Western Riverside Council of Governments
Executive Committee

AGENDA

Monday, January 8, 2018
2:00 p.m.

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

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 (Debbie Franklin, Chair)

2. PLEDGE OF ALLEGIANCE

3. SPECIAL PRESENTATION – JOHN ROSSI, WESTERN MUNICIPAL WATER DISTRICT

4. 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 agendized 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.

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. Summary Minutes from the December 4, 2017, Executive Committee Meeting are Available for Consideration **P. 1**

Requested Action: *1. Approve the Summary Minutes from the December 4, 2017, Executive Committee meeting.*

B. Local Match for Riverside Food Systems Model Study **P. 11**

Requested Action: *1. Approve the recommendation from the Administration & Finance Committee to award a sponsorship of $40,000 ($10,000 per year over four years) to the Food Systems Model Study, led by the City of Riverside and University of California, Riverside.*

Information items:

C. Finance Department Activities Update Including Agency Audit and Upcoming Annual TUMF Compliance Review by Agencies ***Ernie Reyna*** **P. 21**

Requested Action: *1. Receive and file.*

D. Regional Streetlight Program Activities Update ***Tyler Masters*** **P. 27**

Requested Action: *1. Receive and file.*

E. Environmental Department Activities Update ***Dolores Badillo*** **P. 31**

Requested Action: *1. Receive and file.*

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

Requested Action: *1. Receive and file.*

G. Western Community Energy Activities Update ***Barbara Spoonhour*** **P. 35**

Requested Action: *1. Receive and file.*

H. WRCOG Committees and Agency Activities Update ***Rick Bishop*** **P. 43**

Requested Action: *1. Receive and file.*

I. BEYOND Team Application Update on Regional Homelessness ***Cynthia Mejia*** **P. 55**

Requested Action: *1. Receive and file.*

J. **Fiscal Year 2016/2017 Comprehensive Annual Financial Report** ***Ernie Reyna*** **P. 59**

Requested Action: *1. Receive and file.*

K. **Regional Transportation Summit Announcement** ***Christopher Tzeng*** **P. 165**

Requested Action: *1. Receive and file.*

L. **Grant Writing Assistance Program** ***Christopher Tzeng*** **P. 171**

Requested Action: *1. Receive and file.*

M. **Transportation Activities Update** ***Christopher Gray*** **P. 221**

Requested Action: *1. Receive and file.*

6. REPORTS / DISCUSSION

A. **PACE Programs Activities Update** ***Casey Dailey, WRCOG*** **P. 223**

Requested Actions:

1. *Receive WRCOG PACE Summary.*
2. *Accept the City of Milpitas and the Town of Truckee as Associate Members of the Western Riverside Council of Governments.*
3. *Adopt WRCOG Resolution Number 01-18; 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.*
4. *Adopt WRCOG Resolution Number 02-18; A Resolution of the Western Riverside Council of Governments Authorizing Greenworks Funding LLC to Administer and Finance Eligible Improvements to be Installed on Commercial Properties Located within the Boundaries of Both the WRCOG Energy Efficiency And Water Conservation Program for Western Riverside County and the California Hero Program, and in Connection with such Authorization, Approving Amendments To The Program Report for such Programs and the Forms of a Commercial Handbook, Assessment Contract, Administration Agreement, Master Assignment and Assumption Agreement, Depositary Agent Agreement, Master Indenture and Bond Purchase Agreement, and Authorizing the Issuance of Bonds Pursuant to such Master Indenture Secured by Assessments Levied on Commercial Properties to Finance the Installation of Authorized Improvements on Such Commercial Properties and Approving Other Actions in Connection Thereto.*

B. Report from the League of California Cities — ***Erin Sasse, League of California Cities*** — **P. 959**

Requested Action: *1. Receive and file.*

C. Carryover Revenue Proposal for Fiscal Year 2016/2017 — ***Jennifer Ward, WRCOG*** — **P. 961**

Requested Action: *1. Approve the recommendation from the Administration & Finance Committee to allocate the remainder of the Fiscal Year 2016/2017 carryover revenues, totaling $2.8 million, to Agency reserves, which will include a specified PACE Program reserve of $500,000.*

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR — *Alex Diaz*

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, February 5, 2018, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.**

13. ADJOURNMENT

Western Riverside Council of Governments

5.A

Regular Meeting

~ Minutes ~

Monday, December 4, 2017 **2:00 PM** **County Administrative Center**

1. CALL TO ORDER

The meeting was called to order by Chairwoman Debbie Franklin at 2:03 p.m. on December 4, 2017, at the Riverside County Administrative Center, 4080 Lemon Street, Riverside, CA.

Attendee Name	Member	Status	Arrived / Departed
City of Banning	Debbie Franklin	Present	1:58 PM
City of Beaumont	Lloyd White	Present	1:58 PM
City of Calimesa	Jeff Hewitt	Present	1:56 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	2:05 PM
City of Corona	Eugene Montanez	Present	1:58 PM
City of Eastvale	Adam Rush	Present	1:58 PM
City of Hemet	Linda Krupa	Present	1:58 PM
City of Jurupa Valley	Laura Roughton	Present	1:58 PM
City of Lake Elsinore	Brian Tisdale	Present	1:56 PM
City of Menifee	John Denver	Present	1:58 PM
City of Moreno Valley	Victoria Baca	Present	2:09 PM
City of Murrieta	Kelly Seyarto	Present	1:58 PM
City of Norco	Kevin Bash	Present	1:58 PM
City of Perris	Rita Rogers	Present	1:58 PM
City of Riverside	Rusty Bailey	Present	1:58 PM
City of San Jacinto	Crystal Ruiz	Present	1:58 PM
City of Temecula		Absent	
City of Wildomar	Ben Benoit	Present	1:58 PM
District 1		Absent	
District 2	John Tavaglione	Present	1:58 PM / 2:48 PM
District 3		Absent	
District 5	Marion Ashley	Present	1:58 PM / 2:22 PM
EMWD	David Slawson	Present	1:58 PM
WMWD	Brenda Dennstedt	Present	1:58 PM
Morongo Band of Mission Indians		Absent	
Office of Education	Judy White	Present	1:57 PM
TAC Chair		Absent	
Executive Director	Rick Bishop	Present	1:57 PM

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

2. PLEDGE OF ALLEGIANCE

Committee member Brian Tisdale led members and guests in the Pledge of Allegiance.

11. CLOSED SESSION *(Note: Items were taken out of order)*

There were no reportable actions.

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR

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

A. Summary Minutes from the November 6, 2017, Executive Committee Meeting are Available for Consideration

Action: *1. Approved the Summary Minutes from the November 6, 2017, Executive Committee meeting.*

B. Grant Writing Assistance Program

Action: *1. Approved an increase in funding of up to $500,000 for the Grant Writing Assistance Program to assist member jurisdictions.*

C. Western Riverside Energy Partnership Activities Update

Action: *1. Directed the Executive Director to execute the Seventh Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program, including the continuation of the Western Riverside Energy Leader Partnership, through year 2018, substantially as to form.*

D. Regional Streetlight Program Activities Update: Adoption of WRCOG Resolution Number 47-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Making Findings That the Maintenance and Repair Program for the Streetlights is Exempt From the California Environmental Quality Act, Approving the Maintenance and Repair Program, and Authorizing the Execution of Certain Agreements in Furtherance of the Program

Actions: *1. Adopted WRCOG Resolution Number 47-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Making Findings That the Maintenance and Repair Program for the Streetlights is Exempt From the California Environmental Quality Act,*

Approving the Maintenance and Repair Program, and Authorizing the Execution of Certain Agreements in Furtherance of the Program

2. *Directed staff to file a Notice of Exemption with the Riverside County Clerk within five working days of approval of this proposed project.*

E. Local Match for Riverside Food Systems Model Study

Chair Franklin indicated that this item was pulled to be returned to the Administration & Finance Committee for further discussion.

Action: 1. *Directed this item be returned to the Administration & Finance Committee for further discussion.*

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

F. Finance Department Activities Update Including Agency Audit and Upcoming Annual TUMF Compliance Review by Agencies

Action: 1. *Received and filed.*

G. Environmental Department Activities Update

Action: 1. *Received and filed.*

H. Western Community Energy Activities Update

Action: 1. *Received and filed.*

I. WRCOG Committees and Agency Activities Update

Action: 1. *Received and filed.*

J. BEYOND Framework Fund Program Activities Update

Action: 1. *Received and filed.*

K. Clean Cities Coalition Activities Update

Action: 1. *Received and filed.*

5. REPORTS / DISCUSSION

A. PACE Programs Activities Update and PACE Program Public Hearing

Casey Dailey, WRCOG Director of Energy and Environmental Programs, reported that as of November 21, 2017, more than 81,000 projects have been funded, totaling more than $1.7 billion. Solar, heating, and air conditioning units continue to be the most popular types of

installations. During the month of November both Spruce and PACE Funding officially launched their PACE Programs within the WRCOG subregion. Ygrene is anticipated to launch early 2018.

WRCOG is in the process of updating its PACE Consumer Protection Policy to incorporate additional protections, underwriting criteria, and other aspects of PACE administration resulting from the passage of SB 242 and AB 1284. A draft Policy has been distributed to all of WRCOG's providers, soliciting input and comment. An updated Policy will be presented to this Committee at its next meeting.

Baker Tilly was approved in October 2016 to perform an operational analysis / audit of Renovate America for Fiscal Year 2015/2016; the audit is nearing completion. Results will be provided to this Committee in January 2018.

Given the experience of Baker Tilly in performing these types of audits, staff is recommending the use of Baker Tilly for future audits of PACE providers within WRCOG's umbrella after one full year of operation.

Chairwoman Franklin opened the Public Hearing; there were no comments and the Public Hearing was closed.

Actions:

1. *Received WRCOG PACE Program Summary.*
2. *Conducted a Public Hearing regarding the inclusion of the City of Petaluma for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about the Program.*
3. *Adopted WRCOG Resolution Number 46-17; 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. *Authorized the Executive Director to continue utilizing Baker Tilly to conduct future operational analyses / audits of its residential PACE Programs.*
5. *Authorized the Executive Director to execute a Professional Service Contract with Baker Tilly for operational analysis / audit of Renovate America, in an amount not to exceed $140,000 for the Fiscal Year 2016/2017.*

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

B. Presentation by the Riverside County Superintendent of Schools

Superintendent Dr. Judy White reported that there are 430,000 students within Riverside County. The Riverside County Office of Education (RCOE) provides services for alternative education, special education, court appointed students, and migrant head start, legislative

advocacy, professional development, and multilingual support, to name a few. In 2013, a student from the Moreno Valley Unified School District took second place in the National History Day competition.

The primary responsibility of the Riverside County Superintendent of Schools is to provide fiscal oversight for each school district in the County. The Superintendent also reviews each districts' Local Control Accountability Plan.

The California School Dashboard provides information on how a school district is doing and includes information such as chronic absenteeism, suspension rates, and graduation rates, to name a few. The State will be making the Dashboard available to everyone online to learn how each district is performing.

Riverside County has the second highest graduation rate in the state among counties with a population larger than 25,000 students.

RCOE's *Race to Submit* Program has increased the number of Free Application for Federal Student Aid submissions, and is now the model used throughout the state.

RCOE has a Career Technical Education Program which covers a wide range of occupations from web development, information security analysis, and nurse practitioners, to welding and soldering, construction trades, and logistics. Health science and medical technology are the fastest growing career pathways in Riverside County.

Project Moving Forward, a current initiative of the Superintendent's, attempts to close the achievement gap for non-English speaking sutdents, as well as economically disadvantaged students. The goal of the Project is to increase academic achievement.

Another initiative, Adopt-a-School, would provide each school in Riverside County to be adopted by a business or faith-based organization in order to provide appreciation for student achievement, volunteering on Career Day, and create strategic partnerships.

RCOE is striving to substantially reduce the percentage of chronic absenteeism.

RCOE would like to partner with other collaborators to create the Teacher Village, which would provide affordable housing for teachers. Stakeholder meetings have been held, staff have attended housing conferences, and a consulting firm is currently conduction a feasibility study.

Dr. Brian McDaniel, with the Palm Springs Unified School District, was named California Teacher of the Year; RCOE has received four Golden Bells; RCOE received a $5 million grant for the Growing Inland Achievement Program; and RCOE received a Seal of Multiliteracy.

Action: *1. Received and filed.*

C. Report from the League of California Cities

Erin Sasse, League of California Cities, reported that Councilmember Kevin Bash (City of Norco) recently received the League's Outstanding Public Servant Award.

The League recently held a Leaders Conference to set priorities for the next year. Goals include:

1. Better address public safety concerns;
2. Ensure sustainability of public pension and retirement health benefits;

3. Protect existing transportation funding; and
4. A hybrid of housing affordability and homelessness.

The Legislative Scorecard was approved and will be distributed in the near future.

The California Transportation Commission will be meeting in this room on Wednesday and Thursday, and are seeking city and county officials to attend and talk about SB 1 projects.

Ms. Sasse encouraged representatives to contact their Congress members regarding a proposed tax package.

Action: *1. Received and filed.*

D. Transportation Program Activities Update

Chris Gray, WRCOG Director of Transportation, reported that a TUMF Reimbursement Manual has been developed, which outlines what jurisdictions need to do to be reimbursed for TUMF projects. Eligible local matches have been better clarified. A Credit / Reimbursement Manual was developed to better determine which expenses are TUMF-eligible.

A TUMF Calculation Handbook is being presented for approval based upon the recent Nexus Study. Fee calculations for gas stations has been added, and a special rate for Active Senior Living developments have been included.

WRCOG will be conducting a study on fulfilment centers and the number of trips generated.

A comprehensive review of Developer Credit Agreements has been completed, and it has been determined that there is no termination clause. Mr. Gray shared the Termination language with the Committee, which has been approved by the Public Works Committee. Basically, an agreement is terminated 10 years after the effective date, unless extended in writing.

Two Reimbursement Agreements with the City of Moreno Valley are being presented for approval.

Zone Transportation Improvement Programs are in the process of being updated. It is anticipated that this Committee will be presented with items for approval in spring 2018.

Actions:

1. *Approved the proposed updates to the TUMF Administrative Plan.*
2. *Approved the updated TUMF Calculation Handbook.*
3. *Approved the updated TUMF Improvement and Credit Agreement template.*
4. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Planning and Engineering Phases of the Heacock Street Widening Project in an amount not to exceed $611,000.*
5. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Right-of-Way Phase of the Heacock Street Widening Project in an amount not to exceed $311,000.*

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

The water districts do not vote on TUMF matters.

E. Presentation on IEGO: Investing in Inclusive Growth and Opportunity in the Inland Region of Riverside and San Bernardino Counties

Jennifer Ward, WRCOG Director of Government Relations, reported that economic development is and has been a major priority for WRCOG and its member jurisdictions. Staff are putting forth a concerted effort to provide information on what is currently being done in the subregion regarding economic and workforce development, as well as analysis and research.

Lou Monville of the Inland Economic Growth & Opportunity (IEGO) indicated that the local County Offices of Education, local school districts, and local universities are doing a good job of advancing IEGO's pipeline for those seeking advanced levels of training or certification, or a Bachelor's degree or better.

Dr. Karthick Ramakrishnan of University of California, Riverside, indicated that the purpose of IEGO is to increase the opportunities that provide middle class jobs, especially for those who may not have a four-year degree.

Major findings of a market assessment in partnership with the Brookings Institution indicate that the job growth and rising prosperity are notable, but obscure potential risk factors; a large portion of residents struggle to make ends meet; and recognizing these risks and challenges are possible through opportunity industries.

The region's economy has grown faster than the nation's. The drivers of this growth are predominantly in logistics, wholesale, health care, and retail. Most standard economic analyses do not believe that health care is a tradable sector.

Despite the growth, the region's prosperity has improved slower than the nation's. Even though the region has grown in jobs, there has not been a corresponding increase in wage growth.

There are racial and ethnic disparities in the region. Over 45% of the region's population, excluding government income, do not meet their needs; the struggling working class families. Half the people are working-age adults with nearly two-thirds who support families with children. They are disproportionately young, of color, and lack post-secondary credentials.

Good jobs pay family-supporting wages of over $18.00 per hour and at least 35 hours per week. Promising jobs pay less than $18.00 per hour. High-skilled jobs are good jobs or promising jobs, but are not accessible to those without at least a baccalaureate degree.

Of the projected rate of job growth, promising and good jobs are do not meet the growth potential. The region offers too few pathways to opportunity to serve a meaningful portion of struggling working age adults. The region has advantages to grow and improve pathways to opportunity for pre-baccalaureate workers.

Committee member Rusty Bailey asked for an example of advantages in the region.

Dr. Ramakrishnan responded that examples includes affordable housing, access to the Ports of Los Angeles and Long Beach, access to a large metropolitan area, and the weather.

Mr. Monville added that population growth, which is focused on K-12 education system, and the strong university base are also advantages.

Committee member Eugene Montanez asked how we keep graduating students here.

Mr. Monville responded that the challenge is that there are not the jobs to keep them here.

Committee member Rita Rogers asked how this information is delivered to the Superintendents and counselors throughout the County,

Committee member Judy White responded that one of her roles is to provide profwsi9onal development for all the counselors throughout the County.

Action: *1. Received and filed.*

6. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chairman was not in attendance.

7. REPORT FROM COMMITTEE REPRESENTATIVES

Debbie Franklin, Southern California Association of Governments' (SCAG) Community, Economic & Human Development Committee representative, reported that a presentation on economic indicators was provided, and the slides are available on SCAG's website.

Brian Tisdale, California Association of Councils of Governments (CALCOG) representative, reported that the Mineta Transportation Institute performs transportation studies, and will even perform studies based upon request. A discussion occurred on autonomous vehicles and local government need to set their own policies. CALCOG is working to provide training for Executives. Lastly, a strategic plan for the following year was discussed; initiatives include supporting and defending SB 1, promoting regional governments and transportation policies, sustainable development in infrastructure, cap and trade, affordable housing, and economic development. A discussion at the next meeting will include what CALCOG is, and how it represents agencies across the board.

8. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop, Executive Director, reported that Holiday Light Exchange events are underway; approximately 800 strings of new lights have been given away. WRCOG's office will be closed December 15 and 18, 2017, to accommodate the office move. Lastly, WRCOG is being honored again as a Top Workplace, as is the Western Municipal Water District.

9. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

10. GENERAL ANNOUNCEMENTS

Committee member Kevin Bash indicated that the 11th annual Pearl Harbor Ceremony is scheduled for December 7, 2017.

Committee member Rita Rogers provided funeral service information for past Mayor Daryl Busch.

12. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, January 8, 2018, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

13. ADJOURNMENT

The meeting adjourned at 2:40 p.m. in memory of Daryl Busch.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Local Match for Riverside Food Systems Model Study**

Contact: **Andrea Howard, Senior Analyst, ahoward@wrcog.us, (951) 405-6751**

Date: **January 8, 2018**

The purpose of this item is to *request Committee approval to sponsor a food systems model study, led by the City of Riverside and University of California, Riverside, in the amount of $40,000 ($10,000 per year over four years), to meet a required community match to complement a grant application to the Foundation for Food and Agriculture Research.*

Requested Action:

1. Approve the recommendation from the Administration & Finance Committee to award a sponsorship of $40,000 ($10,000 per year over four years) to the Food Systems Model Study, led by the City of Riverside and University of California, Riverside.

Sponsorship Request

WRCOG received a sponsorship request (Attachment 1) to provide a total of $40,000 in support for a regionally-beneficial initiative to increase the understanding of the regional food system to better promote health, equity, and economic opportunities. The Sponsorship would go directly to a Food Systems Model Study (Program), led by the City of Riverside and the University of California, Riverside.

On December 13, 2017, the Administration & Finance Committee recommended that WRCOG provide $40,000 to be paid in $10,000 installments each year for Fiscal Years 2017/2018 through 2020/2021. Program funding would come from the Agency's Program and Event Support budget line item, which currently has $50,000 remaining for FY 2017/2018. The Committee stipulated that sponsorship would be contingent upon the Program being successful in its pursuit of grant funding, and that once awarded, WRCOG staff work with Program staff to provide consistent updates on the Program results and potential regional applications through WRCOG's committee structure.

Background on Food Systems

A food system is the path that food travels from field to fork and includes all of the inputs needed and outputs generated at each step of food production. The food system is an integral part of a community and region and is often targeted for change due to its direct connection to health and the economy. The GrowRIVERSIDE Initiative and regional healthy communities' interventions have spurred multiple food system projects, many of which influence one another including access, quality, and affordability of food, and ultimately behavioral changes; these components can drastically impact and be impacted by vital parts of the community including the economy, health, and education.

Food Systems Model Study

A team representing University of California, Riverside, the City of Riverside, the Riverside Food Systems Alliance, Riverside Unified School District, and Kaiser Permanente are collaborating on a grant application to the Foundation for Food and Agriculture Research to seek funding to increase the understanding of the regional food system in an effort to better promote health, equity, and economic opportunities. If awarded, the grant would fund development of a dynamic Community, Economic and Resources Evaluation System Model, to leverage knowledge and data gained from a plethora of existing investments in food systems interventions with similar overarching goals in order to:

- Gain insights from these interventions to understand their interdependence and how those relationships may lead to sustainable solutions to promote health and increase economic opportunities;
- To better understand the complexities of the food system, how components of the food system influence one another, and which interventions work best in specific environments;
- Understand how these interventions can be changed or combined to optimize their impact on the food system, overall community health, and the economy;
- Identify the food systems transformations that require additional investments to further impact; and
- Develop a transferable model tool replicable for other communities.

Budget

The total grant application for the food systems study is for $600,000 over four years, which requires a 50% ($300,000) cash match from the community. The Study team has raised $240,000 in cash matches so far, including $200,000 from seven different colleges at the University of California, Riverside, and $30,000 from the City of Riverside. The project team has requested a $40,000 Program sponsorship from WRCOG to help fill the remaining $60,000 funding gap.

Alignment with Agency Goals and Sponsorship Policy

WRCOG staff conducted an assessment of the Study as it aligns with WRCOG's goals and objectives by applying the evaluation framework, or "Filter," that was developed during the October 2017 Joint Committee Agency Visioning Session. The Filter includes eleven questions, and results present preliminary findings based on staff's understanding of the potential project and could be modified based on additional information. Staff's assessment concluded that the study aligns with seven out of the first ten questions, as indicated below:

- ✓ 1. Will the program provide regional benefit – is the issue truly multi-jurisdictional?
- ✓ 2. Does the program show a strong nexus to the Agency's purpose and mission?
- ☒ 3. Will the program complement WRCOG's existing programs?
- ✓ 4. Is there a high potential to make a difference?
- ✓ 5. Does WRCOG have the resources to be effective?
- ✓ 6. Will WRCOG's involvement provide a strong return on investment or "bang for your buck"?
- ☒ 7. Is this issue not already being addressed by any other agency / agencies?
- ☒ 8. Is there something WRCOG can do that no other agency can?
- ✓ 9. Would WRCOG's involvement protect and support quality of life by promoting any one or more of the six quality of life promoting goal areas identified in the Sustainability Framework: economy, health, transportation, water / waste water, energy / environment, and education?
- ✓ 10. Is there a relevant model WRCOG could follow that other regional agencies have found to be effective to address this issue?

The eleventh and final question, "what other factors are important to consider with this particular issue?" provides an opportunity to make additional considerations as appropriate.

WRCOG staff also reviewed the sponsorship request alongside the Agency's adopted Sponsorship Policy, which describes WRCOG's ability to support events and/or organizations. Staff found the request to be in alignment with the Policy.

Prior Actions:

December 13, 2017: The Administration & Finance Committee recommended that the Agency sponsor the study in the amount of $40,000 to be paid in $10,000 installments over four years.

December 4, 2017: The Executive Committee directed the item to return to the Administration & Finance Committee for further discussion.

November 8, 2017: The Administration & Finance Committee recommended funding $40,000 towards the required local match over four years.

Fiscal Impact:

Funding for the requested amount is available in the Agency's FY 17/18 budget.

Attachment:

1. Completed Food Systems Sponsorship Request Form and WRCOG Sponsorship Policy.

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Item 5.B

Local Match for Riverside Food Systems Model Study

Attachment 1

Completed Food Systems Sponsorship Request Form and WRCOG Sponsorship Policy

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SPONSORSHIP REQUEST FORM

Today's Date:	December 7, 2017
Contact person:	Joyce Jong
Organization Name:	City of Riverside, on behalf of the grant team including University of California, Riverside, the City of Riverside, the Riverside Food Systems Alliance, Riverside Unified School District, and Kaiser Permanente
Address:	3900 Main St, Riverside, CA 92501
Phone / Fax / e-mail:	951-826-5265 / jjong@riversideca.gov
Name of event:	Local community match for the Riverside Food Systems Study
Event date, time, and location:	2018-2021, greater Riverside County area

Describe the event / program and who will be directly benefiting from sponsorships/ticket sales:

The requested funding would support a program led by the City of Riverside on behalf of a collection of local and regional agencies, including UC Riverside, the City, the Riverside Food Systems Alliance, Riverside Unified School District, and Kaiser Permanente to study food systems. The food system is an integral part of a community and region and is often targeted for change due to its direct connection to health and the economy. The GrowRIVERSIDE Initiative and regional healthy communities interventions has spurred multiple food system projects, many of which influence one another including access, quality, and affordability of food, and ultimately behavioral changes; these components can drastically impact and be impacted by vital parts of the community including the economy, health, and education.

Describe the desired or expected outcome of the event (amount of money raised, size of audience, # tickets sold, etc.):

The funding would serve to increase our understanding of the regional food system to better promote health, equity, and economic opportunities for all community members. With funding, the team will develop a dynamic model, dubbed CERES Model (Community, Economic and Resources Evaluation System), to leverage knowledge and data gained from a plethora of existing investments in food systems interventions with similar overarching goals in order to:

- gain insights from these interventions to understand their interdependence on each other that may lead to sustainable solutions to promote health and increase economic opportunities;
- to better understand the complexities of the food system, how components of the food system influence one another, which interventions work best in specific environments;
- understand how these interventions can be changed or combined to optimize their impact on the food system and overall community health and the economy;
- identify the food systems transformations that require additional investments to further impact; and
- develop a transferable model tool replicable for other communities.

Describe what level of sponsorship you are requesting (dollar level): $40,000 total ($10,000/year for 4 consecutive years)

What sponsor benefits does the sponsorship include (check all that apply to level indicated above):

__Banner Booth / table # of Comp tickets **Logo in ad / materials** **Other (explain):**

WRCOG would partner with the City to be recognized, through printed material, digital outlets, and other means, as a supporter throughout the duration of the study to advertise WRCOG's commitment to regional health, economic, and quality of life issues and promote WRCOG's leadership in the region.

Who are the other sponsors of the event, at what levels?

The team has been successful in raising $230,00 in cash support from other entities to date, including $200,000 from UC Riverside and $30,000 from the City of Riverside, as well as $500,000 in in-kind support from Kaiser Permanente, the Riverside Food Systems Alliance, and the Riverside Community Healthy Foundation. The team is reaching out to WRCOG and other community-based organizations to support the program and help close the funding gap.

Has your organization received a sponsorship from WRCOG in the past? If so, please indicate the date of the event, level of sponsorship, and outcome: N/A.

Please return this form to the attention of Rick Bishop at bishop@wrcog.cog.ca.us, or via mail to 4080 Lemon Street, 3rd Floor, MS 1032, Riverside, CA 92501, or via fax to (951) 787-7991.

Notification will be made within 30 days of receipt.

WESTERN RIVERSIDE COUNCIL OF GOVERNEMNTS
SPONSORSHIP POLICY

PURPOSE:

Agency sponsorships are provided for the purpose of aiding organizations in providing worthwhile community events by paying a portion of the costs. The purpose of this Policy is to set forth standardized criteria to be met by the requesting organization / event prior to submittal of a request for sponsorship, and to be followed by WRCOG in acting on the request for sponsorship.

POLICY:

I. Sponsorship

WRCOG receives numerous requests to sponsor or co-sponsor events, activities, individuals or groups. WRCOG has limited resources available for these sponsorship opportunities. Sponsorship is a discretionary act of the Executive Director that confers no legal rights in the sponsorship proceeds or assistance prior to actual delivery by WRCOG. No organization shall receive any sponsorship proceeds or assistance unless and until it meets all of the criteria and satisfies all of the conditions contained within this Policy, and said sponsorship has been approved and authorized by the Executive Director up to a total limit of $2,500 per event. Any sponsorship event or request above that amount will be approved and authorized by the WRCOG Administration & Finance Committee for amounts between $2,500 and $5,000. Any amount over $5,000 would require approval by the WRCOG Executive Committee.

All requestors must submit a *Sponsorship Request Form*.

II. Organization Eligibility

Criteria for organization/event eligibility for sponsorship are as follows:

A. Organization/event must demonstrate a purpose that correlates with/corresponds to activities being undertaken by WRCOG and/or are supportive of priority areas identified in WRCOG's Economic Development and Sustainability Framework; and / or
B. Organization/event is of sufficient educational interest that would be of value for WRCOG members who might consider attending the event.
C. Organization/event must not discriminate on the basis of age, race, sex, national origin, or any other status protected by law, must not primarily promote a specific religious or political organization or campaign and must not promote any unlawful activities.

III. Sponsorship Amounts

The amount of sponsorship proceeds or assistance shall be determined as follows:

4080 Lemon Street, 3rd Floor Annex, MS1032 • Riverside, CA 92501-3609 • (951) 955-7985 • Fax (951) 787-7991 • www.wrcog.cog.ca.us

A. Depending on availability of resources, the WRCOG will establish a budgetary line item per fiscal year to be used for sponsorship opportunities. The amount total amount of the sponsorships shall not exceed the budgeted amount.
B. The maximum sponsorship for any qualified organization and event shall be at the discretion of the Executive Director in amounts up to $2,500. *Requests for between $2,500 and $5,000 will be referred to the Administration & Finance Committee for consideration and requests for over $5,000 will be referred to the Executive Committee for consideration.*

C. Sponsorship amounts or assistance shall not be utilized to cover the cost of insurance.

D. The Executive Director may require the party requesting funds to execute a sponsorship agreement with WRCOG.

IV. Approval

A. No sponsorships shall be funded until approved by the Executive Director, Executive Committee or Administration & Finance Committee, as appropriate.

V. Other Requirements

A. Organization / event shall agree to list WRCOG as an official sponsor of the event in any promotion of the event.
B. Organization / event shall coordinate and work directly with the WRCOG staff to obtain and distribute any materials that might be appropriate for the event.

VI. Exemptions

This Policy shall not apply to events or organizations that are specifically budgeted for in the Agency's Annual Budget.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Finance Department Activities Update Including Agency Audit and Annual TUMF Compliance Review by Agencies**

Contact: **Ernie Reyna, Chief Financial Officer, ereyna@wrcog.us, (951) 405-6740**

Date: **January 8, 2018**

The purpose of this item is to *provide an update on the financial audit of Fiscal Year (FY) 2016/2017, 2nd Quarter Budget Amendments for FY 2017/2018, and the annual TUMF compliance review for FY 2016/2017. Information regarding an Agency-wide compensation study is also provided.*

Requested Action:

1. Receive and file.

FY 2016/2017 Financial Audit

Auditors from Rogers, Anderson, Malody, & Scott (RAMS) concluded the interim and final fieldwork portion of the financial audit for the Agency. RAMS reviewed payroll, accounts payable, and all other areas of WRCOG's accounting system. The final draft of the financial statements was reviewed by the Finance Directors Committee on October 26, 2017, and the final Comprehensive Annual Financial Report (CAFR) was issued on October 31, 2017. The Administration & Finance Committee reviewed the report on December 13, 2017. Item 5.J contains the final CAFR, along with the Internal Controls and Management Discussion letters.

2nd Quarter Budget Amendment

December 31, 2017, marked the end of the second quarter for FY 2017/2018 and it is anticipated that the Executive Committee will receive the report on March 5, 2018. Prior to that meeting, it is anticipated the Finance Directors Committee will receive the report on January 25, 2018, the Administration & Finance Committee on February 14, 2018, and the Technical Advisory Committee on February 15, 2018.

Annual TUMF Review of Participating Agencies

WRCOG is conducting reviews of TUMF collections by participating agencies for FY 2016/2017. The reviews provide WRCOG an opportunity to meet with staff that are assigned to TUMF, including planning, public works, and finance staff. During the review, WRCOG randomly selects remittance reports to review and verify that the correct land use type was used and that fees were calculated properly. The reviews concluded in December 2017, and staff expects to issue reports to City Managers / agency heads in January 2018.

Financial Report Summary through October 2017

The Agency Financial Report summary, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, through October 2017, is provided as Attachment 1.

Prior Action:

December 13, 2017: The Administration & Finance Committee received and filed.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – October 2017.

Item 5.C

Finance Department Activities Update Including Agency Audit and Upcoming Annual TUMF Compliance Review by Agencies

Attachment 1

Financial Report summary – October 2017

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Western Riverside Council of Governments
Monthly Budget to Actuals
For the Month Ending October 31, 2017

Revenues	Approved 6/30/2018 Budget	Thru 10/31/2017 Actual	Remaining 6/30/2018 Budget
General Assembly	300,000	18,800	281,200
WRCOG HERO Residential Revenue	816,771	478,369	338,402
CA HERO Residential Revenue	7,639,575	1,811,919	5,827,656
The Gas Company Partnership	50,000	6,521	43,479
SCE WREP Revenue	75,000	21,302	53,698
WRCOG HERO Residential Recording Revenue	182,775	93,060	89,715
CA HERO Residential Recording Revenue	1,508,036	307,725	1,200,311
CA First Residential Revenue	167,000	17,034	149,966
CA First Residential Recording Revenue	86,000	5,832	80,168
Other Misc Revenue	-	5,921	(5,921)
Solid Waste	117,100	22,837	94,263
Active Transportation Revenue	150,000	80,567	69,433
RIVTAM Revenue	-	25,000	(25,000)
Air Quality-Clean Cities	137,500	26,000	111,500
Commercial/Service - Admin Portion	101,097	30,421	70,676
Retail - Admin Portion	118,867	47,451	71,416
Industrial - Admin Portion	249,133	99,500	149,633
Residential/Multi/Single - Admin Portion	1,045,779	293,576	752,203
Multi-Family - Admin Portion	129,787	34,644	95,143
Commercial/Service - Non-Admin Portion	2,426,945	730,114	1,696,831
Retail - Non-Admin Portion	2,852,820	1,138,830	1,713,989
Industrial - Non-Admin Portion	5,979,195	2,388,011	3,591,184
Residential/Multi/Single - Non-Admin Portion	25,098,070	6,943,595	18,154,475
Multi-Family - Non-Admin Portion	3,114,890	831,465	2,283,425
Total Revenues	**62,996,435**	**15,458,496**	**47,537,939**
Expenditures			
Wages & Salaries	2,584,095	680,586	1,903,509
Fringe Benefits	739,956	236,829	503,126
Total Wages and Benefits	3,384,051	917,415	2,466,635
			-
Overhead Allocation	2,219,371	732,311	1,487,060
General Legal Services	590,233	256,075	334,158
Audit Fees	27,500	10,200	17,300
Bank Fees	29,000	20,959	8,041
Commissioners Per Diem	62,500	14,550	47,950
Office Lease	427,060	34,312	392,748
WRCOG Auto Fuel	750	184	566
WRCOG Auto Maintenance	100	16	84
Parking Validations	4,775	1,200	3,575
Event Support	112,600	24,033	88,567
General Supplies	66,536	3,883	62,653
Computer Supplies	12,500	1,943	10,557
Computer Software	18,000	12,837	5,163
Rent/Lease Equipment	35,000	9,835	25,165
Membership Dues	31,950	6,636	25,314
Subcriptions/Publications	6,500	180	6,320
Meeting Support/Services	12,100	2,260	9,840

Postage	8,155	2,039	6,116
Other Household Expenditures	4,880	1,050	3,831
Storage	1,000	4,777	(3,777)
Computer Hardware	1,000	1,643	(643)
Misc. Office Equipment	-	688	(688)
Communications-Regular	1,000	3,328	(2,328)
Communications-Long Distance	500	76	424
Communications-Cellular	12,677	2,640	10,037
Communications-Comp Sv	75,000	18,252	56,748
Communications-Web Site	5,600	266	5,334
Equipment Maintenance - General	11,000	4,534	6,466
Equipment Maintenance - Computers	25,000	6,406	18,594
Insurance - General/Business Liason	72,950	32,756	40,194
PACE Recording Fees	1,862,811	269,749	1,593,062
Seminars/Conferences	24,550	4,555	19,995
General Assembly Expenditures	304,200	8,154	296,046
Travel - Mileage Reimbursement	15,700	6,237	9,463
Travel - Ground Transportation	13,100	693	12,407
Travel - Airfare	28,704	3,983	24,721
Lodging	17,850	2,645	15,205
Meals	10,419	1,682	8,737
Other Incidentals	13,358	4,777	8,581
Training	14,321	7,647	6,674
Supplies/Materials	35,117	281	34,836
Consulting Labor	4,159,928	251,247	3,908,681
Consulting Expenses	72,865	36,209	36,656
TUMF Project Reimbursement	39,000,000	6,517,994	32,482,006
BEYOND Expenditures	2,052,917	198,276	1,854,641
Computer Equipment Purchases	41,204	5,058	36,146
Office Furniture Purchases	315,000	146,897	168,103
Total General Operations	61,741,206	8,675,954	53,065,252
Total Expenditures	**65,125,257**	**9,593,369**	**55,531,887**

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: **January 8, 2018**

The purpose of this item is to *provide the Committee with an update on City Council approval of Program Participation, and acquisition process schedule.*

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. The overall goal of the Program is to provide significant cost savings to 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, reduced energy use, and improvements in public safety). 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.

