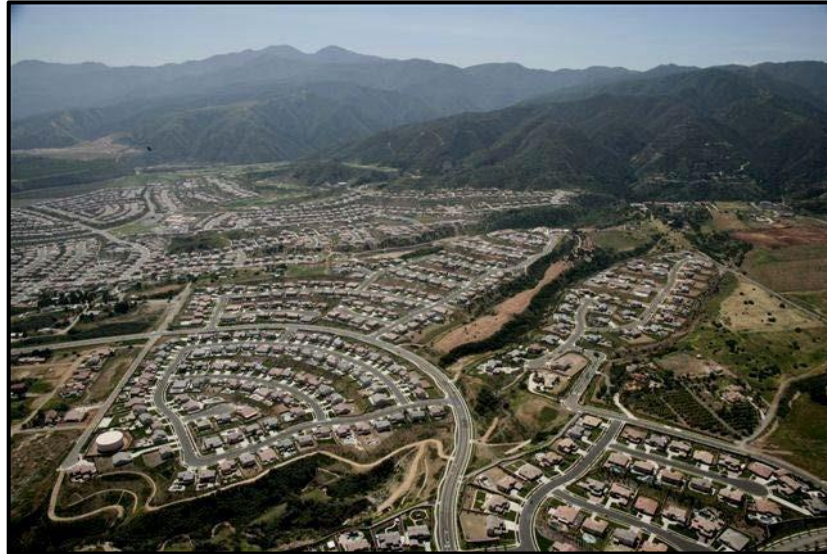
PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 6

Redlined WRCOG Energy Efficiency
and Water Conservation Program
Report, including the form of
Assessment Contract

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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 – AMENDED MARCH 7, 2017-
REVISED APRIL 3, 2017 - AMENDED APRIL 4, 2017 – REVISED JULY 11, 2017– REVISED
OCTOBER 2, 2017- – REVISED APRIL 2, 2018 - JUNE 4,
2018 REVISED AUGUST 6, 2018 –



PREPARED BY:
Western Riverside Council of Governments
3390 University Avenue, Suite 450
Riverside, CA 92501
PHONE: (951) 405-6700
FAX: (951) 223-9720
WWW.WRCOG.US



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RESIDENTIAL

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IX. Program Requirements for Participating in YGRENE Financing

If financing is provided for the Program by Ygrene Energy Fund California LLC for residential properties, the following eligibility requirements will apply:

E. 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:

- o Property owner(s) must be the property owner(s) of record.
- o 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).
- o 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.
- o Property must not have any liens other than lender debt or liens recorded by community facilities districts or similar financing districts.
- o The property is not subject to any notices of default or foreclosure in the past 2 years.
- o 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.
- o Mortgage-related debt on the property must not exceed 97% 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.
- o Minimum financing amount is \$5,000 and the maximum financing amount is \$250,000.
- o 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.
- o Additionally, the Program Administrator must make a good faith determination of the property owner's ability to repay the PACE assessment utilizing monthly income, housing expenses, and debt obligations.

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.

F. ELIGIBLE PRODUCTS

The Program affords property owners in Western Riverside County the opportunity to take advantage of a wide range of eligible energy-savings, water conservation/efficiency and seismic strengthening 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 or provides seismic strengthening to existing structures. However, the Program is also available for purchasers of new homes and businesses that wish to add eligible energy efficiency, renewable energy, water conservation/efficiency and seismic strengthening 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. Seismic strengthening Products
 - d. Renewable Energy Systems
 - e. 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.

G. 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. 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.

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, water conservation/efficiency and seismic strengthening 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.

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 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.



H. 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



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 MS
1032~~

3390 University Avenue, Suite
450
Riverside, CA 92501

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



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 3390 University Avenue, Suite 450, Riverside, California (address), tel: (951)405-6700.

Date of Assessment: 10/17/2014

Western Riverside Council of Governments Program Administrator

By: _____

ASSESSMENT CONTRACT

This Assessment Contract, dated _____, including the Addendum (as defined below) hereto and as amended from time to time in accordance with the terms hereof (this "**Assessment Contract**"), is between Western Riverside Council of Governments, a California joint exercise of powers authority (the "**Authority**") and all of the persons or entities identified below as the record owner(s) (collectively, the "**Property Owner**") of the fee title to the real property identified below and described in Exhibit A hereto (the "**Property**").

Owner No. 1:

Owner No. 2:

Owner No. 3:

Owner No. 4:

Trust:

Legal Entity:

Project ID No.:

APN:

Property Street Address:

City:

State:

Zip:

RECITALS

WHEREAS, the Authority has established a property assessed clean energy ("**PACE**") program (the "**Program**") to allow the financing and refinancing of the installation of distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure that are permanently fixed to real property (including, but not limited to, residential properties and, upon approval by WRCOG, commercial properties) (the "**Eligible Improvements**") through the levy of contractual assessments (each, an "**Assessment**") pursuant to Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California, as amended ("**Chapter 29**"); and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 and other applicable California law to enter into this Assessment Contract with the Property Owner; and

WHEREAS, the Authority and the Property Owner wish to enter into this Assessment Contract pursuant to which the Authority will agree to finance (including through leases and power purchase agreements, if applicable) and/or refinance the costs of installing the Eligible Improvements, which are initially in the Eligible Improvement Summary delivered to the Property Owner when the Property Owner signed this Assessment Contract, and which will be modified and finalized in an Addendum or Addenda to this Assessment Contract (collectively, the "**Addendum**") to be entered into upon completion of the installation of the Eligible Improvements (the "**Project**"), and the Property Owner freely and willingly agrees to the imposition by the Authority of an Assessment on the Property in order to repay the costs incurred by the Authority and/or the Administrator (as defined below) with respect to financing or refinancing the installation of the Project, all on the terms set forth in this Assessment Contract; and

WHEREAS, the Authority has contracted with Ygrene Energy Fund California LLC (together with any successors or assigns, the "**Administrator**") to act as the administrator of the Program pursuant to a Third Party Administration Agreement dated as of [REDACTED], 2018 (as may be amended, amended and restated, supplemented or modified from time to time, the "**Administration Agreement**") between the Authority and the Administrator.

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 hereby and willingly entering into this Assessment Contract for the purpose of establishing the Property Owner's agreement to the levy and collection of an Assessment in exchange for the financing or refinancing of the Project. The Authority will not finance or refinance the installation of any improvements pursuant to this Assessment Contract other than the Project.

Section 2. Property Owner Representations, Warranties, Covenants and Events of Default.

- a) The Property Owner hereby represents and warrants as of the Effective Date (as defined below) and as of the date of each disbursement made pursuant to a Funding Request that:
- i. The Property Owner is all of the record owner(s) of the Property and possesses all legal authority necessary to execute this Assessment Contract;
 - ii. Each signatory executing this Assessment Contract on behalf of the Property Owner is duly authorized to execute and deliver this Assessment Contract on behalf of the Property Owner and is able to perform the Property Owner's obligations hereunder and under any other documents or agreements delivered in connection herewith. This Assessment Contract is legally valid, binding and enforceable against the Property Owner in accordance with its terms;
 - iii. No consent or approval of any third party is required for the Property Owner's execution of this Assessment Contract or the performance of its obligations under this Assessment Contract except for the consents and approvals, if any, that the Property Owner has already obtained;
 - iv. If a signatory to this Assessment Contract is signing on behalf of a corporation, partnership, limited liability company, or other entity that is not a natural person, then (A) he or she is authorized to sign and deliver this Assessment Contract on that entity's behalf, (B) the entity for which he or she signs is authorized and able to perform the Property Owner's obligations under this Assessment Contract and under all other documents the Property Owner delivers to the Authority or the Administrator in connection with this Assessment Contract, and (C) the entity has complied with all laws and regulations concerning its organization and existence and the transaction of its business and is in good standing in each state in which it conducts its business;
 - v. Neither the Property Owner nor the Property is in violation of, and the terms and provisions of this Assessment Contract do not conflict with, any regulation or ordinance, any order of any court or governmental entity, or any building restrictions or governmental requirements affecting the Property;
 - vi. All documents, information, and forms of evidence that have been delivered to the Administrator in connection with the Property Owner's application for Program funding are accurate and sufficiently complete to provide accurate and complete knowledge of their subject matter;
 - vii. There are sufficient resources, including the financing contemplated by this Assessment Contract, to complete the Project;
 - viii. There are no actions, suits, proceedings, tax claims, investigations, or other disputes pending, or to the knowledge of the Property Owner threatened, against or affecting the Property Owner or the Property that could materially adversely affect the installation of the Project or may impair the Property Owner's ability to satisfy its obligations under this Assessment Contract or may impair the Authority's ability to levy and collect the Assessments or any other amounts owing under the Program;
 - ix. There is no event that is, or with notice of lapse of time or both would be, an Event of Default under this Assessment Contract;
 - x. If a person other than the Property Owner is installing the Project, the Property Owner has or will enter into contracts with one or more contractors licensed in the state, county, and/or city where the Property is located and such contractors must also be on Administrator's list of contractors eligible to participate in Administrator's PACE programs (each such person, a "Registered Contractor" and, in the aggregate, "Registered Contractors"); and
- b) The Property Owner hereby covenants and agrees as follows:
- i. The Property Owner shall cause its contractor or contractors to do the following: promptly obtain all required building permits; thereafter promptly begin installation the Project and diligently continue the work to completion in a good and workmanlike manner and in accordance with sound installation practices. The same standard applies if the Property Owner installs the Project;
 - ii. The Property Owner shall complete the Project, or cause the Project to be completed, in conformity with all applicable laws, including all applicable federal, state, and local occupation, safety, and health laws, rules, regulations, and standards. The Property Owner shall comply with and keep in effect all permits, licenses, and approvals required to install and operate the Project;
 - iii. The Property Owner shall maintain the Project in good condition and repair;
 - iv. The Property Owner shall promptly pay or otherwise discharge any claims and liens for labor done and materials and services furnished to the Property in connection with the Project. The Property Owner may, in good faith, contest any claim or lien but must do so diligently and without delay in completing the Project;
 - v. If the Maximum Financing Amount exceeds \$60,000, then the Property Owner shall provide, maintain, and keep in force at all times until the Project is completed, a policy of builder's "all risk" property-damage insurance on the Property, with a policy limit equal to the amount of the Maximum Financing Amount. Alternatively, the Property Owner may require that each Registered Contractor installing the Project provides, maintains, and keeps such insurance in force. Upon request, the Property Owner shall provide the Administrator with documents (e.g., a certificate of insurance) confirming compliance with this Section 2(b)(v); and
 - vi. The Property Owner shall complete installation of the Project no later than date set forth in the applicable Program Handbook.

- c) The following shall constitute an Event of Default hereunder:

The failure of any of the Property Owner's representations and warranties to be true and correct in all material respects or a breach by the Property Owner of any of its covenants in this Assessment Contract and, if capable of cure, such failure or breach has not been cured within thirty (30) days after the Property Owner first becomes aware of such failure or breach.

If an Event of Default has occurred and is continuing, then the Authority and/or Administrator may exercise any or all of the rights and remedies available to it under applicable law, at equity, or as otherwise provided herein. If, at the time of the Event of Default, there has been no disbursement made pursuant to a Funding request, then the Authority may elect to terminate this Assessment Contract.

With respect to the installation of the Project only, the performance of the Property Owner's covenants under Section 2(b)(vi) of this Assessment Contract and the compliance of conditions imposed upon the Property Owner by this Assessment Contract will be excused while and to the extent that the Property Owner, through no fault or negligence of its own, is prevented from performing or complying by war, riots, strikes, lockouts, action of the elements, accidents, or acts of nature beyond the Property Owner's reasonable control; however, the excused covenants or conditions will be restored to full force as soon as the cause or event preventing compliance is removed or ceases to exist, and the Property Owner shall immediately resume installation of the Project.