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

Regional Streetlight Acquisition Update

To date, 11 jurisdictions (listed below) have decided to move forward and have signed Purchase and Sales Agreements to acquire current SCE-owned streetlights within their jurisdictional boundaries. Collectively, these account for nearly 48,000 streetlights within Western Riverside County. Once each Agreement is signed by the jurisdiction, SCE will transmit the Agreement to the California Public Utilities Commission (CPUC) for review and approval.

On August 30, 2017, SCE filed the City of Murrieta's application with the CPUC. Murrieta is the first city in Western Riverside County to enter this phase of the process. On October 10, 2017, the CPUC approved the City's application.

On September 25, 2017, SCE filed the City of Temecula's application with the CPUC. Temecula is now the second city in Western Riverside County to enter this phase of the process.

On November 8, 2017, SCE filed the City of Eastvale's application with the CPUC. The City of Eastvale is the third city in Western Riverside County to enter the process of approval, with the remaining eight jurisdictions nearing this stage. On December 8, 2017, the CPUC approved the City's application.

Staff will continue to keep WRCOG Committees updated as jurisdictions progress through the acquisition process.

Acquisition Process Schedule: The table below provides the estimated status for each jurisdiction participating in the Program. While the Cities of Eastvale, Murrieta, and Temecula have advanced to the CPUC for approval of streetlight acquisition, the eight remaining jurisdictions are awaiting SCE's submission of the Agreements to the CPUC. Staff estimates the next batch of WRCOG cities will advance to the CPUC in early 2018. The below timeline of acquisition approval activities 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	SCE executes agreement	SCE sends to CPUC	CPUC approves streetlight transfer	City approves program participation
Eastvale	4/12/2017	✓	✓	12/8/2017	
Hemet	3/14/2017	✓			
JCSD	3/13/2017	✓			
Lake Elsinore	1/24/2017	✓			
Menifee	2/15/2017				
Moreno Valley	3/21/2017	✓			
Murrieta	3/7/2017	✓	✓	9/29/2017	12/19/2017
Perris	3/28/2017	✓			
San Jacinto	3/28/2017	✓			12/19/2017
Temecula	2/28/2017	✓	✓	Est. Q4 2017	
Wildomar	3/8/2017	✓			

Streetlight Program Participation

WRCOG staff are coordinating with jurisdictional staff to take the next step in Program participation which would enroll jurisdictions in the financing and administrative services that are offered through the Regional Streetlight Program. Over the past year, staff met with jurisdictional staff to discuss and receive feedback on draft financial agreements and programmatic services that the Program offers. As part of the next step of the Program, jurisdictional staff will seek direction from Boards / City Councils to identify the level of participation in services offered by the Program. The Program participation package that jurisdictions are taking action on includes the following items:

1. **Financing Resolution:** This document will be approved at City Council / Board meetings to authorize the financing. The Resolution will define a "Not to Exceed" amount including an amount adequate to cover any contingencies that may be identified during the true-up or retrofit process.

2. **Equipment Lease / Purchase Agreement:** Defines all of the lease definitions, city covenants, and details related to the terms of the lease. The financing terms will be updated prior to the closing date, to include the final amount borrowed, interest rate, and payment schedule.
3. **Escrow Agreement:** Governs the account that will be set up for the jurisdiction at Banc of America with the proceeds of the lease. Rather than the jurisdiction receiving monies at the closing, all funds will be deposited to the escrow account for payment of invoices submitted by the jurisdiction for payments made to SCE for acquisition and Siemens / WRCOG for retrofit services.
4. **Implementation Agreement:** This agreement is between the jurisdiction and WRCOG for program management services associated with the aggregated services provided for the acquisition, retrofitting and ongoing O&M.
5. **Paying Agent Agreement:** This agreement identifies Wells Fargo as the paying agent, whose role is to support the ongoing payments made to multiple parties under the Program. In an effort to streamline the processing needed by the cities, WRCOG / PFM set this up so that the jurisdiction would make single payments, semi-annually, to the paying agent for all components of the Program in which the jurisdiction is participating. Therefore, twice a year, in December and June, the jurisdiction will make a payment that will include the debt service (principal and interest) paid to Banc of America, as well as administrative services, O&M, and, in later years, re-lamp reserve. The paying agent will then disburse the funds in the schedule amounts to the correct parties without the jurisdiction having to schedule multiple payments.

As part of this program, a suite of regional programmatic management and administrative services will be offered through WRCOG and include but are not limited to:

1. Administration of Retrofit, Operations, & Maintenance contract (Siemens)
2. CEQA support
3. Promote / market streetlight outage call center
4. Update jurisdictional GIS files to include streetlight acquisition and retrofit data
5. Develop and process incentive / rebate applications
6. Develop retrofit schedule and shipping logistics
7. Develop pole identification tags and nomenclature system
8. Regular reports to jurisdictions
9. Regular WRCOG committee updates
10. Ongoing regulatory and legislative tracking related to streetlights and rates associated (ex: SB 649)

On December 19, 2017, the Cities of Murrieta and San Jacinto took the following actions to their City Council for the approval of Program participation: 1) Financing Resolution, 2) Equipment Lease Purchase Agreement, 3) Escrow Agreement, 4) Implementation Agreement, and 5) Paying Agent Agreement. Both Cities approved of the agreements and have taken the next step in the financing process for the acquisition of the streetlights from SCE. WRCOG staff will continue to work with the remaining nine jurisdictions to assist with scheduling dates to obtain action of Program participation in 2018.

WRCOG Staff will be in contact with the remaining jurisdictions to begin scheduling Council dates within Q1 of 2018. Please contact Tyler Masters, at (951) 405-6732 or at tmasters@wrcog.us.

Prior Action:

December 4, 2017: The Executive Committee 1) adopted WRCOG Resolution Number 47-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making findings that the maintenance and repair program for the streetlights is exempt from the California Environmental Quality Act, approving the maintenance and repair program, and authorizing the execution of certain agreements in furtherance of the Program; and 2) directed staff to file a Notice of Exemption with the Riverside County Clerk within five working days of approval of this proposed project.

Fiscal Impact:

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

Attachment:

None.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Environmental Department Activities Update**

Contact: **Dolores Badillo, Senior Analyst, dbadillo@wrcog.us, (951) 405-6735**

Date: **January 8, 2018**

The purpose of this item is to *provide an update on the Used Oil and Filter Exchange Program and events, and the status of community outreach activities.*

Requested Action:

1. Receive and file.

WRCOG's Solid Waste Program assists member jurisdictions with addressing state mandates, specifically Assembly Bill (AB) 939 (1989), which requires diversion of waste from landfills. Each year, a jurisdiction must file an Electronic Annual Report (EAR) with CalRecycle on the jurisdictions' achievements in meeting and maintaining the diversion requirements. The Solid Waste Program also has a Regional Used Oil component designed to assist member jurisdictions in educating and promoting proper recycling and disposal of used oil, oil filters, and Household Hazardous Waste (HHW).

Used Oil Payment Program

The California Oil Recycling Enhancement Act provides funding to cities and counties for establishing and maintaining local used oil collection programs to encourage recycling and proper disposal of used oil and oil filters. CalRecycle recently released notices to jurisdictions regarding the Used Oil Payment Program 8 (OPP 8) funding. For the past 20 years, WRCOG has administered the Used Oil and Oil Filter Exchange Program, as well as HHW regional programs on behalf of participating member jurisdictions. Currently, the Cities of Banning, Calimesa, Canyon Lake, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Murrieta, Norco, San Jacinto, Temecula, and Wildomar are included in the Program.

Used Oil and Filter Exchange Events

WRCOG's Used Oil and Oil Filter Exchange events help educate and facilitate the proper recycling of used motor oil and used oil filters. The primary objective is to educate "Do It Yourself" (DIY) individuals who change their own oil, as well as promote recycling of used oil and oil filters to avoid these contaminants being disposed directly into the environment; therefore, an auto parts store is a great venue for these events. In addition to promoting used oil / oil filter recycling, staff provides information about the county-wide HHW Collection Program, which allows residents to drop-off other automotive and household hazardous products for free. Staff are now utilizing an electronic survey on an iPad to interact with residents at these events and collect information to help better inform community members of future opportunities to recycle used oil. Staff recently participated in the following Used Oil events in the subregion:

Date	Event	Location
11/18/2017	City of Riverside Used Oil Event	AutoZone 4980 La Sierra Ave.
12/2/2017	City of Perris Used Oil Event	O'Reilly 119 West Nuevo Rd.
12/16/2017	City of Eastvale Used Oil Event	AutoZone 14228 Schleisman Rd.
1/6/2018	City of Murrieta Used Oil Event	AutoZone 40950 California Oaks Rd.

The following is a list of upcoming Used Oil Outreach and Oil Filter Exchange Events:

Date	Event	Location	Time
1/20/2018	City of Banning Used Oil Event	AutoZone 3453 Ramsey Street Mission Blvd.	9:00 a.m. – 12:00 p.m.
1/27/2018	City of San Jacinto Used Oil Event	AutoZone 1540 S. San Jacinto Ave.	9:00 a.m. – 12:00 p.m.
2/3/18	City of Norco Used Oil Event	AutoZone 1404 Hamner Ave.	9:00 a.m. – 12:00 p.m.
2/17/18	City of Riverside Used Oil Event	AutoZone 7315 Indiana Ave	9:00 a.m. – 1:00 p.m.

Social Media Campaign

The Used Oil and Filter Exchange Program relies on marketing and promotion efforts to drive residents to the various events around the region. These events educate and increase awareness about local used oil collection and disposal resources. Staff has embarked on a digital advertising campaign for the Program that will focus on driving Facebook RSVPs to upcoming Used Oil Recycling Program events in January and February. The lessons learned from this campaign can be applied to future outreach initiatives, either online or offline.

Meetings and Conferences

Staff periodically attends and hosts meetings that focus on how agencies can promote and educate residents and businesses on the environmental and health benefits of recycling, legislation pertaining to waste and recycling, and best practices.

Household Hazardous Waste Information Exchange: Staff will attend a CalReycle-sponsored Southern California Household Hazardous Waste Information Exchange on January 18, 2018. The Exchange is a forum of Household Hazardous Waste professionals that share program ideas and exchange information among the industry. In general, products like oil, paint, pesticides, household cleaners, building materials and other special wastes found around a home are required to be disposed of or recycled properly to protect the public health and environment. Meetings take place every few months in northern and southern California, rotating locations hosted by different jurisdictions. This quarter's event will be hosted by the City of Anaheim.

Prior Action:

December 4, 2017: The Executive Committee received and filed.

Fiscal Impact:

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

Attachment:

None.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Western Riverside Energy Partnership Activities Update**

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

Date: **January 8, 2018**

The purpose of this item is to *provide the Committee with information on the results from the 2017 LED Holiday Light Exchange & Energy Efficiency starter kit giveaways.*

Requested Action:

1. Receive and file.

The Western Riverside Energy Partnership (WREP) responds to Executive Committee direction for WRCOG, Southern California Edison (SCE), and 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.

2017 LED Holiday Light Exchange & Energy Efficiency Starter Kit Give-Aways

WRCOG hosted its 4th Annual LED Holiday Light Exchange and Energy Efficiency Starter Kit Giveaways, in coordination with its WREP partners, SCE and SoCal Gas. Staff attended five holiday-themed community events across Western Riverside County this past holiday season to provide residents with new LED holiday lights and energy efficiency kits (which included a low flow shower head and three faucet aerators). During the 2017 Holiday Program, staff provided over 900 holiday lights and over 80 energy efficiency kits, which represents assistance for over 450 households.

The Holiday Program originated in 2014 with the holiday lights exchange, which allowed 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 have 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 that have participated in the Holiday Light and Energy Efficiency Kit Program.

2017 LED Holiday Light Exchanges took place at the following events:

City	Event	Date
Jurupa Valley	3rd Annual Tree and City Hall Lighting	12/1/17
Lake Elsinore	WinterFest	12/2/17
Hemet	Christmas Parade	12/2/17
Moreno Valley	Snow Day and Holiday Tree Lighting	12/2/17
Menifee	Christmas Tree Lighting Ceremony	12/9/17

Prior Action:

December 4, 2017: The Executive Committee directed the Executive Director to execute the Seventh Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program, including the continuation of the Western Riverside Energy Leader Partnership, through year 2018, substantially as to form.

Fiscal Impact:

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

Attachment:

None.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Western Community Energy Activities Update**

Contact: **Barbara Spoonhour, Director of Community Choice Aggregation Development, bspoonhour@wrcog.us, (951) 405-6760**

Date: **January 8, 2018**

The purpose of this item is to *provide the Committee with an update on the status of implementing Western Community Energy, a Community Choice Aggregation for participating jurisdictions in the subregion.*

Requested Action:

1. Receive and file.

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA (Assembly Bill 117) was chaptered in September 2002 and allows for local jurisdictions to form a CCA for this purpose. Several local jurisdictions throughout California are pursuing the formation of CCAs as a way to provide local control in rate-making, and potentially lower energy costs and/or provide a "greener" energy supply. WRCOG's Executive Committee has directed staff to pursue the feasibility of CCA for Western Riverside County.

California Public Utilities Commission Draft Resolution E-4907

On December 8, 2017, WRCOG staff received notification that the California Public Utilities Commission (CPUC) was going to hear an item on Draft Resolution E-4907 at its January 11, 2018, meeting, which has now been extended until its February 2018 meeting. Due to the timelines outlined in the Draft Resolution, if adopted by the CPUC, Western Community Energy would be prohibited from serving customers until 2020. WRCOG sent the attached letter (Attachment 1) to the Commissioners and staff prior to the holidays and WRCOG staff is in the process of requesting meetings and conference calls to discuss the Draft Resolution.

According to CPUC staff, the CPUC, through this Draft Resolution, proposes an informal process of review of CCA Implementation Plans pursuant to the requirements and directives of Public Utilities Code Section 366.21 and Decision (D.) 05-12-041. This process of review will coordinate with the timeline of the mandatory forecast filings of the CPUC's Resource Adequacy Program to ensure that newly launched and expanding CCAs comply with Resource Adequacy requirements, as established by Section 380, before they serve customers.

Power Charge Indifference Adjustment (PCIA) Update

There is an upcoming two-day workshop regarding the PCIA, commonly referred to as "Exit Fees," intended to provide a forum for a data-based discussion of 1) cost responsibilities and 2) going-forward solutions.

As background, on June 29, 2017, the CPUC opened a proceeding (R17-06-026, which WRCOG and CVAG are party to) to consider alternatives to the amount that CCA and Direct Access customers pay in order to keep remaining Investor Owned Utility (IOU) customers financially unaffected by their departure, which is required by legislation. Legislation also requires that departing customers do not experience cost increases as a result

of an allocation of costs that were not incurred on behalf of the departing load. The PCIA is the mechanism to ensure that customers who remain with the utility do not end up taking on the long-term financial obligations the utility incurred on behalf of now-departed customers. Examples of such financial obligations include utility expenditures to build power plants and, more commonly, long-term power purchase contracts with independent power producers.

Workshop Location:

California Public Utilities Commission
Auditorium
505 Van Ness Avenue
San Francisco, CA
January 16, 2018, 10:30 a.m. to 4:00 p.m.
January 17, 2018, 10:00 a.m. to 4:00 p.m.

Prior Actions:

December 4, 2017:	The Executive Committee received and filed.
November 6, 2017:	The Executive Committee received and filed.
October 19, 2017:	The Technical Advisory Committee 1) provided direction on establishing potential enrollment periods to join Western Community Energy.
August 7, 2017:	The Executive Committee 1) approved the CCA Joint Powers Agreement and Bylaws template, recognizing that it is a draft document to be finalized at a later time by the CCA; 2) approved the template agreement between WRCOG and the CCA for staffing services; 3) directed and authorized the Executive Director to negotiate and enter into an agreement with The Energy Authority to provide CCA Operational Services; and 4) directed the Executive Director to negotiate an agreement with EES for rate setting and regulatory services as described herein and direct legal counsel to submit a request for an opinion from the FPPC regarding conflict of interest concerns with said contract.
July 12, 2017:	The Administration & Finance Committee recommended the Executive Committee 1) approve the CCA Joint Powers Agreement and Bylaws; 2) approve the draft agreement between WRCOG and the CCA for staffing services; 3) direct and authorize the Executive Director to negotiate and enter into an agreement with The Energy Authority and EES Consulting to provide CCA Operational Services; and 4) authorize and direct the Executive Director to enter into an agreement, substantially as to form, not to exceed $100,000 with The Creative Bar for branding and marketing services.

Fiscal Impact:

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

Attachment:

1. WRCOG Response Letter to CPUC on Draft Resolution E-4907.

Item 5.G

Western Community Energy Activities Update

Attachment 1

WRCOG Response Letter to CPUC on Draft Resolution E-4907

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December 20, 2017

President Picker and Honorable Commissioners
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: California Public Utilities Commission Draft Resolution E-4907

Dear President Picker and Honorable Commissioners:

On behalf of the Western Riverside Council of Governments (WRCOG) regarding Draft Resolution E-4907 (Draft Resolution), scheduled for Commission adoption on January 11, 2018, I request that Draft Resolution be removed from the Commission's January agenda for the reasons discussed in this letter.[1] We are deeply troubled by the timing and implications of the Draft Resolution, which proposes to institute a new registration system for CCAs. We further request that Commissioners and Energy Division staff meet with WRCOG and the elected officials of its interested member agencies in the next two weeks.

WRCOG is a joint powers authority (JPA) representing 18 cities, the County of Riverside, two regional water districts, the County Superintendent of Schools, and the Morongo Band of Mission Indians. WRCOG's members work together to make government more efficient, and to pursue unique ways of improving quality of life while respecting distinct community values. WRCOG's diverse initiatives are considered by many as regional, state, and national best practices.

WRCOG is currently in the process of forming a CCA, called Western Community Energy, which would serve up to 180,000 accounts in its first year at an average annual load of 2.2 million MW. WRCOG has been deliberate in its approach to CCA consideration; our examination of CCA feasibility dates back to 2015 when we partnered with the Coachella Valley Association of Governments (CVAG) and the San Bernardino Associated Governments (SANBAG) to co-fund a study to assess regional CCA feasibility. Upon completion of the Feasibility Study, the WRCOG's Executive Committee voted to proceed with the formation of a separate JPA for the region to administer Western Community Energy. Cities are in the process right now of joining this JPA, which is expected to launch in August 2018. However, under the Draft Resolution, Western Community Energy would be delayed in its launch for another two years, until January 1, 2020.

The timing associated with the Draft Resolution's introduction and adoption is alarming. The Draft Resolution was agendized on Friday, December 8, 2017, and proposes an expedited comment and adoption timeline of one month. The ability to meaningfully participate in an open, administrative process is eliminated due to this unreasonably short timeframe. There are a significant number of issues on which to comment, including review of stranded cost data. During the holidays, many city councils, particularly those in smaller communities, have reduced their public meetings. Because of

[1] This letter is an ex parte request for the Commission to remove the agenda item and grant meetings with WRCOG staff and its representative officials. WRCOG reserves the ability to file a formal comment letter by December 29, 2017 with detailed discussion of the legal and policy issues raised herein.

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this, it is simply not practical for us, within one month, to obtain formal and meaningful comment from our member agencies by the December 29, 2017 comment deadline and schedule meetings with the Commission to discuss the Draft Resolution's impacts on CCAs.

Even more perplexing are the supposed problems with the Resource Adequacy (RA) planning process that the Draft Resolution concludes are in need of fixing. The Draft Resolution alleges that CCA formation and expansion threatens RA planning in that emerging and expanding CCAs do not adequately participate in the Commission's process. Further, the Draft Resolution makes the bold assertion that IOU costs will be stranded with no analysis of how the Energy Division reached its conclusions and if or how the data was analyzed. The factual record on which this is based consists of "confidential" PG&E market data that has not been made available for public or third party review. Yet to date, eight CCAs have formed and participated in the RA planning process without any negative feedback from the Commission or the IOUs. Therefore, the RA "problem" cannot be readily scrutinized or verified by the public and thus there is no showing of why the registration process and CCA implementation delays are warranted. Without further discussion and analysis, the Draft Resolution effectively functions as and can be considered a "CCA freeze," something that the California Legislature recently declined to pursue.

In addition, the Draft Resolution proposes a formal meet and confer process without any indication of why the current process is not working. Since 2015, WRCOG has met and continues to meet with several interested cities to move its CCA implementation forward. This has included numerous public meetings, with 39 presentations to potential members in the last six months alone. Throughout this process, WRCOG has maintained a strong working relationship with Southern California Edison (SCE), having met with its President and Vice Presidents (including the VP of Power Procurement to discuss the IOU PAM proposal), and monthly meetings with SCE staff. WRCOG has been diligent in its CCA planning efforts and has prioritized giving cities the opportunity to discuss with their constituents the impacts of a CCA. Under this Draft Resolution, WRCOG will now be penalized for not rushing through the CPUC's processes and for prioritizing a transparent, thorough CCA consideration effort. This sends a terrible message to those who are committed to a diligent examination of CCAs.

Not only does the proposed registration significantly delay WRCOG's implementation, a two-year delay will likely result in higher implementation costs due to a substantially extended schedule and lost opportunity costs based on current pricing in the power market. To date, WRCOG has expended over $400,000 on its feasibility study, governing documents, outreach, program development and consultant costs. Our governing board recently selected several firms for CCA implementation services and power procurement. Under the proposed registration system, however, those contracts would be interfered with and put on hold. This results in an inefficient use of public funds, particularly when WRCOG has relied on the statutory grant of authority from the Legislature to form a CCA.

Lastly, the Draft Resolution contains significant legal issues. The Commission's Rules of Practice and Procedure encourage legal review of an item upon a Commissioner agendizing it on his or her own motion. In this case, it does not appear that such a review was done and that it was written hastily as evidenced by formatting errors and typos. The Draft Resolution relies on unsubstantiated data that has not been reviewed by the public or verified in third party review. It does not analyze or consider alternatives to the RA planning process. It also appears to deal with RA planning issues and stranded costs issues that can and should be addressed in other open Commission proceedings, such as the RA proceeding and the PCIA proceeding. For these reasons, among others, the Draft Resolution appears to be in conflict with applicable state law, such as the Administrative Procedure Act.

We encourage the Commission to immediately remove the item from the Commission's January 11, 2018 calendar and meet with the CCA community to discuss RA planning and CCA formation issues. Deletion of the item should be done prior to numerous entities having to submit costly and lengthy written comments. Should the Commission decline to take the item off the agenda, we encourage individual Commission members to vote no.

We look forward to working with you and your staff on this item. If you have any questions, please contact me at (951) 258-5047 or rbishop@wrcog.us.

Sincerely,

Rick Bishop
Executive Director

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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: **January 8, 2018**

The purpose of this item *is to update the Executive Committee 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 WRCOG standing Committee meetings that have taken place since the last Executive Committee meeting.

Prior Action:

December 4, 2017: The Executive Committee received and filed.

Fiscal Impact:

This item is informational 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.H

WRCOG Committees and Agency Activities Update

Attachment 1

WRCOG Committees Activities Matrix (Action items only)

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WRCOG Committees Activities Matrix (Action Items Only)	Executive Committee	Administration & Finance Committee	Technical Advisory Committee	Planning Directors Committee	Public Works Committee	Finance Directors Committee	Solid Waste Committee
Date of Meeting:	**12/4/2017**	**12/13/2017**	**Did not meet**	**12/14/2017**	**12/14/2017**	**Did not meet**	**Did not meet**
Current Programs / Initiatives:							
Regional Streetlights Program	1) Adopted WRCOG Resolution Number 47-17; 2) Directed staff to file a Notice of Exemption with the Riverside County Clerk within five working days of approval of this proposed project.	n/a		n/a	n/a		
Property Assessed Clean Energy (PACE) Programs	1) Executive Committee received WRCOG PACE Program Summary; 2) conducted a Public Hearing regarding the inclusion of the City of Petaluma; 3) adopted WRCOG Resolution Number 46-17; 4) authorized the Executive Director to continue utilizing Baker Tilly to conduct future operational analyses / audits of its residential PACE Programs; 5) authorized the Executive Director to execute a Professional Service Contract with Baker Tilly for operational analysis / audit of Renovate America, in an amount not to exceed $140,000 for the Fiscal Year 2016/2017.	Received and filed.		Received and filed.	n/a		
Community Choice Aggregation (CCA) / Western Community Energy	Received and filed.	n/a		n/a	n/a		
TUMF	1) Approved the proposed updates to the TUMF Administrative Plan; 2) approved the updated TUMF Calculation Hnadbook; 3) approved the updated TUMF Improvement and Credit Agreement template; 4) Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Heacock Street Widening Project in the amount not to exceed $611,000; 5) authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Right-of-Way Phase of the Heacock Street Widening Project in an amount not to exceed $311,000.	n/a		n/a	1/2) Recommended the Executive Committee to approve the TUMF Program Ad Hoc Committee's recommendation's to maintain the current administration and management structure of the TUMF Program as well as the TUMF Zone process; 3) Recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address a few areas including, expanding the types of projects that can be funded, formalizing a process for each zone to prioritize projects and updating the criteria used to determine how projects are added to the program throught the Study.		
Fellowship	n/a	n/a		n/a	n/a		
New Programs / Initiatives:							
EXPERIENCE	n/a	n/a		n/a	n/a		

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WRCOG Committees and Agency Activities Update

Attachment 2

Soundbites from recent Committee meetings

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Western Riverside Council of Governments
Administration & Finance Committee Meeting Recap
December 13, 2017

Agency FY 2016/2017 Audit & Comprehensive Annual Financial Report (CAFR)

- Auditors from Rogers, Anderson, Malody, & Scott concluded financial audit for the Agency and issued an unmodified opinion on the FY 2016/2017 CAFR, the highest form of assurance indicating Agency financials are both in good form and the accounting practices are solid.
- WRCOG expects to be awarded for the fifth consecutive year with the distinguished "Certificate of Achievement for Excellence in Financial Report" from the Government Finance Officers Association.

HERO Program Update on Interest Rates & Dealer Fees

- This past spring, the HERO program launched a new program designed to offer lower interest rates to property owners, known as HERO Promotional Rates (HPR). Since launching a large amount of contractors are now participating, resulting in significant financial savings for property owners.
- WRCOG and Renovate America, PACE partner for the WRCOG and California HERO Programs, instituted a new opportunity for participating contractors to offer lower interest rate plans to PACE combined with the addition of a contractor "dealer fee", the HERO Program has seen successful adoption of these rate plans and low levels of customer complaints, and will continue to keep the Committee updated on progress.

Regional Homelessness Efforts

- WRCOG is engaged in regional efforts to address homelessness through adoption of the Riverside County Homelessness Statement of Principles and participation in numerous working groups, both internal and external to the subregion.
- Additionally, WRCOG will provide $306,000 in BEYOND funding to support regional homelessness efforts, primarily for the Western Riverside Homelessness Coalition (a partnership of northwest jurisdictions) and the Southwest Riverside County Homelessness Alliance (a partnership of southwest jurisdictions), along with numerous non-profit partners including Path of Life Ministries.
- The BEYOND Teams are progressing with coordinated outreach to the homeless population, advocating a messaging campaign of "responsible compassion," inventorying/mapping of county-side services for the homeless, provision of training to volunteers and public safety, and coordination of code and law enforcement.
- WRCOG staff are engaged with each BEYOND Team group to ensure their efforts are complementary and will provide regular status reports to the Committee.

FY 2016/2017 Carryover Funds Allocated to Reserves

- WRCOG experienced a total of $4 million in FY 16/17 carryover revenues, of which $700,000 was allocated by the Executive Committee to continue the Public Service Fellowship and $500,000 was allocated by the Executive Committee to expand the Grant Writing Assistance Program.
- The Committee recommended the remaining $2.8 million be allocated to Agency reserves, bringing the total amount of Agency reserves to $4.6 million (including contributions from prior fiscal years).
- The Committee also recommended that at least $500,000 of these Agency reserves be specifically set aside for a PACE Program reserve, and adjust this amount moving forward as recommended by staff and Public Financial Management, WRCOG's financial advisor.

Sponsorship Provided for Riverside Food Systems Modeling Study

- The Committee approved a total of $40,000 ($10,000 to be allocated each year for four years from the WRCOG Sponsorship budget beginning in FY 17/18) to support the collaborative grant

application for a Riverside Food Systems Modeling Study, an effort involving UC Riverside, the City of Riverside, and numerous educational, non-profit, health, and community based partners.

- The Study, which seeks to provide strategies that are regionally applicable, will increase the understanding of the regional food system to better promote public health, equity, and economic opportunities.
- WRCOG staff will coordinate with representatives from the Study to provide regular updates to the Committee to demonstrate how Western Riverside County can benefit from the findings and employ the strategies developed by this effort.

Western Riverside Council of Governments
Planning Directors Committee Meeting Recap
December 14, 2017

Healthy Development Checklist

- With funding from WRCOG's BEYOND Program, Riverside University Healthy System—Public Health (RUHS-PH), contracted with Raimi + Associates to develop the Healthy Development Checklist, a planning tool intended to make health an early consideration in the development process and reduce the need for more costly health impact assessments.
- RUHS-PH and Rami + Associates staff presented the completed Checklist, which was tailored to address the unique health challenges of the Inland Empire, with input from planners and health professionals across Riverside and San Bernardino Counties.
- RUHS-PH is utilizing additional funding from Round II of BEYOND to support implementation of the Checklist by hosting trainings and workshops throughout the region.

WRCOG Grant Writing Assistance Program Expanded

- Due to the popularity of the Program WRCOG launched in early 2017, the Executive Committee has allocated an additional $500,000 to provide funding for a bench of grant writing consultants to assist member jurisdictions with grant application. See the Program webpage for more information.

WRCOG Awarded Funding for Adaptation Toolkit

- WRCOG and the San Bernardino County Transportation Authority (SBCTA) submitted a successful joint application to Caltrans for $683,431 to develop a Regional Climate Adaptation Toolkit.
- The Toolkit will include city-level, climate-related transportation hazards and evacuation maps; a climate resilient transportation infrastructure (or green streets) guidebook; and a regional climate adaptation and resiliency template, to support Senate Bill 379 compliance.
- As a part of the grant, WRCOG and SBCTA will also establish a regional ARCCA (Alliance of Regional Collaboratives for Climate Adaptation) network.

Western Riverside Energy Partnership (WREP) Renewed

- WRCOG renewed its seventh contract with Southern California Edison (SCE) and SoCal Gas to administer the WREP Program, which helps municipalities advance energy efficiency, reduce greenhouse gas emissions, increase renewable energy usage, and improve air quality.
- Participation in WREP also grants WRCOG and participant jurisdictions the opportunity to apply for funding through the SCE and SoCalGas Strategic Plan fund; WRCOG recently submitted an application for funding to offset a portion of the Agency's costs to fund the EXPERIENCE Feasibility Study, which will explore the opportunity of bringing an innovative, regional sustainability hub to Western Riverside County.

WRCOG Named Top Workplace in the Inland Empire

- For the second year in a row, the Press Enterprise has named WRCOG a Top Workplace!

Western Riverside Council of Governments
Public Works Committee Meeting Recap
December 14, 2017

TUMF Ad Hoc Committee Recommendations

- The PWC discussed recommendations from the TUMF Ad Hoc Committee that has been meeting since April 2017 to review a variety of topics related to TUMF, including the administration and management of the Program, Zone process, fee calculations, and the types of projects that can be funded. The PWC made the following recommendations to be considered by the Executive Committee:
    - Maintain the current administration and management structure of the TUMF Program.
    - Maintain the current structure of the TUMF Zone process.
    - Have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas:
        - Expanding the types of projects that can be funded by TUMF, including active transportation projects.
        - Formalizing a process for each TUMF Zone to prioritize projects within the Zone.
        - Updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

Annual TUMF Review of Member Agencies

- WRCOG is conducting reviews of TUMF collections by participating agencies for FY 2016/2017, which involves meeting with staff that are assigned to TUMF, and the random selection of remittance reports to review and verify that the correct land use type was used and that fees were calculated properly. Reviews concluded in December 2017 and final recap letters are expected to be distributed to each member agency in early 2018.

TUMF FY 2017/2018 Revenue Update

- Through the month of October, TUMF revenue collections are approximately $19 million. Below is a breakdown of revenue collections by zone for fiscal year 2017/2018:

Central Zone:	$7M
Hemet/San Jacinto Zone:	$1M
Northwest Zone:	$5M
Pass Zone:	$20K
Southwest Zone:	$6M
Total	**$19M**

Regional Transportation Summit Announcement

- The WRCOG Clean Cities Coalition is partnering with the City of Moreno Valley to host a Regional Transportation Summit on January 17, 2018 to feature latest trends in alternative fuels, transportation infrastructure, autonomous vehicles, funding for local jurisdictions, and other topics! Registration is free for WRCOG members and is available online here.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **BEYOND Team Application Update on Regional Homelessness**

Contact: **Cynthia Mejia, Staff Analyst, cmejia@wrcog.us, (951) 405-6752**

Date: **January 8, 2018**

The purpose of this item is to *update the Committee on the two BEYOND Team Grant applications that were approved for funding to address homelessness in Western Riverside County.*

Requested Action:

1. Receive and file.

BEYOND Program Overview

The BEYOND Framework Fund Program is designed to enable member agencies to develop and implement plans and programs aimed at improving quality of life in Western Riverside County by addressing the goals outlined in WRCOG's Economic Development and Sustainability Framework (the Framework). There are six Framework goal areas: economic development, health, education, energy & environment, water, and transportation.

Round I of BEYOND funded more than 30 projects from February 2016 through August 2017. Round II of BEYOND was approved on June 24, 2016, and expanded the Program to include a category of competitive funding titled BEYOND Team. On June 5, 2017, the Executive Committee allocated $79,000 each to two projects for the BEYOND Team category relating to homelessness. One is the "Southwest Regional Homeless Alliance," comprised of the Cities of Lake Elsinore, Menifee, Murrieta, Wildomar, Temecula and the Community Mission of Hope. Another is the "Western Riverside Homeless Collaborative" and is comprised of the Cities of Corona, Jurupa Valley, and Riverside, the County of Riverside, and Path of Life Ministries.

Southwest Regional Homeless Alliance

The Southwest Regional Homeless Alliance (SW Alliance), a collaboration between the southwest cities, the Community Mission of Hope, and other partners, are meeting routinely to discuss how each organization can contribute to the group's goals for alleviating homelessness in the subregion. Due to staffing changes and a physical relocation of the group's nonprofit partner, Community Mission of Hope, the City of Temecula has taken a lead role in convening regular meetings and communicating with all participating agencies. One of the first tasks that each jurisdiction engaged in was mapping available resources in their respective jurisdictions for individuals experiencing homelessness. In addition, all members of the SW Alliance have adopted common messaging for educating the community on how to help the homeless in an effective way. The theme of this communications campaign is "Responsible Compassion" and each participating agency is incorporating this message into their respective websites, printed door hangers, and resource guides to provide residents and businesses with suggested "do's and don'ts" when responding to panhandling. The purpose of the Responsible Compassion campaign is to inform residents and businesses in all neighboring jurisdictions of ways to support efforts that can minimize homelessness in their communities.

The southwest cities are continuing to work with numerous nonprofit, faith based and regional partners to reach out to those experiencing homeless across their neighboring cities. Some of the organizations represented include the Riverside University Health System, local police departments, Health to Hope Clinic and the Housing Crisis Response Center, among others. Altogether, the SW Alliance is working on streamlining public safety efforts, enforcing local ordinances, abating sites, conducting outreach to the homeless population and working to engage the public on what the city and/or organizations are doing to contain homelessness.

The City of Temecula is in the process of partnering with Path of Life Ministries to conduct additional outreach. It is also in the process of partnering with City Net, a nonprofit, volunteer-based organization, to navigate the City's housing opportunities and work with trained case managers to house unsheltered individuals. City Net is well known for its work in Orange County, particularly related to case management, outreach, and successfully housing over 400 individuals with a 92% housing retention rate.

The chart below summarizes the progress report the SW Alliance recently submitted to WRCOG for the BEYOND Program.

Milestone / Deliverable	Planned Date	Current Forecast	Status	Comments
Emergency Housing Program	October 2017	December 2017	In progress	
Implementation of Community Asset Assessment	May 2017	November 2017	In progress	Menifee – On-going Lake Elsinore – beginning Temecula/Murrieta – on-going
Hire PT Homeless Outreach Coordinator	August 2017	November 2017	In progress	Path of Life is our choice for this; agreement is in reviewing stage
Rapid Rehousing	October 2017	December 2017	In progress	
Hiring PT Housing Navigator	August 2017	November 2017	In progress	City Net has been chosen for this position; agreement is in review stage.