Section 3. Financing or Refinancing of the Project; Registered Contractors; Agreement to Pay Assessments; Disbursement of Funds

- a) **Agreement to Finance Project.** The Authority hereby agrees to finance or refinance the Project, including applicable Program costs and fees, subject to the Property Owner's compliance with the conditions for such financing or refinancing established by the Authority.
- b) **Registered Contractor; Construction.** The Property Owner may enter into one or more contracts with a Registered Contractor or Registered Contractors to complete the Project according to applicable State and local law, and must obtain all appropriate building permits. The Property Owner shall be solely responsible for the selection of any and all Registered Contractors for the Project, and the Property Owner acknowledges that a Registered Contractor's registration with the Administrator is not an endorsement by the Authority or the Administrator of the suitability or performance of such Registered Contractor.
- c) **Agreement to Pay Assessment.** The Property Owner agrees to pay the Assessment levied under this Assessment Contract to pay for the cost of the Project. The amount of the Assessment is based on the final cost of the Eligible Improvements including audits and inspections (the "**Project Costs**"), Program fees, capitalized interest, and administrative costs as set forth in this Assessment Contract and permitted by applicable law. The maximum authorized total financing amount and the maximum authorized annual Assessment installment are set forth in Exhibit B hereto. The Property Owner agrees to (i) accept financing in an amount up to the maximum authorized total financing amount set forth in Exhibit B hereto, (ii) pay annual Assessment installments up to the maximum authorized annual Assessment Installment set forth in Exhibit B hereto, and (iii) the recording of the Addendum by the Authority or its designee after the funding date, so long as the total Project Costs and Annual Assessment Installment set forth in the Addendum are equal to or less than the maximum authorized Project Costs and the maximum authorized Annual Assessment Installment, respectively, set forth in Exhibit B hereto.
- d) **Disbursement of Funds.** Upon completion of the Project (or, if approved by the Administrator, a portion or phase of the Project), the Property Owner and Registered Contractor(s) shall submit all of the following to the Administrator: (i) a certificate of completion in which the Property Owner and the Registered Contractor(s) attest that the work has been completed as set forth in the Assessment Contract; (ii) conditional lien releases subject only to receipt of payment and final lien releases upon receipt of payment; (iii) a request for funding designating to whom the Project Costs are to be paid; (iv) if applicable, written confirmation from the appropriate government department performing building inspection services for the jurisdiction within which the Property is located, that the work has been completed in accordance with the building permit; (v) confirmation that, as of the date of disbursement, no stop payment or mechanic's lien notice pertaining to the Project has been filed and remains in effect, except such as will be removed through the payment of some or all of the disbursed amounts requested in the Funding Request; and (vi) such other documents or information as may be reasonably required by the Administrator, including documents referred to in the applicable Administrator's handbook for the Program (each, a "**Program Handbook**" and clauses (i) – (iv) collectively, a "**Funding Request**"). Upon the satisfactory review or waiver of such items by the Authority or the Administrator, as determined in their sole discretion, the Authority or the Administrator shall disburse the amount shown on each Funding Request. The Property Owner shall only use disbursed funds under this Assessment Contract to pay for the Project Costs or used purely as a reimbursement of expenses incurred for the Project. Acceptance of financing under this Agreement to finance the installation of the Project while refusing to pay for installation of the Project may constitute fraud against the Program.

Section 4. Agreement to Pay Assessment; Non-Completion Assessment and Administrative Costs and Expenses; Prepayment of Assessment

- a) **Payment of Assessment.** Prior to the disbursement of any funds pursuant to Section 3 of this Assessment Contract, the Authority will record a Notice of Assessment and Payment of Contractual Assessment Required (together, the "**Notice of Assessment**") which will set forth the maximum annual assessment installment (the "**Maximum Annual Assessment Installment**") based on the Maximum Authorized Total Financing Amount set forth in Exhibit B hereto (the "**Maximum Financing Amount**"), the interest rate identified in Exhibit B hereto (the "**Estimated Interest Rate**"), and the repayment term identified in Exhibit B hereto. Upon completion of the Project, the Authority may record an addendum to the Notice of Assessment to update the Maximum Annual Assessment Installment to reflect the actual annual assessment installment (the "**Annual Assessment Installment**") based on the final amount financed and disbursed hereunder (the "**Final Assessment**") and the final interest rate as described in the next sentence (the "**Final Interest Rate**") and the Property Owner hereby freely and willingly agrees to pay the Final Assessment together with interest thereon at the Final Interest Rate and any applicable annual Program fees. THE PROPERTY OWNER ACKNOWLEDGES AND AGREES THAT THE FINAL INTEREST RATE WILL BE THE SAME AS THE ESTIMATED INTEREST RATE IF THE PROPERTY OWNER SUBMITS A VALID FUNDING REQUEST WITHIN THE INTEREST RATE LOCK PERIOD SET FORTH IN EXHIBIT B HERETO; OTHERWISE THE FINAL INTEREST RATE WILL BE BASED ON MARKET CONDITIONS EXISTING AT THE TIME THAT FUNDS ARE RELEASED AND MAY BE MORE THAN THE ESTIMATED INTEREST RATE, RESULTING IN A CORRESPONDING INCREASE IN THE ANNUAL ASSESSMENT INSTALLMENT. IN ADDITION, THE PROPERTY OWNER ACKNOWLEDGES AND AGREES THAT ALL OF THE AMOUNTS SET FORTH IN EXHIBIT B HERETO WILL CHANGE IF THE PROPERTY OWNER REQUESTS A CHANGE IN THE TERM OVER WHICH ANNUAL ASSESSMENT INSTALLMENTS ARE TO BE PAID. The Authority shall not be obligated to provide financing in an amount in excess of the Maximum Financing Amount. If the actual Project Costs, together with the Program Fees, capitalized interest, and administrative cost set forth in this Assessment Contract, exceed the Maximum Financing Amount, then the Property Owner will be solely responsible for the payment of all such Project Cost in excess thereof and shall complete the Project and fund all such excess amounts.

- b) Payment of Non-Completion Assessment. The Property Owner understands and hereby acknowledges that in the event that the Property Owner begins the installation of the Project and for any reason the Project is not completed in compliance with the Program rules and this Assessment Contract (a "**Project Non-Completion**"), the Authority and/or Administrator may be obligated to pay expenses incurred prior to Project Non-Completion. To the extent the Authority and/or the Administrator incurs such expenses, including any disbursements made with respect to progress payments on such Project, the Property Owner hereby freely and willingly agrees to pay a non-completion assessment (the "**Non-Completion Assessment**"), which, in the case of a Project Non-Completion, will be treated the same as the Final Assessment. Additionally, and not by way of limitation, failure to sign all the required Program documents within thirty (30) days of the successful inspection of the Project will constitute Project Non-Completion. Upon Project Non-Completion, the Property Owner agrees that the Authority or the Administrator will record a Notice of Assessment. THE PROPERTY OWNER ACKNOWLEDGES AND AGREES THAT THE INTEREST RATE APPLICABLE TO THE NON-COMPLETION ASSESSMENT WILL BE BASED ON MARKET CONDITIONS EXISTING AT THE TIME THE AUTHORITY OR THE ADMINISTRATOR RECORDS SUCH NOTICE OF ASSESSMENT AND MAY BE MORE THAN THE ESTIMATED INTEREST RATE (THE "**NON-COMPLETION INTEREST RATE**"). Interest will accrue on the Non-Completion Assessment at the Non-Completion Interest Rate. The Property Owner acknowledges that the purpose of the Non-Completion Assessment is to provide for redemption of any bonds issued by the Authority or repayment or prepayment of any financial obligation entered into by or on behalf of the Authority and/or the Administrator to finance the Project, and to pay any costs incurred by the Authority and/or the Administrator in connection with the matters contemplated by this Assessment Contract or incurred by the Authority and/or the Administrator in order to release the lien of the Assessment on the Property. The Property Owner further agrees and acknowledges that the Authority will levy the Non-Completion Assessment beginning in the first fiscal year in which the Authority and/or the Administrator is able to cause the Non-Completion Assessment to be placed on the property tax roll. The Property Owner hereby freely and willingly agrees to pay the Non-Completion Assessment, together with interest thereon at the Non-Completion Interest Rate. In the event a Non-Completion Assessment is applicable hereunder, any reference to Assessment in this Assessment Contract shall also apply to such Non-Completion Assessment.
- c) Administrative Costs and Expenses. The Property Owner hereby agrees and acknowledges that the Authority may add amounts to the Annual Assessment Installment (including any Non-Completion Assessment) in order to pay for the costs of collecting the Assessment and reimbursement of costs and expenses of the Authority and the Administrator in administering the Program, issuing bonds, or any financial obligation entered into by the Authority and/or the Administrator to finance the Project. These amounts may vary based on the applicable County's Tax Collector fee schedule and the costs of the Authority and the Administrator in administering the Program. Subject to applicable law, the Property Owner agrees that the amount to be added to tax roll, together with the Annual Assessment Installment, pursuant to this Section 4(c) may change from time to time as determined by the Authority and the Administrator.
- d) Prepayment of the Assessment. The Final Assessment may be prepaid at any time upon the payment of (i) the amount of any delinquent Annual Assessment Installments and any outstanding annual administration fees as set forth in the applicable Program Handbook (such fees, the "**Annual Administration Fee**"), together with penalties and interest accrued to the date of prepayment; (ii) the whole or, subject to the terms and limitations set forth in the applicable Program Handbook, a portion of, the unpaid non-delinquent principal component of the Final Assessment; (iii) the accrued but unpaid interest on the principal amount of the unpaid Final Assessment being prepaid through the earlier of March 2 or September 2 that occurs at least fifty (50) days following the date the prepayment is made; (iv) a prepayment premium, but only if included on Exhibit B hereto and then in the amount set forth on Exhibit B hereto; and (v) to the extent permitted by applicable law, a reasonable fee, if charged by the Authority or the Administrator, for the cost of administering the prepayment and redemption of bonds.
- e) Absolute Obligation. The Property Owner hereby agrees and acknowledges that the Assessment will not be subject to reduction, offset or credit of any kind in the event that any bonds or other financial obligation secured thereby is prepaid, refunded or otherwise refinanced or for any other reason.

Section 5. Collection of the Assessment; Lien

The Assessment (including any administrative cost and expenses added thereto pursuant to Section 4(c) hereto), together with any penalties and interest thereon as a result of a delinquency in the payment of any Assessment, shall be a lien on the Property until they are paid and shall be collected as set forth in Chapter 29. Such lien shall be coequal to and independent of the lien for general real property taxes.

The Property Owner acknowledges that if any Annual Assessment Installment, together with the Annual Administration Fee, is not paid when due, even if the Property Owner is not delinquent on its general real property taxes, penalties and interest may accrue on such amounts that are due in the same manner as general real property taxes. In addition, the Authority has the right to have such delinquent amounts and their 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 amounts and all costs of suit, including attorneys' fees. The Property Owner acknowledges that, if bonds are sold or other financial obligations are entered into by or on behalf of the Authority and/or the Administrator to finance the Project, the Authority and/or the Administrator may, as permitted by applicable law, sell, assign, pledge grant a security interest in or otherwise transfer this Assessment Contract and the related Assessment and lien in connection therewith and obligate itself, through a covenant with the owners of such bonds or otherwise, to exercise its judicial foreclosure rights with respect to delinquent Assessment Installments under circumstances specified in such covenant.

The Property Owner covenants and agrees not to take any action by direct challenge or action, by way of property tax appeal or otherwise, that would have the effect of challenging or calling into question the amount, validity, or existence of the Assessment or the basis of payment of the same. If the Property Owner pursues a tax appeal of the Property, the Property Owner covenants and agrees that no such appeal shall reduce the amount of the Assessment payable pursuant to this Assessment Contract, even if the value of the Property or the amount of taxes payable is reduced as a result thereof, and the Property Owner shall timely pay the Assessment.

Section 6. Term; Agreement Runs with the Land; Subdivision

- a) Subject to the three (3) day rescission right in favor of the Property Owner set forth in Section 22 below, this Assessment Contract shall become effective upon the execution hereof by each of the parties hereto (the "**Effective Date**"). Except as otherwise set forth in this Assessment Contract, this Assessment Contract shall expire upon the final payment or prepayment in full of the Assessment.
- b) This Assessment Contract establishes rights and obligations that are for the benefit of the Property and such rights and obligations, including the obligation to pay the Assessments, are covenants that run with the land and shall be rights and obligations of the Property Owner and all future owners of the Property.
- c) In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be apportioned on all subdivided parcels that were used to calculate property value at the time of funding in proportion to the benefit received by such parcels from the Project. If the Project no longer exists, the Assessment will be apportioned 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 7. Recordation of Documents

The Property Owner hereby authorizes and directs the Authority (or the Administrator on the Authority's behalf) to cause to be recorded in the public records of the applicable County the various notices and other documents, including the Notice of Assessment and an Addendum, required or authorized by applicable law to be recorded against the Property.

Section 8. Sole Responsibility to Deal with Lenders

The Property Owner authorizes the Program to send to the holders or loan servicers of record of any existing mortgages or deeds of trust encumbering or otherwise secured by the Property a notice of the Property Owner's intent to enter into this Assessment Contract together with the maximum authorized total financing amount and Maximum Annual Assessment Installment as set forth in the description of estimated costs and terms of financing for the Project described in Exhibit B hereto (each such notice, a "**Lender Notice**"). Such notice may also include notice that the Property Owner intends to authorize the recordation of a Notice of Assessment against the Property.

The Property Owner acknowledges and agrees to the following:

- a) When the Property Owner enters into this Assessment Contract with the Authority and the Authority finances any Eligible Improvements, the Assessment or the Annual Assessment Installments that are due at any given time will constitute a lien on the Property.
- b) By law, the lien will have the same priority as the lien for general real property taxes. It thus will be superior to the lien of any existing mortgage or deed of trust the Property Owner may have previously executed in favor of a lender.
- c) Existing lenders may contend that by entering into this Assessment Contract the Property Owner has violated the loan agreements, mortgages or deeds of trust.
- d) The fact that the Program sent a Lender Notice will not preclude the lenders from later alleging that the Property Owner has violated the loan agreements, mortgages or deeds of trust, and there is a risk that the lenders may prevail in any litigation over the alleged violation.
- e) Neither the Authority nor the Administrator can advise the Property Owner about any loan agreements with lenders or related mortgages or deeds of trust. The Property Owner's contractual relations with lenders are the Property Owner's sole responsibility. The Property Owner must understand that the use of the Lender Notice does not mean:
 - i. that any issue regarding obligations resulting from private loan documents has been resolved;
 - ii. that the Property Owner's lenders cannot take action against the Property Owner if they believe loan agreements have been violated; or
 - iii. that the Authority or the Administrator will assist the Property Owner in any way if lenders take such action.
- f) MANY BANKS THAT MAKE HOME LOANS DESIRE TO PRESERVE THE OPTION TO SELL THOSE LOANS TO U.S. GOVERNMENT-SPONSORED ENTERPRISES (THE "**GSEs**") THAT ARE REGULATED BY THE FEDERAL HOUSING FINANCE AGENCY ("**FHFA**"). THE FHFA APPEARS TO HAVE INSTRUCTED THE GSEs NOT TO PURCHASE HOME LOANS WHERE THERE IS A SUPERIOR LIEN FOR IMPROVEMENTS LIKE THE ELIGIBLE IMPROVEMENTS. THEREFORE, IN ORDER TO REFINANCE THEIR HOME LOAN, OR FOR A PROSPECTIVE PURCHASER OF THE PROPERTY TO OBTAIN A LOAN SECURED BY THE PROPERTY, THE ASSESSMENTS MAY NEED TO BE PREPAID IN FULL. SIMILARLY, SOME LENDERS HAD PREVIOUSLY BEEN APPROVED BY THE FEDERAL HOUSING ADMINISTRATION ("**FHA**") TO MAKE MORTGAGE LOANS THAT ARE INSURED BY THE FHA. WHILE PROPERTIES ENCUMBERED WITH A PROPERTY-ASSESSED CLEAN ENERGY OBLIGATION WERE AT ONE POINT ELIGIBLE FOR FHA-INSURED MORTGAGE FINANCING UNDER CERTAIN CIRCUMSTANCES, THAT NO LONGER APPEARS TO BE THE CASE. THUS, IN ORDER TO REFINANCE THEIR HOME LOAN WITH AN FHA-INSURED MORTGAGE, OR FOR A PROSPECTIVE PURCHASER OF THE PROPERTY TO OBTAIN AN FHA-INSURED LOAN SECURED BY THE PROPERTY, THE ASSESSMENT MAY NEED TO BE PREPAID IN FULL. THE PROPERTY OWNER ACKNOWLEDGES THIS RISK AND HAS CONSIDERED THE LIKELIHOOD AND THE TIMING OF A POSSIBLE REFINANCING OR SALE OF THE PROPERTY AND THE POTENTIAL ASSOCIATED COSTS OF PREPAYING THE ASSESSMENTS IN DECIDING WHETHER TO ENTER INTO THIS ASSESSMENT CONTRACT.

PO NO.1 INITIALS

PO NO.2 INITIALS

PO NO.3 INITIALS

PO NO.4 INITIALS

Section 9. Notice

The Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessments pursuant to this Assessment Contract. The failure of the Property Owner to provide such notice to a prospective purchaser shall not give rise to any cause of action by the Property Owner or any prospective purchaser against the Authority or the Administrator, and the Authority and the Administrator shall not have any liability resulting from such failure.

Section 10. Waivers, Acknowledgement and Agreement

This Assessment Contract reflects the Property Owner's free and willing consent to the imposition of the Assessment. 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 or the Administrator 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 Project. The Property Owner hereby acknowledges that the Property Owner will be responsible for payment of the Assessment regardless of whether the Project is properly installed, operated, maintained or perform as expected.

The Property Owner hereby agrees that the Authority is entering into this Assessment Contract solely for the purpose of assisting the Property Owner with the financing or refinancing of the Project, and that the Authority and the Administrator have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing, maintenance or performance of the Project, including, without limitation, the performance of any contractor.

Based upon the foregoing and to the fullest extent permitted by law, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority and the Administrator and any and all agents, employees, board members, attorneys, representatives and successors and assigns of the Authority and the Administrator (collectively, the "Transaction Parties"), 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:

- (a) the subject matter of this Assessment Contract and any other documents executed or delivered in connection with this Assessment Contract;
- (b) the advance of or failure to advance any disbursement;
- (c) the levy and collection of the Assessment;
- (d) the imposition of the Assessment;
- (e) the issuance and sale of any bonds or other evidences of indebtedness, or other financial arrangements entered into by the Authority or the Administrator pursuant to the Program;
- (f) the Project or the performance thereof;
- (g) any damage or diminution in value of the Property that may result from installation or operation of the Project;
- (h) any personal injury or death that may result from installation or operation of the Project;
- (i) the selection of manufacturers, dealers, suppliers, contractors, or installers or their action or inaction with respect to the Project;
- (j) the merchantability and fitness of the Project for any particular purpose, use or application;
- (k) the amount of energy, water or other savings resulting from the Project;
- (l) the workmanship of any third parties; and
- (m) any other matter with respect to the Program;

In each case, that the Property Owner may now have or hereafter acquire against any or all of the Transaction Parties (collectively, the "Liabilities"). Notwithstanding the foregoing, the Property Owner's release of a Transaction Party under this Section shall not extend to Liabilities arising from such Transaction Party's intentional default, gross negligence or willful misconduct.

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 the 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. 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 hereby waives the provisions of Section 1542 solely in connection with the matters which are the subject of the foregoing waivers and releases.

PO NO.1 INITIALS

PO NO.2 INITIALS

PO NO.3 INITIALS

PO NO.4 INITIALS

The waivers, releases and agreements set forth in this Section 10 shall survive termination of this Assessment Contract.

Section 11. Indemnification

To the fullest extent permitted by law, the Property Owner agrees to indemnify, defend, protect, and hold harmless the Transaction Parties 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 Assessments, (ii) the financing by or on behalf of the Authority of the Project, (iii) the Project, (iv) any contractor, or (v) any other fact, circumstance or event related to the subject matter of this Assessment 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 Assessment Contract.

Additionally, and not in limitation of the foregoing, the Property Owner agrees to release, defend, indemnify and hold harmless the Transaction Parties for the dissemination of information by the Transaction Parties about the Property Owner, the Property, or the Project provided by the Property Owner to third parties. In the event the Property Owner wishes for any Property Owner, Property, or Project-related information to remain confidential, the Property Owner shall submit a written notice to the Authority and the Administrator identifying such information as confidential and listing the particular parties with whom such information may be shared. The Authority shall only respond to written notices, and shall not be responsible for any requested actions submitted orally or electronically.

The provisions of this Section 11 shall survive the termination of this Assessment Contract.

By initialing below, the Property Owner hereby acknowledges, understands, and agrees to the foregoing indemnification.

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PO NO.1 INITIALS

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PO NO.2 INITIALS

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PO NO.3 INITIALS

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PO NO.4 INITIALS

Section 12. No Representation by Authority or Administrator as to Suitability or Effectiveness of Project

THE PROPERTY OWNER HEREBY ACKNOWLEDGES THAT IT HAS DONE ITS OWN INVESTIGATION AND ANALYSIS OF THE SUITABILITY OF THE PROJECT FOR THE PROPERTY AND THE POTENTIAL COST SAVINGS AND ENVIRONMENTAL IMPACT OF THE PROJECT. NEITHER THE AUTHORITY NOR THE ADMINISTRATOR REPRESENTS OR GUARANTEES (A) THAT THE PROJECT IS SUITABLE FOR ITS INTENDED PURPOSES, (B) THE ENERGY SAVINGS OR OTHER COST SAVINGS TO THE PROPERTY OWNER, (C) THE SUITABILITY OR PERFORMANCE OF ANY CONTRACTOR, REGARDLESS OF SUCH CONTRACTOR'S REGISTRATION WITH THE ADMINISTRATOR, OR (D) THE ECONOMIC VALUE OR THE ENVIRONMENTAL IMPACT OF THE PROJECT. IN PARTICULAR, NEITHER THE AUTHORITY NOR THE ADMINISTRATOR REPRESENTS OR GUARANTEES THAT UTILITY COMPANIES WILL NOT CHANGE THEIR RATES IN THE FUTURE AND THEREBY OFFSET ALL OR A PORTION OF THE PROPERTY OWNER'S PROJECTED SAVINGS AS A RESULT OF INSTALLING THE PROJECT NOR THAT THE INSTALLATION OF THE PROJECT WILL RESULT IN ANY INCREASE IN THE VALUE OF THE PROPERTY. THE PROPERTY OWNER HEREBY ACKNOWLEDGES AND AGREES THAT THE AUTHORITY AND THE ADMINISTRATOR ARE MERELY ASSISTING THE PROPERTY OWNER BY PROVIDING A FINANCING MECHANISM FOR THE PROJECT AND HAVE NO ROLE IN DETERMINING THE ECONOMIC, FINANCIAL OR ENVIRONMENTAL VALUE OR IMPACT OF THE PROJECT. THE PROPERTY OWNER HEREBY AGREES THAT THE WAIVERS AND RELEASES IN SECTION 10 AND THE INDEMNIFICATION PROVISIONS IN SECTION 11 APPLY SPECIFICALLY TO, AMONG OTHER THINGS, THE MATTERS REFERRED TO IN THIS SECTION 12.

THE PROVISIONS OF THIS SECTION 12 SHALL SURVIVE THE TERMINATION OF THIS ASSESSMENT CONTRACT.

BY INITIALING BELOW, THE PROPERTY OWNER HEREBY ACKNOWLEDGES, UNDERSTANDS, AND AGREES TO THE FOREGOING LIMITATIONS.

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PO NO.1 INITIALS

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PO NO.2 INITIALS

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PO NO.3 INITIALS

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PO NO.4 INITIALS

Section 13. Right to Inspect Property

The Property Owner hereby grants the Authority and/or the Administrator, their agents and representatives the right to enter the Property and inspect the Project at any reasonable time during installation of the Project and, upon reasonable notice, for eighteen (18) months following completion of the Project. The Property Owner further hereby grants the Authority and/or the Administrator, their agents and representatives the right to examine and copy any documentation relating to the Project.

Section 14. Carbon Credits

The Property Owner agrees, upon direction of the Administrator, to transfer any carbon credits, renewable-energy credits, solar-renewable-energy credits, offsets, or other tradable environmental certificate or permit attributable to the Project (collectively, "Carbon Credits") to the Authority; following which, such Carbon Credits will be owned by the Authority. Should installation of the Project qualify for a monetary incentive or rebate program that requires transfer of Carbon Credits to the provider of the monetary incentive or rebate, then the Authority shall waive its rights to the transfer of the Carbon Credits to it by the Property Owner in conjunction with the provision of the monetary incentive or rebate to the provider of monetary incentive or rebate.

Section 15. Program Application

The Property Owner hereby represents and warrants to the Authority and the Administrator that the information set forth in the program application (the "Program Application") submitted to the Administrator 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 16. Entire Agreement; Counterparts; Amendment

This Assessment Contract, together with the other documents executed and delivered herewith, contains the parties' entire understanding regarding the matters addressed and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations, whether written, oral, express, or implied. Any amendment to this Assessment Contract must be in writing and signed by all parties. If the Property Owner consists of more than one person or entity, then all such persons and entities will be jointly and severally obligated by this Assessment Contract. This Assessment Contract may be executed in several counterparts, each of which will be considered an original, but all of which together will constitute the same agreement.

Section 17. Binding Effect; Assignment

This Assessment 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 or delegate to any person or entity (whether by way of sale, assignment, pledge, grant of security interest, or otherwise) this Assessment Contract and any or all of its rights (including rights to payment, the Assessment, the related lien or liens, the right to pursue judicial foreclosure of the Assessment lien, and the right to enforce the collection of the Assessment against the Property) and obligations under this Assessment Contract, without the consent of the Property Owner. Any such delegation of obligations by the Authority shall release the Authority from such obligations to the extent stated in such delegation, without the need for any consent of the Property Owner. The obligation to pay the Assessments set forth in this Assessment Contract and in the Addendum is an obligation of the Property and no agreement or action of the Property Owner will serve to impair in any way the Authority's and/or the Administrator's rights, including, but not limited to, the right to pursue remedies for the failure to pay the Assessments or the right to enforce the collection of the Assessments against the Property by judicial foreclosure or otherwise.

Section 18. Exhibits.

The Exhibits to this Assessment Contract are incorporated into this Assessment Contract by this reference as if set forth in their entirety in this Assessment Contract.

Section 19. Severability

If any provision of this Assessment 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 Assessment Contract.

Section 20. Additional 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, including the Addendum, as may reasonably be required in order to carry out the expressed intention of this Assessment Contract.

Section 21. Governing Law; Venue

This Assessment Contract is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Assessment Contract must be instituted in the Superior Court of California, County of Riverside; provided, however, that actions to foreclose delinquent installments of the Assessment will be filed and maintained in the Superior Court of California in the county in which the Property is located.

Section 22. Right to Cancel

Notwithstanding anything to the contrary, this Assessment Contract will terminate and be of no further force if, within three (3) business days from the date the Property Owner executes this Assessment Contract, the Property Owner submits to the Administrator a notice of the Property Owner's decision to cancel this Assessment Contract. The Property Owner may use any written statement that is signed and dated by the Property Owner and states the Property Owner's intention to cancel this Assessment Contract, or, alternatively, the Property Owner may use the Notice of Right to Cancel delivered to the Property Owner when the Property Owner signed this Assessment Contract.

Section 23. Earned and Vested Right to Obligations

Upon execution of this Assessment Contract, the Property Owner irrevocably and unconditionally conveys an earned and vested right to any or all obligations of the Property Owner described herein to the Authority and any of its successors or assigns.

Section 24. No Waiver of Governmental Immunity

Nothing in this Assessment Contract shall be construed to waive, limit, or otherwise modify any governmental immunity that may be available by law to the Authority, its officials, employees, contractors, or agents, or any other person acting on behalf of the Authority.