Western Riverside Homeless Collaborative

The $79,000 in BEYOND Team funds awarded to the Western Riverside Homeless Collaborative (NW Collaborative) was less than the requested amount of $94,293, so City staff leading the NW Collaborative modified the scope of work to fit the budget parameters. Before modifying the scope of work, staff met with the SW Alliance to ensure efforts were not being duplicated and communicate the group's short- and long-term goals. The NW Collaborative scope of work is as follows:

1. Hire a homeless facilitator to assist with faith-based coordination.
2. Undertake regional coordination among partnering agencies;
   a. Work with local law enforcement to address quality of life issues,
   b. Create and conduct case conferencing teams, and
   c. Attend housing navigation meetings to ensure homeless individuals are linked to Outreach Workers and/or Housing Navigators.
3. Develop training materials:
   a. Curriculum development, and
   b. Training videos for Understanding Homelessness, Outreach (including diversion), Coordinated Entry, Housing Location, and Housing Navigation.
4. Faith Summit:
   a. Engage faith-based organizations - Fill the role of Outreach, Peer Support, Case Management, Housing Navigator and Housing Locator,
   b. Identify properties available for the development of permanent supportive housing,
   c. Provide training opportunities for volunteers, and
   d. Donate to efforts that are providing housing to the homeless.

5. Faith-Based Coordination:
   a. Asset mapping,
   b. Data sharing,
   c. Create and share marketing and communication tools, and
   d. Track local and regional investment to facilitate grant opportunities.
6. Landlord Incentive Program:
   a. Develop program parameters,
   b. Create marketing materials for the program, and
   c. Implement the program.
7. Toolkit:
   a. Share best practices with WRCOG members and other City and County partners,
   b. Collect and consolidate homeless related policies,
   c. Develop a communications plan to market programs and resources, best practices, the Responsible Compassion marketing campaign and share success stories, and
   d. Develop sample metrics. The Collaboration's main goal is to stabilize homeless people through the use of shelters, permanent housing and assistance programs to reduce homelessness in the subregion.

Collaboration Amongst WRCOG and Both BEYOND Team Efforts

Representatives from the NW and SW BEYOND Team groups continue to communicate and meet periodically with each other to ensure that efforts are not being duplicated, but rather complimenting their respective goals. Each group has also been communicating and engaging WRCOG staff at meetings to share the milestones they reach. Staff will continue to provide regular updates to the Administration & Finance Committee and other Committees as needed to ensure member agencies are aware of progress being made to address homelessness in Western Riverside County and identify additional ways to mitigate this regional challenge.

Prior Action:

December 13, 2017: The Administration & Finance Committee received and filed.

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: **Fiscal Year 2016/2017 Comprehensive Annual Financial Report**

Contact: **Ernie Reyna, Chief Financial Officer, ereyna@wrcog.us, (951) 405-6740**

Date: **January 8, 2018**

The purpose of this item is to *provide the Committee with a presentation on WRCOG's Fiscal Year 2016/2017 financial audit and Comprehensive Annual Financial Report (CAFR).*

Requested Action:

1. Receive and file.

WRCOG engaged Rogers, Anderson, Malody & Scott (RAMS) to conduct WRCOG's annual financial audit. The contract with RAMS is for three years with an option for two, one-year extensions. RAMS will be assisting WRCOG with the creation of the financial statements and the CAFR that meet all standards of the Governmental Accounting Standards Board.

WRCOG received the distinguished "Certificate of Achievement for Excellence in Financial Report" from the Government Finance Officers Association for four consecutive years and all signs indicate that Fiscal Year (FY) 2016/2017 will also produce this distinguished award. The award recognizes that the Agency is transparent, has provided full disclosure of the financial statements, and that the users of the CAFR have all the information needed to draw a financial conclusion of the Agency.

WRCOG's auditors are providing an unmodified opinion on the FY 2016/2017 CAFR. An unmodified opinion is the highest form of assurance an auditing firm can provide to its client, and means that the audit and associated Agency financials are both in good form and the accounting practices are solid.

For any questions related to the audit, Terry Shea, Auditing Partner, RAMS, can be reached at (909) 889-0871 or terry@ramscpa.net.

Prior Actions:

December 13, 2017: The Administration & Finance Committee received and filed.
October 26, 2017: The Finance Directors Committee received and filed.

Fiscal Impact:

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

Attachments:

1. FY 2016/2017 Comprehensive Annual Financial Report.
2. FY 2016/2017 Statement on Auditing Standards 114 Report.
3. FY 2016/2017 Generally Accepted Government Auditing Standards Report.

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Item 5.J

Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Attachment 1

FY 2016/2017 Comprehensive Annual Financial Report

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WRCOG
Western Riverside Council of Governments

Fiscal Year 2016 / 2017

Comprehensive Annual Financial Report

Western Riverside Council of Governments
Riverside, CA











WRCOG
Western Riverside
Council of Governments

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2017

Submitted by:
Fiscal Department
Western Riverside Council of Governments

WESTERN RIVERSIDE COUNTY | CALIFORNIA

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Submitted by:
Fiscal Department
Western Riverside Council of Governments

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

JUNE 30, 2017
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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

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WRCOG
Western Riverside
Council of Governments

Introductory Section

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October 31, 2017

TOP WORK PLACES 2016 THE PRESS-ENTERPRISE

To the Western Riverside Council of Governments and Citizens of Western Riverside County:

Letter of Transmittal

The Comprehensive Annual Financial Report for the Western Riverside Council of Governments (WRCOG) for the fiscal year ended June 30, 2017 is hereby submitted in accordance with the provision of Section 6505 of the Government Code of the State of California (the State). The report contains financial statements that have prepared in conformity with generally accepted accounting principles (GAAP) in the United States prescribed for governmental entities. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Western Riverside Council of Governments (WRCOG). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds of WRCOG. All disclosure necessary to enable the reader to gain an understanding of WRCOG's financial activities have been included. Because the cost of an internal control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of material misstatements.

Rogers, Anderson, Malody & Scott., LLP has issued an unmodified opinion on WRCOG's financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

The management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative, overview, and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and should be read in conjunction with it.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WRCOG for its CAFR for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

Profile of the Government

WRCOG was formed in November 1989 as a California Joint Powers Authority under the Government Code Section 6500 et.seq., of the State of California. WRCOG strives to unify Western Riverside County so that it can speak with a collective voice on important issues that affect its members. Representatives from 17 cities, the County of Riverside, the Eastern and Western Municipal Water Districts, the Riverside County Superintendent of Schools and the Morongo Band of Mission Indians have seats on WRCOG Executive Committee, the group that sets policy for the Agency. WRCOG's many areas of activity cover such programs as transportation, energy, community growth and development, and environment.

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Major Initiatives

Transportation Uniform Mitigation Fee (TUMF) Program: WRCOG developed and administers the TUMF Program, a multi-jurisdictional fee program that ensures that new development in the subregion does not create additional congestion on regional highways. Fees paid by new residential and non-residential development will contribute to the construction of nearly $3 billion in transportation and transit improvements in Western Riverside County. The TUMF Program will construct 3,100 new lane miles, improve 47 interchanges, construct 39 bridges and 10 railroad grade separations, provide more than $61 million for regional transit improvements, and nearly $60 million for acquisition of sensitive habitat.

To date, WRCOG has received more than $700 million in TUMF revenue since program inception in 2003. 90 TUMF-funded projects have been completed; 12 are under construction; 9 are in engineering or right-of-way acquisition; and 23 are in the planning and environmental stages. The TUMF Program has funded and delivered more than $350 million in transportation projects since it began in 2003.

Property Assessed Clean Energy Program (PACE) Program: In 2011, WRCOG launched the HERO Program (also known as Property Assessed Clean Energy), a regional effort that provides financing to residential and commercial property owners to install energy-efficient, renewable energy, and water conservation improvements to homes and businesses in the subregion. The Program is the largest of its kind in the U.S.; as of the end of the fiscal year more than $949 million in applications have been approved. Nearly 14,600 residential projects have been completed, representing nearly $273 million in funding. These completed projects equate to over 203 GWh of kilowatt hours saved, and over 54,106 tons of greenhouse has (GHG) reductions occurring annually.

Program participants simply complete an application, select a contractor, and make the improvements. Repayment occurs through the owner's annual property tax bill, and in most cases, the assessment stays with the property, to be assumed by the next owner upon sale of the property. The Program is a win-win at numerous levels. For property owners, energy and water conservation improvements will yield reduced utility bills and can improve property values. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce GHG emissions associated with energy use, and bring and retain needed jobs for area contractors.

The HERO Program has been so successful that it has now expanded statewide; 369 municipalities throughout California have joined the Program as of the end of the fiscal year, and more cities and counties are joining the Program each week.

Used Oil and Filter Collection Program: WRCOG's Regional Used Oil Program helps protect groundwater and the environment from the hazards of improperly disposed motor oil. WRCOG's Used Oil and Oil Filter Exchange events have been an effective tool in educating and facilitating the proper recycling of used motor oil and used oil filters in various WRCOG jurisdictions. The primary objective of hosting the events is to educate individuals who change their own oil, the Do-It-Yourselfer (DIYer), promoting the recycling of used oil and oil filters; therefore, an auto parts store is a great venue for educating the DIYer. In addition to promoting used oil / oil filter recycling, WRCOG staff informs the DIYer about the County-wide HHW Collection Program where residents can drop-off other automotive and household hazardous products for free.

Western Riverside Energy Partnership (WREP): This Partnership originally consisted of WRCOG, Southern California Edison, and 12 member jurisdictions. In 2013, Southern California Gas

Gas Company joined the Partnership. The Partnership is designed to optimize opportunities for participating jurisdictions to achieve both short- and long-term sustainable energy savings, reduce utility bills, and enhance the level of comfort by retrofitting municipal buildings and facilities. A public outreach program encouraging residents in Western Riverside County to conserve energy is also part of the Partnership.

Clean Cities Coalition (Coalition): WRCOG's Clean Cities Coalition is nationally-recognized for its efforts to promote clean air by encouraging the use of alternative fuel vehicles and development of alternative fuel infrastructure, technologies and education. The Coalition hosts a number of educational forums and conferences, including an annual Environmental Youth Conference which brings together more than 200 middle school students to discuss and learn about sustainable lifestyles.

Solid Waste Cooperative: Under the leadership of the California Department of Resources Recycling and Recovery (CalRecyle), the state is nearly two-thirds of the way towards achieving ambitious waste diversion goals set forth by the Legislature. Since 1990, the partnership of the State, local governments, the waste industry, businesses, environmental groups, and millions of committed Californians has diverted more than 100 million tons of materials from landfills, and nearly 60 cities and counties have already met or exceeded the mandate to cut their trash in half.

Streetlight Program: 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, reduced energy use, and improvements in public safety). 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.

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

Sustainability Framework: WRCOG's Sustainability Framework provides the foundation for a healthy communities planning movement in Western Riverside County. Implementation of ideas in the Framework can yield positive co-benefits in health and move the region towards a better quality of life. For example, recently, twelve cities in Western Riverside County joined together to develop a Subregional Climate Action Plan (CAP). The CAP goals include promoting economic development and job growth, energy and cost savings for residents and business owners, water efficiency and conservation, reduction in solid waste, improved air quality, and the promotion of active and healthy communities. The CAP strategies can be uniformly applied, or tailored as needed, for adoption by individual jurisdictions.

Beyond Program: At the end of Fiscal Year 2014/2015, WRCOG created a new program titled, "Beyond." For Fiscal Year 2016/2017, WRCOG *is allocating $2.3 million for use by WRCOG* member agencies through its "BEYOND" initiative. BEYOND is an economic development and sustainability local assistance funding program intended to help member agencies develop and implement projects that can improve the quality of life in Western Riverside County by addressing

critical growth components such as economy, water, education, environment, health, and transportation.

The cornerstone of BEYOND is WRCOG's Economic Development and Sustainability Framework. The Framework was approved by WRCOG's Executive Committee in 2012, and can be accessed on WRCOG's website at http://www.wrcog.cog.ca.us/community/sustainability. It serves, as the title implies, as a framework or guide that members can draw from in developing approaches to improve their communities. The premise of the Framework is that economic development, at its core, is tied to quality of life. While defining "quality of life" may be difficult, there is little debate that major contributing factors include critical components such as education, water, health, transportation, energy, and environment. When attention is given to each of these components, undoubtedly the subregion's quality of life improves, and as such economic desirability improves as well.

Fellowship Program: In February 2016, the Executive Committee approved the creation of a one-year pilot Public Service Fellowship Program, to be administered by WRCOG in Western Riverside County, in partnership with the University of California, Riverside (UCR), and California Baptist University (CBU). The goal of this Program is to retain local students to fulfill the subregion's need for a robust public sector workforce and to combat the often-mentioned "brain drain" that Riverside County experiences when local students graduate but then leave the region to seek full-time employment elsewhere. The Fellowship Program is geared towards students graduating from UCR and CBU to engage them in career opportunities with local governments and agencies in a way that is mutually beneficial to both the Fellows and the agency.

WRCOG is responsible for general Program administration and oversight, maintaining employment of the Fellows, soliciting interest from local government agencies, serving as the liaison between member agencies and the universities, providing Program funding, and coordinating payment of Fellowship stipends. UCR and CBU are responsible for soliciting interest from students, reviewing applications and conducting interviews, recommending local government agency placements, and communicating regularly with Fellows. WRCOG, UCR, and CBU also provide ongoing training to Fellows on career readiness and other theoretical topics during regular Networking Sessions to support their hands-on work experience. A representative from each University serves as an "advisor" to answer questions from the Fellows or host agencies, monitor the Fellows' performance, handle HR-related issues or complaints in collaboration with WRCOG, and provide needed support to ensure that the Fellowship placement is successful

Financial Planning

A successful fiscal year always starts during the creation of the budget process. Management staff will begin to gather data and discuss planning of the budget around January of every year. Management will describe their needs in terms of increased line items and justify that with any increases they foresee in revenues for the upcoming fiscal year.

The first time the draft budget is presented publicly at WRCOG's sub-committee level. The Administration & Finance Committee, which is comprised of 11 of WRCOG's Executive Committee members, will review and discuss the budget, usually at its March or April meeting and make any recommendations and have it forwarded on to the Technical Advisory Committee (TAC), which is comprised of the City Managers and Agency Directors of WRCOG's member agencies . This meeting of the TAC usually occurs within the same month as the Administration & Finance Committee. After it is recommended for approval, the budget's next stop is at WRCOG's Executive Committee meeting (usually in June). Once approved by the Executive Committee, the budget is

approved by the General Assembly. The General Assembly is usually held at an off-site location and generally on the fourth Thursday of every June. The General Assembly is comprised of a majority of all City Councils, County Board of Supervisors, and other Board Members that represent WRCOG.

The budget itself is presented at the function level. It is displayed as follows: general government, transportation, energy, and environment. With the exception of the general government, each function is self-sufficient and able to fund its own expenditures through revenue generated. The general government; however, does not bring in enough revenue to cover all of the expenditures such as rent, legal, consulting, and payroll, and because of this, must charge overhead to offset the difference. The overhead is calculated during the budget process and allocated to each function in the most equitable method possible. This is usually based on the amount of revenue generated as a percentage of the total agency revenue.

The creation of the budget entries is part of the internal control process. One member of the Fiscal staff is to enter the journal, while another member approves. WRCOG's IT consulting firm is the only member of WRCOG that is allowed to assign functions within the accounting system. The goal of creating internal controls is to ensure that one person cannot create, approve, and issue a check, wire, or any other sensitive piece of information. WRCOG follows the policy that at least two, if not three, signatures are required to approve any check requests and the amount must be verified against the approved budget to ensure there are sufficient funds available to expend.

The Executive Committee of WRCOG has provided outstanding leadership and has provided staff with excellent resources, which are reflected in the programs delivered to the various members. WRCOG continues to be counted on to provide regional perspective while respecting local control.

WRCOG's Executive Committee approves all financial policies relevant to every aspect of the agency's accounting and as such, none of the policies approved during the year, or in year's past, had a significant impact on the current period's financial statements.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Western Riverside Council of Governments for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

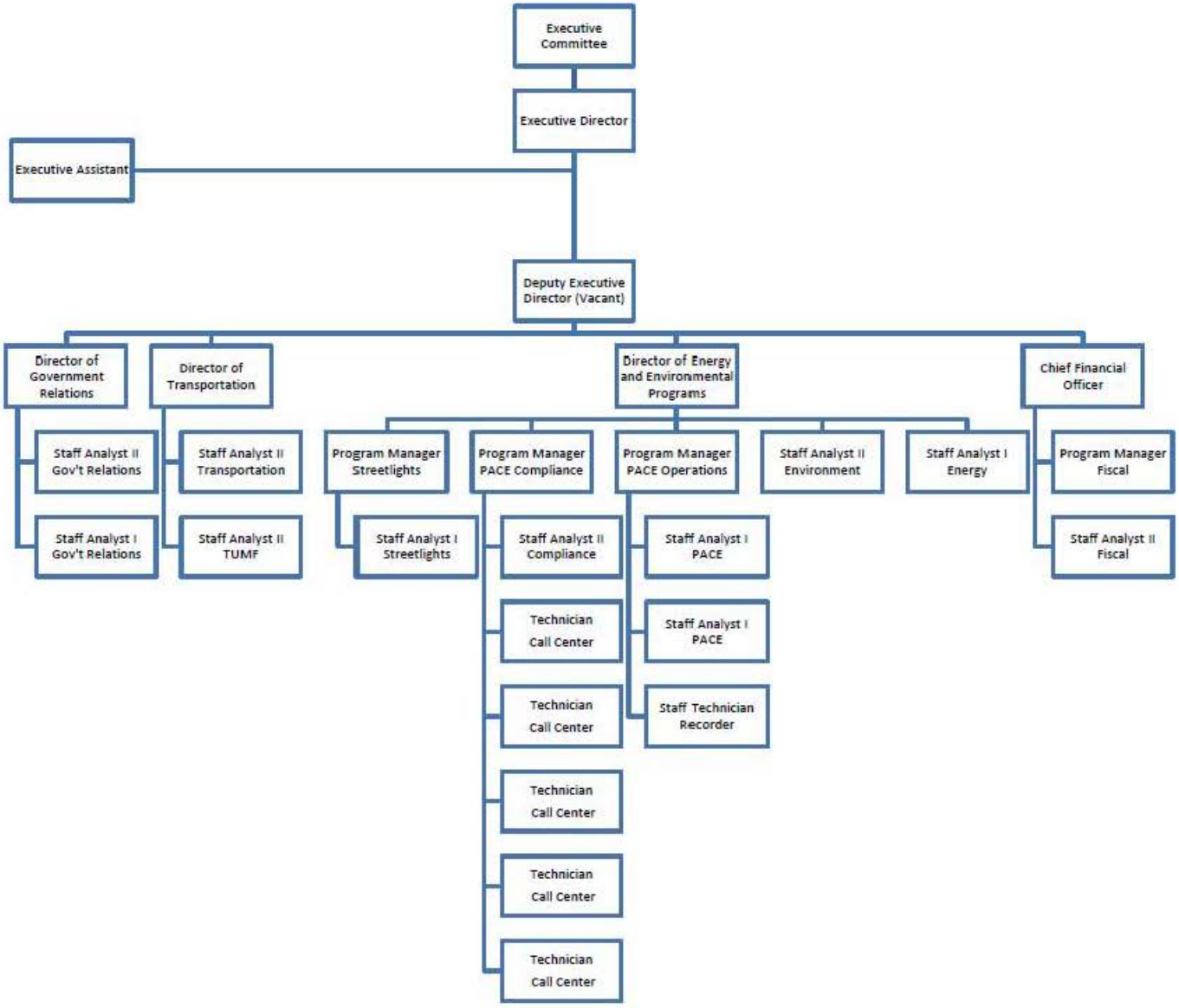
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincerely,

Ernie Reyna, CPA
Chief Financial Officer

Western Riverside Council of Governments

Organizational Chart 2017



Western Riverside Council of Governments

List of Principal Officials
As of June 30, 2017

Executive Committee Members

Name and Position	Title	Agency
Debbie Franklin	Chair	City of Banning
Chuck Washington	Vice Chair	County of Riverside, District 3
Bonnie Wright	2nd Vice Chair	City of Hemet
Jeff Hewitt	Member	City of Calimesa
Jordan Ehrenkranz	Member	City of Canyon Lake
Eugene Montanez	Member	City of Corona
Adam Rush	Member	City of Eastvale
Laura Roughton	Member	City of Jurupa Valley
Brian Tisdale	Member	City of Lake Elsinore
John Denver	Member	City of Menifee
Yxstian Gutierrez	Member	City of Moreno Valley
Kelly Seyarto	Member	City of Murrieta
Kevin Bash	Member	City of Norco
Rita Rogers	Member	City of Perris
Rusty Bailey	Member	City of Riverside
Crystal Ruiz	Member	City of San Jacinto
Mike Naggar	Member	City of Temecula
Ben Benoit	Member	City of Wildomar
Kevin Jeffries	Member	County of Riverside, District 1
John Tavaglione	Member	County of Riverside, District 2
Marion Ashley	Member	County of Riverside, District 5
Brenda Dennstedt	Member	Western Municipal Water Dist.
David Slawson	Member	Eastern Municipal Water Dist.
Judy White	Member	Riverside County Superintendent of Schools
Robert Martin	Member	Morongo Band of Mission Indians

Management Staff

Rick Bishop, Executive Director
Chris Gray, Director of Transportation
Ernie Reyna, Chief Financial Officer
Barbara Spoonhour, Director of Energy and Environmental Programs
Jennifer Ward, Director of Government Relations

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Western Riverside Council of Governments California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrill

Executive Director/CEO



WRCOG
Western Riverside
Council of Governments

Financial Section

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
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INDEPENDENT AUDITOR'S REPORT

Executive Committee
Western Riverside Council of Governments
Riverside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Western Riverside Council of Governments (WRCOG), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise WRCOG's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the *Comptroller General of the United States*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of WRCOG as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise WRCOG's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2017, on our consideration of WRCOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WRCOG's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 31, 2017

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This section of the Western Riverside Council of Governments (WRCOG) Comprehensive Annual Financial Report presents a narrative overview and analysis of WRCOG's financial activities for the fiscal year ended June 30, 2017. Management encourages readers to consider the information presented here in conjunction with the Letter of Transmittal.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to WRCOG's basic financial statements. WRCOG's basic financial statements include three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

The following required supplemental information has been included in this report:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
- Schedules of Funding Progress for Other Postemployment Benefits
- Schedule of WRCOG's Proportional Share of the Net Pension Liability and Related Ratios as of the Measurement Date
- Schedule of Plan Contributions

The following supplemental information has been included in this report:

- Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds
- Statistical Section

Government-Wide Financial Statements are designed to provide readers with a broad overview of WRCOG finances in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of WRCOG's assets and deferred outflows of resources as well as liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of WRCOG is improving or declining.

The *Statement of Activities* presents information showing how WRCOG's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as revenues pertaining to uncollected TUMF fees or expenses pertaining to earned but unused vacation and sick leave).

Fund Financial Statements WRCOG only utilizes governmental funds. The focus of governmental fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. Like other state and local governments, WRCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements often have a budgetary orientation, are prepared on the modified accrual basis of accounting, and focus primarily on the sources, uses, and balances of current financial resources.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances are accompanied by reconciliation to the government-wide financial statements in order to facilitate comparison between governmental funds and governmental activities.

WRCOG maintains two major governmental funds organized to their type (general and special revenue). The governmental fund statements present the financial information of each major fund in separate columns.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for the fair presentation of the financial information in the government-wide and fund financial statements.

Required Supplementary Information, in addition to this MD&A, presents schedules of funding progress, proportionate share of net pension liability, schedule of contributions, other post-employment benefits, plus budget and actual information.

FINANCIAL HIGHLIGHTS

- Total net position of WRCOG was $4.3 million and consisted of net investment in capital assets of $94 thousand, restricted net position of $12 thousand, and unrestricted net position of $4.2 million.

- At June 30, 2017, WRCOG's assets of $83.6 million plus deferred outflows of resources of $1.2 million exceeded its liability of $80.3 million and deferred inflows of resources of $109 thousand resulting in a net position of $4.3 million.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position – Net Position may serve as a useful indicator of a government's financial position. At the end of the current fiscal year, WRCOG reported positive net position, with total assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by $4.3 million.

Net pension liability is the amount needed to fully fund WRCOG's defined benefit plan. The net pension liability at June 30, 2016 was $1.8 million and increased to $2.3 million at June 30, 2017.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. WRCOG reports a deferred outflow related to pensions.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. WRCOG reports a deferred inflow also related to pensions.

The table below provides summarized data from the Statement of Net Position for WRCOG as of June 30, 2017, as compared to the prior year:

Statement of Net Position
As of June 30

	2017	2016
Current and other assets	$ 83,485,828	$ 95,112,835
Capital assets being depreciated	93,875	100,296
Total Assets	83,579,703	95,213,131
Deferred Outflows of Resources	1,197,115	791,771
Current and other liabilities	60,958,537	32,743,421
Long-term obligations	19,370,537	27,026,755
Total Liabilities	80,329,074	59,770,176
Total Deferred Inflows or Resources	109,364	266,755
Net Position:		
Net investment in capital assets	93,875	100,296
Restricted	11,702	26,481,732
Unrestricted	4,232,803	9,385,943
Total Net Position	$ 4,338,380	$ 35,967,971

WRCOG's total net position decreased by 88%, or $31.6 million, during fiscal year 2016-2017 compared to the prior year's increase of $4.6 million. Total liabilities increased 57%, or $29 million, during fiscal year 2016-2017 compared to the prior year, mostly due to the increase in TUMF projects started, but not yet completed and the associated dollars owed to WRCOG's Member Agencies. Current assets decreased from $95.1 million in FY 2015/2016 to $83.5 million, or 12%. This decrease in current assets is attributable to an increase in TUMF project reimbursements and transferring RTA's TUMF balance of $15M in the year. Also carryover funds were utilized for various agency activities. Below are the three components of net position and their respective fiscal year-end balances:

- **Net Investment in Capital Assets** represents 2.2%, or $94 thousand of WRCOG's total net position for fiscal year 2016-2017 compared to 0.3%, or $100 thousand, for fiscal year 2015-2016. The decrease is attributable to the depreciation of existing capital assets.

- **Restricted net position** accounts for 0.3%, or $12 thousand, of WRCOG's total net position for fiscal year 2016-2017 compared to 73.6%, or $26.4 million, for fiscal year 2015-2016. This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. All of the restricted net position applies to TUMF as the administration plan requires that WRCOG hold the funds until a Zone has an opportunity to claim use of the funds through the Transportation Improvement Process (TIP). The jurisdiction located within that particular zone must demonstrate it has expended its own funds and is requesting reimbursement and has provided the appropriate supporting documentation.

- **Unrestricted net position** accounts for 97.6%, or $4.2 million, of WRCOG's total net position for fiscal year 2016-2017 compared to 26.1% or $9.4 million for fiscal year 2015-2016. This component of WRCOG's total net position may be used to meet WRCOG's ongoing obligations to creditors.

Governmental Activities

Revenues: WRCOG's governmental activities rely on the following sources of revenue to finance ongoing operations:

- General revenue related to governmental activities primarily consists of fees, other revenues, and investment earnings. Investment earnings decreased from $509 thousand to $(13) thousand due to market losses from investments and investment management fees.

- Charges for services are revenues received related to the sponsorship of the PACE Program. WRCOG receives 1.463% of the amount financed for its participation in the program. In addition, the PACE Program recording fees are included in the revenue balance.

- Operating grants and contributions decreased by $714 thousand, or 2%, from $44.5 million in fiscal year 2015-2016 to $43.7 million in the current fiscal year. This decrease was due to the separation of PACE fees from Operating grants and contributions to Charges for Services. Total expenses increased from $50.2 million to $84.7 million due to an increased amount of PACE and TUMF expenses.

Expenses: Total program expenses for governmental activities were $84.7 million for the current fiscal year, an increase of 68.7%, or $34.5 million compared to prior fiscal year of $50.2 million. The increase in expenses is mostly attributable to a greater amount of TUMF Projects that were reimbursed during the fiscal year, as well as an increase in PACE related expenses.

The following table provides information from the Statement of Activities for WRCOG for the fiscal year 2016-2017, as compared to the prior year:

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30

	2017	Percent of Total	2016	Increase (Decrease) From 2016	Percent Increase (Decrease)
Revenues					
Program revenues:					
Charges for services	$ 9,316,452	17.6%	$ 9,779,134	$ 462,682	4.7%
Operating grants and contributions	43,773,262	82.5%	44,486,961	713,699	1.6%
General revenues:					
Other revenues	-	0.0%	36,112	36,112	100.0%
Investment earnings	(12,645)	-0.1%	509,228	521,873	102.5%
Total revenues	53,077,069	100.0%	54,811,435	1,734,366	**3.2%**
Expenses					
General government	4,028,482	4.8%	2,520,688	$ (1,507,794)	
Transportation	74,542,061	88.0%	41,631,788	(32,910,273)	-79.1%
Energy	5,622,980	6.6%	5,629,560	6,580	0.1%
Environmental	513,137	0.6%	423,667	(89,470)	-21.1%
Total expenses	84,706,660	100.0%	50,205,703	(34,500,957)	**-68.7%**
Change in Net Position	(31,629,591)		4,605,732	36,235,323	-59.8%
Net Position, Beginning of Year	35,967,971		31,362,239	(4,605,732)	
Net Postion, End of Year	$ 4,338,380		$ 35,967,971	$ 31,629,591	**87.9%**

Operating Grants and Contributions are revenues received from parties outside of WRCOG, such as state agencies, and are generally restricted to one or more specific programs. TUMF revenue is the largest governmental activities program revenue with $42.2 million recognized during the year, as compared to $42.6 million for fiscal year 2015-2016, which represents a decrease of 1% or $400 thousand.

FINANCIAL ANALYSIS OF FUND STATEMENTS

As previously noted, WRCOG uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of WRCOG's governmental funds is to provide information on the sources, uses, and balances of spendable resources. Such information is useful in assessing WRCOG's short-term financial requirements. In particular, the total fund balance less the non-spendable amount may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by WRCOG include the General and Special Revenue Funds.

The General Fund is the chief operating fund for WRCOG. At the end of the current fiscal year, the General fund's total fund balance was $12.6 million, as compared to $9.9 million for the prior fiscal year. The increase of $2.7 million, or (27%), was mostly a result of the increased amount of revenue over expenses for the PACE Program, which equated to a net increase of $4 million. The increase in PACE revenue was attributable to the program's continued expansion throughout the State of California and allowing more residents access to the program. As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The non-spendable portion of fund balance was $167 thousand; the assigned portion was $3,426,691, which included the BEYOND Program of $3,305,419 and the Fellowship Program of $121,272, and the unassigned portion at $9 million. The current year's unassigned fund balance is 89% of the total general fund expenditures of $10.1 million, as compared to 90% of the total general fund expenditures for fiscal year 2015-2016. The total fund balance of the General fund for the current year is 125% of the total general fund expenditures as compared to 139% for the prior year.

GENERAL FUND FINANCIAL ANALYSIS

Revenues for the General Fund, including comparative amounts from the preceding year are shown in the following tabulation:

	2017	Percent of Total	2016	Increase (Decrease) From 2016	Percent Increase (Decrease)
Revenues					
Intergovernmental	$ 1,145,570	9.0%	$ 1,058,265	$ (87,305)	-8.2%
TUMF mitigation fees	1,689,574	13.2%	1,704,607	15,033	0.9%
PACE fees	9,028,003	70.8%	9,562,139	534,136	5.6%
Other revenues	894,488	7.0%	848,957	(45,531)	-5.4%
Investment income	261	0.0%	4,651	4,390	94.4%
Total revenues	$ 12,757,896	100%	$ 13,178,619	$ 420,723	87.2%

The decrease in intergovernmental revenue was attributable to a decreased amount funds from WRCOG's Used Oil Program. TUMF mitigation fees were higher because more permits were issued during the fiscal year resulting in an increased amount of revenue from the TUMF program. PACE fees increased significantly because the program expanded into new areas of California allowing more residents of the state to access and quality for the PACE loans. Lastly, investment income decreased slightly in the general fund due to fluctuations in the market and average cash balances upon fiscal year end.

Expenditures for the General fund, including comparative amounts from the preceding year, are shown in the following tabulation:

	2017	Percent of Total	2016	Increase (Decrease) From 2016	Percent Increase (Decrease)
Expenditures					
General government	$ 3,965,880	39.2%	$ 2,681,489	$ (1,284,391)	-47.9%
Energy	5,632,488	55.7%	5,647,563	15,075	0.3%
Environmental	513,137	5.1%	435,626	(77,511)	-17.8%
Total expenditures	$ 10,111,505	100.0%	$ 8,764,678	$ (1,346,827)	-65.4%

The increase of expenditures in the General Government was due to the increase in payroll related costs such as benefits to both current and retired employees and the rising cost of pensions. Expenditures in Energy was approximately even. Since the Program has gone statewide, expenditures have increased in such areas as payroll, consulting, and recording fees. Lastly, The Environmental Program experienced an increase in expenditures mostly due to an increase in employees for this department.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences exist between final budgeted amounts versus actual mostly due to the timing in which the fourth quarter budget amendments are taken to WRCOG's Administration & Finance Committee. To be finalized for year end, the fourth quarter amendments are presented at the July Administration & Finance Committee and approved at the August Executive Committee meeting.

Because of this timing, each category of the budget for revenue has some variation with the largest occurring with the intergovernmental revenues. When the final budget was presented to the Executive Committee, it was anticipated revenues in the General Fund would be $12.5 million; however, the actual amount was only $12.7 million, leaving a variance of $248 thousand.

On the expenditure side for the General Fund, it was anticipated expenditures would be $13.8 million; however, actual expenditures were only $10.1 million, leaving a variance of $3.7 million. This was mostly due to the Environmental Program's grant year which does not match up with WRCOG's Fiscal Year. The grant year causes expenditures to be carried forward into the next Fiscal Year.

CAPITAL ASSETS AND LONG TERM OBLIGATIONS

As of June 30, 2017, WRCOG had capital assets of $93,875, net of accumulated depreciation, invested in mostly office items such as furniture, computers, office improvements, and vehicles.

Additional information to WRCOG's capital assets can be found on Note 4 to the financial statements.

Long-term liabilities have decreased from $27 million in FY 2015/2016, to $19.4 million in FY 2016/2017, or a decrease of 28%. The decrease in long-term liabilities can mostly be attributed to a decrease in refund liabilities from the TUMF Program. Refund liability represents amounts owed to developers for the pre-payment of TUMF fees. In some instances these TUMF fees are paid in advance, but the project is never started, and the developer requests a refund.

Additional information to WRCOG's long-term liabilities can be found on Note 5 to the financial statements

ECONOMIC FACTORS AND OTHER FACTORS

On June 22, 2017 WRCOG adopted the fiscal year 2017/2018 budget. The budget is presented by function, which includes: Administration, Transportation, Energy, and Environmental. Expenditures have shifted in that now the majority of budgeted expenditures are now in the Energy category because of the need for consulting services, payroll, and recording fees. The TUMF program, saw a decrease in revenues of 1.29% in Fiscal Year 2016/2017. Leading economic indicators suggest that the housing market has stabilized, which is helped balance the WRCOG budget.