Section 25. Additional Remedies

The remedies herein provided shall be in addition to and not in substitution for the rights and remedies that would otherwise be vested in the Authority at law or in equity, all of which rights and remedies are specifically reserved by the Authority. The remedies herein provided or otherwise available to the Authority shall be cumulative and may be exercised concurrently. The failure to exercise any of the remedies herein provided shall not constitute a waiver thereof, nor shall use of any of the remedies hereby provided prevent the subsequent or concurrent resort to any other remedy or remedies. It is intended that all remedies herein provided for or otherwise available to the Authority shall continue and be available to the Authority until all sums due it by reason of this Assessment Contract have been paid to it in full.

Section 26. Interpretation

"Include" and its variants are terms of enlargement rather than of limitation. For example, "includes" means "includes but not limited to," and "including" means "including but not limited to."

Section 27. No Waiver

A disbursement based upon inadequate or incorrect information will not constitute a waiver of the Authority's right to receive a refund of any disbursement from the Property Owner.

Section 28. Signature Authority

By initialing below, each Property Owner of the Property agrees that any one Property Owner has the authority to provide certifications, representations, agreements, and acknowledgments to the Authority and the Administrator on behalf of all Property Owners, and each of the Property Owners of the Property hereby agrees that the Authority and the Administrator, their members, officers, employees, and agents, may rely on such certifications, representations, agreements, and acknowledgments and act upon them and that the indemnities contained in this Assessment Contract apply specifically hereto.

.....
PO NO.1 INITIALS

.....
PO NO.2 INITIALS

.....
PO NO.3 INITIALS

.....
PO NO.4 INITIALS

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Assessment Contract to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

(SIGNATURE PAGES FOLLOW)

First Name:	Middle:	Last Name:
Mailing Address:		
City:	State:	Zip Code:
Trust:		
Legal Entity:		

IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE “TRUSTEE” AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith,
Trustee

DATE _____

STATE OF CALIFORNIA)
)SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this day of, 20....., by, who is/are personally known to me or who has/have produced as identification.

Notary Public, State of California

COMMISSION EXPIRES

COMMISSION NUMBER

First Name:	Middle:	Last Name:
Mailing Address:		
City:	State:	Zip Code:
Trust:		
Legal Entity:		

IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE “TRUSTEE” AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith,
Trustee

DATE _____

STATE OF CALIFORNIA)
)SS
COUNTY OF _____)

[SEAL]

COMMISSION EXPIRES

COMMISSION NUMBER

PROPERTY OWNER NO. 3

First Name:	Middle:	Last Name:
Mailing Address:		
City:	State:	Zip Code:
Trust:		
Legal Entity:		

IMPORTANT SIGNATURE INSTRUCTIONS: PLEASE SIGN YOUR NAME EXACTLY AS SHOWN ABOVE IN THE NAME FIELDS.
IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE "TRUSTEE" AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith,
Trustee

.....
.....
PROPERTY OWNER NO. 3 SIGNATURE

.....
DATE

Print Name & Title
of Authorized Person:

STATE OF CALIFORNIA)
)SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this.....day of, 20....., by

....., who is/are personally known to me or who

has/have produced.....as identification.

[SEAL]

Notary Public, State of California

.....
PRINT NAME OF NOTARY

.....
COMMISSION EXPIRES

.....
COMMISSION NUMBER



First Name:	Middle:	Last Name:
Mailing Address:		
City:	State:	Zip Code:
Trust:		
Legal Entity:		

IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE “TRUSTEE” AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith, Trustee

DATE _____

STATE OF CALIFORNIA)
)SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this day of, 20....., by, who is/are personally known to me or who has/have produced as identification.

Notary Public, State of California

COMMISSION EXPIRES

COMMISSION NUMBER

Signature of Authorized Person:

Print Name and Title of Authorized Person:

Date:

The foregoing instrument was acknowledged before me this..... day of, 20....., by, who is/are personally known to me or who has/have produced..... as identification.

COMMISSION NUMBER

EXHIBIT A

PROPERTY (LEGAL DESCRIPTION)

EXHIBIT B

DESCRIPTION OF ESTIMATED COSTS AND TERMS OF FINANCING

INTEREST RATE: % PROJECT ID:
 PREPAYMENT PREMIUM: % REPAYMENT TERM: years
 INTEREST RATE LOCK PERIOD*:

	MAXIMUM AUTHORIZED	PROPOSED**	PROPOSED**
			
ELIGIBLE PROJECT FUNDING:	\$	\$	\$
PROGRAM FEES:	\$	\$	\$
BUYERS POINTS FEE:	\$	\$	\$
CAPITALIZED INTEREST:	\$	\$	\$
TOTAL FINANCING AMOUNT	\$	\$	\$
ANNUAL ASSESSMENT INSTALLMENT PAYMENT TO REPAY FUNDING:	\$	\$	\$
ANNUAL ADMINISTRATION FEE***:	\$	\$	\$
TOTAL ANNUAL ASSESSMENT INSTALLMENT :	\$	\$	\$

YOUR FIRST PAYMENT WILL BE DUE ON: PO 1 PO 2 PO 3 PO 4

.....
Please initial above to accept these terms.

PROPERTY OWNER NO. 1	PROPERTY OWNER NO. 2
SIGNATURE:	SIGNATURE:
NAME:	NAME:
TITLE	TITLE
TRUST:	TRUST:
LEGAL ENTITY	LEGAL ENTITY
PROPERTY OWNER NO. 3	PROPERTY OWNER NO. 4
SIGNATURE:	SIGNATURE:
NAME:	NAME:
TITLE:	TITLE:
TRUST:	TRUST:
LEGAL ENTITY:	LEGAL ENTITY:



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Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 7

Ygrene Residential Program
Handbook

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WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS

RESIDENTIAL PROGRAM HANDBOOK

June 28, 2018

Ygrene Energy Fund
2100 S. McDowell Boulevard
Petaluma, CA 94954



RESIDENTIAL PROGRAM HANDBOOK

The Western Riverside Council of Governments (“WRCOG” or the “Authority”) has established a property assessed clean energy (“PACE”) program within western Riverside County entitled the “Energy Efficiency and Water Conservation Program” (the “Program”). For details regarding the Program, please refer to the WRCOG Administrative Guidelines and Program Report. In order to apply for Program funding, property owners must read and acknowledge receipt of the Program Handbook.

This Program Handbook, along with the documents you will execute with your participation in the Program (the “Program Documents”), outlines the Program process and requirements. It is important that property owners understand the provisions of this Program Handbook and the related Program Documents. The Authority has contracted with Ygrene Energy Fund (“Ygrene”) to act as the Program Administrator. Ygrene reserves the right to amend this Program Handbook at anytime.

1. Purpose of the Program

The Program helps property owners finance the installation of a wide range of energy efficiency, renewable energy, water conservation, seismic, and other improvements (“Authorized Improvements”). Financing and administrative costs are repaid through voluntary special assessment added to your property tax bill. Because there are many types of financing available, you should investigate whether this is your best financing option and seek help from your finance or tax professionals if you have questions.

2. Summary of the Program Process

Obtaining Program financing involves the following steps. In many cases, residential property owners may be able to obtain a notice to proceed with their projects in a few minutes.

- Determine you meet the eligibility requirements (see “Eligibility”).
- Apply directly or through a registered Contractor of your choosing (see “Applications”).
- Authorize Ygrene to notify your lender, loan holder and loan servicers that you intend to participate in the Program.
- Receive a Notice of Approval from Ygrene.
- Sign and electronically verify signatures for the Assessment Contract.
- Receive a Notice to Proceed and authorize your contractor to begin construction.
- Submit a Payment Request upon project completion.
- Pay the assessment when it appears on your property tax bill.

3. Eligibility

The Program can be used to finance Authorized Improvements on all types of property - residential, commercial, industrial, and agricultural. This Program Handbook sets forth the terms and conditions applicable to residential properties:

- The property must be located within a city that has agreed to participate in the Program.
- All of the owners of the property must sign the Program Documents. Therefore, before submitting an application, you must ensure that each person with an ownership interest will agree to participate.
- Property owners must be current on their property taxes and the property owner must certify that such owners 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 owners less than three (3) years).
- Mortgages must be current, with no more than one 30-day late payment in the last 12 months. The Property must not be subject to any Notices of Default. For property owners who obtain lender consent, this requirement may be waived.
- Property owners must not have been in bankruptcy in the last seven years. If bankruptcy was discharged between years two and seven, no payments in the last 24 months can be more than 30 days past due.
- Prior to Program funding, mortgage debt must not exceed 90% of the market value of the property. Total secured debt INCLUDING Program financing may not exceed 97% of the market value of the property. To determine this, Ygrene will check mortgages, equity lines of credit, assessments and tax liens.
- There must be no involuntary liens on the property that exceed \$1,000.
- Residential property funding is limited to 15% or the first \$700,000 of fair market value and not more than 10% of the value that exceeds \$700,000. Funding requests exceeding \$100,000 may require additional underwriting during the project approval phase.
- In some cases, Ygrene may request additional information during the approval process. These requests are common when residential property is held by trusts or entities other than individuals but may be made for other reasons at Ygrene's discretion.

Please see the list of underwriting criteria and considerations included in Appendix C.

Variances from any eligibility or underwriting requirements or guidelines listed in this Program Handbook (but not specifically required by applicable state or federal statute or regulation), will not release the owner(s) from the obligations incurred under the Assessment Contract and assessment, including the lien on the applicable property. [The Authority does not intend these requirements or guidelines to be strict legal requirements and does intend that the Assessment Contract, assessment, and lien, assuming compliance with applicable state and federal statutes and regulations, will be deemed to be in substantial compliance with this Program Handbook and be valid and enforceable as to all parties despite any such variances. Consistent with this, the Authority will construe any eligibility or underwriting requirements or guidelines contained in a local government opt-in resolution or other related document to likewise not affect the validity or enforceability of any Assessment Contract, assessment, or lien on property in the jurisdiction of such local government, despite any variances from those local government requirements or guidelines, unless the opt-in resolution or related document explicitly states a contrary intention. This paragraph is intended to be consistent with the rest

of the Program Handbook, but if an inconsistency arises, this paragraph will govern (including, without limitation, with respect to this Section 3 and Section 5, and Appendix C). This paragraph applies to all Assessment Contracts, assessments and liens approved since the inception of the Program.]¹

4. Application

To participate in the Program, you must submit an online application. Ygrene provides telephone assistance at 1-877-819-4736 for property owners who have questions or need help applying. In addition, registered Contractors are familiar with the application process and can coordinate with Ygrene on your behalf. The following are the steps in the application process:

- Submit an application form online.
- Following review by Ygrene, you will receive a Notice of Approval, a Notice of Denial, or a request for additional information.
- When Ygrene issues your Notice of Approval, it will submit notification forms on your behalf to all lenders with secured loans on your property.
- Once your application is approved, a Ygrene representative will prepare electronic documents for signature by all property owners. These documents include the Assessment Contract, which is the financing agreement through which you agree to pay the assessment when due and authorize recordation of the notice of assessment on your property. You have three days after signing to cancel the agreement if you decide against participating in the Program.
- Ygrene can process information received from your registered Contractor in preparation for issuing a Notice to Proceed with construction (see the Contractors and Construction section below).
- Should your application be denied for any reason, the Notice of Denial will include recommended remedial action that you can pursue.

5. General Provisions

The following apply to all projects submitted for funding under the Program:

- Only Authorized Improvements are eligible for funding. A list of Authorized Improvements is provided in Appendix A. You should consult with your registered Contractor to ensure that the improvements installed on your property qualify under the Program guidelines.
- Neither the Authority nor Ygrene is responsible for the installation of the Authorized Improvements or their performance. The registered Contractor that provides construction services for your project works for you and you should be sure that you are satisfied with the quality and completeness of the work before authorizing payments.
- Under the PACE law, Authorized Improvements must be permanently affixed to the property. Freestanding appliances, light bulbs, and similar products that can be unplugged and removed from the property are not Authorized Improvements.

¹ Note to BB&K – let's discuss. This language seems helpful for the proposition that failure to strictly comply (unless required by law) will not invalidate an assessment.

- Authorized Improvements must be installed by registered Contractors, or you may install the improvements yourself. If you choose to do the work yourself, Program financing will not cover the cost of your labor; only material and equipment costs are funded.
- Minimum Program funding is \$2,500.
- The total of all Program funding on your property shall not exceed (i) 15% of the fair market value of the property for the first \$700,000 of value and 10% of fair market value for the portion of the fair market value that exceeds \$700,000; (ii) an amount that, when added to your existing secured indebtedness, exceeds 100% of the fair market value of the property; or (iii) the final cost of installing the Authorized Improvements, including Program fees and applicable capitalized interest. In no event will Program funding exceed the amount authorized under applicable Program policies or state law.

6. Contractors and Construction

You can begin working with a registered Contractor before or after you apply to the Program. If you consult with a contractor early, you may be able to submit for project approval at the time you apply. Ygrene cannot issue a notice to proceed with construction until you select a registered Contractor and provide information about the nature and cost of improvements you wish to finance. This information may be in the form of a Construction Contract or project cost breakdown. The following are the steps that lead to construction authorization:

- Select a registered Contractor or ask your preferred contractor to register and obtain Program approval. A list of registered Contractors is available on the Program website or from a Ygrene customer service representative. You may wish to obtain bids and advice from more than one registered Contractor.
- Work with your selected registered Contractor to determine project scope, obtain bids, verify that the proposed work qualifies for funding, and help complete the approval process with Ygrene.
- Once Ygrene approves the project, it will prepare the Assessment Contract and other financing documents and submit them to you for electronic signatures. All owners of the property must sign these documents and obtain electronic third-party verification of their signatures.
- As soon as Ygrene receives completed documents, it can authorize construction with a Notice to Proceed. If you select your registered Contractor early, and Ygrene does not encounter questions during the underwriting process, application, project approval, and document preparation can often be completed in a few minutes.
- If you begin construction prior to receipt of Ygrene's Notice to Proceed, you run the risk of not qualifying for Program funding.
- If Ygrene denies the project, it will issue a Notice of Denial letter that outlines remedies you may employ to obtain approval.
- You (or your contractor) shall complete installation of the project no later than 180 days after the execution of your Assessment Contract unless the project costs \$500,000 or more and you and Ygrene have agreed on later completion date. You and Ygrene may agree to an extension of the completion date for good cause shown on any project regardless of cost.

7. Funding

- Once your registered Contractor completes installation of the Authorized Improvements, they can help you submit a Payment Request. They will also be required to provide the following project verification documents. Ygrene will review your submittal, produce final Program forms, and email or mail them to you in accordance with your instructions. Once Ygrene receives the executed documents, it will schedule funding - usually within a few days. The following are requirements for funding:
 - i. Execution of the Program Certificate of Completion by the property owner and your registered Contractor and/or a final sign-off on the building permit for the project from the authorized building official in the participating jurisdiction
 - ii. Summary of Improvements listing installed Authorized Improvements by type and invoice amounts which is consistent with the Certificate of Completion
 - iii. A signed Estimated Settlement Statement
 - iv. A signed Right to Receive Financing Proceeds form (with lien release) if the payment is to be assigned to someone other than the property owner
 - v. For seismic safety improvements, engineering reports or final building permits approved by local building officials
- Unless Ygrene authorizes additional time, property owners must sign and return the closing documents to Ygrene within seven (7) days following transmittal of a Payment Request or the request may expire. In that event, an updated Payment Request will be required. If the Program interest rate changes between the date of the original funding request and an updated request, the interest rate may increase.
- Following final review, Ygrene will reconfirm eligibility of the project and the final assessment details and approve issuance of checks or bank wires in accordance with your instructions.
- In the event you cancel the financing after submitting a request for funding, all expenses incurred by the Program for recording and removing tax liens, preparing documents, and other district and Ygrene costs will be your responsibility. Property owners may also be responsible for expenses incurred by contractors according to their construction agreements. Under no circumstances does the Authority or Ygrene have any obligation to release funds if the work has not been completed.

8. Repayment

- In order to receive funding, property owners agree to pay an assessment in an amount adequate to repay the financing including (i) the amount funded by the Program, (ii) interest on the funded amount, and (iii) initial and ongoing administrative expenses.
- Funded Amount. This is the total amount disbursed at closing. It can include construction and materials costs, Program fees, permits, energy audit expenses, application fees, SelectRate Buyers Points Fees (if any) and capitalized interest (see "Capitalized Interest" below).



- **Interest Rate.** This is the interest rate applied to the Funded Amount to calculate the annual assessment payment that repays the financing. The interest rate is fixed for the full term of the financing. The rate will be set on the date the property owner signs the Assessment Contract and will be locked for 90 days. The term of the rate lock may change from time to time and will be reflected in the then current version of the Program Handbook.
- **Capitalized Interest.** Because assessments are placed on county tax rolls only once each year, it may be several months before Program assessments appear on your property tax bill. Consequently, interest from the funding date until the assessment is placed on the tax roll will be added to the funding and you will have no payments for that period. Ygrene estimates capitalized interest on the Estimated Settlement Statement and itemizes the final amount on the Final Settlement Statement.
- **Prepayment.** In the event you elect to pay the assessment in full before the end of the financing term, Ygrene may impose a prepayment premium not to exceed 5% of the unpaid principal balance on the assessment. Please see Exhibit B of your Assessment Contract to determine whether a prepayment premium will apply to your financing or you may ask a Ygrene customer service representative.

9. Program Fees

The following charges apply to the Program. Ygrene may change these charges at any time in response to increases or decreases in the cost of providing Program services.

RESIDENTIAL PROGRAM FEE SCHEDULE ²		
<u>Item</u>	<u>Amount</u>	<u>When Payable</u>
Application Fee	\$50	N/A
Processing and Underwriting	\$250 maximum	At disbursement*
Recording and Documentation	\$250 maximum	At disbursement*
Program Cost Recovery	Not to exceed 1% or minimum \$100	At disbursement*
Title and Escrow Fee	\$250 maximum	At disbursement*
Reserve Fund	Not to exceed 0.075%	At disbursement*
Funding Fee	Not to exceed 4%	At disbursement*

*These charges may be included in the principal amount to be financed.

² All costs that appear as a percentage in this table shall be calculated as a percentage of the project costs (i.e. excluding any program fees or capitalized interest).

The Riverside County Auditor Controller charges an annual administration fee for placing assessments on the property tax roll. The tax administrator, trustee, Ygrene and WRCOG may have similar annual fees, estimated to be approximately \$60 per year, but are subject to change from time to time.

Should you choose to prepay your Program financing, the tax administrator charges an administrator fee for preparing a payoff quote and executing payoff documents. This fee is approximately \$100.

10. Assessments & Foreclosures

A property owner must pay the agreed-upon assessment regardless of personal financial circumstances, the condition of the property, or the performance of the Authorized Improvements. Property owners should not apply for financing if they are not certain they can meet the assessment obligations. Failure to pay property taxes in full or in part will result in financial repercussions including penalties, interest, and possibly foreclosure. If property owners use an escrow account (impound) to pay their property taxes, they should notify the escrow company of the assessment. In such cases, property owners should increase monthly payments to the escrow account by an amount equivalent to the annual assessment, divided by 12 months.

11. Compliance with Existing Mortgages

Recordation of the Notice of Assessment will establish a continuing lien as security for the obligation to pay the assessments. The lien will be senior to private liens, including existing mortgage(s). Many mortgage and loan documents limit the ability of borrowers to place senior liens on their property without the consent of the lender. In December of 2017, HUD indicated that the FHA would no longer insure mortgages for homes with PACE liens. Program participants are encouraged to confirm with their lender(s) that participation in the Program does not violate their existing loan documents. Ygrene notifies lenders on your behalf of your intention to participate in the Program after application approval.

12. Sale of the Property

Ownership or use of any Authorized Improvements on the property may transfer to the buyer when you sell your home. Therefore, if you sell your property prior to the end of the financing term, the new owner may assume the assessments. You are obligated to make all legally required disclosures regarding the existence of the assessment lien on the property.

13. Rebates and Taxes

Participation in this Program does not reduce incentives available through federal, state, utility, or other rebate programs. More information on available programs can be found online or through registered Contractors. Property owners should consult with their tax advisors with respect to the state and federal tax benefits and consequences of participating in the Program.

14. Changes in Program Terms

Program terms, including interest rates and underwriting requirements, are subject to change at any time. However, no such changes will affect your obligation to pay assessments in accordance with the Program Documents. Participation in the Program is subject to the requirements of the Program Report, Program Handbook, and Program Documents in effect at the time you apply for financing.



APPENDIX A

AUTHORIZED IMPROVEMENTS

The Program offers financing for a variety of energy-efficiency improvements, water conservation measures, solar and other distributed generation systems, and electric vehicle charging infrastructure. In each case, any rebates received by or approved for property owners prior to funding must be deducted from the amount of financing requested. In addition, property owners are encouraged to pursue the most cost-effective improvements (or combination of improvements) to maximize their long-term utility savings and return on investment. The following list is not intended to be comprehensive. Any projects that measurably save energy beyond the level required by legislation, or that generate renewable energy or add to the conservation of water resources, can be financed through the program. Consult the Program Administrator for details.

Energy Efficiency Improvements

- Additional building openings to increase natural light
- Air sealing and ventilation
- Air filtration
- Ceiling, attic, and whole house fans
- Building envelope
- Duct leakage and sealing
- Insulation
- Attic, floor, walls, and roof ducts
- Home Sealing
- Geothermal exchange heat pumps
- HVAC systems
- Evaporative coolers (coolers must have separate ducting from that used for air conditioning and heating systems)
- Natural gas storage water heater
- Energy Star listed tankless water heater
- Solar water heating system
- Reflective insulation or radiant barriers
- Cool roof
- Windows and glass doors (U value of 0.40 or less and solar heat gain coefficient of 0.40 or less)
- Window filming
- Skylights
- Solar tubes
- Lighting (Energy Star listed; no bulb; fixture retrofits only)
- Pool equipment (circulating pumps, etc.)
- Occupancy sensor lighting fixtures
- SMART parking lot bi-level fixture
- SMART parking garage bi-level fixtures
- SMART pathway lighting
- SMART wall-pack fixtures
- Task ambient office lighting
- Classroom lighting
- Refrigerator case LED lighting with occupancy sensors
- Wireless daylight lighting controls
- Kitchen exhaust variable air volume controls
- Wireless HVAC controls & fault detection
- Energy storage

Renewable Energy Improvements

- Solar thermal hot water systems
- Solar thermal systems for pool heating
- Photovoltaic systems (electricity)
- Wind turbine power systems
- Geothermal power systems
- Emerging technologies

Water Conservation Improvements

- Core plumbing systems
- Gray water systems
- Instantaneous hot water heaters
- Recirculation hot water systems



- Demand-initiated hot water systems
- Hot water pipe insulation
- Irrigation systems
- Rainwater cisterns
- Whole-house water manifold systems
- Leak repairs
- Cooling condensate reuse
- Cooling tower conductivity controllers
 - Deionization equipment
- Filter upgrades
- Foundation drain water
- Water-saving landscaping
- Industrial process water use reduction
- Pre-rinse spray valves
- Recycled water sources
- Urinals
- Waterless urinals

Seismic Improvements

- Shear Walls
- Moment Frames
- New Steel Columns
- Column Strengthening
- Frame Strengthening
- Foundation Strengthening
- Foundation Connection Systems
- Structural Connection Systems
- Masonry Reinforcement
- Emergency Shut-off Systems
- Other seismic safety improvements or repair work consistent with subdivision (i) of California Government Code section 53313.5

Custom Improvements

The Program Administrator can evaluate and approve financing for Eligible Improvements that are not “off the shelf” (“Custom Improvements”). Custom Improvements may involve large- scale industrial or commercial energy efficiency improvements, processing or industrial mechanical systems, and renewable energy generation from sources such as geothermal and fuel cells. Custom Improvements that will be considered for Program funding include the following:

- Building energy management controls
- HVAC duct zoning control systems
- Irrigation pumps and controls
- Lighting controls
- Industrial and process equipment motors and controls
- Fuel cells
- Wind-turbine power system
- Natural gas retrofits
- Hydrogen fuel systems
- Electric vehicle charging stations
- Other fuel sources (emerging technologies)
- Co-generation (heat and energy)



APPENDIX B

SAMPLE THREE-DAY RIGHT TO CANCEL

Your Right to Cancel

You are entering into an Assessment Contract for financing under the Program that will result in a Notice of Assessment being placed on your property at the following address:

Ygrene is offering you the right to cancel this transaction without cost within three (3) business days from the date you execute the Assessment Contract. If you cancel this transaction during this three-day period, the Authority will not record the assessment lien on the property.

Acknowledgement of Receipt

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

PROPERTY OWNER NO.1	PROPERTY OWNER NO. 2
SIGNATURE:	SIGNATURE:
NAME:	NAME:
TITLE:	TITLE:
TRUST:	TRUST:
LEGAL ENTITY:	LEGAL ENTITY:

PROPERTY OWNER NO.3	PROPERTY OWNER NO. 4
SIGNATURE:	SIGNATURE:
NAME:	NAME:
TITLE:	TITLE:
TRUST:	TRUST:
LEGAL ENTITY:	LEGAL ENTITY:

How to Cancel

If you decide to cancel this transaction, you must notify the Program Administrator in writing at 2100 S. McDowell Boulevard, Petaluma, CA 94954 or email your cancellation to customer.care@ygrene.us. You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below.

I Wish to Cancel

Owner Signature

Date

I would like to cancel my Assessment Contract for the reason(s) described below:



APPENDIX C

UNDERWRITING REQUIREMENTS

All property owners and improved properties in the district that meet the Program's criteria for approved property types must meet the following underwriting criteria for participation:

Property Address The property must be improved (or will be improved by the project), be located within the district, and either be on the property tax rolls or be capable of being added to the rolls.	Applicants All owners of record must agree to participate and be willing to execute the Program Documents.	Mortgage Debt Prior to Program funding, mortgage debt must not exceed 90% of the market value of the property. Total secured debt INCLUDING Program financing may not exceed 97% of the market value of the property.
Mortgage Payments Mortgages must be current, with no more than one 30-day late payment in the last 12 months. The Property must not be subject to any Notices of Default. For property owners who obtain lender consent, this requirement may be waived.	Bankruptcy Property owners must not have been in bankruptcy in the last seven years. If bankruptcy was discharged between years two and seven, no payments in the last 12 months can be more than 30 days past due.	Property Taxes Property taxes must be current for all taxes.
Involuntary Liens There must be no involuntary liens on the property that exceed \$1,000. No environmental liens allowed.	Minimum Financing Minimum funding request is \$2,500.	Maximum Financing Residential property funding is limited to 15% of the first \$700,000 of fair market value and not more than 10% of the value that exceeds \$700,000. Funding requests exceeding \$100,000 may require additional underwriting during the project approval phase.