CONTACTING WRCOG'S MANAGEMENT

This financial report is designed to provide a general overview of WRCOG's finances for all those with an interest in the government's finances and to show WRCOG's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Finance Department at Western Riverside Council of Governments, 3390 University Avenue, Suite 450, Riverside, California 92501.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Net Position
June 30, 2017

	Governmental Activities
ASSETS	
Cash and investments	$ 75,695,122
Receivables:	
Grants	711,716
Interest	4,710
Mitigation fees receivable	6,341,696
Due from other governments	6,313
Prepaid items	167,212
Net OPEB asset	559,059
Capital assets, net of accumulated depreciation	93,875
Total Assets	83,579,703
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,197,115
LIABILITIES	
Accounts payable	790,088
Due to other governments	59,423,224
Accrued wages and benefits	1,999
Unearned revenue	743,226
Non-current liabilities:	
Due within one year	17,473
Due in more than one year:	
Compensated absenses	157,261
TUMF liabitities	16,898,755
Net pension liability	2,297,048
Total Liabilities	80,329,074
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	109,364
NET POSITION	
Net investment in capital assets	93,875
Restricted for:	
Foundation	11,702
Unrestricted	4,232,803
Total Net Position	$ 4,338,380

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government:				
Governmental activities:				
General government	$ 4,028,482	$ -	$ 512,876	$ (3,515,606)
Transportation	74,542,061	-	42,731,611	(31,810,450)
Energy	5,622,980	9,316,452	-	3,693,472
Environmental	513,137	-	528,775	15,638
Total Governmental Activities	$ 84,706,660	$ 9,316,452	$ 43,773,262	$ (31,616,946)
	General Revenues:			
	Investment income (loss)			(12,645)
	Total General Revenues			(12,645)
	Change in Net Position			(31,629,591)
	Net Position, Beginning of Year			35,967,971
	Net Position, End of Year			$ 4,338,380

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Balance Sheet – Governmental Funds
June 30, 2017

	Major Funds		Total Governmental Funds
	General Fund	Special Revenue TUMF	
ASSETS			
Cash and investments	$ 14,035,524	$ 61,659,598	$ 75,695,122
Receivables:			
Grants	711,716	-	711,716
Interest	10	4,700	4,710
Mitigation fees receivable	-	6,341,696	6,341,696
Due from other governments	6,313	-	6,313
Prepaid items	167,212	-	167,212
Advances to other funds	-	827,686	827,686
Total Assets	$ 14,920,775	$ 68,833,680	$ 83,754,455
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	$ 753,433	$ 36,655	$ 790,088
Due to other governments	-	59,423,224	59,423,224
Accrued wages and benefits	1,999	-	1,999
Unearned revenue	743,226	-	743,226
Advances from other funds	827,686	-	827,686
Total Liabilities	2,326,344	59,459,879	61,786,223
Fund Balances			
Nonspendable:			
Prepaid items	167,212	-	167,212
Restricted:			
Transportation projects	-	9,373,801	9,373,801
Foundation	11,702	-	11,702
Assigned:			
BEYOND Program	3,305,419	-	3,305,419
Fellowship Program	121,272	-	121,272
Unassigned	8,988,826	-	8,988,826
Total Fund Balances	12,594,431	9,373,801	21,968,232
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 14,920,775	$ 68,833,680	$ 83,754,455

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - Governmental Funds	$ 21,968,232
The net OPEB asset is not an available current financial resource and therefore is not reported in the governmental funds.	559,059
Capital assets, net of accumulated depreciation used in governmental activities, are not current financial resources and therefore are not reported in the funds.	93,875
Non-current liabilities are not due and payable in the current period and therefore are not reported in the funds.	
TUMF liabilities	(16,898,755)
Compensated absences	(174,734)
Net pension liability	(2,297,048)
Deferred outflows and inflows of resources are not reported in the governmental funds:	
Deferred amounts related to pensions	1,087,751
Net Position of Governmental Activities	$ 4,338,380

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Major Funds		Total Governmental Funds
	General Fund	Special Revenue TUMF	
REVENUES			
Intergovernmental	$ 1,145,570	$ -	$ 1,145,570
TUMF mitigation fees	1,689,574	40,549,766	42,239,340
PACE fees	9,028,003	-	9,028,003
Other revenues	894,488	-	894,488
Investment income (loss)	261	(12,906)	(12,645)
Total Revenues	12,757,896	40,536,860	53,294,756
EXPENDITURES			
Current:			
General government	3,965,880	-	3,965,880
Transportation	-	82,703,352	82,703,352
Energy	5,632,488	-	5,632,488
Environmental	513,137	-	513,137
Total Expenditures	10,111,505	82,703,352	92,814,857
Net Change in Fund Balances	2,646,391	(42,166,492)	(39,520,101)
Fund Balances, Beginning of Year	9,948,040	51,540,293	61,488,333
Fund Balances, End of Year	$ 12,594,431	$ 9,373,801	$ 21,968,232

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ (39,520,101)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.	(6,421)
Prepaid OPEB costs are expensed in the governmental funds when paid but are amortized in the Statement of Net Position. This is the amount of the decrease in the net OPEB asset.	(122,072)
The payment of amounts pursuant to long-term TUMF agreements is recorded as an expenditure in the governmental funds. This transaction does not have an effect on the net position in the government-wide financial statements.	5,234,500
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Net change in compensated absenses	2,632
Net change in TUMF liabilities	2,925,306
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts.	74,252
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities.	(217,687)
Change in Net Position of Governmental Activities	$ (31,629,591)

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Fiduciary Net Position
June 30, 2017

	Agency Fund
ASSETS	
Cash and investments	$ 506,005
LIABILITIES	
Deposits payable	$ 506,005

The accompanying notes are an integral part of these financial statements.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Western Riverside Council of Governments (WRCOG) was formed in 1989 under the California Government Code Section 6500 et. seq. WRCOG is a special district governed by twenty-four Executive Committee Members consisting of seventeen members from the cities in Western Riverside County (excluding the City of Beaumont), four Riverside County Supervisors, one member each from the Eastern and Western Municipal Water Districts, and one member from the Riverside County Superintendent of Schools.

Accounting principles generally accepted in the United States of America require that these financial statements present the accounts of WRCOG and any of its component units. Component units are legally separate entities for which WRCOG is considered to be financially accountable or otherwise has a relationship, which is such that the exclusion of the entity would cause the financial statements to be misleading. Blended component units are considered, in substance, part of WRCOG's operations so the accounts of these entities are to be combined with the data of WRCOG. Component units, which do not meet these requirements, are reported in the financial statements as discrete units to emphasize their separate legal status.

Blended Component Unit

WRCOG Supporting Foundation (the Foundation). WRCOG has created a foundation to support its mission and objectives under IRC 509(a)(3) as an organization that is supervised and controlled in connection with a publicly supported organization. All contributions to the Foundation are exempt under section 501(c)(3) of the Internal Revenue Code. WRCOG executive committee members are the governing board of the Foundation, and management of WRCOG has operational responsibility for the component unit. The Foundation is reported as part of the General Fund in these financial statements.

B. Basis of Presentation

WRCOG's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These statements require that the financial statements described below be presented.

Government-wide Financial Statements. The Statement of Net Position and the Statement of Activities report information on all activities of WRCOG. All fiduciary activities are reported only in the fund financial statements.

The effect of interfund activity has been removed from the government-wide financial statements. Governmental activities are supported by fees, taxes, and intergovernmental revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Basis of Presentation, Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. General assembly revenues and other items that do not meet the definition of program revenues are reported instead as general revenues.

Fund Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. WRCOG considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year end, except for cost reimbursement based grants where due to the nature of these grants 180 days after year end is used. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

D. Fund Classifications

WRCOG reports the following major governmental funds:

General Fund. The general fund is WRCOG's primary operating fund. It accounts for all financial resources of WRCOG, except those required to be accounted for in another fund.

Transportation Uniform Mitigation Fees (TUMF) Special Revenue Fund. This fund is used to account for the proceeds of Transportation Uniform Mitigation Fees which are legally restricted to expenditures for specified purposes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Fund Classifications, Continued

Additionally, WRCOG reports the following fiduciary fund:

Agency Fund. WRCOG's agency fund is used to account for deposits relating to the payoff of Property Assessed Clean Energy (PACE) program loans. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of revenues and expenses.

E. Financial Statement Elements

(1) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for non-negotiable certificates of deposit and investment contracts that are reported at cost. These investments are not transferrable, and they have terms that are not affected by changes in market interest rate. Investment income includes interest earnings and the net increase (decrease) in fair value of investments. WRCOG categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

(2) Interfund Balances and Transfers

Activities between funds that are representative of lending and borrowing arrangements outstanding at year end are referred to as advances to/from other funds.

(3) Capital Assets

Capital assets, which include furniture and computers, are reported in the government-wide financial statements. WRCOG defines capital assets as assets with an initial, individual cost of more than $1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives varying from five to ten years.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(4) Compensated Absences

A total of 10 days of vacation per year may be accumulated by each employee with three years of service, 15 days with four years of service, and 20 days with ten or more years of service. However, employees are not paid for their accumulated sick leave upon retirement until they have been employed for five years, at which time 50% of accumulated sick leave hours in excess of 240 hours is paid out. WRCOG accrued a liability for compensated absences, which meets the following criteria:

- WRCOG's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered,
- The obligation relates to rights that vest or accumulate,
- Payment of the compensation is probable,
- The amount can be reasonably estimated.

Compensated absences not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements.

(5) Fund Balance – Governmental Funds

The following fund balance classifications describe the relative strength of the spending constraints on WRCOG's fund balances:

- Nonspendable fund balance – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, contributors, or laws or regulations of other governments).
- Committed fund balance – amounts constrained to specific purposes by WRCOG itself, using its highest level of decision-making authority (i.e., Executive Committee ordinance). To be reported as committed, amounts cannot be used for any other purpose unless WRCOG takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts WRCOG intends to use for a specific purpose. Intent is expressed by the Executive Committee.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts can only be reported in the general fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

E. Financial Statement Elements, Continued

(5) Fund Balance – Governmental Funds, Continued

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, WRCOG considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, WRCOG considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Executive Committee or management has provided otherwise in its commitment or assignment actions.

(6) Estimates

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts and the disclosures. Actual results could differ from those estimates.

(7) Pensions

Information about the fiduciary net position of WRCOG's California Public Employees Retirement System (CalPERS) Plan and additions to/deductions in the Plan's fiduciary net position have been determined on the same basis as reported by CalPERS. This includes the measurement of pension expense and the net pension liability and deferred outflows/inflows of resources related to pensions. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(8) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The government only has one item that qualifies for reporting in this category: deferred amounts related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The government has only one type of item of this: deferred amounts related to pensions. For the fund level statements, deferred inflows of resources represent unavailable resources.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2017, are classified in the accompanying financial statements as follows:

Statement of Net Position		
Cash and investments	$	75,695,122
Fiduciary Funds		
Cash and investments		506,005
Total Cash and Investments	$	76,201,127

Cash and investments as of June 30, 2017, consist of the following:

Deposits and petty cash	$	37,620,740
Investments		38,580,387
Total Cash and Investments	$	76,201,127

A. Authorized Investments

The following investments are authorized under California Government Code and, where more restrictive, WRCOG's Investment Policy:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	100%	None
U.S. Agency Securities	5 years	100%	None
State of California Obligations	5 years	15%	None
Local Agency Obligations	5 years	15%	None
Repurchase Agreements	7 days	25%	20%
Commercial Paper	270 days	25%	10%
Banker's Acceptances	180 days	40%	30%
Medium Term Notes	5 years	30%	None
Time Certificates of Deposit	5 years	2%	None
Negotiable Certificates of Deposit	5 years	25%	None
Money Market Mutual Funds	N/A	20%	10%
Riverside County Treasurer's Pooled Investment	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	$65 million **

** Limit set by LAIF governing Board, not California Government Code

NOTE 2 – CASH AND INVESTMENTS, (Continued)

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of the year end, the weighted average maturity of the investments contained in the Local Agency Investment Fund (LAIF) pool was approximately 270 days, and the Riverside County Investment Pool had a weighted average maturity of 1.10 years. WRCOG's investment policy recognizes the interest rate risk and therefore places maximum maturity limits (up to five years) on various types of allowable investments.

		Remaining Maturity		
Investment Type	Total	12 months or less	13 to 24 months	25 to 36 months
LAIF	$ 792,635	$ 792,635	$ -	$ -
Riverside County Treasurer's Pooled Investment Fund	2,236,147	-	2,236,147	-
U.S. Treasury Obligations	500,879	-	-	500,879
U.S. Agency Securities	22,934,747	3,315,632	8,713,475	10,905,640
Local Agency Obligations	535,241	-	535,241	-
Commercial Paper	2,085,216	2,085,216	-	-
Medium Term Notes	9,394,510	2,491,453	1,462,840	5,440,217
Money Market Account	101,012	101,012	-	-
Total	$ 38,580,387	$ 8,785,948	$ 12,947,703	$ 16,846,736

C. Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 2 are valued using market approach using quoted market prices.

NOTE 2 – CASH AND INVESTMENTS, (Continued)

C. Fair Value Classifications, Continued

Fair value measurements for investments are as follows as of June 30, 2017:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Obligations	$ 500,879	$ -	$ 500,879	$ -
U.S. Agency Securities	22,934,747	-	22,934,747	-
Local Agency Obligations	535,241	-	535,241	-
Commercial Paper	2,085,216	-	2,085,216	-
Medium Term Notes	9,394,510	-	9,394,510	-
Total Leveled Investments	35,450,593	$ -	$ 35,450,593	$ -
Investments not Subject to Hierarchy:				
LAIF	792,635			
Riverside County Treasurer's Pooled Investment Fund	2,236,147			
Money Market Account	101,012			
	$ 38,580,387			

Deposits and withdrawals to/from LAIF and the Riverside County Treasurer's Pooled Investment Fund are made on the basis of $1 and not fair value. As such, the measurement of fair value is uncategorized and not defined as a Level 1, Level 2 or Level 3 input. The balance of the money market account is considered a cash equivalent.

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally-recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the WRCOG's investment policy, or debt agreements, and the actual Standard and Poor's rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	AAA	AA+	AA	AA-	A+	A	Not Rated
LAIF	$ 792,635	N/A	$ -	$ -	$ -	$ -	$ -	$ -	$ 792,635
Riverside County Treasurer's Pooled Investment Fund	2,236,147	N/A	-	-	-	-	-	-	2,236,147
U.S. Treasury Obligations	500,879	N/A	-	500,879	-	-	-	-	-
U.S. Agency Securities	22,934,747	N/A	858,881	22,075,866	-	-	-	-	-
Local Agency Obligations	2,620,457	N/A	-	-	535,241	-	-	2,085,216	-
Medium Term Notes	9,394,510	A	$ 104,448	349,796	$ 498,026	$ 883,585	$ 2,677,875	$ 4,880,780	-
Money Market Account	101,012	N/A	-	-	-	-	-	-	101,012
	$ 38,580,387		$ 963,329	$ 22,926,541	$ 1,033,267	$ 883,585	$ 2,677,875	$ 6,965,996	$ 3,129,794

NOTE 2 – CASH AND INVESTMENTS, (Continued)

E. Concentration of Credit Risk

Investments in any one issuer that represent five percent or more of the total WRCOG investments are as follows:

Concentration of Credit Risk

Issuer	Investment Type	Reported Amount	Percent of Portfolio
Freddie Mac	U.S. Agency Securities	$ 8,899,923	23%
Fannie Mae	U.S. Agency Securities	$ 7,701,661	20%
Federal Home Loan Bank	U.S. Agency Securities	$ 4,296,979	11%

F. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the WRCOG's policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure WRCOG deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Of WRCOG's deposits with financial institutions, $37,851,901 was in excess of federal depository insurance limits. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the WRCOG’s deposits as noted above.

NOTE 2 – CASH AND INVESTMENTS, (Continued)

G. Investment in State Investment Pool

WRCOG is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. All investments with LAIF are secured by the full faith and credit of the State of California. Separate LAIF financial statements are available from the California State Treasurer's Office on the Internet at www.treasurer.ca.gov.

H. Investment in Riverside County Pooled Investment Fund

The Riverside County Treasurer's Pooled Investment Fund (RCTPIF) is a pooled investment fund program governed by the County of Riverside Board of Supervisors and Investment Oversight Committee and administered by the County of Riverside Treasurer and Tax Collector. Investments in RCTPIF are highly liquid, as deposits and withdrawals can be made at any time without penalty. RCTPIF does not impose a maximum investment limit. RCTPIF is not registered with the Securities and Exchange Commission. The fair value of WRCOG's investment in this pool is reported in the accompanying financial statements at amounts based upon WRCOG's pro rata share of the fair value provided by County Treasurer for the entire RCTPIF.

Information related to the RCTPIF may be obtained from the County of Riverside Administrative Office – 4080 Lemon Street, 4th Floor – Capital Markets – Riverside, California 92506 or the Treasurer and Tax Collector's office website at www.countytreasurer.org.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Advances to Other Funds

WRCOG's interfund receivables and payables represent amounts advanced from the TUMF Fund to the General Fund for OPEB costs. The advance is anticipated to be repaid over a ten year period which began in fiscal year 2014-15 with equal annual payments.

The composition of interfund balance as of June 30, 2017, is as follows:

Receivable Fund	Payable Fund	Amount
TUMF	General	$ 827,686

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2017, is shown below:

	Beginning	Increases	Decreases	Ending
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and Computer Equipment	$ 384,413	$ 38,372	-	$ 422,785
Other Capital Assets	33,037	-	-	33,037
Total Depreciable Capital Assets	417,450	38,372	-	455,822
Less Accumulated Depreciation for:				
Furniture and Computer Equipment	(310,547)	(44,793)	-	(355,340)
Other Capital Assets	(6,607)	-	-	(6,607)
Total Accumulated Depreciation	(317,154)	(44,793)	-	(361,947)
Capital Assets net of Accumulated Depreciation	$ 100,296	$ (6,421)	$ -	$ 93,875

Depreciation expense of $44,793 was charged to the general government function of the governmental activities.

NOTE 5 – LONG-TERM LIABILITIES

A schedule of changes in the long-term liabilities for the year ended June 30, 2017, is shown below:

	Beginning	Additions	Reductions	Ending	Due within One Year
Governmental Activities:					
Compensated Absences	$ 177,366	$ 133,860	$ (136,492)	$ 174,734	$ 17,473
Refund Liability	11,670,561	440,736	(3,366,042)	8,745,255	-
City of Moreno Valley Agreement	10,128,000	-	(3,634,500)	6,493,500	-
City of Riverside Agreement	3,260,000	-	(1,600,000)	1,660,000	-
Net Pension Liability	1,808,565	793,695	(305,212)	2,297,048	-
Total Long-term Liabilities	$ 27,044,492	$ 1,368,291	$ (9,042,246)	$ 19,370,537	$ 17,473

Compensated absences will be liquidated primarily from the General Fund.

NOTE 5 – LONG-TERM LIABILITIES, (Continued)

A. Refund Liability

WRCOG maintains a listing of developers who are owed a refund for various reasons including expired permits, duplicate payments, and credit agreements entered into with the developer. Some of the refunds are included on the Transportation Improvement Plan (TIP) and some are not but are generally not paid out until the zone has enough money to repay the refund. Each zone within the TIP maintains its own refund amounts and as funds become available, the refunds are paid out. No interest is calculated on refunds granted back to the developer. The refunds will be liquidated from the TUMF Fund.

B. City of Moreno Valley Agreement

In 2011, WRCOG entered into an agreement with the City of Moreno Valley to fund a portion of the Nason/SR-60 Interchange Project. Pursuant to the agreement, the City incurred project-related costs which will be reimbursed through TUMF as funds become available through the annual TUMF allocation process. The total authorized by the agreement was $11,128,000. As of June 30, 2017, the remaining amount to be reimbursed to the City is $6,493,500. The liability will be liquidated from the TUMF Fund.

C. City of Riverside Agreement

In 2007, WRCOG entered into an agreement with the City of Riverside to fund the Magnolia Avenue/Union Pacific Grade Separation project. Pursuant to the agreement, the City incurred project related costs which will be reimbursed through TUMF as funds become available through the annual TUMF allocation process. The total authorized by the agreement was $15,660,000. As of June 30, 2017, the remaining amount to be reimbursed to the City is $1,660,000. The liability will be liquidated from the TUMF Fund.

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES

WRCOG developed an ordinance and an administrative plan effective June 1, 2003, to implement the Transportation Uniform Mitigation Fee (TUMF). This ordinance and the administrative plan allows for the collection of mitigation fees over 25 years related to the planning and construction of a regional transportation system throughout the western region of Riverside County. The municipalities located within the western region of Riverside County (grouped by zones) and the County of Riverside collect these fees and remit them to WRCOG on a monthly basis. WRCOG is responsible for the administration of these fees, subject to certain restrictions, and approves plans that meet the goals (nexus) of the legislation.

NOTE 6 – TRANSPORTATION UNIFORM MITIGATION FEES, (Continued)

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2017, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.58%, which is included as an expense in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 46.39%, 46.39% and 1.64%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

NOTE 7 – EMPLOYEE BENEFITS

California Public Employees' Retirement System (CalPERS)

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. WRCOG sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and WRCOG resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Benefits Provided, Continued

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous	
	Classic	New Members
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	2.70%	2.00%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	12.768%	7.02%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer contributions to the Plan for the fiscal year ended June 30, 2017, were $323,200. The actual employer payments of $305,212 made to CalPERS by the WRCOG during the measurement period ended June 30, 2016, differed from the WRCOG's proportionate share of the employer's contributions of $293,097 by $12,115, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Net Pension Liability

WRCOG's net pension liability for the cost-sharing plan covered by miscellaneous risk pools is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Valuation Date		June 30, 2015
Measurement Date		June 30, 2016
Actuarial Cost Method		Entry Age Normal
Actuarial Assumptions:		
Discount Rate		7.65%
Inflation		2.75%
Salary Increases (1)		3.3% - 14.2%
Investment Rate of Return (2)		7.65%
Mortality Rate Table (3)	Derived using CalPERS' membership data for all funds	
Post Retirement Rat Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter	

(1) Annual increases vary by category, entry age, and duration of service

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries cale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

Change in Assumptions

There were no changes in assumptions.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

Asset Class	Current Target Allocation	Real Return Years 1-10 (1)	Real Return Years 11+ (2)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	20%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	1%	-0.55%	-1.05%
Total	100%		

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2015 (VD)	$ 7,972,017	$ 6,163,452	$ 1,808,565
Balance at: 6/30/2016 (MD)	$ 8,945,076	$ 6,648,028	$ 2,297,048
Net changes during 2015-2016	$ 973,059	$ 484,576	$ 488,483

[1]Valuation Date (VD), Measurement Date (MD)

WRCOG's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. WRCOG's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Proportionate Share of Net Pension Liability, Continued

WRCOG's proportionate share of the net pension liability for the Plan as of the June 30, 2015 and 2016 measurement dates was as follows:

Proportion - June 30, 2015	0.0263%
Proportion - June 30, 2016	0.0265%
Change - Increase	0.0002%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents WRCOG's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Plan's Net Pension Liability	$ 3,501,334	$ 2,297,048	$ 1,301,766

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2015-16 measurement period is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to -0-. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2015), WRCOG's net pension liability was $1,808,565. For the measurement period ending June 30, 2016 (the measurement date), WRCOG incurred a pension income of $76,323.

NOTE 7 – EMPLOYEE BENEFITS, (Continued)

California Public Employees' Retirement System (CalPERS), Continued

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, Continued

At June 30, 2017, WRCOG reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,474	$ 2,400
Changes in assumptions	-	99,091
Differences between projected and actual investment	515,739	-
Differences between employer's contributions and proportionate share of contributions	97,462	-
Change in employers proportion	250,240	7,873
Pension contributions subsequent to the measurement date	323,200	-
	$ 1,197,115	$ 109,364

The amount of $323,200 reported as deferred outflows of resources resulting from WRCOG's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2018	$ 209,595
2019	178,453
2020	242,920
2021	133,583
	$ 764,551

Payable to the Pension Plan

At June 30, 2017, WRCOG reported a payable of $-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

WRCOG provides post-retirement health care benefits for retired employees and their dependents. Benefits are as follows:

Tier	Date of Hire	Benefit
1	< 1/1/98	100% of premium (EE + dep.)
2	1/1/98 - 6/30/01	Cost of Kaiser coverage (EE + dep.)
3	7/1/01 - 9/1/04	Up to employee + 1 Kaiser premium
4	> 9/1/04	50% of weighted average of 4 top plans + 40% of weighted average for 1 dep. for 4 top plans. Vesting is 50% of premium at 10 years graded to 100% at 20 years.

In April 2012 WRCOG joined the Public Agencies Post-Retirement Health Care Plan, a multiple-employer trust administered by the Public Agency Retirement Services.

Funding Policy

Benefit provisions are established and may be amended by the Executive Committee. WRCOG contributes 100% of the cost of health insurance premiums for retirees. WRCOG intends to fund 100% of the future Annual Required Contribution (ARC). The ARC represents a level of funds that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize on an open basis any unfunded actuarial liabilities (or funding excess) over the remaining period of 20 years.

Annual OPEB Cost and Net OPEB (Asset) Obligation. The following table shows the components of WRCOG's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the WRCOG's net OPEB obligation to the Plan:

Annual required contribution (ARC)	$	167,371
Interest on net OPEB obligation		(42,571)
Adjustment to the ARC		57,272
Annual OPEB cost		182,072
Contributions made		(60,000)
Decrease in net OPEB asset		122,072
Net OPEB (asset)/obligation, beginning of year		(681,131)
Net OPEB (asset)/obligation, end of year	$	(559,059)

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Funding Policy, Continued

WRCOG's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2017 and the two preceding years were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/(Asset)
6/30/2015	$ 148,508	40%	$ (802,265)
6/30/2016	181,134	33%	(681,131)
6/30/2017	182,072	33%	(559,059)

Funded Status and Funding Progress

As of June 30, 2016, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	$ 2,443,082
Actuarial value of plan assets	$ 1,783,503
Unfunded actuarial accrued liability (UAAL)	$ 659,579
Funded ratio (actuarial value of plan assets/AAL)	73.0%
Covered payroll (annual payroll of active employees covered by plan)	$ 1,708,005
UAAL as a percentage of covered payroll	38.6%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information indicating whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), (Continued)

Methods and Assumptions, Continued

In the June 30, 2016 actuarial valuation, the following actuarial assumptions were made:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of pay, open
Remaining amortization period:	20 years
Actuarial assumptions:	
Inflation rate	2.75%
Interest discount	6.25%
Projected salary increase	3.00%
Healthcare cost trend	4.0% initially, increased to 7.5% the first year and reduced 1.5% over the next three years

Other Benefits

WRCOG also provides a deferred compensation plan under Section 457 of the Internal Revenue Code. As a result of changes in tax law, these benefits have been placed in a trust for the exclusive benefit of the employees requesting such deferrals.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

WRCOG has participated in various federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantor or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes that any liability for reimbursement, which may arise as a result of these audits, is not material.

NOTE 10 – RELATED PARTY TRANSACTIONS

WRCOG purchased services during the current year from the County of Riverside, which is also a member of WRCOG, for treasury services, rent, communication and accounting functions, which amounted to $298,324 and are included as expenditures in the General Fund.

NOTE 11 – PROPERTY ASSESSED CLEAN ENERGY PROGRAM

In 2011, WRCOG launched the Property Assessed Clean Energy (PACE) Program, a regional effort that provides financing to residential and commercial property owners to install energy-efficient, renewable energy, and water conservation improvements to homes and businesses in the subregion.

Program participants complete an application, select a contractor, and make the improvements. Repayment occurs through the owner's annual property tax bill, and in most cases, the assessment stays with the property, to be assumed by the next owner upon sale of the property. For property owners, energy and water conservation improvements will yield reduced utility bills. For Western Riverside County, the Program will create energy savings for the fast-growing region, reduce greenhouse gas emissions associated with energy use, and bring and retain jobs for area contractors.

The PACE Program has expanded statewide; nearly 150 municipalities throughout California have joined the Program. What makes the PACE Program particularly unique is that the financing is provided entirely by private investment funds to implement the Program.

Under the PACE Program, a contractual assessment is entered into by the property owner. The amount of the contractual assessment is equal to the cost to pay for the eligible improvements, the issuance of the bonds that will finance the program, and the costs to administer the program. The assessments are billed and collected on the County property tax bill. Repayments made by the property owners flow through the County to the trustee to fund the debt service. WRCOG does not receive the special assessments. As the sponsor of the PACE program, WRCOG receives a percentage of the amount financed for its participation in the program.

During the year, WRCOG received 1.463% of the amount financed, for each assessment, in the residential program. A program management fee of $55 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a $25 annual administrative fee, per assessment, used to levy on county tax rolls.

For the commercial program, WRCOG received 1.15% of the amount financed, for each assessment, in the program. A program management fee of $95 per assessment is collected at the initiation of the assessment to pay for recordation. Also collected is a $390 annual administrative fee, per assessment, used to levy on county tax rolls.

PACE revenues are broken out by two types: Program and Recording. For FY 16/17, Program revenue totaled $7,452,765, while Recording revenue totaled $1,491,290. Recording revenues are recouped from each bond assessment and charged to recover the amount paid to each County for recording, essentially offsetting the fees paid.

NOTE 12 – BEYOND PROGRAM

In June 2015, WRCOG launched the BEYOND Framework Fund Program (BEYOND), to provide local assistance funding to help its member agencies develop and implement plans and programs that can help improve the quality of life in Western Riverside County. BEYOND projects address critical growth components such as economic development, water, education, environment, energy, health, and transportation.

The BEYOND Program is funded by net PACE program revenues. In the fiscal year ending June 30, 2017, $2.3 million was allocated for Round II of the BEYOND Program. The $2.3 million is allocated to Member Agencies based on the City's population or a flat amount in the case of special districts. Funds are required to be expended pursuant to program guidelines. Funds are provided to member agencies on a reimbursement basis. During the year, reimbursements to various member agencies for projects approved by WRCOG totaled $554,261 from BEYOND Round I funding, while no funds for Round II were reimbursed. The remaining $3,305,419 is assigned within the General Fund for the BEYOND program.

NOTE 13 – FELLOWSHIP PROGRAM

In November 2015, WRCOG launched the Fellowship Program. The Fellowship Program is administered in partnership with the University of California, Riverside and California Baptist University. The purpose of the program is to encourage students to seek careers in public policy and local government. Based on available funding and member agency's needs, each member agency is provided with a student intern who is employed by WRCOG, to be used to support local government departments.

The Fellowship Program is funded by net PACE program revenues. In the fiscal year ending June 30, 2017 a total of $400 thousand was allocated to the Fellowship Program. During the year, reimbursements to various member agencies for hired interns approved by WRCOG totaled $278,728. The remaining $121,272 is assigned within the General Fund for the Fellowship Program.

NOTE 14 – RISK MANAGEMENT

WRCOG is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; and natural disasters which are covered through the purchase of insurance policies.

At June 30, 2017, WRCOG's insurance policies are as follows:

- Errors & Omission/ Employment Practices Liability: WRCOG is insured up to $5,000,000 per occurrence and $25,000 deductible per occurrence.
- Office Equipment: WRCOG is insured up to $1,000,000 per occurrence and $122,000 personal property.
- Workers Compensation: WRCOG is insured up to $1,000,000 per occurrence.
- Employee Dishonest Bond: WRCOG is insured up to $25,000 bond limit.
- Business Auto Policy: WRCOG is insured up to $1,000,000 liability limit.

In each of the past three fiscal years, WRCOG had no settlements that exceeded insurance coverage.

NOTE 15 – SUBSEQUENT EVENTS

WRCOG has received the first payment from the City of Beaumont related to the settlement between WRCOG and the City. WRCOG will continue to receive revenues from the settlement through a number of sources, including 3rd party claims. WRCOG will allocate the revenues based on the terms of the settlement agreement and any allocation approved by the WRCOG Executive Committee.

At the November 2017 Executive Committee meeting, a requested action will be taken to approve an additional $700,000 for the Fellowship program.

REQUIRED SUPPLEMENTARY INFORMATION

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 1,096,000	$ 1,146,527	$ 1,145,570	$ (957)
TUMF mitigation fees	1,599,997	1,599,997	1,689,574	89,577
PACE fees	11,327,824	8,634,633	9,028,003	393,370
Other revenues	1,038,380	1,128,390	894,488	(233,902)
Investment income	-	-	261	261
Total revenues	15,062,201	12,509,547	12,757,896	248,349
Expenditures:				
Current:				
General government	6,570,515	6,652,543	3,965,880	2,686,663
Energy	6,290,789	6,621,504	5,632,488	989,016
Environmental	435,230	579,231	513,137	66,094
Total Expenditures	13,296,534	13,853,278	10,111,505	3,741,773
Net change in fund balance	$ 1,765,667	$ (1,343,731)	2,646,391	$ 3,990,122
Fund balance:				
Balance, beginning of year,			9,948,040	
Balance, end of year			$ 12,594,431	

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Schedule of Funding Progress for Other Postemployment Benefits June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Simplified Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A / B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B - A) / C]
6/30/2010	$ -	$ 1,537,589	$ 1,537,589	0.0%	$ 1,091,542	-140.9%
6/30/2013	1,561,336	2,004,792	443,456	77.9%	1,188,408	37.3%
6/30/2016	1,783,503	2,443,082	659,579	73.0%	1,708,005	38.6%

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Schedule of the WRCOG's Proportionate Share
of the Net Pension Liability and Related Ratios as of the Measurement Date
Last Ten Years*
As of the Year Ended June 30, 2017

	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
Employer's Proportion of the Collective Net Pension Liability (1)	0.0265%	0.0263%	0.0229%
Employer's Proportionate Share of the Collective Net Pension Liability	$ 2,297,048	$ 1,808,565	$ 1,421,911
Employer's Covered Payroll	$ 1,760,643	$ 1,616,828	$ 1,422,424
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	111.86%	111.86%	99.96%
Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	78.40%	79.82%

(1) Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

*Measement period 2013-14 (fiscal year 2014-15) was the first year of implementation.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Schedule of Plan Contributions
Last Ten Years*
As of the Year Ended June 30, 2017

	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15
Contractually Determined Contributions	$ 323,200	$ 305,212	$ 294,471
Contributions in Relation to the Contractually Determined Contributions	323,200	305,212	294,471
Contribution Deficiency (Excess)	$ -	$ -	$ -
Employer's Covered Payroll	$ 2,062,647	$ 1,760,643	$ 1,616,828
Contributions as a Percentage of Covered Payroll	15.67%	17.34%	18.21%

Notes to Schedule:
Change in Benefit Terms: None
Change in Assumptions: None

*Measement period 2013-14 (fiscal year 2014-15) was the first year of implementation.

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

By state law, WRCOG's Governing Board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. WRCOG's Governing Board satisfied these requirements. A budget is adopted for all expenditures by financial responsibility for the General Fund. All budgets are adopted on a basis consistent with generally accepted accounting principles.

WRCOG is entitled to an administration fee of up to 4% annually of TUMF revenues collected, with a maximum of 1% that can be used to offset salaries and benefits related to TUMF administration. In 2017, the total administration fee collected was 4%. Riverside Conservation Agency (RCA) also receives a percentage of the TUMF revenues collected of 1.58%, which is included as an expense in the TUMF Fund.

The fees allocated among the zones, Riverside County Transportation Commission (RCTC), and Riverside Transit Authority (RTA) are 46.39%, 46.39% and 1.64%, respectively. These allocations are remitted monthly to RCTC and quarterly to RTA; however the zones must submit project plans for approval to WRCOG before funds can be released. RCA must submit potential sites designated for conservation for approval before funds are released.

The TUMF Fund does not have an adopted budget that is approved by the WRCOG General Assembly, therefore, the TUMF Fund does not present a budget to actual comparison.

NOTE 2 – FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS

The schedule of funding progress presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

SUPPLEMENTARY INFORMATION

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Assets				
Cash and investments	$ 860,763	$ 3,388,025	$ 3,742,782	$ 506,005
Total assets	$ 860,763	$ 3,388,025	$ 3,742,782	$ 506,005
Liabilities				
Deposits	$ 860,763	$ 3,388,025	$ 3,742,782	$ 506,005
Total liabilities	$ 860,763	$ 3,388,025	$ 3,742,782	$ 506,005

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WRCOG
Western Riverside
Council of Governments

Statistical Section

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Statistical Section Overview
For the Fiscal Year Ended June 30, 2017

This section of the Western Riverside Council of Government's Comprehensive Annual Financial Report presents additional detail, historical perspective, and context to assist annual financial report users in understanding the financial statements, note disclosures, required supplementary information, and assessing WRCOG's financial condition.

Financial Trends: These schedules contain trend information to assist readers in understanding and assessing how WRCOG's financial position has changed over time.

Net Position by Component
Changes in Net Position
Fund Balances of Governmental Funds
Changes in Fund Balances in Governmental Funds

Revenue Capacity: These schedules contain information to help the reader asses WRCOG's most significant local revenue source, Member Dues and Mitigation Fees.

WRCOG Revenues

Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.