Property owners must authorize Ygrene to notify all existing mortgage holders of their intent to participate in the program.

Property owners may be asked to provide utility records for the property for the two years prior to completion of the project.

Prior to approving an application for funding and recordation of the PACE lien, Ygrene must make a reasonable good faith determination that the applicant property owner(s) have a reasonable ability to pay the annual payment obligations for the PACE assessment.

These requirements may change from time to time. A link to the most up to date version of this Program Handbook can be found on the Program website or may be obtained from a Ygrene customer service representative.

Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 8

WRCOG Resolution Number 18-18;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Confirming
Modification of the California HERO
Program Report so as to Expand the
Program Area within Which
Contractual Assessments May be
Offered.

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RESOLUTION NUMBER 18-18

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CONFIRMING MODIFICATION OF THE CALIFORNIA HERO PROGRAM REPORT SO AS TO EXPAND THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously undertook 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, ordered the preparation of a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29, held a public hearing on June 3, 2013, on the proposed PACE program and the Program Report and did, by the adoption of its Resolution Number 10-13 on such date (the "Resolution Confirming the Program Report") following such public hearing, approve 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 body of the City of Pismo Beach, has taken action to become an Associate Member of WRCOG and thereby enable the Executive Committee to consider further modifying the Program Report by increasing the Program Area to include the jurisdiction of such new 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 did, by the adoption of its Resolution Number 34-18 (the "Resolution of Intention"), initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the City of Pismo Beach, ordered a public hearing to be held on August 6, 2018, for the purposes of affording all persons who are present an opportunity to comment upon, object to, or present evidence with regard to such proposed modification of the Program Report; and

WHEREAS, as required by Section 5898.24 of Chapter 29 and the Resolution of Intention, the Secretary of the Executive Committee caused publication of notice of public hearing for the purpose of allowing interested persons to comment upon, object to or inquire about the proposed modification of the Program Report; and

WHEREAS, on this date, the Executive Committee held the duly noticed public hearing as required by Chapter 29, at which the proposed modification of the Program Report so as to modify the Program Area to include the City of Pismo Beach, was summarized and all persons who were present were given an opportunity to comment upon, object to, or present evidence with regard to the proposed modification of the Program Report.

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

Section 1. Recitals. The above recitals are true and correct.

Section 2. Confirmation of Modification of the Program Report. The modification of the Program Report so as to modify the Program Area to the City of Pismo Beach, in the California HERO Program is hereby approved and confirmed.

Section 3. 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 August 6, 2018.

Chuck Washington, 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 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 9

Redlined Exhibit B of the California
HERO Program Report

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PROGRAM REPORT

CITIES/TOWNS OF ALBANY, ALHAMBRA, ALISO VIEJO, AMADOR, AMERICAN CANYON, ANAHEIM, ANTIOCH, ARCADIA, ARCATA, ARVIN, ATHERTON, ATWATER, AVALON (COMMERCIAL ONLY), AVENAL, AZUSA, BAKERSFIELD, BALDWIN PARK, BEAUMONT, BELL GARDENS (COMMERCIAL ONLY), BELLFLOWER, BELMONT, BELVEDERE, , BENICIA, BERKLEY, BISHOP, BLUE LAKE, BLYTHE, BRADBURY, BRAWLEY, BREA, BRENTWOOD, BRISBANE, BUENA PARK, BURLINGAME, CALABASAS (COMMERCIAL ONLY), CALEXICO, CALIFORNIA CITY, CALIPATRIA, CALISTOGA, CAMARILLO, CAMPBELL, CAPITOLA, CARLSBAD, CARMEL, CARSON, CATHEDRAL CITY, CERES, CHICO, CHOWCHILLA, CHULA VISTA, CITRUS HEIGHTS, CLAREMONT, CLAYTON, CLOVERDALE, CLOVIS, COACHELLA, COALINGA, COLMA, COMMERCE, CONCORD, CORCORAN, CORNING, CORONADO, COSTA MESA, COTATI, COVINA, CRESCENT CITY, CUPERTINO, CYPRESS, DALY CITY, DANVILLE, DAVIS, DEL MAR, DEL REY OAKS, DELANO, DESERT HOT SPRINGS, DIAMOND BAR, DINUBA, DIXON, DORRIS, DOS PALOS, DUBLIN ,DUNSMUIR, EL CAJON, EL CENTRO, EL CERRITO, EL MONTE, EL SEGUNDO, ELK GROVE, ENCINITAS, ESCONDIDO, ETNA, EUREKA, EXETER, FAIRFAX, FAIRFIELD, FARMERSVILLE, FERNDALE, FILLMORE, FIREBAUGH, FORT BRAGG, FORTUNA, FOSTER, FOUNTAIN VALLEY, FOWLER, FREMONT, FRESNO, GALT, GARDEN GROVE, GARDENA, GILROY, GLENDORA, GONZALES, GRASS VALLEY, GREENFIELD, GROVER BEACH, GUSTINE, HALF MOON BAY, HANFORD, HAWTHORNE, HAYWARD, HEALDSBURG, HERMOSA BEACH, HILLSBOROUGH, HOLTVILLE, HUGHSON, HUNTINGTON BEACH, HURON, IMPERIAL BEACH, IMPERIAL, INDIAN WELLS, INDIO, INDUSTRY, INGLEWOOD, IONE, IRWINDALE, ISLETON, JACKSON, KERMAN, KING CITY, KINGSBURG, LA CANADA FLINTRIDGE, LA HABRA, LA MESA, LA PALMA, LA QUINTA, LA VERNE, LAFAYETTE, LAGUNA BEACH, LAGUNA HILLS, LAKE FOREST, LANCASTER, LARKSPUR, LATHROP, LAWDALE, LEMON GROVE, LEMOORE, LINDSAY, LIVE OAK, LIVINGSTON, LODI, LOMITA, LOMPOC, LONG BEACH (COMMERCIAL ONLY), LOS BANOS, LOYALTON, MADERA, MALIBU, MAMMOTH LAKES, MANTECA, MARTINEZ, MARYSVILLE, MCFARLAND, MENDOTA, MENLO PARK, MERCED, MILL VALLEY, MILLBRAE, MILPITAS, MISSION VIEJO, MODESTO, MONROVIA, MONTEBELLO, MONTEREY PARK, MONTEREY, MOORPARK, MORAGA, MORGAN HILL, MORRO BAY, MOUNT SHASTA, MOUNTAIN VIEW, NAPA, NATIONAL CITY, NEVADA CITY, NEWARK, NEWMAN, NEWPORT BEACH, NOVATO, OAKDALE, OAKLAND, OAKLEY, OCEANSIDE, OJAI, ORANGE COVE, ORLAND, OROVILLE, OXNARD, PACIFIC GROVE, PACIFICA, PALM DESERT, PALM SPRINGS, PALMDALE, PARADISE, PARLIER, PASO ROBLES, PATTERSON, PETALUMA, PIEDMONT, PINOLE, [PISMO BEACH](#), PITTSBURG, PLACENTIA, PLACERVILLE, PLEASANT HILL, PLEASANTON, PLYMOUTH, POINT ARENA, POMONA, PORT HUENEME, PORTERVILLE, PORTOLA VALLEY, POWAY, RANCHO CORDOVA, RANCHO MIRAGE, RANCHO PALOS VERDES, RANCHO SANTA MARGARITA, REDDING, REDONDO BEACH, REDWOOD CITY, REEDLEY, RICHMOND, RIDGECREST, RIO VISTA, RIPON, RIVERBANK, ROHNERT PARK, ROLLING HILLS ESTATES, ROLLING HILLS, ROSEMEAD, SACRAMENTO, SALINAS, SAN ANSELMO, SAN BRUNO, SAN BUENAVENTURA, SAN CARLOS, SAN CLEMENTE, SAN DIEGO, SAN DIMAS, SAN FERNANDO, SAN GABRIEL, SAN JOAQUIN, SAN JOSE, SAN JUAN BAUTISTA, SAN LEANDRO, SAN LUIS OBISPO, SAN MARCOS, SAN MARINO, SAN MATEO, SAN PABLO, SAN RAFAEL, SAN RAMON, SAND CITY, SANGER, SANTA ANA, SANTA CLARA, SANTA CRUZ, SANTA MONICA, SANTA PAULA, SANTA ROSA, SANTEE, SAUSALITO, SCOTTS VALLEY, SEASIDE, SEBASTOPOL, SELMA, SHAFER, SHASTA LAKE, SIERRA MADRE, SIMI VALLEY, SOLANA BEACH, SONOMA, SOUTH EL MONTE, SOUTH LAKE TAHOE, SOUTH PASADENA, SOUTH SAN FRANCISCO, ST. HELENA, STANTON, STOCKTON, SUISUN CITY, SUSANVILLE, SUTTER CREEK, TAFT, TEHACHAPI, TEHAMA, TEMPLE CITY, THOUSAND OAKS, TIBURON, TORRANCE, TRACY, TRINIDAD, TRUCKEE, TULARE, TURLOCK, TUSTIN, UKIAH, UNION CITY, VACAVILLE, VALLEJO, VISALIA, VISTA, WALNUT, WALNUT CREEK, WASCO, WATERFORD, WATSONVILLE, WEED, WEST COVINA, WEST SACRAMENTO, WESTMINSTER, WHEATLAND, WINDSOR, WINTERS, WOODLAKE, WOODLAND, WOODSIDE, YORBA LINDA, YOUNTVILLE , YREKA, AND YUBA CITY, AND

THE UNINCORPORATED COUNTIES OF ALAMEDA, AMADOR, BUTTE, COLUSA, CONTRA COSTA, DEL NORTE, EL DORADO, FRESNO, GLENN, HUMBOLDT, IMPERIAL, KERN, KINGS, MADERA, MARIN, MARIPOSA, MENDOCINO, MERCED, MONO, MONTEREY, NAPA, NEVADA, RIVERSIDE, SACRAMENTO, SAN DIEGO, SAN FRANCISCO, SAN JOAQUIN, SAN LUIS OBISPO, SAN MATEO, SANTA CRUZ, SHASTA, SISKIYOU, SOLANO, SONOMA, TEHAMA, TULARE, YOLO, AND YUBA.

ADOPTED JUNE 3, 2013 - REVISED JULY 15, 2013 - REVISED AUGUST 5, 2013 - REVISED SEPTEMBER 9, 2013 – REVISED NOVEMBER 4, 2013 - REVISED DECEMBER 2, 2013 - REVISED JANUARY 6, 2014 REVISED FEBRUARY 3, 2014 - REVISED MARCH 3, 2014 - REVISED APRIL 7, 2014 - REVISED MAY 5, 2014 REVISED JUNE 2, 2014 – AMENDED JUNE 9, 2014 - REVISED JULY 7, 2014 – REVISED AUGUST 4, 2014 – REVISED SEPTEMBER 8, 2014 – REVISED OCTOBER 6, 2014 -REVISED NOVEMBER 3, 2014 REVISED DECEMBER 1, 2014 – REVISED JANUARY 5, 2015 - REVISED FEBRUARY 2, 2015, REVISED MARCH 2, 2015- REVISED APRIL 6, 2015 – REVISED MAY 4, 2015 – REVISED JUNE 1, 2015 – REVISED JULY 6, 2015 – REVISED AUGUST 3, 2015 – REVISED SEPTEMBER 14, 2015 – REVISED OCTOBER 5, 2015 – REVISED NOVEMBER 2, 2015 – REVISED DECEMBER 7, 2015 – REVISED JANUARY 4, 2016 – REVISED FEBRUARY 1, 2016 – REVISED MARCH 7, 2016 – REVISED APRIL 4, 2016 – REVISED MAY 2, 2016 – REVISED JUNE 6, 2016 – REVISED JULY 11, 2016 – REVISED AUGUST 1, 2016 – REVISED DECEMBER 5, 2016– REVISED JANUARY 9, 2017 – REVISED APRIL 3, 2017 – REVISED JUNE 5, 2017– REVISED JULY 10, 2017– REVISED AUGUST 7, 2017– REVISED SEPTEMBER 11, 2017— REVISED OCTOBER 2, 2017— REVISED DECEMBER 4, 2017– REVISED February 5, 2018 – REVISED APRIL 2, 2018 – REVISED JULY 2, 2018- [REVISED AUGUST 6, 2018](#)

Appendix B
MAP OF PROGRAM AREA
(April 2, 2018)

The territories within which voluntary contractual assessments are authorized to be offered pursuant to the California hero program are the jurisdictional boundaries of Albany, Alhambra, Aliso Viejo, Amador, American Canyon, Anaheim, Antioch, Arcadia, Arcata, Arvin, Atherton, Atwater, Avalon (Commercial Only), Avenal, Azusa, Bakersfield, Baldwin Park, Beaumont, Bell Gardens (Commercial Only), Bellflower, Belmont, Belvedere, Benicia, Berkley, Bishop, Blue Lake, Blythe, Bradbury, Brawley, Brea, Brentwood, Brisbane, Buena Park, Burlingame, Calabasas (Commercial Only), Calexico, California City, Calipatria, Calistoga, Camarillo, Campbell, Capitola, Carlsbad, Carmel, Carson, Cathedral City, Ceres, Chico, Chowchilla, Chula Vista, Citrus Heights, Claremont, Clayton, Cloverdale, Clovis, Coachella, Coalinga, Colma, Commerce, Concord, Corcoran, Corning, Coronado, Costa Mesa, Cotati, Covina, Crescent City, Cupertino, Cypress, Daly City, Danville, Davis, Del Mar, Del Rey Oaks, Delano, Desert Hot Springs, Diamond Bar, Dinuba, Dixon, Dorris, Dos Palos, Dublin, Dunsmuir, El Cajon, El Centro, El Cerrito, El Monte, El Segundo, Elk Grove, Encinitas, Escondido, Etna, Eureka, Exeter, Fairfax, Fairfield, Farmersville, Ferndale, Fillmore, Firebaugh, Fort Bragg, Fortuna, Foster, Fountain Valley, Fowler, Fremont, Fresno, Galt, Garden Grove, Gardena, Gilroy, Glendora, Gonzales, Grass Valley, Greenfield, Grover Beach, Gustine, Half Moon Bay, Hanford, Hawthorne, Hayward, Healdsburg, Hermosa Beach, Hillsborough, Holtville, Hughson, Huntington Beach, Huron, Imperial Beach, Imperial, Indian Wells, Indio, Industry, Inglewood, Ione, Irwindale, Isleton, Jackson, Kerman, King City, Kingsburg, La Canada Flintridge, La Habra, La Mesa, La Palma, La Quinta, La Verne, Lafayette, Laguna Beach, Laguna Hills, Lake Forest, Lancaster, Larkspur, Lathrop, Lawndale, Lemon Grove, Lemoore, Lindsay, Live Oak, Livingston, Lodi, Lomita, Lompoc, Long Beach (Commercial Only), Los Banos, Loyalton, Madera, Malibu, Mammoth Lakes, Manteca, Martinez, Marysville, McFarland, Mendota, Menlo Park, Merced, Mill Valley, Millbrae, Milpitas, Mission Viejo, Modesto, Monrovia, Montebello, Monterey Park, Monterey, Moorpark, Moraga, Morgan Hill, Morro Bay, Mount Shasta, Mountain View, Napa, National City, Nevada City, Newark, Newman, Newport Beach, Novato, Oakdale, Oakland, Oakley, Oceanside, Ojai, Orange Cove, Orland, Oroville, Oxnard, Pacific Grove, Pacifica, Palm Desert, Palm Springs, Palmdale, Paradise, Parlier, Paso Robles, Patterson, Petaluma, Piedmont, Pinole, [Pismo Beach](#), Pittsburg, Placentia, Placerville, Pleasant Hill, Pleasanton, Plymouth, Point Arena, Pomona, Port Hueneme, Porterville, Portola Valley, Poway, Rancho Cordova, Rancho Mirage, Rancho Palos Verdes, Rancho Santa Margarita, Redding, Redondo Beach, Redwood City, Reedley, Richmond, Ridgecrest, Rio Vista, Ripon, Riverbank, Rohnert Park, Rolling Hills, Rolling Hills Estates, Rosemead, Sacramento, Salinas, San Anselmo, San Bruno, San Buenaventura, San Carlos, San Clemente, San Diego, San Dimas, San Fernando, San Gabriel, San Joaquin, San Jose, San Juan Bautista, San Leandro, San Luis Obispo, San Marcos, San Marino, San Mateo, San Pablo, San Rafael, San Ramon, Sand City, Sanger, Santa Ana, Santa Clara, Santa Cruz, Santa Monica, Santa Paula, Santa Rosa, Santee, Sausalito, Scotts Valley, Seaside, Sebastopol, Selma, Shafter, Shasta Lake, Sierra Madre, Simi Valley, Solana Beach, Sonoma, South El Monte, South Lake Tahoe, South Pasadena, South San Francisco, St. Helena, Stanton, Stockton, Suisun City, Susanville, Sutter Creek, Taft, Tehachapi, Tehama, Temple City, Thousand Oaks, Tiburon, Torrance, Tracy, Trinidad, Truckee, Tulare, Turlock, Tustin, Ukiah, Union City, Vacaville, Vallejo, Visalia, Vista, Walnut, Walnut Creek, Wasco, Waterford, Watsonville, Weed, West Covina, West Sacramento, Westminster, Wheatland, Windsor, Winters, Woodlake, Woodland, Woodside, Yorba Linda, Yountville, Yreka, and Yuba City, And The Unincorporated Counties Of Alameda, Amador, Butte, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Kern, Kings, Madera, Marin, Mariposa,

Cities of and San

Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 10

Amended WRCOG Resolution 35-17;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Amending
Resolution Number 35-17 to Revise
the Requirements for the
Implementation of the Financing of
Seismic Strengthening
Improvements as an 'opt out' Option
in Member or Associate Member
Jurisdictions

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**AMENDED RESOLUTION NUMBER 35-17
A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
AMENDING RESOLUTION NUMBER 35-17 TO REVISE THE REQUIREMENTS FOR
THE IMPLEMENTATION OF THE FINANCING OF SEISMIC STRENGTHENING
IMPROVEMENTS IN MEMBER OR ASSOCIATE MEMBER JURISDICTIONS**

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (the "Executive Committee" and "WRCOG" respectively) has undertaken proceedings to establish and has established pursuant to Chapter 29 of Part 3 of Divisions 7 of the California Streets and Highways Code ("Chapter 29") to the "WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County" (the "WRCOG Program") and the "California HERO Program" (the "California HERO Program," together with the WRCOG Program, the "Programs") to assist property owners within the jurisdictional boundaries of the program area of each Program (the "Program Areas") 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, on July 10, 2017, the Executive Committee adopted Resolution Number 35-17 confirming the modification of the WRCOG Program Report and the California Program Report so as to authorize the financing of Seismic Improvements to assist property owners within the boundaries of the Members participating in the WRCOG Program and the Associate Members participating in the California Program; and

WHEREAS, Section 2 of Resolution Number 35-17 ("Section 2") further provides that the financing of Seismic Improvements shall be authorized to be provided within the jurisdiction of a Member upon the approval of such Member and WRCOG of an amendment to the Implementation Agreement previously entered into between such Member and WRCOG to implement AB 811 within such jurisdiction to modify the Authorized Improvements to include Seismic Improvements; and

WHEREAS, Section 2 further provided that the financing of Seismic Improvements shall be authorized to be provided within the jurisdiction of an Associate Member by the adoption by the governing board of such Associate Member of a resolution authorizing WRCOG to provide such financing within such jurisdiction; and

WHEREAS, in order to facilitate the availability of the financing of Seismic Improvements in the jurisdictions of Members and Associate Members it is recommended that Section 2 be amended to authorize the financing within the jurisdictions of Members and Associate Members unless the governing body of any Member or Associate Member elects not to make such financing available with their jurisdictions.

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

Section 1. Recitals and Definitions. The above recitals are true and correct. All capitalized terms used in this Resolution and not defined herein shall have the meanings given such terms in Resolution Number 35-17.

Section 2. Amendment of Section 2 of Resolution Number 35-17. Section 2 of Resolution Number 35-17 is amended in its entirety to read as follows:

"Section 2. Implementation of Seismic Improvements in Member or Associate Member Jurisdictions. The financing of the installation of Seismic Improvements is authorized to be provided within the jurisdictions of all Members and Associate Members unless the governing body of any such Member or Associate Member elects not to make such financing available within such jurisdiction and provides written notice of such election to the Executive Director of WRCOG."

Section 3. Other Provisions of Resolution Number 35-17. Except as expressly provided for herein, all other provisions of Resolution Number 35-17 shall remain in full force and effect.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on August 6, 2018.

Chuck Washington, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 11

WRCOG Resolution Number 38-18;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Making
Certain Representations and
Authorizing the Placement of
Assessments on the Tax Roll in
Shasta County

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RESOLUTION NUMBER 38-18

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS MAKING CERTAIN REPRESENTATIONS AND AUTHORIZING THE PLACEMENT OF ASSESSMENTS ON THE TAX ROLL IN SHASTA COUNTY

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (the "Executive Committee" and "WRCOG" respectively) previously initiated proceedings pursuant to Chapter 29 of Part 3 of Divisions 7 of the California Streets and Highways Code ("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 and established and ordered 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 each Associate Member 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, the Executive Committee has by previous resolutions declared its intent to levy assessments for the purpose of financing Authorized Improvements under the provisions of Chapter 29; and

WHEREAS, assessment contracts have been entered into for properties located within the jurisdictional boundaries of Shasta County (the "County"); and

WHEREAS, the special assessments levied against the real property within the County are not levied with regard to property values but rather are fixed special assessments based upon the costs of the Authorized Improvements and the financing of such improvements; and

WHEREAS, the Executive Committee has determined and hereby certifies that the assessments are exempt from the provisions of Proposition 218, which was passed by the voters in November 1996; and

WHEREAS, the Executive Committee has further determined that the assessments are in compliance with all applicable laws; and

WHEREAS, the Executive Committee requests that the County Auditor-Controller enter those special assessments identified in Exhibit A on the tax roll for collection by the County Auditor-Controller commencing with the property tax bills for the 2018-2019 Fiscal Year.

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

Section 1. The above recitals are true and correct.

Section 2. The Executive Committee orders the levy and collection of such special assessments identified in Exhibit "A" within the jurisdictional boundaries of Associate Members within the County for the 2018-2019 Fiscal Year, and in each subsequent fiscal year in which the charges may validly be levied; that a copy of this resolution shall be delivered to the Auditor-Controller of the County for placement of such assessments on the 2018-2019 County Tax Roll, and in each subsequent fiscal year in which the charges may validly be levied.

Section 3. The special assessments are in compliance with all applicable laws and are exempt from the provisions of Proposition 218.

Section 4. In the event of delinquencies, WRCOG will pursue the removal of the delinquent special assessments from the delinquent secured tax roll in accordance with the provisions of the Master Indenture.

Section 5. The Executive Director, or any designee of the Executive Director (each, an "Authorized Representative"), is hereby authorized and directed to take any other actions in the judgment of the Executive Director or such Authorized Representative necessary to place the special assessments on the 2018-2019 Tax Roll of the County, including, but not limited to making additions, deletions and modifications to Exhibit A attached hereto.

Section 6. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on August 6, 2018.

Chuck Washington, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

CA HERO Shasta County (2018-2019) Residential

Participating Properties Funded Through July 15, 2018

Fund No. 84002

Bond Series							
Tax Parcel Number	Assessment Contract Id	Interest Due 3/2/2019	Interest Due 9/2/2019	Principal Due 9/2/2019	Annual Admin Fee	Levy Adjustment	FY 2018-2019 Total Levy
170629-CA-RA3-HPRCA4-R-15C							
056-420-005-000	CA089101439	\$517.02	\$517.02	\$1,417.76	\$44.73	(\$0.01)	\$2,496.52
Subtotal 170629-CA-RA3-HPRCA4-R-15C		\$517.02	\$517.02	\$1,417.76	\$44.73	(\$0.01)	\$2,496.52
171103-CA-RA-HPR-R-10C							
068-660-006-000	CA089101459	\$485.96	\$485.96	\$2,836.82	\$44.73	(\$0.01)	\$3,853.46
Subtotal 171103-CA-RA-HPR-R-10C		\$485.96	\$485.96	\$2,836.82	\$44.73	(\$0.01)	\$3,853.46
171117-CA-RA-HPR-R-20C							
205-140-024-000	CA089101447	\$1,091.66	\$1,091.66	\$1,324.64	\$44.73	(\$0.01)	\$3,552.68
Subtotal 171117-CA-RA-HPR-R-20C		\$1,091.66	\$1,091.66	\$1,324.64	\$44.73	(\$0.01)	\$3,552.68
171201-CA-RA-HPR-R-25C							
068-630-051-000	CA089101454	\$1,918.46	\$1,918.46	\$597.15	\$44.73	\$0.00	\$4,478.80
Subtotal 171201-CA-RA-HPR-R-25C		\$1,918.46	\$1,918.46	\$597.15	\$44.73	\$0.00	\$4,478.80
171215-CA-RA-HPR-R-20C							
205-120-004-000	CA089101444	\$751.59	\$751.60	\$911.99	\$44.73	(\$0.01)	\$2,459.90
Subtotal 171215-CA-RA-HPR-R-20C		\$751.59	\$751.60	\$911.99	\$44.73	(\$0.01)	\$2,459.90
180112-CA-RA-HPR-R-15C							
068-630-050-000	CA089101465	\$827.12	\$827.12	\$738.87	\$44.73	\$0.00	\$2,437.84
Subtotal 180112-CA-RA-HPR-R-15C		\$827.12	\$827.12	\$738.87	\$44.73	\$0.00	\$2,437.84
180112-CA-RA-HPR-R-20C							
207-040-010-000	CA089101450	\$721.04	\$721.04	\$874.91	\$44.73	\$0.00	\$2,361.72
Subtotal 180112-CA-RA-HPR-R-20C		\$721.04	\$721.04	\$874.91	\$44.73	\$0.00	\$2,361.72
180112-CA-RA-HPR-R-25C							
049-460-016-000	CA089101472	\$889.33	\$889.34	\$634.25	\$44.73	(\$0.01)	\$2,457.64
110-180-002-000	CA089101475	\$814.66	\$814.66	\$581.00	\$44.73	(\$0.01)	\$2,255.04
Subtotal 180112-CA-RA-HPR-R-25C		\$1,703.99	\$1,704.00	\$1,215.25	\$89.46	(\$0.02)	\$4,712.68
180119-CA-RA-HPR-R-10C							
051-330-009-000	CA089101461	\$232.27	\$232.28	\$1,355.90	\$44.73	\$0.00	\$1,865.18
Subtotal 180119-CA-RA-HPR-R-10C		\$232.27	\$232.28	\$1,355.90	\$44.73	\$0.00	\$1,865.18
180216-CA-RA-HPR-R-15CD							
102-010-046-000	CA089101499	\$506.11	\$506.11	\$452.10	\$44.73	(\$0.01)	\$1,509.04
Subtotal 180216-CA-RA-HPR-R-15CD		\$506.11	\$506.11	\$452.10	\$44.73	(\$0.01)	\$1,509.04
180216-CA-RA-HPR-R-20CD							