Demographic and Economic Statistics for Riverside County
Principal Employers of Riverside County

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

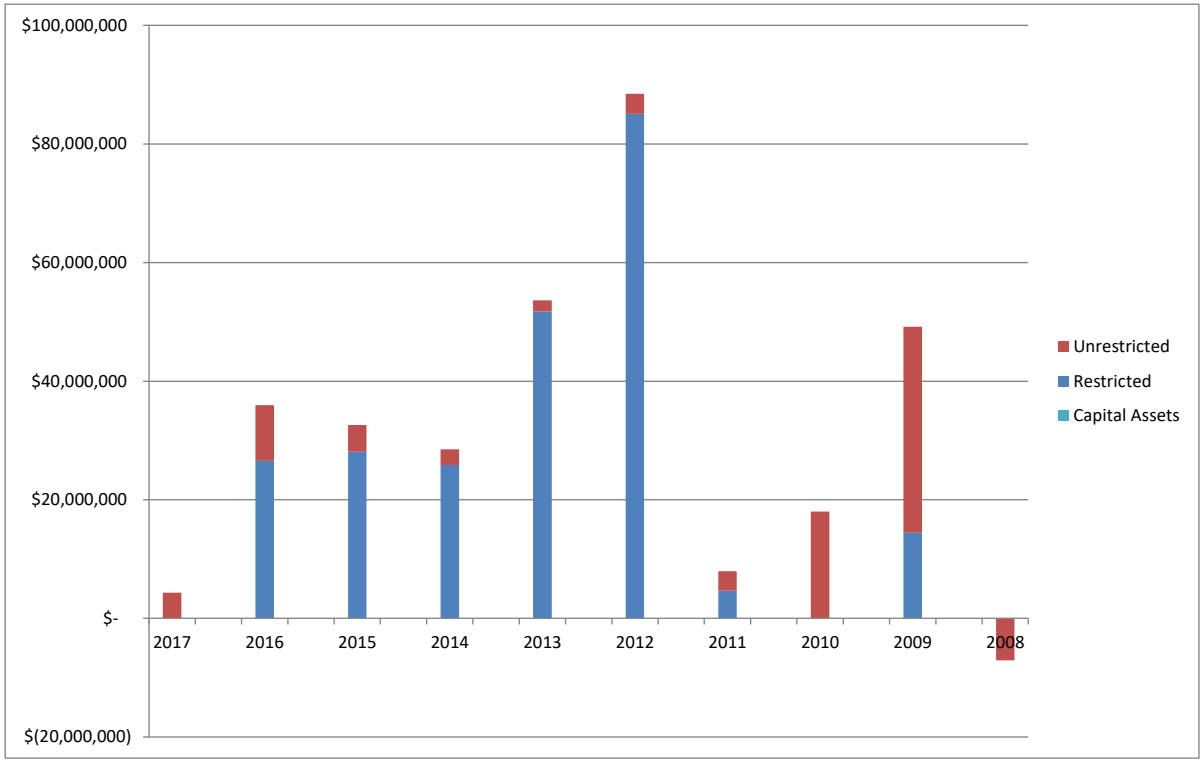
Full-time Equivalent Employees by Function/Program

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Net investment in capital assets	$ 93,875	$ 100,296	$ 54,038	$ 30,021	$ 20,735	$ 32,918	$ 47,304	$ 60,690	$ 62,883	$ 81,512
Restricted	11,702	26,481,732	28,033,173	25,869,263	51,733,864	85,054,212	4,632,048	-	14,389,308	-
Unrestricted	4,232,803	9,385,943	4,556,290	2,632,813	1,880,401	3,361,861	3,279,968	17,953,134	34,711,008	(7,051,813)
Total governmental activities net position	$ 4,338,380	$ 35,967,971	$ 32,643,501	$ 28,532,097	$ 53,635,000	$ 88,448,991	$ 7,959,320	$ 18,013,824	$ 49,163,199	$ (6,970,301)

Source: Finance Department



WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	$ 4,028,482	$ 2,520,688	$ 2,031,313	$ 2,245,634	$ 2,401,116	$ 3,392,955	$ 1,974,339	$ 1,987,220	$ 2,021,169	$ 1,824,554
Transportation	74,542,061	41,631,788	26,481,732	54,779,449	50,187,717	21,194,918	18,983,962	43,206,326	35,250,572	53,691,970
Energy	5,622,980	5,629,560	4,926,278	2,445,533	1,608,694	476,844	20,033	22,812	25,522	26,968
Environmental	513,137	423,667	531,945	647,781	576,600	520,748	-	-	-	-
Total primary government expenses	84,706,660	50,205,703	33,971,268	60,118,397	54,774,127	25,585,465	20,978,334	45,216,358	37,297,263	55,543,492
Program Revenues										
Governmental activities:										
General government	512,876	513,188	349,268	420,810	528,756	63,102	1,515,581	1,495,290	1,256,051	1,306,450
Transportation	42,731,611	43,508,888	37,430,113	24,905,073	25,966,400	14,122,996	8,121,757	10,832,988	13,145,887	15,395,387
Energy	9,316,452	9,779,134	7,473,816	3,198,814	1,482,940	190,142	-	-	-	-
Environmental	528,775	464,885	620,836	618,415	619,388	712,040	-	-	-	-
Total primary government program revenues	53,089,714	54,266,095	45,874,033	29,143,112	28,597,484	15,088,280	9,637,338	12,328,278	14,401,938	16,701,837
Net (Expense)/Revenue										
Total primary government net expense	(31,616,946)	4,060,392	11,902,765	(30,975,285)	(26,176,643)	(10,497,185)	(11,340,996)	(32,888,080)	(22,895,325)	(38,841,655)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Other revenues	-	36,112	241,763	259,349	308,294	852,752	647,701	428,092	516,688	466,401
Investment income (loss)	(12,645)	509,228	552,021	706,876	(285,642)	806,546	638,791	1,310,611	4,798,161	9,382,064
Special Item	-	-	-	-	-	-	-	-	73,713,976	-
Total general revenues	(12,645)	545,340	793,784	966,225	22,652	1,659,298	1,286,492	1,738,703	79,028,825	9,848,465
Changes in Net Position	$ (31,629,591)	$ 4,605,732	$ 12,696,549	$ (30,009,060)	$ (26,153,991)	$ (8,837,887)	$ (10,054,504)	$ (31,149,377)	$ 56,133,500	$ (28,993,190)

Source: Finance Department

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
GENERAL FUND										
General fund:										
Nonspendable										
Prepaid items	$ 167,212	$ 90,762	$ 82,987	$ 70,111	$ 67,357	$ 36,386	$ 52,047			
Restricted										
LTF	-	-	-	581,358	578,909	591,273	650,397			
Foundation	11,702	11,690	-	-	-	-	-			
Assigned										
BEYOND Program	3,305,419	1,556,763								
Fellowship Program	121,272	400,000								
Unassigned	8,988,826	7,888,825	5,415,947	1,275,895	456,939	392,965	76,440			
Total general fund	$ 12,594,431	$ 9,948,040	$ 5,498,934	$ 1,927,364	$ 1,103,205	$ 1,020,624	$ 778,884			
General fund:										
Reserved								$ -	$ -	$ -
Designated								3,077,075	3,882,403	3,438,509
Undesignated								1,042,934	1,390,576	1,039,332
								$ 4,120,009	$ 5,272,979	$ 4,477,841
ALL OTHER GOVERNMENTAL FUNDS										
All other governmental funds:										
Committed										
TUMF	$ -	$ -	$ -	$ -	$ -	$ -	$ 72,530,712			
Restricted										
Transportation	9,373,801	51,540,293	53,379,614	49,094,887	65,104,205	95,670,753	-			
Foundation	-		11,695	11,604	20,550	11,370	48,346			
Assigned										
TUMF	-	-	-	-	-	-	31,175,659			
Tota	$ 9,373,801	$ 51,540,293	$ 53,391,309	$ 49,106,491	$ 65,124,755	$ 95,682,123	$ 103,754,717			
All other governmental funds:										
Reserved								$ 92,968,382	$ 126,416,225	$ 149,784,471
Undesignated								30,555,061	29,287,019	24,606,528
Total all other governmental funds								$ 123,523,443	$ 155,703,244	$ 174,390,999

Source: Finance Department

In FY 2011 WRCOG implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Prior year amounts in this presentation have not been revised to reflect this change.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Intergovernmental, net	$ 1,145,570	$ 1,058,265	$ 1,461,999	$ 1,350,596	$ 1,830,454	$ 1,216,550	$ 1,515,581	$ 1,495,290	$ 1,256,051	$ 1,306,450
TUMF mitigation fees	42,239,340	42,615,158	36,507,739	24,306,973	25,361,053	13,871,730	8,165,385	10,708,454	12,787,664	15,395,387
PACE fees	9,028,003	9,562,139	7,159,144	2,197,585	-	-	-	-	-	-
Other revenues	894,488	848,957	986,914	1,547,307	1,714,271	852,752	647,701	428,092	516,688	466,401
Investment income (loss)	(12,645)	509,229	552,021	420,526	(285,642)	806,546	638,791	1,310,611	4,798,161	9,382,064
Total revenues	53,294,756	54,593,748	46,667,817	29,822,987	28,620,136	16,747,578	10,967,458	13,942,447	19,358,564	26,550,302
Expenditures										
Current:										
General Government	3,965,880	2,681,489	2,070,885	2,191,112	2,321,713	3,969,631	3,650,185	3,832,989	3,638,627	3,441,956
Programs:										
Transportation	82,703,352	44,125,019	30,998,608	44,901,088	52,612,593	23,624,407	28,039,139	43,421,151	33,605,661	52,143,407
Energy	5,632,488	5,647,563	4,929,398	2,431,687	1,589,887	675,950	-	-	-	-
Environmental	513,137	435,670	534,027	638,549	564,061	653,485	-	-	-	-
Debt service	-	-	-	-	1,500,000	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	6,647	20,617	6,893	24,608
Total expenditures	92,814,857	52,889,741	38,532,918	50,162,436	58,588,254	28,923,473	31,695,971	47,274,757	37,251,181	55,609,971
Excess (deficiency) of revenues over (under) expenditures	(39,520,101)	1,704,007	8,134,899	(20,339,449)	(29,968,118)	(12,175,895)	(20,728,513)	(33,332,310)	(17,892,617)	(29,059,669)
Other financing sources (uses):										
Loan proceeds	-	-	-	-	-	1,500,000	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,500,000	-	-	-	-
Net change in fund balances	$ (39,520,101)	$ 1,704,007	$ 8,134,899	$ (20,339,449)	$ (29,968,118)	$ (10,675,895)	$ (20,728,513)	$ (33,332,310)	$ (17,892,617)	$ (29,059,669)
Debt service as a percentage of noncapital expenditures	0.0%									

Source: Finance Department

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Revenue by Funds
Last Ten Fiscal Years
(Accrual Basis)

	Fiscal Year Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
GENERAL FUND:										
Member dues:										
Banning	$ 3,941	$ 3,941	$ 3,957	$ 3,957	$ 3,957	$ 3,957	$ 3,957	$ 3,957	$ 5,361	$ 5,361
Beaumont	-	-	5,255	5,255	5,255	5,255	5,255	5,255	2,486	2,486
Calimesa	1,049	1,049	1,102	1,102	1,102	1,102	1,102	1,102	1,739	1,739
Canyon Lake	1,406	1,406	2,256	2,256	2,256	2,256	2,256	2,256	3,410	3,410
Corona	20,290	20,290	25,886	25,886	25,886	25,886	25,886	25,886	35,226	35,226
Eastvale	7,171	7,171	-	-	-	-	-	-	-	-
Hemet	9,797	9,797	10,386	10,386	10,386	10,386	10,386	10,386	13,158	13,158
Jurupa Valley	12,710	12,710	-	-	-	-	-	-	-	-
Lake Elsinore	6,933	6,933	7,904	7,904	7,904	7,904	7,904	7,904	7,160	7,160
Menifee	10,491	10,491	10,147	10,147	10,147	10,147	10,147	10,147	-	-
Moreno Valley	25,780	25,780	25,413	25,413	25,413	25,413	25,413	25,413	30,749	30,749
Murrieta	13,794	13,794	17,954	17,954	17,954	17,954	17,954	17,954	12,880	12,880
Norco	3,573	3,573	4,482	4,482	4,482	4,482	4,482	4,482	6,058	6,058
Perris	9,215	9,215	8,173	8,173	8,173	8,173	8,173	8,173	7,624	7,624
Riverside	40,512	40,512	42,894	42,894	42,894	42,894	42,894	42,894	62,876	62,876
San Jacinto	5,889	5,889	5,504	5,504	5,504	5,504	5,504	5,504	5,111	5,111
Temecula	13,424	13,424	18,714	18,714	18,714	18,714	18,714	18,714	17,854	17,854
Wildomar	4,298	4,298	4,863	4,863	4,863	4,863	4,863	4,863	-	-
County of Riverside	48,136	48,136	43,520	43,520	43,520	43,520	43,520	43,520	68,788	68,788
County of Riverside - Office of Superintendent	17,000	17,000	17,000	17,000	17,000	17,000	-	-	-	-
Eastern Municipal Water District	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	20,000	20,000
Western Municipal Water District	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	20,000	20,000
Morongo Band of Mission Indians	17,000	9,500	10,000	10,000	-	-	-	-	-	-
Total Member dues	$ 306,410	$ 298,910	$ 299,410	$ 299,410	$ 289,410	$ 289,410	$ 272,410	$ 272,410	$ 320,480	$ 320,480
ALL OTHER GOVERNMENTAL FUNDS										
Transportation Uniform Mitigation Fee (TUMF):										
Banning	$ 40,930	$ 6,326	$ 54,738	$ 4,116	$ -	$ 89,603	$ 2,057	$ 36,319	$ 12,606	$ 214,394
Beaumont	-	-	-	-	-	-	-	-	-	69,222
Calimesa	103,835	10,359	133,217	65,387	1,310	1,144	22,963	154,051	-	31,478
Canyon Lake	18,525	20,583	27,055	22,642	4,117	1,028	6,169	2,259	2,313	44,576
Corona	1,153,262	2,743,488	1,989,728	114,644	104,773	1,272,328	215,876	109,292	422,457	1,420,435
Eastvale	1,249,621	1,705,338	1,241,685	1,438,152	1,478,348	665,522	434,531	-	-	-
Hemet	52,392	351,010	545,597	736,612	531,470	194,078	145,284	1,026,097	536,448	930,216
Jurupa Valley	2,400,109	2,302,649	1,738,387	242,216	112,044	32,901	-	-	-	-
Lake Elsinore	800,725	969,533	898,098	868,004	646,241	259,098	263,885	115,607	392,960	650,923
March JPA	765,627	222,482	239,874	-	227,695	-	-	156	-	471,254
Menifee	1,374,603	1,203,549	909,230	1,665,304	821,673	628,138	1,108,611	1,136,869	4,430,855	-
Moreno Valley	883,562	1,356,327	2,343,895	1,138,394	693,588	29,612	425,411	413,086	641,423	1,352,032
Murrieta	884,391	1,452,155	1,496,315	70,944	81,192	64,386	702,612	360,959	152,991	702,877
Norco	304,411	100,355	101,444	11,288	8,232	-	65,000	5,764	83,055	61,804
Perris	1,235,325	1,167,113	1,069,887	1,498,823	320,608	124,896	187,814	107,272	412,229	730,803
Riverside	3,113,205	1,852,839	1,461,429	594,363	1,365,025	955,549	837,989	299,033	1,000,099	3,512,286
San Jacinto	843,818	698,893	259,021	200,630	70,674	90,480	123,462	235,158	355,874	804,624
Temecula	810,938	809,664	679,386	227,028	1,772,534	944,090	1,288,039	940,530	1,746,599	924,949
Wildomar	826,659	384,865	83,178	219,722	1,032,017	16,451	30,063	310,670	4,625	-
County - Northwest	569,203	414,258	216,343	183,616	189,161	248,635	685,058	1,545,271	2,352,587	2,520,760
County - Southwest	863,473	636,493	1,529,926	1,288,379	1,622,276	598,885	367,429	639,407	2,575,582	1,800,925
County - Central	911,716	1,040,489	593,671	46,173	434,159	37,570	127,594	144,747	833,937	831,614
County - Pass	12,349	20,581	16,502	4,116	431,198	2,181	3,347	23,962	31,344	96,823
County - Hemet/San Jacinto	376,151	299,821	91,090	82,324	30,103	15,701	6,316	33,120	169,059	195,741
Regional Transit Authority	692,725	698,889	314,621	367,630	423,339	194,423	185,257	341,681	563,184	822,310
Riverside County Transportation Commission	19,594,830	19,769,172	17,480,991	10,899,357	11,978,440	5,494,327	5,438,916	6,603,169	10,548,866	15,402,495
WRCOG	1,689,574	1,704,607	2,076,008	974,049	1,027,871	505,866	544,408	663,267	2,453,241	1,549,402
MSHCP	667,382	673,319	602,662	369,011	407,929	191,743	194,668	223,217	358,564	491,465
Total TUMF	$ 42,239,340	$ 42,615,159	$ 38,193,977	$ 23,332,924	$ 25,816,019	$ 12,658,634	$ 13,412,759	$ 15,470,963	$ 30,080,898	$ 35,633,407

Source: Finance Department

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Demographic and Economic Statistics for the County of Riverside
Last Ten Calendar Years

Calendar Year	Population	Personal Income (thousands)	Per Capita Personal Income	Unemployment Rate
2017	2,390,702	$ 88,000,000	$ 37,888	5.80%
2016	2,317,924	89,500,000	31,762	6.90%
2015	2,329,271	83,500,000	31,344	8.40%
2014	2,292,507	76,289,477	30,815	9.80%
2013	2,227,577	70,376,019	29,986	11.50%
2012	2,239,620	67,024,780	29,927	13.20%
2011	2,189,641	63,900,000	29,035	14.70%
2010	2,125,440	63,228,086	29,748	13.40%
2009	2,077,183	64,503,728	31,053	8.50%
2008	2,031,625	61,023,518	30,037	6.00%

Sources: California State Department of Finance as of January 1
U.S. Department of Commerce Bureau of Economic Analysis
Riverside County Economic Development Agency

Represents most recent data available
Data not available solely for Western Riverside County

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Employment Statistics by Industry for Riverside County
Calendar Years 2015 and Nine Calendar Years

Industry Type	2016	% of Total Employment	2007	% of Total Employment
Agricultural service, forestry, fishing and other	131,600	18.6%	118,700	18.8%
Mining	300	0.0%	700	0.1%
Construction	60,000	8.5%	61,300	9.7%
Manufacturing	43,200	6.1%	51,700	8.2%
Transportation, warehousing, and public utilities	41,200	5.8%	23,000	3.6%
Wholesale trade	23,700	3.3%	21,000	3.3%
Retail trade	97,700	13.8%	92,800	14.7%
Professional & business services	66,400	9.4%	62,400	9.9%
Education & health services	102,000	14.4%	69,100	10.9%
Other services	22,600	3.2%	20,800	3.3%
Federal government, civilian	7,200	1.0%	6,100	1.0%
State government	17,400	2.5%	15,600	2.5%
Local government	95,600	13.5%	89,400	14.1%
Total	708,900	100.0%	632,600	100.0%

Source: State of California Economic Development Department

Represents most recent data available
Data not available solely for Western Riverside County

http://www.labormarketinfo.edd.ca.gov/county/river.html

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(A Joint Powers Authority)

Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

	As of June 30									
Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Management services and administration	9.0	7.8	7.2	5.5	5.9	6.0	6.5	7.3	5.1	5.4
Transportation	3.5	5.5	4.9	4.9	5.8	5.0	6.3	6.5	7.7	7.4
Energy	15.3	8.3	7.2	4.6	3.1	2.2	3.2	3.2	3.2	3.2
Environmental	2.3	1.3	3.4	3.0	3.0	2.0	3.0	3.0	3.0	3.0
Total full time equivalents	30.0	22.8	22.7	18.0	17.8	15.2	19.0	20.0	19.0	19.0

Source: Finance Department

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Item 5.J

Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Attachment 2

FY 2016/2017 Statement on Auditing Standards 114 Report

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
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MEMBERS
American Institute of
Certified Public Accountants

PCPS The AICPA Alliance for CPA Firms

Governmental Audit Quality Center

California Society of
Certified Public Accountants

To the Executive Committee
Western Riverside Council of Governments

We have audited the financial statements of Western Riverside Council of Governments (WRCOG) as of and for the year ended June 30, 2017, and have issued our report thereon dated October 31, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 15, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of WRCOG's solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by WRCOG is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the 2017 fiscal year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

> Management's estimate of the fair value of investments is based on observable market inputs and information from WRCOG's safekeeping custodian banks. We evaluated the key factors and assumptions used to develop the fair value of investments and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
>
> Management's estimate of the net pension liability and related deferred inflows of resources and outflows of resources is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.
>
> Management's estimate of the asset for other post-employment benefits is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting WRCOG's financial statements relate to:

The disclosure of fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of net pension liability in Note 7 to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of the postemployment benefits other than pensions (OPEB) in Note 8 of the financial statements identifies the annual OPEB cost and the funded status of the actuarial accrued liability. The information disclosed is based on actuarial information.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to WRCOG's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 31, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with WRCOG, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Western Riverside Council of Government's auditors.

We applied certain limited procedures to management's discussion and analysis, the schedule of proportionate share of net pension liability, the schedule of plan contributions, the schedule of OPEB funding progress, and the General Fund budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI. We were not engaged to report on the introductory section or the statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Executive Committee, and management of WRCOG and is not intended to be and should not be used by anyone other than these specified parties.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 31, 2017

October 31, 2017

TOP WORK PLACES 2017 THE PRESS-ENTERPRISE

Rogers, Anderson, Malody and Scott, LLP
735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408

This representation letter is provided in connection with your audit of the financial statements of Western Riverside Council of Governments (WRCOG) as of June 30, 2017 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of WRCOG in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 31, 2017.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 15, 2017 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.

- All funds and activities are properly classified.

- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.

- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.

- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

- All interfund and intra-entity transactions and balances have been properly classified and reported.

- Special items and extraordinary items have been properly classified and reported.

- Deposit and investment risks have been properly and fully disclosed.

- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.

- All required supplementary information is measured and presented within the prescribed guidelines.

- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.

  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.

  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.

  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;

  - Additional information that you have requested from us for the purpose of the audit; and

  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;

  - Employees who have significant roles in internal control; or

  - Others where the fraud could have a material effect on the financial statements.

- We have no knowledge of allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.

- We *are* not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- WRCOG has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

- There are no:

  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.

  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.

  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.

- WRCOG has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the Schedule of the WRCOG's Schedule of Revenues, Expenditures, and Changes in Fund Balance, Schedule of Funding Progress for Other Post-Employment Benefits Plan, Proportionate Share of Plans' Net Pension Liability and the Schedule of Plan Contributions accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
- We believe the RSI, including its form and content, is measured and fairly presented in accordance with the applicable criteria.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

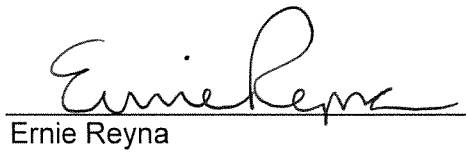
Rick Bishop
Executive Director

Ernie Reyna
Chief Financial Officer

Required Supplementary Information

With respect to the Schedule of the WRCOG's Schedule of Revenues, Expenditures, and Changes in Fund Balance, Schedule of Funding Progress for Other Post-Employment Benefits Plan, Proportionate Share of Plans' Net Pension Liability and the Schedule of Plan Contributions accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
- We believe the RSI, including its form and content, is measured and fairly presented in accordance with the applicable criteria.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.



Ernie Reyna
Chief Financial Officer

Item 5.J

Fiscal Year 2016/2017 Comprehensive Annual Financial Report

Attachment 3

FY 2016/2017 Generally Accepted Government Auditing Standards Report

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To the Executive Committee
Western Riverside Council of Governments
Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Western Riverside Council of Governments (WRCOG) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise WRCOG's basic financial statements, and have issued our report thereon dated October 31, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered WRCOG's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WRCOG's internal control. Accordingly, we do not express an opinion on the effectiveness of WRCOG's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether WRCOG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WRCOG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WRCOG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Bernardino, California
October 31, 2017

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Regional Transportation Summit Announcement**

Contact: **Christopher Tzeng, Program Manager, ctzeng@wrcog.us, (951) 405-6711**

Date: **January 8, 2018**

The purpose of this item is to *announce the Regional Transportation Summit that will take place on January 17, 2018, at the City of Moreno Valley Conference and Recreation Center.*

Requested Action:

1. Receive and file.

WRCOG has held conferences in the past that provide opportunities to learn more about sectors and emerging technologies that can help create healthier communities. WRCOG will be holding a Regional Transportation Summit to provide information on the future of transportation and preparing for it.

Regional Transportation Summit

The WRCOG Clean Cities Coalition is pleased to team with the City of Moreno Valley to present a Regional Transportation Summit on upcoming transportation technologies, and provide a chance for industry professionals to network. Topics to be covered include autonomous vehicles, alternative fuels, active transportation, transportation management, mass transit, air quality, transportation funding, and others topics. The Summit will feature a keynote speaker and two panels – the first panel will feature where transportation is going, and the second will feature how local jurisdictions can get there. The first panel speakers will discuss prevalent technologies that local jurisdictions should consider when planning and making decisions that will affect the future. The second panel speakers will cover possible funding mechanisms that local jurisdictions can take advantage of.

The Summit will also include an exhibitor area that will feature alternative fuel vehicles, transportation technology booths, Big Data, partner agencies, and alternative fuels. It is also hopeful that alternative fuel vehicles will be available for test driving purposes. Invited attendees will include local leaders, transportation industry stakeholders, transit agencies, fuel providers, vehicle and transportation technology manufactures, among others. Registration will be free to WRCOG Committee members and agency staff.

At the conclusion of the Summit, there will be a networking mixer, sponsored by the U.S. Green Building Council, Los Angeles Chapter-Inland Empire Branch, at the Conference and Recreation Center.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

1. Transportation Summit Invitation.

Item 5.K

Regional Transportation Summit Announcement

Attachment 1

Transportation Summit Invitation

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SAVE THE DATE!



Western Riverside County
2018 Transportation Summit

Wednesday, January 17, 2018
9:00 a.m. - 2:30 p.m.

Summit speakers begin at 10:00 a.m.
Breakfast and lunch are included.

Social mixer to follow at 3:00 p.m. hosted by the
Inland Empire Branch of the U.S. Green Building Council, Los Angeles.

Moreno Valley Conference and Recreation Center
14075 Frederick St, Moreno Valley, CA 92553

"Where are we going?" and "How do we get there?"

Come learn about new transportation technologies, best practices, and funding for the future, and take advantage of the opportunity to network with industry leaders.
More details to come!

For more information, contact **Taylor York at tyork@kearnswest.com,** or **(951) 405-3405.**

Reserve your spot today!
https://transportationsummit2018.eventbrite.com
Registration is $15 (Free for Clean Cities Coalition Members)

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Grant Writing Assistance Program**

Contact: **Christopher Tzeng, Program Manager, tzeng@wrcog.us, (951) 405-6711**

Date: **January 8, 2017**

The purpose of this item is to *provide an update on recent Grant Writing Assistance Program activities.*

Requested Action:

1. Receive and file.

WRCOG commenced the Grant Writing Assistance Program to assist member jurisdictions in grant writing on an as-needed basis as funding is available. The Program Guidelines were approved by the Executive Committee in September 2017, and WRCOG immediately received a number of requests to assist member jurisdictions with grant opportunities allowed in the Program. Based on the volume of requests, WRCOG requested additional funding for the Program to enable more assistance to member jurisdictions. The Executive Committee approved an additional $500,000 in funding to this Program in December 2017. In December, jurisdictions reached out to attain more information on receiving technical assistance for the SB 1 Local Partnership Program – Competitive Program.

Assistance and Awards Provided To-Date

In October 2017, the Program began assisting the Cities of Banning and Lake Elsinore on grant applications.

- The City of Banning submitted an application in November 2017 for the Mobile Source Air Pollution Reduction Review Committee (MSRC) Natural Gas Infrastructure Program to seek funding for its Compressed Natural Gas (CNG) facility expansion.
- The City of Lake Elsinore submitted a Caltrans Sustainable Transportation Planning Grant application in October 2017 for a city-wide Active Transportation Plan. The City is already planning a Go Human Demonstration Project through Southern California Association of Governments that will occur in spring 2018. It was announced in early December 2017 that the City is being awarded $175,000 to conduct their Plan.

The Cities of Hemet, Jurupa Valley, and Norco submitted interest forms for grant opportunities that are still pending. The City of Hemet is interested in grants to enhance its Mobility Hub – specifically infrastructure and housing funds to enhance the area around the planned Mobility Hub. The City of Jurupa Valley is interested in a planning or environmental report grant opportunity to conduct a study that looks into truck restrictions along a corridor in that City. The City of Norco is interested in active transportation opportunities to enhance its trails system.

Cities have recently reached out for assistance on SB 1: Local Partnership Program – Competitive Grants. This program is not on the list of eligible programs WRCOG is offering assistance with, as it is more focused on infrastructure construction. However, after discussing this program with partner agencies, WRCOG will be

providing assistance on the technical quantification portion of the application. Cities are asked to contact WRCOG staff as soon as possible to discuss their interest in quantification assistance.

WRCOG will provide updates, as appropriate, of ongoing grant assistance to WRCOG member jurisdictions. Attachment 1 lists grants submitted with assistance from this Program and pending assistance.

Background

WRCOG secured a bench of consultants to help jurisdictions prepare grant applications in five program areas (Active Transportation; Caltrans Sustainable Transportation and Adaptation Planning; Affordable Housing and Sustainable Communities; electric vehicle and alternative fuel readiness or funding related to Clean Cities activities; and any new planning grant opportunities). The Program aims to strengthen the region's overall competitiveness for statewide funding and to provide needed supplemental support to jurisdictions prevented from seeking grant funds due to limited capacity and/or resources. WRCOG allocated $200,000 toward this initial phase of the pilot Program. Assistance is provided on a first-come, first-served basis. Please refer to the Guidelines (Attachment 2) for more information on Program logistics, available online at http://www.wrcog.us/266/Grant-Writing-Assistance.

Based on comments from the Joint Committee Visioning Session in October 2017 and overall positive feedback on the Program, WRCOG proposed additional funding. The Executive Committee approved the additional funding at its December 4, 2017, meeting, so the Program now has a total of $700,000 available. The additional funding enables WRCOG to offer assistance with eligible grants to more members, and could allow WRCOG to expand the list of grant types eligible for assistance. WRCOG will hold further discussions and provide updates when it looks into expanding the grant types.

Steps to Request Assistance: To receive assistance, member agencies must submit an Application (Attachment 3). In order to ensure funds for this Program are utilized effectively and efficiently, the Application is meant to provide information on how the project will generate a competitive application. The Application is also to ensure the member agency reviews the minimum expectations for agency staff, as the consultant will need a small amount of assistance in getting the application commenced. Once the Application is submitted to WRCOG, it will be reviewed within seven calendar days and WRCOG staff will determine whether the request meets the Guidelines. If met, WRCOG will work with the applicant to select a proper consultant from the bench.

Recognizing grants eligible for assistance have varying grant cycles, while the Program operates on a "first-come, first-served" basis, WRCOG also welcomes member agencies to submit a Notice of Interest (Attachment 4). The Notice of Interest, not required but strongly recommended, will make WRCOG staff aware of the jurisdiction's intention to submit an Application when or before the grant opens and will help WRCOG better ensure that interested jurisdictions receive assistance with at least one application.

Grant Opportunities Summary Table

In addition to the grant writing assistance, WRCOG provides regular updates on various grant opportunities that may be of interest to jurisdictions with the goal of returning as much grant funding to member agencies as possible. In the Grant Opportunities Summary Table (Attachment 5), there are two tables: Table 1 provides possible grant opportunities that WRCOG may be able to assist member agencies with grant writing; and Table 2 provides additional opportunities for agencies that cannot be facilitated by WRCOG, but might be of interest. The grant opportunities also have a "Level of Difficulty" to provide an indication of the level of support needed to develop applications. Lastly, "Success Rates" have been included to provide the number of applications awarded in relation to the number of applications submitted.

Prior Action:

December 4, 2017: The Executive Committee approved an increase in funding of up to $500,000 for the Grant Writing Assistance Program for member jurisdictions.

Fiscal Impact:

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

Attachments:

1. Assistance Summary Tables.
2. Grant Writing Assistance Program Guidelines.
3. Grant Writing Assistance Application.
4. Grant Writing Assistance Interest Form.
5. Grant Opportunities Summary Table – 12/14/17.

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Item 5.L

Grant Writing Assistance Program

Attachment 1

Assistance Summary Tables

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Assistance Summary - PROVIDED

Jurisdiction	Description	Grant Program Applying for:	Anticipated Award	Funding Requested	Funding Awarded
Lake Elsinore	City-wide Active Transportation Plan.	Caltrans Sustainable Transportation Planning Grant - Sustainable Communities	Winter 2018	$200,000	$175,000
All	Summary table provided to all WRCOG member agencies on bi-weekly basis.				
Banning	City is applying to attain funding for expansion of the City's CNG facility.	MSRC Natural Gas Infrastructure Grant	Winter 2018	$225,000	TBA
WRCOG	Develop localized guidelines, thresholds, and mitigation measures related to SB 743 for jurisdictions of Western Riverside County.	SCAG Sustainable Planning Grant	Spring 2017	$200,000	$200,000
WRCOG	WRCOG and SBCTA submitted a joint application for climate adaptation funding from Caltrans for development of a regional Climate Adaptation Toolkit.	Caltrans Sustainable Transportation Planning Grant - Adaptation Planning	Winter 2018	$500,000	TBA
WRCOG	Regional effort to research and evaluate emerging technologies that could change the way cities develop and operate in the future.	Caltrans Sustainable Transportation Planning Grant - Sustainable Communities	Winter 2018	$500,000	TBA

Assistance Summary - PENDING

Jurisdiction	Description	Grant Program Applying for:	Anticipated Award	Funding Requested	Funding Awarded
Norco	City is interested in applying to ATP Cycle 4 in Spring 2018 to enhance its trails system.	Active Transportation Program - Cycle IV	Summer 2018	TBD	
Hemet	City is interested in attaining funding to enhance City's Mobility Hub and future TOD opportunities, and active transportation enhancements.	TBD			
Jurupa Valley	City is interested in a planning or environmental report grant opportunity to conduct a study that looks into truck restrictions along a corridor in their city.	TBD			
Temecula	City is interested in applying for SB 1: Local Partnership Program - Competitive Program. WRCOG is working to provide assistance on the quantification portion of the application	SB 1: Local Partnership Program - Competitive Program	Spring 2018	TBD	
Moreno Valley	City is interested in applying for SB 1: Local Partnership Program - Competitive Program. WRCOG is working to provide assistance on the quantification portion of the application	SB 1: Local Partnership Program - Competitive Program	Spring 2018	TBD	

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Item 5.L

Grant Writing Assistance Program

Attachment 2

Grant Writing Assistance Program Guidelines

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WRCOG Grant Writing Assistance Program Guidelines

Program Overview: The WRCOG Grant Writing Assistance Program (Program), launched in September 2017, is designed to assist members in preparing proposals for grant opportunities. WRCOG allocated funding for an initial pilot of the Grant Writing Assistance Program for its members. To provide a Program that best assists WRCOG members, WRCOG staff convened a Focus Group of member agency staff to provide feedback on Program specifics and develop Program Guidelines, which were approved by the WRCOG Executive Committee on September 11, 2017.

Grant Writing Consultants: WRCOG released a Request for Proposals (RFP) in March 2017 for consultants to serve on a "bench" to provide grant writing assistance to WRCOG member agencies. The bench of consultants is available to members on a first-come, first-served basis when funding opportunities for the selected grants become available. The consultants will assist members with the grant application process only, not with subsequent award management or project implementation. The following consultants were selected to assist our member agencies with grant preparation:

- Alta Planning + Design
- Blais & Associates
- KTUA
- National Community Renaissance
- WSP

Program Contact:
Christopher Tzeng
Program Manager, Transportation
Phone: (951) 405-6711
Email: ctzeng@wrcog.us
Website: http://www.wrcog.us/266/Grant-Writing-Assistance

Program Guidelines: The Guidelines define the parameters of the Program, including the following items:

1. Eligible grants;
2. Expectation of member agencies accepting assistance;
3. Linkage to other WRCOG programs;
4. Screening process; and
5. Process to request grant writing assistance.

#1 - Eligible grants: For this pilot, the Program focuses on a few select grant opportunities. Eligible grants are as follows:

- Active Transportation Program
- Caltrans Sustainable Transportation Planning Grant Program (Transportation Planning Grants & Adaptation Planning Grants)
- Affordable Housing and Sustainable Communities Program
- Clean Cities related grants
- New planning grant opportunities

To maintain flexibility with the Program, "new planning grant opportunities" are included so that other grant opportunities related to planning may be considered. This category enables members to request assistance if any grant opportunities that focus on planning grants become available – such as those that help fund General Plans, Specific Plans, or Community Plans.

*Ineligible Grants: The Program is **not** intended to assist infrastructure grant opportunities, i.e., TIGER, HSIP, FASTLANE, etc.*

Assistance with Clean Cities grants is available for WRCOG Clean Cities Coalition members only. Assistance is available for grant opportunities related to Clean Cities activities, such as electric vehicle charging stations and city / county fleet purchasing. Funding for assistance with these grants will be allocated from Coalition funds. WRCOG administers the Coalition on behalf of participating member agencies which pay specific Coalition dues. This Program can increase the Coalition's effectiveness by assisting Coalition members attain grant funding.

#2 - Expectation of member agency accepting assistance: WRCOG member agencies must submit a formal request using the Application for Grant Writing Assistance form to WRCOG. WRCOG will only authorize a consultant to provide assistance if a WRCOG member agency submits an Application to WRCOG for the eligible grant opportunities listed above.