CA HERO Shasta County (2018-2019) Residential

Participating Properties Funded Through July 15, 2018

Fund No. 84002

Bond Series							
Tax Parcel Number	Assessment Contract Id		Interest Due 3/2/2019	Interest Due 9/2/2019	Principal Due 9/2/2019	Annual Admin Fee	FY 2018-2019 Total Levy
116-590-002-000	CA089101487		\$530.68	\$530.68	\$643.94	\$44.73	\$1,750.02
Subtotal 180216-CA-RA-HPR-R-20CD			\$530.68	\$530.68	\$643.94	\$44.73	\$1,750.02
180323-CA-RA-HPR-R-15CDE							
057-090-015-000	CA089101506		\$574.73	\$574.73	\$588.03	\$44.73	\$1,782.22
Subtotal 180323-CA-RA-HPR-R-15CDE			\$574.73	\$574.73	\$588.03	\$44.73	\$1,782.22
180427-CA-RA-HPR-R-15CDE							
056-040-001-000	CA089101508		\$675.75	\$675.75	\$603.64	\$44.73	\$1,999.86
Subtotal 180427-CA-RA-HPR-R-15CDE			\$675.75	\$675.75	\$603.64	\$44.73	\$1,999.86
180504-CA-RA-HPR-R-20CED							
205-740-012-000	CA089101490		\$1,362.09	\$1,362.10	\$1,652.77	\$44.73	\$4,421.68
Subtotal 180504-CA-RA-HPR-R-20CED			\$1,362.09	\$1,362.10	\$1,652.77	\$44.73	\$4,421.68
180615-CA-RA-HPR-R-20CDE							
086-390-010-000	CA089101497		\$1,898.20	\$1,898.20	\$955.66	\$44.73	\$4,796.78
Subtotal 180615-CA-RA-HPR-R-20CDE			\$1,898.20	\$1,898.20	\$955.66	\$44.73	\$4,796.78
180629-CA-RA-HPR-R-15DCE							
207-600-007-000	CA089101514		\$987.11	\$987.12	\$2,472.90	\$44.73	\$4,491.86
Subtotal 180629-CA-RA-HPR-R-15DCE			\$987.11	\$987.12	\$2,472.90	\$44.73	\$4,491.86
180713-CA-RA-HPR-R-15DCE							
075-110-005-000	CA089101522		\$446.21	\$446.22	\$456.54	\$44.73	\$1,393.70
Subtotal 180713-CA-RA-HPR-R-15DCE			\$446.21	\$446.22	\$456.54	\$44.73	\$1,393.70
Grand Total	Parcel Count	18	\$15,229.99	\$15,230.05	\$19,098.87	\$805.14	\$50,363.94

Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 12

WRCOG Resolution Number 39-18;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Ordering the
Initiation of Judicial Foreclosure
Proceedings Pursuant to the
Improvement Bond Act of 1915 of
Certain Property for Which the
Payment of Assessment Installments
are Delinquent

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RESOLUTION NUMBER 39-18

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ORDERING THE INITIATION OF JUDICIAL FORECLOSURE PROCEEDINGS PURSUANT TO THE IMPROVEMENT BOND ACT OF 1915 OF CERTAIN PROPERTY FOR WHICH THE PAYMENT OF ASSESSMENT INSTALLMENTS ARE DELINQUENT

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 PACE Program") and the California PACE Program (together with the WRCOG PACE Program, the "WRCOG PACE Programs") 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 HERO Program, Implementation Agreements by and between WRCOG and its Regular Members and, as to the California PACE Program, amendments to the Joint Exercise of Powers Agreement by and between WRCOG and its Associate Members, separate voluntary contractual assessment programs to assist residential and commercial property owners within the jurisdictional boundaries of the WRCOG HERO Program and of the California PACE Program, with the cost of installing distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure ("Authorized Improvements") that are permanently affixed to their property; and

WHEREAS, the City of Pomona ("Pomona") entered into an amendment to the Joint Exercise of Powers Agreement with WRCOG to participate in the California PACE Program to assist the owners of residential and commercial properties within the boundaries of the Pomona with the cost of installing Authorized Improvements that are permanently affixed to their properties; and

WHEREAS, the Executive Committee authorized the issuance of one or more series of limited obligation improvement bonds (the "Improvement Bonds") under the provisions of Chapter 29 and the Improvement Bond Act of 1915, Division 10 of the Streets and Highways Code of California (the "1915 Act") upon the security of voluntary contractual assessments levied on participating parcels of commercial or residential property (each, a "Participating Parcel"), as applicable, within the jurisdictional boundaries of the PACE Programs, authorized the sale of such Improvement Bonds secured by Assessment levied on commercial properties to SAMAS Capital, LLC or the assigns thereof and approved and directed the execution of a master indenture, supplemental indentures and related documents and approved related actions for the purpose of financing the installation Authorized Improvements on such Participating Parcels; and

WHEREAS, the Improvement Bonds that have been issued by WRCOG are secured by the lien of the voluntary contractual assessments (each, an "Assessment") levied on each Participating Parcel pursuant to the assessment contract entered into by and between WRCOG and the owner of such Participating Parcel to enable such owner to participate in the PACE Program in which such property is located (each, an "Assessment Contract") and such liens (each, an "Assessment Lien") are coequal to and independent of the lien for general taxes; and

WHEREAS, the owners of the commercial property located 1410 North Garvey Avenue, Pomona, California (the "Subject Property") entered into two Assessment Contracts with WRCOG to finance the installation of Authorized Improvements on the Subject Property; and

WHEREAS, pursuant to the Assessment Contracts, Assessments were levied against the Subject Property to provide for the repayment of the financing provided by WRCOG and the repayment of the Assessments was secured by an Assessment Lien that was recorded against the Subject Property (the "Subject Property Assessment Lien"); and

WHEREAS, WRCOG issued an Improvement Bond secured by the Subject Party Assessment Lien pursuant to the 1915 Act pursuant to the Master Indenture, dated as of January 1, 2015 (the "Master Indenture"), by and between WRCOG and Deutsche Bank National Trust Company, as trustee (the "Trustee") to finance the installation of the Authorized Improvements on the Subject Property; and

WHEREAS, pursuant to Chapter 29, the 1915 Act and the Assessment Contracts, WRCOG has placed annual assessment installments of the Assessments on the Subject Property; and

WHEREAS, pursuant to the provisions of Chapter 29 and the 1915 Act, WRCOG covenanted in the Master Indenture with and for the benefit of the owner of the Improvement Bond that WRCOG would order, and caused to be commenced, and thereafter diligently prosecuted an action to foreclose on the Assessment Lien and file the complaint in such action within sixty (60) days for the date of receipt by WRCOG of the notification of the Delinquency; and

WHEREAS, the assessment installments have not been paid when due and remain delinquent (the "Delinquency"); and

WHEREAS, Streets & Highways Code Section 8833 requires that when the Executive Committee has ordered the initiation of judicial foreclosure proceedings, it must cause the removal of the Delinquency from the tax roll pursuant to such section; and

WHEREAS, the Executive Committee desires to order General Counsel of WRCOG ("General Counsel") to initiate judicial foreclosure proceedings to foreclose on the Assessment Lien.

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

Section 1. The Executive Committee hereby authorizes and orders General Counsel to cause an action to be brought in the superior court to foreclose the Assessment Lien to collect the Delinquency, together with penalties, interest and costs thereon

Section 2. The Executive Committee finds that the 1915 Act provides for the payment of the costs and attorneys' fees for prosecution of the judicial foreclosure action hereby authorized on redemption prior to entry of judgment as well as on post-judgment redemption, and hereby authorizes the General Counsel to require payment on its behalf of all costs and all attorneys' fees incurred in such action as a condition of such redemption.

Section 3. All actions taken or to be taken on behalf of WRCOG by General Counsel in furtherance of such foreclosure are hereby approved and ratified.

Section 4. The Executive Director of WRCOG, in cooperation and in conjunction with General Counsel, is authorized and directed if and as applicable, pursuant to Streets & Highways Code Section 8833: 1) to record notices of intent to remove the delinquent assessment from the tax rolls, and 2) to request that the applicable County officials remove current and future delinquent assessments from the tax rolls.

Section 5. This resolution shall become effective upon its adoption.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on August 6, 2018.

Chuck Washington, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____

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Item 6.A

PACE Programs Activities Update,
PACE Program Public Hearing, and
Approval of Revisions to the Various
PACE Providers' Program Reports
and Handbooks

Attachment 13

WRCOG Resolution Number 40-18;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments making
certain representations and
authorizing the placement of
assessments on the tax roll in Solano
County for the SAMAS Commercial
Programs

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RESOLUTION NUMBER 40-18

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS MAKING CERTAIN REPRESENTATIONS AND AUTHORIZING THE PLACEMENT OF ASSESSMENTS ON THE TAX ROLL IN SOLANO COUNTY FOR THE SAMAS COMMERCIAL PROGRAMS

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (the "Executive Committee" and "WRCOG" respectively) has undertaken proceedings to establish and has established pursuant to Chapter 29 of Part 3 of Divisions 7 of the California Streets and Highways Code ("Chapter 29") to the "WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County" (the "WRCOG Program") and the "California HERO Program" (the "California HERO Program," together with the WRCOG Program, the "Programs") to assist property owners within the jurisdictional boundaries of the program area of each Program (the "Program Areas") 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, the Executive Committee has authorized Samas Capital, LLC to serve as an administrator for the Programs (the "Samas Commercial Programs"); and

WHEREAS, the Executive Committee has by previous resolutions declared its intent to levy assessments for the purpose of financing Authorized Improvements under the provisions of Chapter 29; and

WHEREAS, assessment contracts have been entered into for properties located within Solano County (the "County"); and

WHEREAS, the special assessments levied against the real property within the County are not levied with regard to property values but rather are fixed special assessments based upon the costs of the Authorized Improvements and the financing of such improvements; and

WHEREAS, the Executive Committee has determined and hereby certifies that the assessments are exempt from the provisions of Proposition 218, which was passed by the voters in November 1996; and

WHEREAS, the Executive Committee has further determined that the assessments are in compliance with all applicable laws.

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

Section 1. The above recitals are true and correct.

Section 2. The Executive Committee orders the levy and collection of such special assessments within the Program Areas within the County for the 2018-2019 Fiscal Year, and in each subsequent fiscal year in which the charges may validly be levied, that a copy of this resolution shall be

delivered to the Auditor-Controller of the County for placement of such assessments on the 2018-2019 County Tax Roll of the County, and in each subsequent fiscal year in which the charges may validly be levied.

Section 3. The special assessments are in compliance with all applicable laws and are exempt from the provisions of Proposition 218.

Section 4. In the event of delinquencies, WRCOG will pursue the removal of the delinquent special taxes from the delinquent secured tax roll in accordance with the provisions of the Master Indenture.

Section 5. The Executive Director, or any designee of the Executive Director (each, an "Authorized Representative"), is hereby authorized and directed to take any other actions in the judgment of the Executive Director or such Authorized Representative necessary to place the special assessments on the 2018-2019 County Tax Roll of the County.

Section 6. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on August 6, 2018.

Chuck Washington, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____ NAYS: _____ ABSENT: _____ ABSTAIN: _____



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: August 6, 2018

The purpose of this item is to provide an update 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:

June 22, 2018: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Presentation on Santa Ana Watershed Project Authority One Water One Watershed Activities

Contact: Mike Antos, Ph.D., Senior Watershed Manager, MAntos@sawpa.org, (951) 354-4238

Date: August 6, 2018

The purpose of this item is to inform the Committee of the One Water One Watershed Program, and the ongoing items related to WRCOG members.

Requested Action:

1. Receive and file.

Dr. Mike Antos of the Santa Ana Watershed Project Authority will provide a presentation on the One Water One Watershed Program, and the ongoing items that are related to WRCOG members.

Prior Action:

None.

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: General CalPERS Update

Contact: Isabel Safie, Partner, Best, Best & Krieger, sabel.safie@bbklaw.com, (951) 826-8309

Date: August 6, 2018

The purpose of this item is to provide a general update on CalPERS regulations and changes.

Requested Action:

1. Receive and file.

This item is reserved for a presentation from Isabel Safie of Best, Best & Krieger pursuant to a request from the Executive Committee.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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