In order for the Program to run effectively and utilize funds efficiently, the member agency accepting grant writing assistance must agree to the following:

- Define project parameters and provide consultant a basic project description
- Dedicate sufficient resources:
  - Obtain all necessary material on the information checklist provided by the consultant
  - Attend kick-off meeting to ensure consultant has needed information to prepare grant application
  - Respond to inquiries from the consultant in a timely manner
- Be the responsible party for grant submittal, including signatory on application and actual submittal of the application

It is expected that once the member agency is awarded the assistance for a grant application, and the consultant is selected to assist, all parties will participate in a kick-off meeting to discuss the proposal and share necessary information to begin work on the grant application. The consultant will prepare the grant application and all necessary exhibits, tables, etc., for review by the member agency staff. The member agency will then provide comments to be addressed by the consultant, and the consultant will then revise the application based on comments provided. Finally, the consultant will provide the member agency staff with a final draft for review and submittal.

#3 - Linkage to other WRCOG programs: To qualify for assistance through the Program, projects must meet the following specific criteria. First, grant proposals receiving assistance must show a nexus to the core components of WRCOG's Economic Development and Sustainability Framework (Framework). The Economic Development and Sustainability Framework is a foundational document for planning in Western Riverside County consisting of six core components adopted by the Executive Committee. In addition, grant proposals must also demonstrate a nexus to a regionally significant plan, such as WRCOG's Subregional Climate Action Plan, the Western Riverside County Active Transportation Plan, and/or the RCTC Long-Range Plan. Lastly, a grant proposal is preferred to be multi-jurisdictional, but is not mandatory – this is to align with many grant opportunities that favor larger, regional projects.

#4 - Process to request grant writing assistance:

1. Member agency submits an Application, formally requesting grant writing assistance with a specific grant. WRCOG will leave it to the discretion of the member agency how this request is made, whether it is through the elected body, WRCOG representative, or other party to act on behalf of the City. WRCOG will assume that if it receives a request for assistance from a member agency representative, that representative is authorized to act on behalf of the member agency.
    a. WRCOG prepared a Grant Writing Assistance Interest Form (Interest Form), to enable jurisdictions to indicate potential interest in receiving support for a specified grant funding category/categories, tentatively reserving a place in line for grant writing assistance. This is in lieu of the varying time tables for each grant opportunity and the first-come first-served nature of the assistance.
    b. An Interest Form is not required, but recommended for those wishing to apply for assistance with grant opportunities which become available later in the Program cycle.
2. WRCOG staff will review the applications within seven calendar days and determine whether the request meets the guidelines, as noted below.
3. If the Application meets the criteria set in these Guidelines, WRCOG will work with the applicant to select a proper consultant from the list of pre-approved consultants.
4. Kick-off meeting will be held with agency and consultant.

#5 - Screening process: In order to ensure funds for the Program are utilized effectively and efficiently, an Application must be submitted to WRCOG for review. Upon receipt the Application will be reviewed to ensure Program criteria, as outlined above, are met, demonstrating a nexus to the Framework as well as a regionally significant plan, and the project will generate a competitive application, as assessed by such factors as being multi-jurisdictional. WRCOG and consultants will also confirm, based on timing of Application receipt, whether there is sufficient time to develop a competitive grant application.

The criteria set in these Guidelines, serve as basic standards for proposals to be evaluated. The selection of proposals for grant writing assistance will be at the discretion of WRCOG based on available funding, and WRCOG reserves the right to decide which proposals receive grant writing assistance.

Tentatively, no member will receive assistance on more than two grants. This is a soft limit as it will be based on the number of applications received.

Nothing in this Program will be construed as limiting member agencies from hiring other consultants to prepare grants on their behalf.

Item 5.L

Grant Writing Assistance Program

Attachment 3

Grant Writing Assistance Application

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WRCOG Grant Writing Assistance Application

WRCOG Member Agency: _____

Agency staff contact information (consultant will contact this person to coordinate application)

Name: _____

Phone: _____

Email: _____

Grant program applying for (check one box per Application):

- ☐ Active Transportation Program
- ☐ Caltrans Sustainable Transportation Planning Grant Program
- ☐ Affordable Housing and Sustainable Communities Program
- ☐ Clean Cities related (electric vehicle, alternative fuels, etc.)
- ☐ New planning grant opportunities

Total amount requesting from Grant Program: _____

Brief project description (200 words max):

Is the proposed project multi-jurisdictional? ☐ Yes ☐ No

To be eligible for assistance, applicants must be able to help the consultant gather basic information for the application. Please check the boxes below to confirm applicant agency's ability to fulfill some of the potential requirements:

- ☐ Participate in a kick-off meeting. To include defining project parameters and providing consultant with a basic project description.
- ☐ Obtain all necessary material on the information checklist to be provided by the consultant. For example: provide internal data and information as required by the grant application.
- ☐ Respond to inquiries from the consultant in a timely manner.
- ☐ Be responsible for grant submittal, including application signature and physical submittal.

Please return completed Application as soon as possible to ctzeng@wrcog.us. WRCOG and Consultants will use discretion to determine if there is sufficient time to prepare a competitive grant application, based on when the Application is received.

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Item 5.L

Grant Writing Assistance Program

Attachment 4

Grant Writing Assistance Interest Form

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Grant Writing Assistance Program Interest Form

Return this form to ctzeng@wrcog.us or complete an **online form** as soon as possible.

- The funds available to support this pilot round of the Grant Writing Assistance Program (Program) will be distributed on a first-come first-served basis.
- The grants eligible for assistance have varying timetables throughout the year.
- To ensure equitable distribution of assistance, complete the below table to indicate potential interest in receiving support for a specified grant funding category/categories, tentatively reserving your agency's place in line for grant writing assistance.
- In the table below, please check up to two grant areas your agency might be interested in applying for assistance through the Program. If selecting two, please rank your order of preference for assistance by checking the appropriate box.
- WRCOG staff will use the form to assign the most equitable distribution of resources possible.
- Please note: Not submitting this form will NOT preclude your agency from requesting grant writing assistance later. And, submitting the form will NOT guarantee assistance.
- A Grant Writing Assistance Application (Application) will be required, with as much advance notice of the due date as possible. Consultants will use discretion to determine if there is sufficient time to prepare a competitive grant application, based on when the Application is received.
- For more information, please refer to the Program Guidelines.

Agency:	
Contact Name:	
Contact email:	
Contact Phone:	

Grant Writing Assistance Interest			
Grant Area	**Due Date**	**First Priority**	**Second Priority**
Caltrans: Sustainable Transportation Planning Grant and Adaptation Planning Grant	Due October 20, 2017	☐	☐
Active Transportation Program – California Transportation Commission	NOFA expected Spring 2018	☐	☐
Affordable Housing Sustainable Communities	NOFA expected October 2, 2017	☐	☐
Clean Cities Related Grants	Varying	☐	☐
New Planning Grant Opportunities	Varying	☐	☐

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Item 5.L

Grant Writing Assistance Program

Attachment 5

Grant Opportunities Summary Table

12/14/17

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Blais & Associates
professional grant management

Western Riverside Council of Governments
Grant Opportunities and Forecast
December 14, 2017
*(**New** is noted for grants added in the past 14 days)*

WRCOG
Western Riverside Council of Governments

The grant opportunities beginning on the next page are part of WRCOG's emphasis to return as much grant funding to member agencies as possible. To that end, WRCOG may be able to assist member agencies with grant writing for the grant programs listed in Table 1. Please also see Table 2 for additional opportunities for your agency that cannot be facilitated by WRCOG, but might be of interest.

To help clarify the level of effort needed to develop the proposals, we have created a key for ready reference.

Key: Level of Difficulty (LOD)	
Simple	A simple level of difficulty indicates an application that may take 8 hours or less to develop, and can likely be accomplished "in-house" with minimal effort/allocation of internal resources.
Medium	A medium level of difficulty indicates an application process that will take a more substantial allocation of internal resources to accomplish, and might possibly require outside assistance (20-70 hours to develop application).
Complex	A complex level of difficulty indicates a VERY competitive opportunity, with a small success rate and intensive grant-development and positioning.

Additionally, we have included the "Success Rates" for each opportunity (if known). This statistic is indicated in **blue** in the "Notes" column, and provides the number of applications awarded in relation to the number of applications submitted (if known).*

*Success rates are not listed for "On the Horizon/NOFAs Not Released" section of Table 2.

Please contact Chris Tzeng, WRCOG Program Manager, at (951) 405-6711 for more information about grant writing assistance.

TABLE 1 Grant opportunities that ***may*** be eligible for WRCOG-assisted grant writing							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Notes**
The grants that might be eligible for WRCOG grant-writing assistance are:							
1	5/30/18 Transportation Improvements	**Active Transportation Program.** To increase the proportion of trips accomplished by biking and walking, and provide a broad spectrum of projects to benefit many types of active transportation users. Eligible Project Types in the Last Round (subject to change): • Community-wide bicycle, pedestrian, Safe Routes to School, or active transportation plans in disadvantaged communities. • Bikeways and walkways that improve mobility, access, or safety for non-motorized users. • Improvements to existing bikeways and walkways. • Elimination of hazardous conditions on existing bikeways and walkways. • Installation of traffic control devices to improve the safety of pedestrians and bicyclists. • Safe Routes to School projects that improve the safety of children walking and bicycling to school. • Secure bicycle parking at employment centers, park and ride lots, rail and transit stations, and ferry docks and landings for the benefit of the public. • Recreational trails and trailheads, park projects that facilitate trail linkages or connectivity to non-motorized corridors, and conversion of abandoned railroad corridors to trails.	California Transportation Commission	State	$240 million	Not required.	http://www.catc.ca.gov/programs/ATP.htm **Success Rate:** 11% 456 applications received; 50 applications funded at State level. **LOD: Medium – Complex** The effort is not extremely difficult, but it is time-intensive.

TABLE 1 Grant opportunities that ***may*** be eligible for WRCOG-assisted grant writing							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Notes**
2A	Spring 2018 Planning	**SB 1 Sustainable Transportation Planning Grant Program.** To develop **local plans** that encourage sustainable infrastructure improvements to reduce GHG, Vehicle Miles Traveled, and increase safety, and/or provide access to Public Transit. Expected Eligible Project Types (not limited to these): • Studies, plans or planning mechanisms that advance a community's effort to reduce single occupancy vehicle trips and transportation related GHG through strategies including advancing mode shift, demand management, travel cost, operational efficiency, accessibility, and coordination with future employment and residential land use. • Studies, plans or planning mechanisms that assist transportation agencies in creating sustainable communities and transit oriented development. • Community to school studies or Safe Routes to School plans. • Studies, plans or planning mechanisms that advance a community's effort to address the impacts of climate change and sea level rise. • Studies that promote greater access between affordable housing and job centers. • Context-sensitive streetscapes or town center plans • Complete streets plans. • Active transportation plans, including bicycle, pedestrian and trail master plans. • Bike and pedestrian plans with a safety enhancement focus, including Vision Zero plans. • Traffic calming and safety enhancement plans.	Caltrans	State	Minimum: $50,000 for DAC; $100,000 for All Others Maximum: $1,000,000	11.47%	http://www.dot.ca.gov/hq/tpp/grants.html Partnerships are highly encouraged **Success Rate:** N/A. This is a new program **LOD: Medium**

TABLE 1 Grant opportunities that ***may*** be eligible for WRCOG-assisted grant writing							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Notes**
2B	Spring 2018 Planning	**SB 1 Adaptation Planning Grant.** For climate change adaptation planning. Example of plans: • Climate vulnerability assessments. • Extreme weather event evacuation planning. • Resilience planning. • Transportation infrastructure adaptation plans. • Natural and green infrastructure planning (e.g. wetlands restoration along transportation corridors to protect transportation infrastructure from flooding and storm impacts). • Integration of transportation adaptation planning considerations into existing plans, such as climate mitigation or adaptation plan, Local Coastal Program (LCP), Local Hazard Mitigation Plan (LHMP), General Plan or other related planning efforts. • Evaluation of or planning for other adaptation strategies, such as: o Providing transit shelters with shade, water, or other means of cooling in locations expected to see temperature increases. o Planning for distributed energy and storage to provide decentralized energy system for safeguarding against loss of power and impacts to electric vehicles due to climate-related grid disruptions.	Caltrans	State	Minimum: $100,000 Maximum: $1 million	11.47%	http://www.dot.ca.gov/hq/tpp/grants.html Partnerships are highly encouraged **Success Rate:** N/A. This is a new program **LOD: Medium**

TABLE 1 Grant opportunities that ***may*** be eligible for WRCOG-assisted grant writing							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Notes**
3	1/16/18 Housing	**Affordable Housing and Sustainable Communities.** To fund projects) that result in: the reduction of GHG emissions and vehicle miles traveled (VMT) and increased accessibility of housing, employment centers and key destinations through low-carbon transportation options such as walking, biking and transit. Eligible Capital Projects in Last Round (subject to change): • Affordable Housing Development (loan) (Bricks and Mortar). • Housing-Related Infrastructure (grant) (Required as Condition of Approval). • Sustainable Transportation Infrastructure (grant). • Transit, Bike Lanes, Sidewalks. • Transportation-Related Amenities (grant). • Bike Parking, Repair Kiosks, Urban Greening, Bus Shelters. Eligible Programs (3 Year Grants) in Last Round: • Active Transportation Programs. • Transit Ridership Programs. • Criteria Air Pollutant Reduction Programs. Project areas must include a **Qualifying Transit**, defined as a transit line serving the public that is operated by a public entity, or operated as a grant recipient from a public entity. All Project Areas MUST also include a Transit Station/Stop, which is served by at least one Qualifying Transit line departing 2 or more times during Peak Hours.	Strategic Growth Council	State	Maximum loan or grant or combination for Project Area is $20 million with a minimum award of at least $1 million for TOD Project Areas and at least $500,000 for ICP and RIPA Project Areas. Single Developer - $40 million.	Not required	http://sgc.ca.gov/Grant-Programs/AHSC-Program.html **Success Rate:** 29% 85 full applications received; 25 applications awarded. **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
Grants which are not eligible for WRCOG grant writing assistance.							
1	Ongoing/ Reviewed quarterly Sports	**Baseball Tomorrow Fund.** • Grants are intended to provide funding for incremental programming and facilities for youth baseball and softball programs, not for normal operating expenses or as a substitute for existing funding or fundraising activities. • The funds may be used to finance a new program, expand or improve an existing program, undertake a new collaborative effort, or obtain facilities or equipment necessary for youth baseball or softball programs. • Grants are designed to be flexible to enable applicants to address needs unique to their communities.	Baseball Tomorrow Fund	Private	No maximum. Average award is $40,000	50%	www.baseballtomorrowfund.com **Success Rate:** 10% Approximately 400 applications are received annually; approximately 40 are funded. **LOD: Medium**
2	Deadline has expired but you may submit applications for future consideration GHG Reduction	**Volkswagen California Zero Emission Vehicle (ZEV) Investment Plan.** To support the growth of the Zero Emission Vehicle market; increase the availability of the ZEV infrastructure; increase awareness of ZEVs; and, increase access to ZEVs across California. https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/vw-zevinvest.htm	California Air Resource Board/ Electrify America	Private	Not identified.	Not required.	https://www.electrifyamerica.com/our-plan **Success Rate:** Unknown at this time. **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
3	Rolling Deadline Transportation	**Accelerated Innovation Deployment (AID) Demonstration.** To accelerate the use of innovation in highway transportation projects. **NOTE:** Applications accepted on a rolling basis until funding is no longer available. Applicants should apply when the eligible project is ready to authorize within 12 months.	Federal Highway Administration	Federal	$1 million	20%	https://www.fhwa.dot.gov/innovation/grants/ **Success Rate:** Unknown at this time. **LOD: Medium**
4	Opened 09/01/17 Accepted first-come, first-served for one year. Economic Development	**CDBG Economic Development (ED) Over the Counter.** Funding to non-entitlement cities and counties. Projects consist of financial assistance to a single business or a large number of assisted businesses served by common infrastructure. The most common form of an OTC project is a single business with a single project where funds are provided as a loan from the jurisdiction/ grantee to and eligible borrower.	California Housing and Community Development	State	$10 million	Not stated.	http://www.hcd.ca.gov/grants-funding/nofas.shtml#current **Success Rate:** Unknown at this time. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
5	01/12/18 Transportation	**Transit and Intercity Rail Capital Program.** To fund projects that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion. Objectives: • Reduce greenhouse gas emissions; • Expand and improve rail service to increase ridership; • Integrate the rail service of the state's various rail operations, including integration with the high-speed rail system; and • Improve safety.	Caltrans	State	No maximum.	Not required.	http://www.dot.ca.gov/drmt/sptircp.html **Success Rate:** 14 projects were funded **LOD: Medium**
6	01/16/18 Housing	**Infill Infrastructure Program.** To provide grants for Capital Improvement Projects, in support of Qualifying Infill Projects as gap funding of infrastructure improvements that are an integral part of or are necessary to facilitate the development of new infill housing for specific residential or mixed-use projects.	CA Housing and Community Development	State	• Qualifying Infill Projects minimum: $500,000 in urban areas and $250,000 in rural areas. • Qualifying Infill Projects maximum: $5 million.	Not stated as required.	http://www.hcd.ca.gov/grants-funding/active-funding/iigp.shtml **Success Rate:** Unknown at this time. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
7	01/22/18 Violence Prevention	**CA Violence, Intervention and Prevention Program (CalVIP).** To fund programs that are effective at reducing violence. Examples of eligible models: • Community Mobilization and Education • Cognitive Behavioral Therapy (CBT) • Mental Health • Public Health • Case Management • Diversion • Education/After-School • Recreation/Social • Employment/Job Training • Street Outreach/Intervention • Technology-Based Solutions	California Board of State and Community Corrections	State	$500,000 and each city that receives a grant must distribute 50% for grant fund to one or more community – based organizations.	Dollar for dollar.	http://www.bscc.ca.gov/s_cpgpcalvipgrant.php **Success Rate:** N/A. This is a new program. **LOD: Medium**
8	01/26/18 Education	***NEW!*** **21st Century Community Learning Center.** To support the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. The program serves Elementary and Middle/Junior High School Students in kindergarten to ninth grade. There are four program components for which funding can be used: Before School Programs, After School Programs, Summer Programs and Equitable Access Programs.	CA Department of Education	State	Varies based on formula.	Not required.	https://www.cde.ca.gov/fg/fo/profile.asp?id=4083 **Success Rate:** Varied from 8 to 30% among programs. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
9	01/26/18 Education	***NEW!*** **21st Century High School After School Safety and Enrichment Teen (ASSET) Program.** To provide local flexibility in the establishment or expansion of community learning centers that provide students in grades nine through twelve with academic enrichment opportunities and activities designed to complement students' regular academic program and that support college and career readiness, assist with literacy and related educational development services for families of these students, and provide a safe environment for students participating in their programs. The ASSETs after school grants may operate after school, and during any combination of before school, weekends, summer, intersession, and vacation.	CA Department of Education	State	$10.00 per participating student per regular school day, up to a maximum of $250,000 per year for high school students served. The minimum grant amount for ASSETs programs per school site is $50,000.	Not required.	https://www.cde.ca.gov/fg/fo/profile.asp?id=4082 **Success Rate:** 66 applications submitted; 16 applications funded. Success rate was 24 percent. **LOD: Medium**
10	01/29/18 Flood Planning	**Flood Emergency Response Projects Grant Program.** For the implementation of the Flood Emergency Response Program outside of the legal Delta. Funding will be prioritized through three sequential steps: 1. Planning & Coordination, 2. Training & Exercises, and 3. Facilities, Equipment, & Supplies.	CA Department of Water Resources	State	Not stated.	Not required.	http://www.water.ca.gov/floodmgmt/funding/flood-ER.cfm **Success Rate:** 23 applications were received; 20 applications were funded. Success rate was 87%. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
11	01/30/18 Transportation	**Trade Corridor Enhancement Program (CA Freight Investment Program merged with the TCEP).** To fund infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, as identified in the California Freight Mobility Plan, and along other corridors that have a high volume of freight movement as determined by the Commission. The following corridors are eligible for funding under this program: • Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties). • Central Valley (El Dorado, Fresno, Kern, Kings, Madera, Merced, Placer, Sacramento, San Joaquin, Stanislaus, Sutter, Tulare, and Yolo counties). • Central Coast (Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz counties). • Los Angeles/Inland Empire (Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties). • San Diego/Border (Imperial and San Diego counties). • Other.	California Transportation Commission (CTC)	State/ Federal	No maximum.	30%	http://www.catc.ca.gov/activities/sb1/ **Success Rate:** N/A. This is a new program **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
12	01/30/18 Transportation	**SB1 Local Partnership Program - Competitive.** To reward counties, cities, districts, and regional transportation agencies in which jurisdictions have ***imposed fees*** solely dedicated to transportation improvements or that have voter-approved taxes/fees dedicated to transportation. NOTE this includes imposed fees, AND voter-approved taxes, tolls, or parcel/property taxes, etc. Eligible projects for both formula and competitive include, but are not limited to: A. Improvements to the state highway system B. Improvements to transit facilities C. The acquisition, retrofit, or rehabilitation of rolling stock, buses, or other transit equipment D. The acquisition of vans, buses, and other equipment necessary for the provision of transit services for seniors and people with disabilities by transit and other local agencies E. Improvements to bicycle or pedestrian safety or mobility with an extended useful life F. Road maintenance and rehabilitation G. Other transportation improvement projects.	California Transportation Commission (CTC)	State	No maximum. For the competitive program, the CTC is seeking to fund very large projects and therefore they set the following **minimum** grant requests based on your population: Category 1: >1.5 million: $5 million Category II: 700,000-1,499,999: $3 million Category III: 300,000-699,999: $2 million Category IV: 100,000-299,999: $1 million Category V: <100,000: No minimum	Projects will require at least a 1:1 match of private, local, federal, or state funds except jurisdictions with a voter approved tax or fee which generates less than $100,000 annually need only provide a match equal to 50% of the requested funds.	http://catc.ca.gov/programs/SB1.html **Success Rate:** N/A. This is a new program. **LOD: Complex**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
13	01/31/18 Urban Water	**Five Star and Urban Waters Restoration Grant Program.** To develop community capacity to sustain local natural resources for wetland, riparian, forest and coastal habitat restoration, wildlife conservation, community tree canopy enhancement, water quality monitoring and stormwater management. Projects should address the following five priorities: 1. On-the-Ground Restoration and Planning 2. Community Partnerships (must involve five or more partners) 3. Environmental Outreach, Education, and Training 4. Measurable Results 5. Sustainability **This program has multiple community involvement, outreach, and volunteer requirements.**	National Fish and Wildlife Foundation	Federal and Private	Minimum: $20,000. Maximum: $50,000.	1:1	http://www.nfwf.org/fivestar/Pages/2018rfp.aspx **Success Rate:** 2016: 65 projects were funded. 2015: 220 applications received, 58 projects funded. Success rate was 26 percent. **LOD: Complex**
14	01/31/18 Water	**Cooperative Watershed Management Program.** Phase I activities to develop a watershed group, complete watershed restoration planning activities, and design watershed management projects.	Bureau of Reclamation	Federal	$50,000 per year for two years.	Not required.	https://www.usbr.gov/watersmart/cwmp/index.html **Success Rate:** 2016: 7 applications were funded. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
15	02/05/18 Outdoor Recreation	**Land and Water Conservation Fund.** To cooperatively acquire and/or develop outstanding properties in perpetuity for outdoor recreation purposes. Eligible projects include: • Create new parks within a half-mile of underserved communities. • Expand existing parks to increase the ratio of park acreage per resident in underserved areas. • Use the Geographical Information Systems (GIS) Tools available at www.parks.ca.gov/SCORP to locate areas that have one of the following conditions: o Neighborhood areas that have no park within a half-mile (use the "Park Access Tool"). o Communities or jurisdictions that have a ratio of less than three acres of parkland per 1,000 residents (use the "Park Access Tool" or the "Community Fact Finder".) o Areas with an annual median household income that is less than $49,119. • Renovate existing or create new outdoor facilities within existing parks not currently under federal 6(f)(3) protection.	California State Parks	Federal via State	$3 million	50%	http://www.parks.ca.gov/?page_id=21360 **Success Rate:** 2016: 17 applications were funded. **LOD: Medium**

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No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
16	02/07/18 Water - Planning	**Drought Contingency Planning Grant.** To develop a new drought plan or to update an existing drought plan. Applicants may also request technical assistance from Reclamation for the development of elements of the Drought Contingency Plan.	Bureau of Reclamation	Federal	$200,000	50%	http://www.usbr.gov/drought/ **Success Rate:** 2017: 6 applications were funded. **LOD: Medium**
17	02/08/18 Water	***NEW!*** **Nonpoint Source.** To implement projects or programs that will help to reduce NPS pollution. Projects must address NPS Program Preferences list in Section D of the guidelines. CWA 319(h) Projects must: 1. Implement on-the-ground management measures (MMs) and/or management practices (MPs) that contribute to the restoration of NPS-impaired surface waters and groundwater by controlling NPS pollution. 2. Demonstrate water quality improvement as an outcome of the proposed project, specifically through quantifiable pollutant load or concentration reductions. Timber Fund: Implement forest management measures that demonstrate water quality improvements on forestlands in watersheds with State Responsibility Area.	State Water Resources Control Board	State	Minimum $250,000; Maximum $800,000.	25 percent. Eligible septic system upgrades or conversions require a 75 percent match.	https://www.waterboards.ca.gov/water_issues/programs/nps/319grants.shtml **Success Rate:** CWA 319(h): Success rate was 26%. Timber Fund: Success rate was 83%. 2017: 6 applications were funded. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
18	02/13/18 Water	**Drought Resiliency Project Grant.** For projects that will increase the reliability of water supplies; improve water management; and provide benefits for fish, wildlife, and the environment to mitigate impacts caused by drought. To provide funding for Drought Resiliency Projects that will: • Increase the reliability of water supply; • Improve water management; • Provide benefits for fish, wildlife, and the environment. Project Examples: • Developing or expanding small-scale surface water storage facilities such as off-stream storage ponds. • Installing water towers and storage tanks to store water for municipal and domestic use. • Installing recharge ponds or injection wells to increase recharge of surplus, inactive, or reclaimed water.	Bureau of Reclamation	Federal	Funding Group I: Up to $300,000 per agreement for a two-year project Funding Group II: Up to $750,000 per agreement for a project that can be completed within three years.	50%	http://www.usbr.gov/drought/ **Success Rate:** 2017: 39 applications were received, and 11 projects were funded. **LOD: Medium**

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No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
19	02/16/18 Transportation	***NEW:*** **Solutions for Congested Corridors Program.** To fund projects designed to reduce congestion in highly traveled and highly congested corridors through performance improvements that balance transportation improvements, community impacts, and that provide environmental benefits. Will only fund the construction component of a project. **Local agencies are not eligible to apply. Only regional agencies and Caltrans are eligible to submit projects. If a city wants a project submitted, you need to contact WRCOG or Caltrans.**	CA Transportation Commission	State	No minimum or maximum.	Not required.	http://www.catc.ca.gov/programs/SB1.html **Success Rate:** N/A. This is a new program. **LOD: Complex**
20	02/28/18 Veteran Housing	**Homeless Providers Grant and Per Diem Program.** To provide transitional housing beds under VA's Homeless Providers GPD Program models. VA expects to fund 1,500 beds with this NOFA for applicants who will use one or a combination of the following housing models: Bridge Housing, Low Demand, Hospital-to-Housing, Clinical Treatment, and Service-Intensive Transitional Housing and Service Centers. Funding Priorities: VA has established the following funding priorities based on a gap analysis of existing and anticipated VA transitional housing needs within Continuums of Care (COC) nationwide. Applicants must identify and link their application to a specific COC.	Department of Veteran Affairs	Federal	A minimum of five transitional housing beds and no more than 40 beds per model, per medical center, per each applicant's Employer Identification Number (EIN) will be allowed. The per diem payment calculation may be found at 38 CFR 61.33.	Not required.	https://www.va.gov/homeless/gpd.asp **Success Rate:** Unknown at this time. **LOD: Complex**

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No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
21	03/02/18 Clean Vehicles and Mobility Strategies	***NEW!*** **MSRC Local Government Partnership Program.** To accelerate transition to cleaner vehicles and mobility strategies. For an MSRC funding contribution greater than $50,000, the following are eligible project categories: • Light-duty Zero Emission Vehicle Purchases or Leases • Medium & Heavy-Duty Zero Emission Vehicle Purchase • Near-Zero Emission Heavy-Duty Alternative Fuel Vehicle Purchases & Repowers • Electric Vehicle Charging Infrastructure (EVSE) Installation • Alternative Fuel Refueling Infrastructure New Construction or Expansion Smaller jurisdictions are also entitled to request MSRC funds for the following additional eligible project categories: • Traffic Signal Coordination and Synchronization Projects. • Bicycle Active Transportation Projects. • First Mile/Last Mile Strategies. o When implementing a project(s) from this subsection, jurisdictions are required to provide total project co-funding of at least 50%.	Mobile Source Air Pollution Reduction Review Committee	State	This is not a competitive program. The program sets aside a pro-rata share of MSRC funding for each city and county within the South Coast AQMD who participate in the AB 2766 motor vehicle registration fee program. • The maximum amount of funding any single city or county will receive is $3,000,000.	Dollar for dollar up to $3 million in MSRC funding. However, cities and counties that receive an annual allocation of AB 2766 Subvention Funds less than $50,000 are eligible to receive an MSRC Partnership match of $50,000.	http://www.cleantransportationfunding.org/rfp/view/2017-local-government-partnership-program **Success Rate:** N/A. This is a new program. **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
22	First-come, first-served until 03/31/18 Transportation	**MSRC Major Event Center.** To facilitate implementation of new or expanded public transportation programs for event center destinations located in the South Coast Air Quality Management District. Eligible Entities include: Major event center, qualifying transportation provider or a County Transportation Commission. Eligible Projects include: • Applicants may propose a maximum of two consecutive event "seasons". • All bus and shuttle vehicles performing Event Center transportation services under this Program must be equipped with an engine that is certified at - *or cleaner than* – the EPA 2010 emissions standards and certified as such by the California Air Resources Board. All fuels and technologies certified to the 2010 emissions standards are acceptable. • For projects that propose expanded rail service, the MSRC requires that Tier 4 locomotives be used for all events beginning January 1, 2018. Tier 4 locomotives must also be used, if available, prior to January 1, 2018.	Mobile Source Air Pollution Reduction Review Committee	Regional via State	• $2.50 million for any single transportation service provider. • $1,500,000 for any single major event center. • The geographical funding minimum is $350,000 per county. • Reimbursement grant.	50%	http://www.cleantransportationfunding.org/rfp/view/major-event-center-transporation-program **Success Rate:** N/A. This is a new program. **LOD: Complex**

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No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
23	First-come, first-served until 06/29/18 or until funds are exhausted.	**Natural Gas Infrastructure Program.** To assist in the construction of natural gas refueling infrastructure within the South Coast Air Quality Management District. Examples of previously funded projects: 1. City of Los Angeles: ($350,000) To provide a time-fill CNG fueling station to provide fuel to ten (10) CNG vehicles. In addition, a limited fast-fill dispenser would be provided in order to provide "spot" fueling as needed. 2. Riverside Transit Agency ($1 million) The project consisted of three phases: 1) Planning, design, and technical specification development; 2) installation of underground gas lines; and 3) procurement, construction, and installation of station equipment.	Mobile Source Air Pollution Reduction Review Committee	State	• Maximums vary depending on the entity and fuel. • The geographical minimum is $500,000 per county.	50%	http://www.cleantransportationfunding.org/rfp/view/natural-gas-infrastructure-funding-opportunities **Success Rate:** Not applicable as this is a first-come, first-served incentive program. **LOD: Medium**

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No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
24	06/30/18 Water	***NEW!*** **Drinking Water for Schools.** To improve access to, and the quality of, drinking water in public schools. All projects must be located at schools within, or serving, a disadvantaged community (DAC). Eligible projects include but are not limited to: • Installation or replacement of water bottle filling stations or drinking water fountains with or without treatment devices capable of removing contaminants present in the school's water supply; • Installation of point-of-entry (POE), or point-of-use (POU) treatment devices for water bottle filling stations, drinking fountains, and other fixtures that provide water for human consumption, including up to three years of: replacement filters, operation and maintenance (O&M), and monitoring of POE or POU devices; • Installation, replacement, or repairs of drinking water fixtures and associated plumbing appurtenances that are necessary to address lead contamination identified by a school's public water system pursuant to the Lead Sampling of Drinking Water in California Schools program and that requires a corrective action.	State Water Resources Control Board	State	School: $25,000/$100,000 Entities: $25,000/ $1 million	Not stated as required.	http://www.waterboards.ca.gov/water_issues/programs/grants_loans/schools/ **Success Rate:** N/A. This is a new program **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
25	10/01/18 Housing	**Community-Based Transitional Housing.** To encourage local communities to support housing that provides treatment and reentry programming to individuals who will benefit from those services. • Applicant must have a licensed partner facility operator. • The facility shall provide, or contract with another provider for, two or more additional services to residents. • Applicant may use program funds for the following purposes: o Discretionary law enforcement services o Community outreach efforts • Facility operators may use program funds provided by the applicant for the following purposes: o Providing facility residents with the services specified in the approved application for program funding. o Enhancing the security of the facility and its premises. o Community outreach and communications. o Start-up costs for the operation of the facility.	California Department of Finance	State	$2 million	Not required.	http://www.dof.ca.gov/Programs/Local_Government/Community_Based_Transitional_Housing/ **Success Rate:** N/A. This is a new program **LOD: Medium**

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
****On the Horizon/NOFA not yet released.****							
1	TBD Emission Reduction	**Volkswagen Settlement Mitigation Trust**. $381 million to California for NOx mitigation. Application and program details currently under development	California Air Resource Board	Private	TBD	TBD	https://www.arb.ca.gov/msprog/vw_info/vw-diesel-info/vw-diesel-info.htm
2	Winter 2017 Child Safety	**Kids Plate.** To support three significant child health and safety issues in California: 1. Unintentional childhood injuries; 2. Child abuse; and 3. Child care licensing and inspection. This year's focus will be on coalition development.	California Department of Public Health	State	TBD	TBD	https://archive.cdph.ca.gov/programs/Pages/KidsPlates.aspx
3	Expected Winter 2018 Water Efficiency	**Water Conservation Field Services Program – Lower Colorado Region.** For activities/projects that make more efficient use of existing water supplies through water conservation and efficiency. • Water management planning; • System Optimization Reviews (SOR); • Designing Water Management Improvements; and Demonstration projects.	Bureau of Reclamation	Federal	$100,000	50%	http://www.usbr.gov/lc/region/g4000/wtrconsv.html

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
4	Expected Winter 2018 Water	**Water and Energy Efficiency Grant.** To conserve and use water more efficiently, increase the use of renewable energy and improve energy efficiency, benefit endangered and threatened species, facilitate water markets, or carry out other activities to address climate-related impacts on water or prevent any water-related crisis or conflict.	Bureau of Reclamation	Federal	$300,000 for projects to be completed within two years. $1,000,000 for projects to be completed within three years.	50%	https://www.usbr.gov/watersmart/weeg/index.html
5	Expected Winter 2018 Water	**Small-Scale Water Efficiency Projects.** To support small-scale water management projects that have been identified through previous planning efforts.	Bureau of Reclamation	Federal	$75,000	50%	https://www.usbr.gov/watersmart/weeg/ssweg.html
6	Expected Winter 2018 Water	**Basin Studies LOI.** To evaluate the ability to meet future water demands within a river basin and to identify adaptation and mitigation strategies to address the potential impacts of climate change.	Bureau of Reclamation	Federal	Unknown	50%	https://www.usbr.gov/watersmart/bsp/index.html

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
7	February 2018 Water	**Groundwater Sustainability Program.** For grants, and loans, for planning and implementation projects that prevent or cleanup the contamination of groundwater that serves or has served as a source of drinking water. Examples of implementation projects include, but are not limited to: • Wellhead treatment; • Installation of extraction wells combined with treatment systems; • Centralized groundwater treatment systems; • Source area cleanup; • Groundwater recharge to prevent or reduce contamination of municipal or domestic wells; • Groundwater injection to prevent seawater intrusion; and • Groundwater well destruction.	CA State Water Resources Control Board	State	Planning: $100,000 to $21 million. Implementation: $500,000 to $50 million.	50%	https://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1/groundwater_sustainability.shtml
8	Spring 2018 Water	**Title XVI Construction.** Funding for planning, design, and construction of congressionally authorized water recycling and reuse projects.	Bureau of Reclamation	Federal	$4 million	75%	https://www.usbr.gov/watersmart/title/index.html

TABLE 2 For Information Purposes Only Grants which are not eligible for WRCOG grant writing assistance, but may be of interest							
No.	**Deadline**	**Name of Grant**	**Name of Agency/Type**	**Source of Funds**	**Maximum Funding**	**Match Requirement**	**Website**
9	Spring 2018 Water Studies	**Title XVI Feasibility Studies.** Funding for development of new Title XVI feasibility studies.	Bureau of Reclamation	Federal	$150,000 for feasibility studies to be completed within 18 months. $450,000 for feasibility studies to be completed within 3 years.	50%	https://www.usbr.gov/watersmart/title/index.html
10	June 2018 Transportation	**Highway Safety Improvement Grant.** To achieve a significant reduction in fatalities and serious injuries on all public roads. All proposed projects must lead to the construction of safety improvements.	Department of Transportation	State	$100,000 minimum and $10 million maximum.	10%	http://www.dot.ca.gov/hq/LocalPrograms/HSIP/apply_nowHSIP.htm
11	Fall 2018 Trails	**Recreational Trails Program.** For both non-motorized and motorized RECREATIONAL TRAILS and trail-related facilities. Eligible projects types are: acquisition, development or a combination of acquisition and development.	California State Parks	State	$50,000 minimum/ $1.5 million maximum	12%	http://www.parks.ca.gov/?page_id=24324

** Information presented is based on past guidelines. Requirements may change when new guidelines are published.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Transportation Program Activities Update**

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

Date: **January 8, 2018**

The purpose of this item is to *provide an update of TUMF Program activities including those related to the Zone Transportation Improvement Program (TIP) and revenue update for Fiscal Year 2017/2018.*

Requested Action:

1. Receive and file.

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions 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 jurisdictions – referred to as TUMF Zones – based on the amount of fees collected in these groups, and the Riverside Transit Agency.

2018 TUMF Zone 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). For the 2018 Zone TIP update, staff distributed draft Zone TIPs for jurisdictions to review and make any necessary adjustments for each programmed project and has received a number of requests from member agency. Staff has received requests for additional funding of existing projects on the Zone TIPs as well as requests to add new projects based on member agency priorities. Requests will be included in the final 2018 Zone TIPs if there is sufficient revenue to support the additional programmed funding within the respective TUMF Zone and if the Zone members approve the requests.

Some key issues that these TIP updates will address could include:

- Reallocating funds from projects that are now being funded by SB 1 and SB 132
- Clarifying which projects are receiving funds from RCTC's share of TUMF Funds
- Allocating additional funds in the Northwest Zone given an increase in revenues in that Zone
- Addressing the allocation of funds within the Pass Zone

WRCOG will hold a majority of the Zone TIP meetings that will occur in January and February 2018 with jurisdictional staff. Once these meetings are complete, meetings with Zone Elected Officials will be required for the final approval of the Zone Tips. Staff will forward all updated TIPs to the Executive Committee for approval. Staff anticipates that one exception to this schedule is that the Pass Zone TIP meetings may be delayed, pending a final determination of how to allocate funds received from the City of Beaumont Settlement.

Fiscal Year 2017/2018 Revenue Update

Through the month of October 2017, TUMF revenue collections are approximately $19 million, which is ahead of projections. Below are some trends based on the review of revenue from the first four months of FY 2017/2018 TUMF collections:

- Single-family residential TUMF collections continue to remain constant and on pace to match those collected in the prior fiscal years.
- Industrial TUMF collections are on pace to surpass those collected in the prior fiscal years, with $4.2 million collected through four months.
- Retail TUMF collections are on pace to match those collected in the prior fiscal years. This is occurring even after the reduction in the retail rate of $7.50/square foot. Based on staff review, the loss of revenue resulting from the reduction in retail rate is approximately $900,000. Staff will continue to monitor the retail component of TUMF collections and will provide frequent updates to the Executive Committee.
- Developments that qualify for the Class A & B office rate remain at a minimum. Staff notes it may be time to review the Class A & B office requirements since the number of projects that have qualified for the $2.19/square foot rate has been low.
- Development activity continues to be strong with TUMF collections averaging nearly $4 million per month, which is approximately 20% higher than the $3.5 million monthly average of the previous three years.
- There was a spike of approximately $6 million in one month, which could reflect developers that were delaying fee payments until after approval of the Nexus Study.

Prior Action:

December 14, 2017: The Public Works Committee 1) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current administration and management structure of the TUMF Program; 2) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to maintain the current structure of the TUMF Zone process; 3) recommended that the Executive Committee approve the TUMF Program Ad Hoc Committee's recommendation to have the Public Works Committee review the TUMF Network criteria and project type for future Nexus Study updates to address the following areas: a) expanding the types of projects that can be funded by TUMF, including active transportation projects; b) formalizing a process for each TUMF Zone to prioritize projects within the Zone; c) updating the criteria that is used to determine how projects are added to the Program through the Nexus Study update.

Fiscal Impact:

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

Attachment:

None.

Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **PACE Programs Activities Update**

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

Date: **January 8, 2018**

The purpose of this item is to *accept new members into the California HERO Program, to set a future public hearing, and to add Greenworks as a Commercial PACE Program that WRCOG oversees under its PACE umbrella.*

Requested Actions:

1. Receive WRCOG PACE Summary.
2. Accept the City of Milpitas and the Town of Truckee as Associate Members of the Western Riverside Council of Governments.
3. Adopt WRCOG Resolution Number 01-18; 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.
4. Adopt WRCOG Resolution Number 02-18; A Resolution of the Western Riverside Council of Governments Authorizing Greenworks Funding LLC to Administer and Finance Eligible Improvements to be Installed on Commercial Properties Located within the Boundaries of Both the WRCOG Energy Efficiency And Water Conservation Program for Western Riverside County and the California Hero Program, and in Connection with such Authorization, Approving Amendments To The Program Report for such Programs and the Forms of a Commercial Handbook, Assessment Contract, Administration Agreement, Master Assignment and Assumption Agreement, Depositary Agent Agreement, Master Indenture and Bond Purchase Agreement, and Authorizing the Issuance of Bonds Pursuant to such Master Indenture Secured by Assessments Levied on Commercial Properties to Finance the Installation of Authorized Improvements on Such Commercial Properties and Approving Other Actions in Connection Thereto.

Overall PACE Program Update

The following table provides a summary of all residential projects that have been completed under the WRCOG PACE Programs through December 19, 2017:

WRCOG Residential PACE Programs			
PACE Program	**Projects Completed**	**Total Project Value**	**Product Type Installed**
WRCOG HERO	25,490	$502,014,965	HVAC: 16.8% Solar: 27.8% Windows/Doors: 16.5% Roofing: 4.9% Landscape: 6.3%
California HERO	56,665	$1,227,389,867	HVAC: 28.4% Solar: 31.2% Windows/Doors: 14.0% Roofing: 12.1% Landscape: 6.3%

CaliforniaFIRST	102	$3,253,041	HVAC: 14.1% Solar: 45.9% Windows/Doors: 14.3% Roofing: 11.5% Landscape: 8.5%
Total:	**82,257**	**$1,732,657,873**	

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	768 GWh
GHG Reductions – Annually	190,650 Tons
Gallons Saved – Annually	512 Million
$ Saved – Annually	$99 Million
Projected Annual Economic Impact	$2.9 Billion
Projected Annual Job Creation/Retention	14,685 Jobs

HERO Program Update

Dealer / Contractor Fee Update: On December 13, 2017, the Administration & Finance Committee received a presentation regarding the progress of the dealer / contractor fees for the HERO Program. Renovate America will provide an update to the Executive Committee on the progress of the dealer / contractor fees for the HERO Program on January 8, 2018.

New Associate Members

The following jurisdictions have adopted or will be adopting resolutions consenting to the inclusion of such city in the California HERO Program and approving the "Amendment to Joint Powers Agreement Adding the City/County of XXX as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City" (the "JPA Amendment"), by and between Authority and such City/County to as an Associate Member of WRCOG for the purposes of implementing the California HERO Program prior to the January 8, 2018, Executive Committee meeting.

Milpitas – November 21, 2017
Truckee – November 28, 2017

The next step in the California HERO Program is for the Executive Committee to adopt Resolution 01-18 (Attachment 4), which accepts the above mentioned Cities and County as Associate Members of WRCOG for the purposes of participating in the Program and approve the execution of the Joint Powers Agreement Amendment for each such City and County and set their public hearing for February 5, 2018.

At the February 5, 2018, Executive Committee meeting, staff will bring forward the revised Appendix B "Boundary Map" from Program Report for consideration and potential approval; the Executive Committee will hold the Program's required public hearing and, following the closing of the public hearing, will be asked to consider the adoption of a WRCOG resolution approving the revised Appendix B "Boundary Map" from the Program Report.

New Commercial PACE Provider - Greenworks

On October 2, 2017, the Executive Committee directed staff to enter into contract negotiations and execute necessary documents to include Greenworks in WRCOG's PACE umbrella as a Commercial PACE Provider. Since that time, staff has worked with Best Best & Krieger and Greenworks to ensure all administrative agreements, bond purchase agreements, master indentures, and the Program Report are updated to ensure Greenworks launches in the next few months. Staff is bringing forward Resolution Number 02-18 (Attachment 6) and the supporting documents for Executive Committee consideration.

Jurisdictions in Western Riverside County retain the right to allow any PACE program provider to operate in its boundaries, regardless of whether that provider is operating under WRCOG's PACE Program umbrella. If a jurisdiction does not want to have Greenworks servicing its community, please contact WRCOG staff.

Prior Actions:

December 13, 2017: The Administration & Finance Committee received and filed.
December 4, 2017: The Executive Committee 1) received WRCOG PACE Program Summary; 2) conducted a Public Hearing Regarding the Inclusion of the City of Petaluma for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional jurisdictions and to hear all interested persons that may appear to support or object to, or inquire about the Program; 3) adopted WRCOG Resolution Number 46-17; 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) authorized the Executive Director to continue utilizing Baker Tilly to conduct future operational analyses / audits of its residential PACE Programs; and 5) authorized the Executive Director to execute a Professional Service Contract with Baker Tilly for operational analysis / audit of Renovate America, in an amount not to exceed $140,000 for the Fiscal Year 2016/2017.

Fiscal Impact:

Costs, including additional staff time, consulting fees, and any other expenditures not originally budgeted for administering additional PACE programs, will be recaptured through a one-time administrative fee and added during the course of a quarterly budget amendment in Fiscal Year 2017/2018.

Attachments:

1. WRCOG PACE Program Summary.
2. WRCOG HERO Snapshot.
3. CA HERO Snapshot.
4. WRCOG Resolution Number 01-18; 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.
5. WRCOG Resolution Number 02-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing Greenworks Lending LLC, to Administer and Finance Authorized Improvements to be Installed on Commercial Properties, and in Connection with such Authorization, Approving Amendments to the Program Report for both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program and the Forms of a Commercial Handbook, Assessment Contract, Administration Agreement, Master Assignment and Assumption Agreement, Depositary Agent Agreement, Master Bond Purchase Agreement and Master Indenture and Authorizing the Issuance of Bonds Pursuant to such Master Indenture Secured by Assessments Levied on Commercial Properties to Finance the Installation of Authorized Improvements on such Commercial Properties and Approving Other Actions in Connection Thereto.
6. WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report Amended January 2018- addition of Greenworks Lending, LLC.
7. CA HERO Program Report Amended January 2018- addition of Greenworks Lending, LLC.
8. Administration Agreement with Greenworks Lending, LLC.
9. Commercial Master Indenture.
10. Greenworks Bond Purchase Agreement.
11. Greenworks Master Assignment and Assumption Agreement.
12. Greenworks/ WRCOG Depositary Agent Agreement.
13. Greenworks Commercial Assessment Contract.

14. David Taussig & Associates Professional Services Agreement.
15. Greenworks Commercial Handbook.

Item 6.A

PACE Programs Activities Update

Attachment 1

WRCOG HERO Program Summary

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HERO Program Summary Update

(Launch through 12/19/17)

City	Approved Apps	Approved Amount
Banning	571	$16,176,317
Calimesa	187	$7,866,991
Canyon Lake	584	$31,741,332
Corona	3,339	$188,966,197
County	6,516	$331,888,210
Eastvale	890	$58,222,823
Hemet	1,273	$34,412,565
Jurupa Valley	2,185	$94,414,933
Lake Elsinore	1,538	$62,450,269
Menifee	2,797	$105,882,279
Moreno Valley	5,103	$181,387,673
Murrieta	2,863	$139,694,021
Norco	757	$45,446,685
Perris	1,088	$36,997,025
Riverside	6,347	$279,189,396
San Jacinto	812	$24,649,855
Temecula	2,680	$143,284,124
Wildomar	980	$40,396,290
	40,510	$1,823,066,985

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PACE Programs Activities Update

Attachment 2

WRCOG HERO Snapshot

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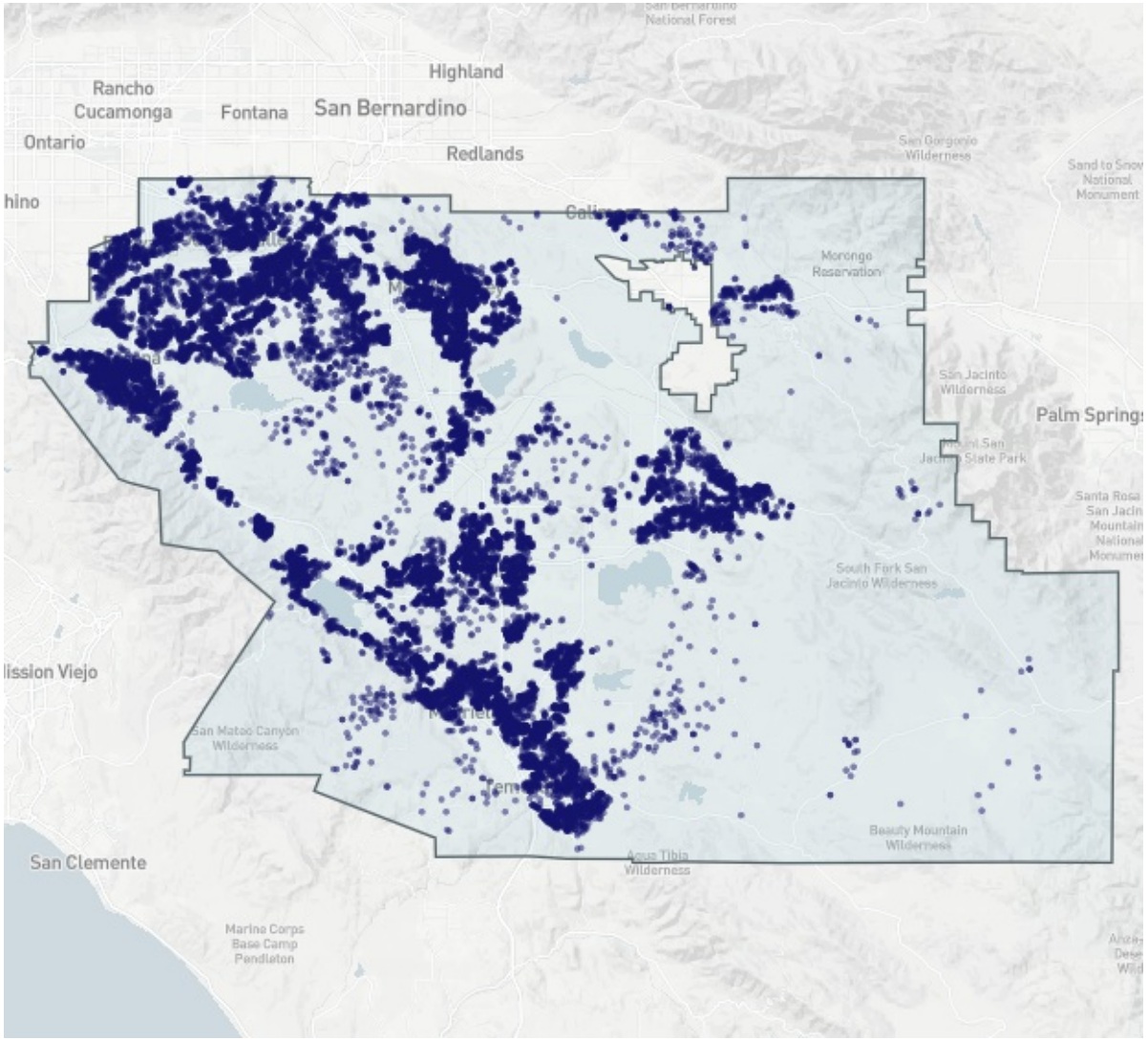
WRCOG - Western Riverside Council of Governments

21,668 Homes Improved

12/14/2011
HERO Launch Date

461,332
Housing Count

01/01/2011 - 12/19/2017
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	29.2K	$333M
Solar	13.9K	$591M
Water	2,140	$18.6M

Lifetime Impact

Applications Submitted	59.4K
Applications Approved	40.5K
Funded Amount	$502M
Economic Stimulus	$869M
Jobs Created	4,263
Energy Saved	3.59B kWh
Emissions Reduced	971K tons
Water Saved	1.98B gal

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

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PACE Programs Activities Update

Attachment 3

CA HERO Snapshot

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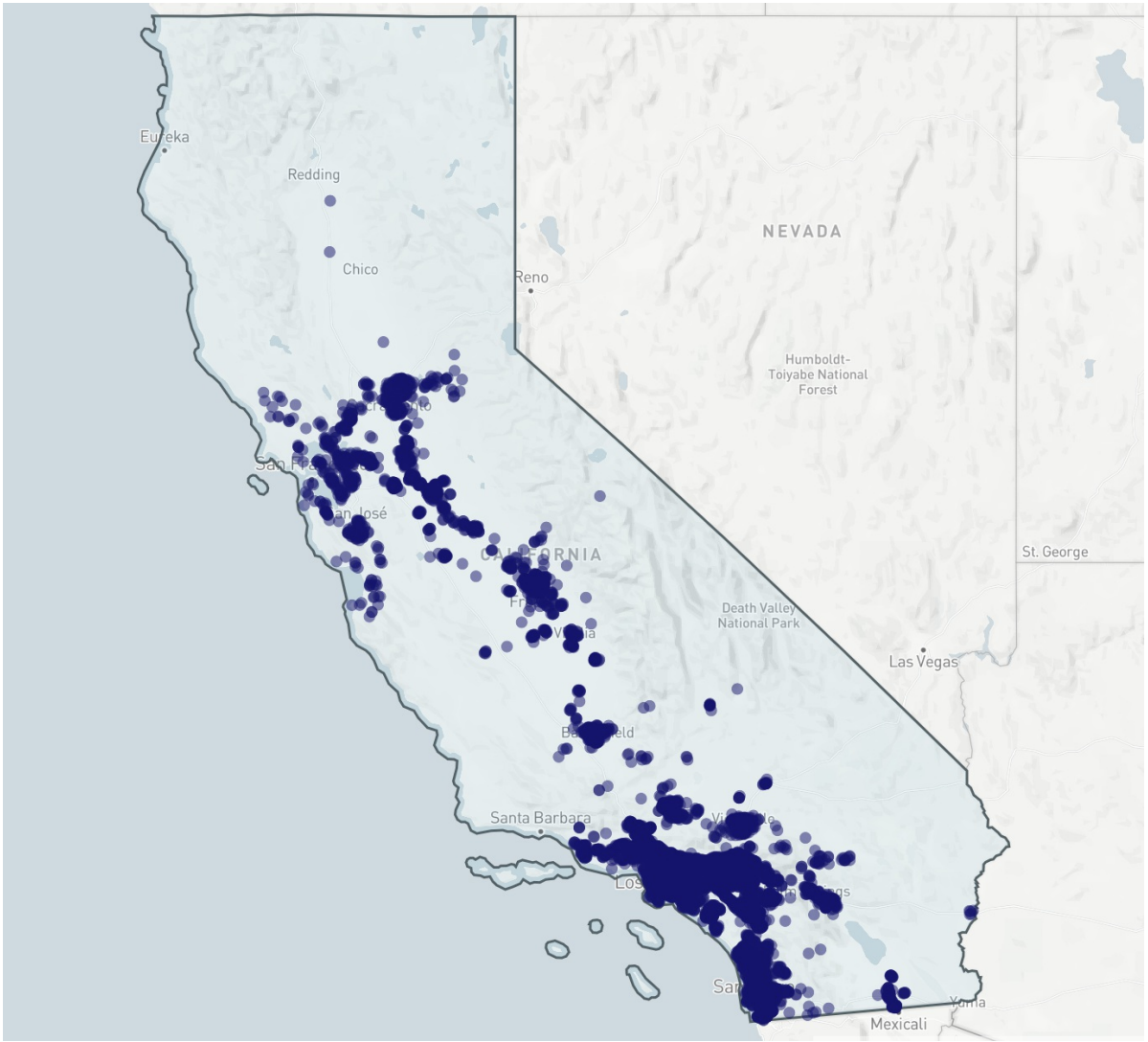
California HERO Program

49,988 Homes Improved

02/10/2014
HERO Launch Date

6458345
Housing Count

02/10/2014 - 12/19/2017
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	71.3K	$862M
Solar	28.6K	$1.34B
Water	5,246	$45.6M

Lifetime Impact

Applications Submitted	137K
Applications Approved	101K
Funded Amount	1.23B
Economic Stimulus	$2.13B
Jobs Created	10.4K
Energy Saved	7.83B kWh
Emissions Reduced	2.07M tons
Water Saved	4.81B gal

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

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Item 6.A

PACE Programs Activities Update

Attachment 4

WRCOG Resolution Number 01-18; 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

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RESOLUTION NUMBER 01-18

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

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

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

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

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

WHEREAS, the Executive Committee desires to initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the City of Milpitas and the Town of Truckee, (the "Additional Associate Member") in the Program Area.

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

3390 University Avenue, Suite 450 • Riverside, CA 92501 • (951) 405-6700 • www.wrcog.us

Section 1. The Executive Committee declares its intention to include the City of Milpitas and the Town of Truckee as an Associate Member (the "Additional Associate Member") and modify the Program Report so as to modify the Program Area within which contractual assessments may be offered pursuant to the California HERO Program to include the jurisdictions of the Additional Associate Members.

Section 2. Public Hearing. Pursuant to Chapter 29, the Executive Committee hereby orders that a public hearing to be held before the Executive Committee in the First Floor Board Chambers, County of Riverside Administration Center, 4080 Lemon Street, Riverside, California, at 2:00 p.m. on February 5, 2018, on the proposed modification to the Program Report to increase the Program Area. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed modifications to the Program Report to increase the Program Area.

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

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

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on January 8, 2017.

_____	_____
Deborah Franklin, Chair	Rick Bishop, Secretary
WRCOG Executive Committee	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

Attachment 5

WRCOG Resolution Number 02-18; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing Greenworks Lending LLC, to Administer and Finance Authorized Improvements to be Installed on Commercial Properties, and in Connection with such Authorization, Approving Amendments to the Program Report for both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program and the Forms of a Commercial Handbook, Assessment Contract, Administration Agreement, Master Assignment and Assumption Agreement, Depositary Agent Agreement, Master Bond Purchase Agreement and Master Indenture and Authorizing the Issuance of Bonds Pursuant to such Master Indenture Secured by Assessments Levied on Commercial Properties to Finance the Installation of Authorized Improvements on such Commercial Properties and Approving Other Actions in Connection Thereto

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RESOLUTION NUMBER 02-18

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AUTHORIZING GREENWORKS LENDING LLC, TO ADMINISTER AND FINANCE AUTHORIZED IMPROVEMENTS TO BE INSTALLED ON COMMERCIAL PROPERTIES, AND IN CONNECTION WITH SUCH AUTHORIZATION, APPROVING AMENDMENTS TO THE PROGRAM REPORT FOR BOTH THE WRCOG ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY AND THE CALIFORNIA HERO PROGRAM AND THE FORMS OF A COMMERCIAL HANDBOOK, ASSESSMENT CONTRACT, ADMINISTRATION AGREEMENT, MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT, DEPOSITARY AGENT AGREEMENT, MASTER BOND PURCHASE AGREEMENT AND MASTER INDENTURE AND AUTHORIZING THE ISSUANCE OF BONDS PURSUANT TO SUCH MASTER INDENTURE SECURED BY ASSESSMENTS LEVIED ON COMMERCIAL PROPERTIES TO FINANCE THE INSTALLATION OF AUTHORIZED IMPROVEMENTS ON SUCH COMMERCIAL PROPERTIES AND APPROVING OTHER ACTIONS IN CONNECTION THERETO

WHEREAS, since the establishment of the Energy Efficiency and Water Conservation Program for Western Riverside County (commonly referred to as the "WRCOG HERO Program") and the subsequent establishment of the California HERO Program (together with the WRCOG HERO Program, the "Programs") the administration and financing of the installation of authorized improvements ("Authorized Improvements") on commercial properties ("Commercial Properties") located within the program area of each Program (the "Program Areas") as authorized under and defined by each Program has been exclusively undertaken by Samas Capital, LLC ("Samas Commercial Programs"); and

WHEREAS, Greenworks Lending LLC ("Greenworks"), previously offered and requested that Greenworks be authorized to establish the a commercial program within the Program Areas to administer and finance the installation of Authorized Improvements on Commercial Properties for each Program; and

WHEREAS, at its October 2, 2017 meeting the Executive Committee determined that it would be in the best interests of the Programs and the owners of Commercial Properties within the Program Areas to enable Greenworks to administer and finance a program as a part of each of the Programs (each, a "Greenworks Commercial PACE Program" and together, the "Greenworks Commercial PACE Programs"), to finance the installation of Authorized Improvements on Commercial Properties in each of the Program Areas and the Executive Committee directed and authorized the Executive Director to enter into contract negotiations to include Greenworks as a commercial program administrator for both Programs; and

WHEREAS, in order to provide for and implement such authorization for the establishment of a Greenworks Commercial PACE Program as a part of each Program, it will be necessary to modify the Program Reports for each of the Programs (together, the "Program Reports"), a handbook (the "Commercial Handbook") and a form of an assessment contract for use with respect to each commercial property participating in one of the Greenworks Commercial PACE Programs (the "Commercial Assessment Contract") to be incorporated into each Program Report; and

WHEREAS, WRCOG and Greenworks desire to enter into an Administration Agreement to establish the terms and conditions pursuant to which Greenworks will administer each Greenworks Commercial PACE Program and the form of such Administration Agreement has been presented to the Executive Committee; and

WHEREAS, as an integral part of each of Greenworks' commercial PACE programs operating outside of California the public agency that has established each such program has assigned the related assessment contracts to Greenworks during the construction and installation of the applicable authorized improvements during which period Greenworks oversees such construction and provides construction financing for such construction and installation; and

WHEREAS, there has been submitted to the Executive Committee the form of a Master Assignment and Administration Agreement in order to provide for such assignment of the Assessment Contracts under the Greenworks Commercial PACE Programs for the WRCOG Programs to Greenworks and the subsequent transfer of such Assessment Contracts back to WRCOG to allow for the issuance of limited obligation improvement bonds by WRCOG; and

WHEREAS, there has been submitted to the Executive Committee the forms of a Master Indenture, a Supplemental Indenture and a Depositary Agent Agreement providing for the issuance of limited obligation improvement bonds to be designated as the "Western Riverside Council of Governments Limited Obligation Improvement Bonds (Greenworks Commercial PACE Program) (First Commercial Property Tranche)" (the "Limited Obligation Improvement Bonds") in one or more series (each such series of such bonds referred to as a "Series") pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), the Improvement Bond Act of 1915, being Division 10 of the Streets and Highways Code (the "1915 Act") and the use of the proceeds of such bonds to finance the construction and installation of Authorized Improvements on commercial parcels that are participating in the Greenworks Commercial Programs, and

WHEREAS, there has been submitted to the Executive Committee the form of a Master Bond Purchase Agreement providing for the terms and conditions for the purchase of the Limited Obligation Improvement Bonds by Greenworks; and

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

WHEREAS, this Executive Committee, with the aid of its staff and counsel, has reviewed the documents identified in the preceding recitals and found them to be in proper order; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Limited Obligation Improvement Bonds exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including Chapter 29 and the 1915 Act;

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

Section 1. Approval of Greenworks as Program Administrator. The Executive Committee hereby approves (i) Greenworks as a program administrator to administer the Greenworks Commercial PACE Program for both of the Programs; and (ii) the form of the 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, or any designee of the Executive Director (each, an "Authorized Representative"), and reviewed and concurred in by Bond Counsel 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 of and performance by WRCOG of the Administration Agreement

.

Section 2. Approval of the Amended Program Reports, the Commercial Assessment Contract and the Commercial Handbook. The Executive Committee hereby approves the forms of the amended Program Reports and the Commercial Assessment Contract, the final forms of which shall be incorporated in the Program Reports, and the Commercial Handbook, each as presented to the Executive Committee at this meeting together with any changes therein and additions thereto approved by the Executive Director or another Authorized Representative and reviewed and concurred in by Bond Counsel.

Section 3. Approval of Forms of the Administration Agreement, the Master Assignment and Assumption Agreement and the Master Bond Purchase Agreement. The Executive Committee hereby approves the forms of the Administration Agreement, the Master Assignment and Assumption Agreement and the Master Bond Purchase Agreement presented to the Executive Committee at this meeting, together with any changes therein or additions thereto approved by the Executive Director or another Authorized Representative and reviewed and concurred in by Bond Counsel, 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 and directs an Authorized Representative to execute the final forms of the Master Indenture for and in the name of WRCOG.

Section 4. Authorization of Issuance of Limited Obligation Improvement Bonds. The Executive Committee hereby authorizes the issuance of one or more Series of the Limited Obligation Improvement Bonds under and pursuant to Chapter 29, the 1915 Act and this Resolution in the maximum aggregate principal amount not to exceed $150,000,000 to finance the installation of Authorized Improvements to be installed or caused to be installed on commercial properties that are participating in one of the Greenworks Commercial PACE Programs and are located in the Program Area of such Greenworks Commercial PACE Program.

Section 5. Approval of Master Indenture, Supplemental Indenture and Depositary Agent Agreement. With respect to the Limited Obligation Improvement Bonds to be issued on or after the effective date of this Resolution, the Executive Committee hereby approves the form of the master indenture (the "Master Indenture") and the Depositary Agent Agreement substantially in the forms on file with the Secretary, together with any changes therein and additions thereto approved by the Executive Director or any Authorized Representative and reviewed and concurred in by Bond Counsel, 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 the performance of the Master Indenture and the Depositary Agent Agreement.

The Executive Committee hereby approves the form of the Supplemental Indenture substantially in the form contained in the Master Indenture, together with any changes therein or additions thereto approved by an Authorized Representative and reviewed and concurred in by Bond Counsel, required for the issuance of each Limited Obligation Improvement Bond or Series of Limited Obligation Improvement Bonds, 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 and directs an Authorized Representative to execute the final form of each Supplemental Indenture for and in the name of WRCOG for each Series of Limited Obligation Improvement Bonds. The Executive Committee hereby authorizes the delivery and performance of each Supplemental Indenture for each Series of Limited Obligation Improvement Bonds.

Section 6. Sale of the Limited Obligation Improvement Bonds. WRCOG hereby authorizes the negotiated sale of the Limited Obligation Improvement Bonds to Greenworks Lending LLC or an assignee thereof approved by Executive Director (the "Purchaser") provided that the conditions for issuance of each such Limited Obligation Improvement Bond set forth in the

Master Indenture and the applicable Supplemental Indenture have been satisfied. Each Limited Obligation Improvement Bond shall be sold to the Purchaser pursuant to the Master Indenture and the applicable Supplemental Indenture applicable to such bond or Series thereof. The Executive Committee hereby delegates to the Executive Director or another Authorized Representative the authority to establish and agree with the Purchaser to the final terms for each Limited Obligation Improvement Bond or Series thereof including, but not limited to, the principal amount thereof, the interest rate on such Limited Obligation Improvement Bond or Series thereof and the redemption provisions.

Section 7. Appointment of Trustee and Depositary. The Bank of New York Mellon, N.A. is appointed as Trustee pursuant to the Master Indenture and each Supplemental Indenture and as Depositary pursuant to the Depositary Agent Agreement, to take any and all actions provided for therein to be taken, respectively, by the Trustee and the Depositary.

Section 8. Form of Limited Obligation Improvement Bonds. The form of Limited Obligation Improvement Bonds as set forth in the form of [the Master Indenture and] each Supplemental Indenture is approved. The Treasurer of WRCOG and the Secretary of the Executive Committee are authorized and directed to execute by manual or facsimile signature, in the name and on behalf of WRCOG, the Limited Obligation Improvement Bonds or Series thereof in either temporary or definitive form and to deliver or cause the delivery of each Limited Obligation Improvement Bond or Series thereof to the applicable purchaser pursuant to the Master Indenture and the applicable Supplemental Indenture.

Section 9. Approval of Form of Professional Services Agreement for Assessment Administration Services. The Executive Committee hereby approves to form of Professional Services Agreement with David Taussig & Associates, Inc. in substantially the form on file with the Secretary of the Executive Committee, together with any charges therein or additions thereby approved by the Executive Director of WRCOG and execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes therein or additions. The Executive Committee hereby authorizes the delivery and performance of the Professional Services Agreement.

Section 10. No Obligation of WRCOG, its Regular Members or Associate Members. Pursuant to Streets and Highways Code Section 8769, this Executive Committee does hereby determine that WRCOG will not obligate itself to advance funds from the WRCOG treasury to cure any deficiency in the Redemption Fund (as such term is defined in the Master Indenture) for the Limited Obligation Improvement Bonds established pursuant to the Master Indenture or the Assessment Collection Account (as such term is defined in the Depositary Agent Agreement) for established pursuant to the Depositary Agent Agreement. The Executive Committee further declares and determines that no Regular Member or Associate Member shall be obligated to advance funds from the treasury of such Regular Member or Associate Member to cure any such deficiency in such Redemption Fund or the Assessment Collection Account.

Section 11. Conditions of Approval. The approvals, authorization and direction given by this Resolution related to the Limited Obligation Improvement Bonds are conditioned upon the satisfaction of the requirements hereof and of the Master Indenture with respect to the issuance and sale of the Limited Obligation Improvement Bonds. The Authorized Officers and shall not be required to take any action with respect to the execution and delivery of a Supplemental Indenture or the issuance, sale or delivery of any Limited Obligation Improvement Bond unless and until such conditions are satisfied; provided, however, that upon satisfaction of such conditions as to any Limited Obligation Improvement Bond, this Resolution shall be fully effective and shall be carried out as to such Limited Obligation Improvement Bonds or Series thereof without the further approval or action of the Executive Committee.

Section 12. Official Actions with Regard to the Limited Obligation Improvement Bonds. Each officer of WRCOG or Authorized Representative is hereby authorized and directed, for and in the name and on behalf of WRCOG, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Limited Obligation Improvement Bonds. All actions heretofore taken by the officers and agents of WRCOG with respect to the sale and issuance of the Limited Obligation Improvement Bonds are hereby approved, confirmed and ratified.

Section 13. Other Additional Action. All actions heretofore taken by the officers and agents of WRCOG with respect to the other matters contemplated by this Resolution and the Program Reports are hereby approved, confirmed and ratified, and the proper officers of WRCOG, including but not limited to the Executive Director, the Secretary, and the Director of Energy and Environmental Programs, and their designees, are hereby authorized, for and in the name and on behalf of WRCOG, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements, assignments, notes and other documents which they, or any of them, may deem necessary or advisable with respect to the establishment of the Greenworks PACE Programs and in order to consummate the matters contemplated by this Resolution and the Program Report. The Executive Director or any Authorized Representative is hereby authorized and directed to approve any other documents related to the Greenworks Commercial PACE Programs necessary in the judgment of the Executive Director or such Authorized Representative to conform such documents to the actions taken by the adoption of this Resolution.

Section 14. Effective Date. This Resolution shall take effect upon the date of its adoption.

PASSED AND ADOPTED at a Meeting of the Executive Committee of the Western Riverside Council of Governments held on January 8, 2018.

_____
Deborah Franklin, 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: _____

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Item 6.A

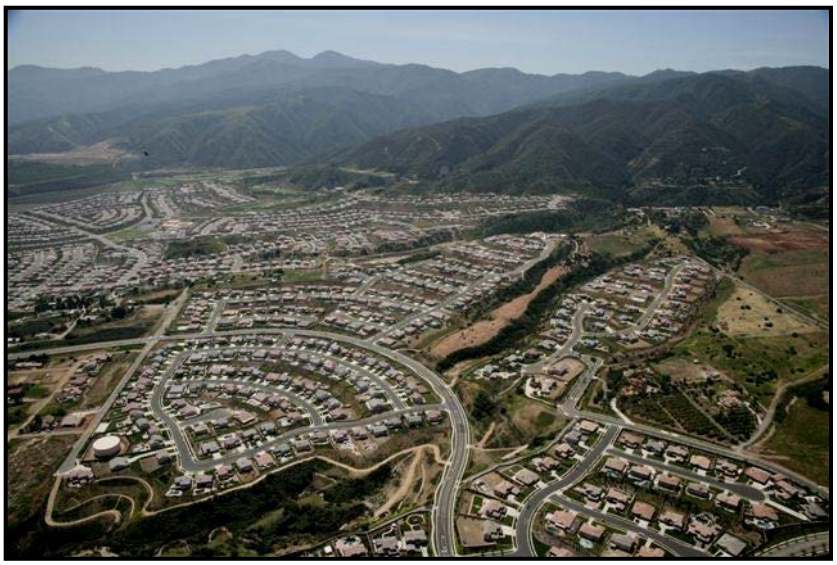
PACE Programs Activities Update

Attachment 6

WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report Amended January 2018- addition of Greenworks Lending, LLC

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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 JANUARY 8, 2018

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I. INTRODUCTION

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

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

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

A. BACKGROUND

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

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

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

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

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

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

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

On June 18, 2011, the Governor signed into law Chapter 28 of the Statutes of 2011 establishing the Seismic Safety Finance Act that amended Chapter 29 to authorize the financing of seismic strengthening improvements through voluntary contractual assessments.

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

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

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

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

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

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

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

On October 3, 2016, the WRCOG Executive Committee directed and authorized the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include Spruce PACE LLC ("Spruce Finance") under WRCOG's PACE umbrella.

On July 10, 2017, the WRCOG Executive Committee formally adopted Resolution 35-17 which formally amended the Program Administrative Guidelines and Program Report to authorize the financing of seismic strengthening improvements.

On August 7, 2017, the WRCOG Executive Committee directed and authorized the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include PACE Funding Group LLC ("PACE Funding") under WRCOG's PACE umbrella.

On November 6, 2017, the WRCOG Executive Committee directed and authorized the WRCOG Executive Director to enter into contract negotiations and execution of any necessary documents to include Greenworks Lending LLC ("Greenworks") under WRCOG's PACE umbrella.

B. GOAL

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

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

C. *PROGRAM BENEFITS*

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

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

The Program further provides an alternative means of financing seismic strengthening improvements that otherwise may not be affordable due to the upfront costs of making such improvements.

For property owners, the Program offers:

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

D. *PROGRAM ADMINISTRATION*

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

WRCOG's responsibilities will include:

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

The intent of this effort is to provide a "turnkey" service for property owners who would otherwise be unable or unwilling to finance energy and water conservation/efficiency measures and renewable energy options. Their participation is critical for the region to meet its energy and water conservation/efficiency goals and for the State to meet greenhouse gas commitments to reduce CO2 emissions to 1990 levels by 2020.

E. FINANCING PLANS

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

1) *HERO Residential Financing Plan for Residential Properties*
WRCOG intends to utilize HERO financing provided by Renovate America to finance Eligible Products for residential property owners.

2) *HERO Commercial Financing Plan for Commercial Properties*
WRCOG intends to utilize financing provided by Renovate America, Inc. to finance renewable energy projects plus eligible energy efficiency and water conservation and seismic strengthening products for all types of commercial properties.

3) *Samas Commercial Financing Plan for Commercial Properties*
WRCOG intends to utilize financing provided by Samas Capital, LLC to finance renewable energy projects plus eligible energy efficiency, water conservation and seismic strengthening products for all types of commercial properties.

4) *Renew Financial PACE Financing for Residential Properties*
WRCOG intends to utilize financing provided by Renew Financial to finance renewable energy projects plus eligible energy efficiency, water conservation and seismic strengthening products for all types of residential properties.

5) *Renew Financial Open-Market Commercial PACE Financing for Commercial Properties*
WRCOG intends to utilize financing facilitated by Renew Financial to finance renewable energy projects plus eligible energy efficiency, water conservation and seismic strengthening products for all types of commercial properties.

6) *Spruce PACE Financing for Residential Properties*
WRCOG intends to utilize financing provided by Spruce to finance renewable energy projects plus eligible energy efficiency, water conservation and seismic strengthening products for all types of residential properties.

7) PACE Funding PACE Financing for Residential Properties
WRCOG intends to utilize financing provided by PACE Funding to finance renewable energy projects plus eligible energy efficiency, water conservation and seismic strengthening products for all types of residential properties.

8) Greenworks PACE Financing for Commercial Properties
WRCOG intends to utilize financing provided by Greenworks Lending, LLC to finance renewable energy projects plus eligible energy efficiency, water conservation and seismic strengthening products for all types of commercial properties.

9) Standard Financing Plan

WRCOG further intends to preserve the ability to issue other municipal bonds pursuant to Chapter 29 to finance Eligible Products for residential and commercial properties not encompassed by of the above listed financing plans.

F. CHANGES TO REPORT

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

The Program Administrator may modify from time to time the Eligible Products List and Sample Assessment Contract and Application attached hereto as Appendix A-1 ,A-2, A-3, A-4, and A-5 and Appendix C-1, C-2, C-3, C-4, C-5, C-6, C-7, and C-8 as deemed reasonable and necessary to effectuate the goal and purposes of the Program.

G. *ENERGY AND/OR WATER AUDITS*

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

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

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

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

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

Contact information is provided for:

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

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

II. PROGRAM REQUIREMENTS FOR PARTICIPATION IN HERO FINANCING FOR RESIDENTIAL

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

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

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

- Property owner(s) must be the property owner(s) of record.
- Property owner(s) must be current on their property taxes and the property owner(s) certify(ies) that such owner(s) have not had a late payment on their property taxes more than once during the prior three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Property owners must be current on all property debt of the subject property at the time of application and cannot have had more than one 30 day mortgage late payment over the prior 12 months.
- Property must not have any liens other than lender debt or liens recorded by community facilities districts or similar financing districts.
- The property is not subject to any notices of default.
- Property owner(s) have not been involved in a bankruptcy proceeding during the past seven (7) years and the property may not currently be an asset in a bankruptcy proceeding; provided, however, that if the bankruptcy is more than two years old, and if the property owner has no additional late payments more than 60 days past due in the last 24 months, the property owner may be approved.
- Mortgage-related debt on the property must not exceed 90% of the value of the property. For projects funding on or after January 1, 2015, the maximum assessment amount shall not exceed the lesser of (a) than 15% on the first $700,0000 value of the property and, if applicable, less than 10% of any value of the property thereafter or (b) a combined mortgage and Assessment Contract amount of 100% of the value of the property. For projects funding prior to January, 2015, the maximum assessment amount shall not exceed the lesser of (a) less than 10% of the value of the property or (b) a combined mortgage and Assessment Contract amount of 100% of the value of the property.
- The total annual property tax and assessments, including the contractual assessment, on the property will not exceed 5% of the property's market value, as determined at the time of approval of the contractual assessment.

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

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

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

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

B. ELIGIBLE PRODUCTS

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

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy or to provide seismic strengthening improvements to improve seismic safety in existing homes and businesses. 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 of the report. Broadly, these include:

    a. Water Conservation/Efficiency
    b. Energy Efficiency Eligible Products
    c. Renewable Energy Systems
    d. Seismic strengthening Products
    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, renewable energy and seismic strengthening improvements. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow

toilets, and install a photovoltaic system as part of a single project.

C. ELIGIBLE COSTS

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

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

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

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

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

D. ADMINISTRATIVE COSTS/FEES

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

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

1. An application fee may be required and will not exceed $100.00 per application or the actual cost of processing the application, whichever is less. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated.

2. Title and recording costs, including title insurance, where required, will be paid by the property owner.

3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.

4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.

5. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.

6. The Program may offer multiple disbursements for assessments in excess of $50,000 if feasible. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee not to exceed $150 and an inspection fee not to exceed $300 per partial disbursement; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The Program will allow for up to two partial disbursements, if available, plus the final payment, as is appropriate for the particular assessment. A draft Assessment Contract is provided in Appendix C of this report.

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

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

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

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

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

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

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

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

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

B. *ELIGIBLE PRODUCTS*

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

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

2. The Program provides financing only for Eligible Products that are permanently affixed to real property.

3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:

    a. Water Conservation/Efficiency Eligible Products
    b. Energy Efficiency Eligible Products
    c. Renewable Energy Systems
    d. Seismic Strengthening Products
    e. Approved Custom Eligible Products

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

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

C. *ELIGIBLE COSTS*

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

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program or by the property owner is self-installing subject to the limitation in the last sentence of this paragraph. A list of contractors registered with the Program shall also be located on the

Program website; however, WRCOG will not make recommendations for contracting assistance. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

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

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

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

D. ADMINISTRATIVE COSTS/FEES

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

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

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

2. Title and recording costs, including title insurance, where required, will be paid by the property owner.

3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.

4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.

5. Environmental Reports and/or appraisals, as required by the Program.

6. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.

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

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

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

A. Eligible Property Owners and Eligible Properties

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

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

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

Program financing is not currently available for properties that are not subject to secured property taxes, such as governmental entities and certain non-profit corporations. Program financing may, however, be available to such properties if assessments levied

on such properties may be placed on the tax roll. Property owners may make more than one application for funding under the Program if additional energy, water or seismic strengthening improvements are desired by the owner and the eligibility criteria and maximum assessment amount criteria are met.

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

B. ELIGIBLE PRODUCTS

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

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

2. The Program provides financing only for Eligible Products that are permanently affixed to real property.

3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:

    a. Water Conservation/Efficiency Eligible Products
    b. Energy Efficiency Eligible Products
    c. Renewable Energy Systems
    d. Seismic Strengthening Products
    e. Approved Custom Eligible Products

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

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

C. Eligible Costs

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

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program or by the

property owner is self-installing subject to the limitation in the last sentence of this paragraph. . A list of contractors registered with the Program shall also be located on the Program website; however, WRCOG will not make recommendations for contracting

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

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

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

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

D. ADMINISTRATIVE COSTS/FEES

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

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

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

2. Title and recording costs, including title insurance, where required, will be paid by the property owner.

3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.

4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.

5. Environmental Reports and/or appraisals, as required by the Program.

6. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.

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

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

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

A. Eligible Property Owners and Eligible Properties

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

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

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

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

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

B. *ELIGIBLE PRODUCTS*

The Program affords property owners in Western Riverside County the opportunity to take advantage of a wide range of eligible energy-savings, 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.

C. *Eligible Costs*

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

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program 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.

D. ADMINISTRATIVE COSTS/FEES

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

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

1. An application fee will be required and will not exceed $100 per application for residential properties and will not exceed the greater of $250 or one percent (1%) of the financing amount per application for commercial properties' provided, however, such fees shall not exceed the actual cost to process the applicable application. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by the Provider.

2. Title and recording costs, including title insurance, where required, will be paid by the property owner.

3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.

4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.

5. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed energy efficiency, water efficiency, and/or renewable generation systems were actually installed prior to funding; provided, however, that such fee may not exceed the actual cost to undertake such validation.

6. If the property owner desires to have multiple disbursements (only on Eligible Products in excess of $50,000), the multiple disbursements will be subject to an additional processing fee not to exceed $150 and an inspection fee not to exceed $300 per partial disbursement, provided, however, that such fee may not exceed the

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

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

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

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

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

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

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

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

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

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

B. ELIGIBLE PRODUCTS

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

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

2. The Program provides financing only for Eligible Products that are permanently affixed to real property.

3. The Program provides financing for Eligible Products specified in Appendix A-2 of the report. Broadly, these include:

    a. Water Conservation/Efficiency Eligible Products
    b. Energy Efficiency Eligible Products
    c. Renewable Energy Systems
    d. Seismic Strengthening Products
    e. Approved Custom Eligible Products

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

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

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

C. Eligible Costs

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

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

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

D. ADMINISTRATIVE COSTS/FEES

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

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

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

2. Title and recording costs, including title insurance, where required, will be paid by the property owner.

3. Permitting costs. Property owners are required to verify whether or not a permit is required by the participating jurisdictions. Permit costs will be paid by the property owner and are an eligible cost to include in the financing.

4. Annual assessment administration and collection costs will be added each year to the annual assessment on property tax bills and will be adjusted in subsequent years for cost of living increases using the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for the Los Angeles, Riverside, and Orange Counties.

5. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed energy efficiency, water efficiency, and/or renewable generation systems were actually installed prior to funding; provided, however, that such fee may not exceed the actual cost to undertake such validation. Onsite validation fees, if required, shall be identified prior to the execution of the assessment contract and the property owner may elect to include them in the financing or pay them outside of the transaction,

6. Environmental Reports and/or appraisals, as required by the Program.

7. The Program may offer multiple disbursements for assessments by a third-party provider. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee; provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The terms of the financing provided by the third-party will be subject to the credit of the borrower. A draft Assessment Contract is provided in Appendix C-2 of this report.

VII. Program Requirements for Participating in Spruce PACE Financing for Residential Properties

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

A. Eligible Property Owners and Eligible Properties

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

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

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

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

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

B. ELIGIBLE PRODUCTS

The Program affords property owners in Western Riverside County the opportunity to take advantage of a wide range of eligible energy-savings, 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-3 of the report. Broadly, these include:

    a. Water Conservation/Efficiency
    b. Energy Efficiency Eligible Products
    c. Renewable Energy Systems
    d. Seismic Strengthening Products
    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, renewable energy

and seismic strengthening improvements. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets, and install a photovoltaic system as part of a single project.

C. *ELIGIBLE COSTS*

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

The cost of installation of Eligible Products shall be eligible to be financed 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.

D. ADMINISTRATIVE COSTS/FEES

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

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

7. 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.

8. Title and recording costs, including title insurance, where required, will be paid by the property owner.

9. 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.

10. 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.

11. 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.

12. 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-6 of this report.

VIII. Program Requirements for Participating in PACE Funding PACE Financing for Residential Properties

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

A. ***ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES***

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

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

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

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

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

B. ELIGIBLE PRODUCTS

The Program affords property owners in Western Riverside County the opportunity to take advantage of a wide range of eligible energy-savings, 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-3 of the report. Broadly, these include:

    a. Water Conservation/Efficiency
    b. Energy Efficiency Eligible Products
    c. Renewable Energy Systems
    d. Seismic Strengthening Products
    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, renewable energy and seismic strengthening improvements. For instance, a property owner may choose to replace an aging and inefficient furnace, install weather stripping, install low flow toilets, and install a photovoltaic system as part of a single project.

C. *ELIGIBLE COSTS*

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

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program. Please contact the Program Administrator for information regarding registered contractors; 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.

D. *ADMINISTRATIVE COSTS/FEES*

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

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

1. An application fee will be required and will not exceed $100 per application for residential properties and will not exceed the greater of $250 or one percent (1%) of the financing amount per application for commercial properties' provided, however, such fees shall not exceed the actual cost to process the applicable application. The owner may not include this cost in the financing request. Except as otherwise provided in applicable federal or state law, the application fee is nonrefundable, unless the property owner is deemed ineligible and the unused portion of the application fee may be prorated, however, may be waived by the Provider.

2. Title and recording costs, including title insurance, where required, will be paid by the property owner.

13. 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.

14. 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.

15. 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.

16. 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-7 of this report.

IX. Program Requirements for Participation in Greenworks Commercial Financing for Commercial Properties

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

A. *Eligible Property Owners and Eligible Properties*

Greenworks Commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, water conservation and seismic strengthening improvements, using Greenworks Commercial financing.

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

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

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

maximum assessment amount criteria are met.

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

B. ELIGIBLE PRODUCTS

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

1. The Program is intended principally for retrofit activities to replace outdated inefficient equipment and to install new equipment that reduces energy or water consumption or produces renewable energy or provides seismic strengthening to existing structures. However, the Program is also available for purchasers of new businesses that wish to add eligible energy efficiency, renewable energy, water conservation/efficiency and seismic strengthening Products to such homes or businesses after taking title to the property.
2. The Program provides financing only for Eligible Products that are permanently affixed to real property.
3. The Program provides financing only for Eligible Products specified in Appendix A of the report. Broadly, these include:

    a. Water Conservation/Efficiency Eligible Products
    b. Energy Efficiency Eligible Products
    c. Renewable Energy Systems
    d. Seismic Strengthening Products
    e. Approved Custom Eligible Products

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

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

C. Eligible Costs

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

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

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

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

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

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

D. ADMINISTRATIVE COSTS/FEES

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

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

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

9. Title and recording costs, including title insurance, where required, will be paid by the property owner.

10. 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.

11. 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.

12. Environmental Reports and/or appraisals, as required by the Program.

13. Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm proposed eligible energy efficiency, water efficiency, and/or renewable generation Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.

14. 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-8 of this report.

X. Program Requirements for Participating in Standard Financing

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

- ***ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES***

  For residential properties:

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

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

  For Commercial properties:

  Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. Certain eligibility

criteria must be satisfied and financing may be approved only if all of the following criteria are met:

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

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

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

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

- ***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:

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 of the report. Broadly, these include:

    a. Water Conservation/Efficiency
    b. Energy Efficiency Eligible Products
    c. Renewable Energy Systems
    d. Seismic Strengthening Products
    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, renewable energy and seismic strengthening 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.

- ***ELIGIBLE COSTS***

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

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

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

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

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

- ***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:

- 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.

- Title and recording costs, including title insurance, where required, will be paid by the property owner.

- 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.

- 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.

- 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.

- If the property owner desires to have multiple disbursements (only on Eligible Products in excess of $50,000), the multiple disbursements will be subject to an additional processing fee not to exceed $150 and an inspection fee not to exceed $300 per partial disbursement, provided, however, that such fee may not exceed the actual cost of providing such service. The property owner will need to provide sufficient proof of purchased and delivered construction materials and/or completion of Eligible Products as required by the executed Assessment Contract. The Program will allow for up to two partial disbursements plus the final payment, as is appropriate for the particular assessment. A draft Assessment Contract is provided in Appendix C of this report.

XI. APPEAL PROCESS

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

1. The parties who are participating in the Program shall attempt in good faith to promptly resolve any dispute arising out of or relating to any Assessment Contract under the Program by negotiations between the Program Administrator or his or her designated representative and the Property Owner.

2. Either party may give the other party or parties written notice (sent by certified mail) of any dispute. Within thirty (30) calendar days after delivery of the notice, the WRCOG Executive Director and the Property Owner shall meet at a mutually acceptable time and place, and shall attempt to resolve the dispute.

3. If the matter has not been resolved within thirty (30) calendar days of the first meeting, any party may pursue other remedies, including mediation. All negotiations and any mediation conducted pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations, to which Section 1152.5 of the California Evidence Code shall apply, and Section 1152.5 is incorporated herein by reference.

4. Notwithstanding the foregoing provisions, a party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo. Each party is required to continue to perform its obligations under the Assessment Contract pending final resolution of any dispute arising out of or relating to the Assessment Contract.

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

1. Written notice may be sent by certified mail to WRCOG at 3390 University Avenue, Suite 450 Riverside, CA 92501. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), the section in the Handbook that the issue(s) pertain(s) to, and a timeline of events.

2. Within thirty (30) calendar days after delivery of the notice, the Program Administrator shall meet at the headquarters of WRCOG office in Riverside with the Property Owner, and shall attempt to resolve the dispute.

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

XII. Tracks for Participation

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

a. Water Conservation/Efficiency

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

b. Energy Efficiency

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

c. Renewable Energy

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

d. Seismic Strengthening

Seismic Strengthening Improvements cover include, but are not limited to, seismic strengthening of cripple walls and sill plate anchorage of light, wood-framed buildings.

e. Custom Products

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

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

XIII. PROGRAM PARAMETERS

MINIMUM ENERGY FINANCING AMOUNT AND DURATION OF ASSESSMENT

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

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

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

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

For Greenworks Commercial - Assessment Contracts are available for up to 25-year terms to accommodate a wide range of efficiency measures and renewable energy investments

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

Priority in Application Processing

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

Maximum Portfolio

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

ASSESSMENT INTEREST RATE

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

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

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

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

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

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

Spruce PACE Financing for Residential Properties. The Program Administrator will set the interest rate for a contract assessment financed through the standard financing plan at the time the application is approved and the assessment contract is signed. The Program Administrator will review the interest rates on an annual basis.

PACE Funding PACE Financing for Residential Properties. The Program Administrator will set the interest rate for an assessment contract financed through the standard financing plan at the time the application is approved and the assessment contract is signed. The Program Administrator will review the interest rates on an annual basis.

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

Standard Financing Plan: The Program Administrator will set the interest rate for a contract assessment at the time the application is approved and the assessment contract is signed. The Program Administrator will review the interest rates on an annual basis.

PROPERTY ASSESSMENT LIEN

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

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

DELINQUENT ASSESSMENT COLLECTIONS

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

SUBORDINATIONS

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

DISCLOSURES

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

PREPAYMENT PENALTIES

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

XIV. THE FINANCIAL STRATEGIES

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

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

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

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

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

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

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

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

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

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

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

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

Strategy Eleven: The Program will utilize the Greenworks Commercial Financing Plan for Commercial to fund installations of Eligible Products for commercial properties. Pursuant to such financing

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

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

XV. GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WRCOG: Western Riverside Council of Governments.

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

APPENDIX A-1

ELIGIBLE PRODUCTS

HERO RESIDENTIAL / COMMERCIAL FINANCING

SAMAS COMMERCIAL FINANCING

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

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

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

RESIDENTIAL ELIGIBLE PRODUCTS LIST

ENERGY EFFICIENCY PRODUCTS

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

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

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

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

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

Electric Vehicle Infrastructure

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

Water Efficiency Products

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

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

COMMERCIAL ELIGIBLE PRODUCTS LIST

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

ENERGY EFFICIENCY

<table>
<tr><th colspan="2">Improvement</th><th>Eligibility Specifications</th><th>Max. Term</th></tr>
<tr><td rowspan="3">Lighting</td><td>Lighting fixture replacement</td><td>Color rendering index and rated life, as reflected in Table 1.
Table 1: Eligible Fluorescent Lamp Characteristics (From California IOUs SPC manual)
<table>
<tr><th>Lamp Type & Size</th><th>Ballast Type</th><th>CRI</th><th>Minimum Rated Lamp Life (3hrs/start)</th></tr>
<tr><td>T8 – 2-ft, 3-ft, 4-ft</td><td>Offeringmed Start/ Offeringmed Rapid-start</td><td>>=80</td><td>24,000 hours</td></tr>
<tr><td>T8 – All Sizes</td><td>Instant Start</td><td>>=82</td><td>18, 000 hours</td></tr>
<tr><td>T5 – All Sizes</td><td>Offeringmed Start/ Offeringmed Rapid-start</td><td>>=82</td><td>20,000 hours</td></tr>
</table></td><td>15 Years</td></tr>
<tr><td>Dimmable Controls Based on Outside Light Intensity</td><td>Capable of reducing power consumption in the area by 2/3.</td><td></td></tr>
<tr><td>Skylight (Addition and Controls)</td><td>As reflected in Table 2 and Table 3.
Table 2: Fenestration Products and Exterior Door U-factor (From Title 24 table 116-A)
<table>
<tr><th>FRAME</th><th>PRODUCT TYPE</th><th>SINGLE PANE U-FACTOR</th><th>DOUBLE PANE U-FACTOR</th><th>GLASS BLOCKU-FACTOR</th></tr>
<tr><td rowspan="6">Metal</td><td>Operable</td><td>1.28</td><td>0.79</td><td>0.87</td></tr>
<tr><td>Fixed</td><td>1.19</td><td>0.71</td><td>0.72</td></tr>
<tr><td>Greenhouse/garden window</td><td>2.26</td><td>1.40</td><td>N.A.</td></tr>
<tr><td>Doors</td><td>1.25</td><td>0.77</td><td>N.A.</td></tr>
<tr><td>Skylight</td><td>1.98</td><td>1.30</td><td>N.A.</td></tr>
<tr><td rowspan="5">Metal, Thermal Break</td><td>Operable</td><td>N.A.</td><td>0.66</td><td>N.A.</td></tr>
<tr><td>Fixed</td><td>N.A.</td><td>0.55</td><td>N.A.</td></tr>
<tr><td>Greenhouse/garden window</td><td>N.A.</td><td>1.12</td><td>N.A.</td></tr>
<tr><td>Doors</td><td>N.A.</td><td>0.59</td><td>N.A.</td></tr>
<tr><td>Skylight</td><td>N.A.</td><td>1.11</td><td>N.A.</td></tr>
<tr><td rowspan="5">Nonmetal</td><td>Operable</td><td>0.99</td><td>0.58</td><td>0.60</td></tr>
<tr><td>Fixed</td><td>1.04</td><td>0.55</td><td>0.57</td></tr>
<tr><td>Greenhouse/garden window</td><td>0.99</td><td>0.53</td><td>N.A.</td></tr>
<tr><td>Doors</td><td>1.94</td><td>1.06</td><td>N.A.</td></tr>
<tr><td>Skylight</td><td>1.47</td><td>0.84</td><td>N.A.</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><td></td><td></td><td>1. For all dual-glazed fenestration products, adjust the listed U-factors as follows:
a. Add 0.05 for products with dividers between panes if spacer is less than 7/16 inch wide.
b. Add 0.05 to any product with true divided lite (dividers through the panes).
2. Translucent or transparent panels shall use glass block values.

Table 3: Solar Heat Gain Coefficients (From Title 24 table 116-B)
<table><tr><th rowspan="2">FRAME TYPE</th><th rowspan="2">PRODUCT</th><th rowspan="2">GLAZING</th><th colspan="3">TOTAL WINDOW SHGC</th></tr><tr><th>Single Pane</th><th>Double Pane</th><th>Glass Block</th></tr><tr><td rowspan="4">Metal</td><td>Operable</td><td>Clear</td><td>0.80</td><td>0.70</td><td>0.70</td></tr><tr><td>Fixed</td><td>Clear</td><td>0.83</td><td>0.73</td><td>0.73</td></tr><tr><td>Operable</td><td>Tinted</td><td>0.67</td><td>0.59</td><td>N.A.</td></tr><tr><td>Fixed</td><td>Tinted</td><td>0.68</td><td>0.60</td><td>N.A.</td></tr><tr><td rowspan="4">Metal, Thermal Break</td><td>Operable</td><td>Clear</td><td>N.A.</td><td>0.63</td><td>N.A.</td></tr><tr><td>Fixed</td><td>Clear</td><td>N.A.</td><td>0.69</td><td>N.A.</td></tr><tr><td>Operable</td><td>Tinted</td><td>N.A.</td><td>0.53</td><td>N.A.</td></tr><tr><td>Fixed</td><td>Tinted</td><td>N.A.</td><td>0.57</td><td>N.A.</td></tr><tr><td rowspan="4">Nonmetal</td><td>Operable</td><td>Clear</td><td>0.74</td><td>0.65</td><td>0.70</td></tr><tr><td>Fixed</td><td>Clear</td><td>0.76</td><td>0.67</td><td>0.67</td></tr><tr><td>Operable</td><td>Tinted</td><td>0.60</td><td>0.53</td><td>N.A.</td></tr><tr><td>Fixed</td><td>Tinted</td><td>0.63</td><td>0.55</td><td>N.A.</td></tr></table>
1. Translucent or transparent panels shall use glass block values.</td><td></td></tr>
<tr><td></td><td>Occupancy, Motion, Vacancy Sensors</td><td>Automatically turn off all lights in area no more than 30 minutes after the area has been vacated.</td><td></td></tr>
<tr><td></td><td>De-lamping</td><td>Only as a part of a retrofit which involves one of the other listed lighting measure.</td><td></td></tr>
<tr><td>Insulation</td><td>Refrigerated Coolers</td><td>R-28 minimum for walls and roof/ceiling.</td><td></td></tr>
<tr><td></td><td>Water Heaters</td><td>R-12 minimum.</td><td></td></tr>
<tr><td></td><td>Pipe</td><td>As reflected in Table 4.

Table 4: Pipe Insulation Thickness (From Title 24 table 123-A)
<table><tr><th rowspan="2">FLUID TEMPERATURE RANGE (°F)</th><th rowspan="2">CONDUCTIVITY RANGE (in Btu-inch per hour per square foot per °F)</th><th rowspan="2">INSULATION MEAN RATING TEMPERATURE (°F)</th><th colspan="6">NOMINAL PIPE DIAMETER (in inches)</th></tr><tr><th>Runouts up</th><th>1 and less</th><th>1.25-2</th><th>2.50-4</th><th>5-6</th><th>8 and larger</th></tr></table></td><td></td></tr>
</table>

					INSULATION THICKNESS REQUIRED (in inches)					
Space heating systems (steam, steam condensate and hot water)										
Above 350	0.32-0.34	250	1.5	2.5	2.5	3.0	3.5	3.5
251-350	0.29-0.31	200	1.5	2.0	2.5	2.5	3.5	3.5
201-250	0.27-0.30	150	1.0	1.5	1.5	2.0	2.0	3.5
141.2	0.25-0.29	125	0.5	1.5	1.5	1.5	1.5	1.5
105.14	0.24-0.28	100	0.5	1.0	1.0	1.0	1.5	1.5
Service water-heating systems (recirculating sections, all piping in electric trace tape systems and the first 8 feet of piping from the storage tank for nonrecirculating systems.										
Above 105	0.24-0.28	100	0.5	1.0	1.0	1.5	1.5	1.5
Space cooling systems (chilled water, refrigerant and brine)										
40-60	0.23-0.27	75	0.5	0.5	0.5	1.0	1.0	1.0
Below 40	0.23-0.27	75	1.0	1.0	1.5	1.5	1.5	1.5

Fenestration Products and Exterior Doors

As reflected in Table 2.

Table 2: Fenestration Products and Exterior Door U-factor (From Title 24 table 116-A)

FRAME	PRODUCT TYPE	SINGLE PANE U-FACTOR	DOUBLE PANE U-FACTOR	GLASS BLOCK U-FACTOR
Metal	Operable	1.28	0.79	0.87
	Fixed	1.19	0.71	0.72
	Greenhouse/garden window	2.26	1.40	N.A.
	Doors	1.25	0.77	N.A.
	Skylight	1.98	1.30	N.A.
Metal, Thermal Break	Operable	N.A.	0.66	N.A.
	Fixed	N.A.	0.55	N.A.
	Greenhouse/garden window	N.A.	1.12	N.A.
	Doors	N.A.	0.59	N.A.
	Skylight	N.A.	1.11	N.A.
Nonmetal	Operable	0.99	0.58	0.60
	Fixed	1.04	0.55	0.57
	Greenhouse/garden window	0.99	0.53	N.A.
	Doors	1.94	1.06	N.A.
	Skylight	1.47	0.84	N.A.

1. For all dual-glazed fenestration products, adjust the listed U-factors as follows:
a. Add 0.05 for products with dividers between panes if spacer is less than 7/16 inch wide.
b. Add 0.05 to any product with true divided lite (dividers through the panes).
2. Translucent or transparent shall use glass block values.

Pools

High Efficiency Pool

Variable flow and/or multi-speed with controllers (motor must be above NEMA minimal standard as shown in Table 11.)

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

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

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

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

Air Heating, Ventilation, and Air Conditioning Systems

Furnaces and Boilers

As reflected in Table 9.

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

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

Air Conditioners and Condensing Units

As reflected in Table 5.

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

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

IPLVs are only applicable to equipment with capacity modulation.
Deduct 0.2 from the required EERs and IPLVs for units with a heating section other than electric resistance heat.

Water Chilling Packages

As reflected in Table 6.

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

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

		Positive Displacement (Reciprocating)		5.05 IPLV	
		Water Cooled, Electrically Operated, Positive Displacement (Rotary Screw and Scroll)	<150 Tons	4.45 COP 5.20 IPLV	ARI 500-590
			≥ 150 Tons and < 300 Tons	4.90 COP 5.60 IPLV	
			≥ 300 Tons	5.5 COP 6.15 IPLV	
		Water Cooled, Electrically Operated, Centrifugal	<150 Tons	5.00 COP 5.25 IPLV	ARI 500-590
			≥ 150 Tons and < 300 Tons	5.55 COP 5.90 IPLV	
			≥ 300 Tons	6.10 COP 6.40 IPLV	
		Air Cooled Absorption Single Effect	All Capacities	0.60 COP	ARI 560
		Water cooled Absorption Single Effect	All Capacities	0.70 COP	
		Absorption double Effect, Indirect-Fired	All Capacities	1.00 COP 1.05 IPLV	
		Absorption Double Effect, Direct-Fired	All Capacities	1.00 COP 1.00 IPLV	
		Water Cooled Gas Engine Driven Chiller	All Capacities	1.2 COP 2.0 IPLV	ANSI Z21.40.4
	Packaged Terminal Air Conditioners and Heat Pumps	As reflected in Table 7. Table 7: Packaged Terminal Air Conditioners and Heat Pumps (Extract of Title 24 table 112-E) **Equipment Type** — **Eligible Specifications** Packaged Terminal Air Conditions — 12.5 - (0.213 x Cap./1000) EER Packaged Terminal Heat Pumps — 12.3 - (0.213 x Cap./1000) EER			
	Geothermal and Water Source Heat Pump	As reflected in Table 8. Table 8: Geothermal Heat Pumps (From Energy Star)			

Equipment Type	Eligible Specifications
Closed loop water sources heat pump (condenser is a closed loop, closed cooling tower)	14.1 EER
Open loop water sources heat pump (open cooling tower)	16.2 EER
Ground sourced heat pump (condenser pipes are buried in the ground)	15 EER

	Heat Rejection Equipment (Replacement)	As reflected in Table 10. Table 10: Heat Rejection Equipment (From Title 24 table 112-G)	

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

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

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

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

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

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

	Temperature Reset		
	Hot Water Supply Temperature Resets	Load Reset, Outside Air Reset.	
	Programmable Thermostat (EMS)		
Motors	Premium Efficient Motor Replacements	Must exceed minimum equipment efficiency from Table 11 below. Table 11: Minimum Nominal Full-Load Motor Efficiency for Single Speed Poly-Phase Motors	

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

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

WATER CONSERVATION/EFFICIENCY

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

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

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

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

RENEWABLE ENERGY

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

CUSTOM PRODUCTS

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

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

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

ENERGY EFFICIENCY CUSTOM ELIGIBLE PRODUCTS

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

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

ENERGY GENERATION CUSTOM ELIGIBLE PRODUCTS

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

APPENDIX A-2

ELIGIBLE PRODUCTS

[RENEW FINANCIAL PACE FINANCING]

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

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

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

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

Product Category	Product Type	Eligibility Criteria	Permit Needed?	Max Term
Drought Tolerant Landscaping	Artificial Turf	Product must be water-permeable. Product must not be installed in the following cities in Los Angeles County: Alhambra, Bellflower, Cerritos, Cudahy, Culver City, El Monte, Glendale, Monrovia, Montebello, Redondo Beach, San Gabriel, San Marino, West Hollywood, and Westlake Village.	No	10
Drought Tolerant Landscaping	Hardscape	Product must be installed with a BioRetention Basin.	No	20
Drought Tolerant Landscaping	Permeable Ground Cover	Product must be water-permeable. The following products are eligible: Decomposed granite, Pavers and patio stones with a minimum of 1/4" joint spacing, Gravel/rock/boulders/stone, Artificial Turf underlayment. (Plants and biodegradable material are not eligible.) Product depth must be at least 2".	No	20
Electric Vehicle Charging Station	Electric Vehicle Charging Station	Product must be a Level 2 charger with SAE J1772 standard charging plug.	Yes	10
Fuel Cells	Stationary Fuel Cell Power System	System must be certified as meeting the ANSI/CSA America FC1 standard. Installation must comply with the Standard for the Installation of Stationary Fuel Cell Power Plants (NFPA 853).	Yes	10
HVAC	Air-Source Heat Pump	Product must comply with Title 24.	Yes	15
HVAC	Attic Fan	Product must have a thermostat control.	No	15
HVAC	Boiler	Product must comply with Title 24.	Yes	20
HVAC	Ceiling Fan	Product must comply with Title 24.	No	10
HVAC	Central Air Conditioner	Product must comply with Title 24.	Yes	15
HVAC	Duct Insulation	Product must comply with Title 24.	No	20
HVAC	Duct Replacement	Product must comply with Title 24.	No	20
HVAC	Duct Sealing	Product must comply with Title 24.	No	20
HVAC	Ductless Mini-Split	Product must comply with Title 24.	Yes	15
HVAC	Ductless Mini-Split Air Conditioner	Product must comply with Title 24.	Yes	15
HVAC	Energy Recovery Ventilation (ERV) System	Product must be certified by the Home Ventilating Institute (HVI).	No	15
HVAC	Evaporative Cooler	Product must comply with Title 24. Product must be permanently affixed to the home.	No	15
HVAC	Furnace	Product must comply with Title 24.	Yes	20
HVAC	Gas Fireplace	Product must comply with Title 24.	No	20
HVAC	Geothermal Heat Pump	Product must comply with Title 24.	Yes	20
HVAC	Heat Recovery Ventilation (HRV) System	Product must be certified by the Home Ventilating Institute (HVI).	No	15
HVAC	Heating and Air Conditioning Package Unit	Product must comply with Title 24.	Yes	15
HVAC	Pellet Stove or Insert	Product must be on the List of EPA Certified Wood Stoves.	No	20
HVAC	Programmable	Product must comply with Title 24.	No	15
HVAC	Radiant Heating	Product must comply with Title 24.	Yes	15
HVAC	Ventilating Fans	Product must comply with Title 24.	No	10
HVAC	Whole House Fan	Product must comply with Title 24.	No	20
Indoor Water Efficiency	High-Efficiency Faucet	Product must comply with Title 24.	No	15
Indoor Water Efficiency	High-Efficiency	Product must comply with Title 24.	No	15
Indoor Water Efficiency	Toilets	Product must comply with Title 24.	No	25
Indoor Water Efficiency	Urinal	Product must comply with Title 24.	No	20
Indoor Water Efficiency	Water Delivery Systems	Product must meet the definition of one of the following water delivery options: Dedicated Recirculation Line, Whole House Manifold System, Demand-initiated Recirculating System, Core Plumbing System. Installation cannot include any work on the wastewater system or the city main.	Yes	25

Insulation and Air Sealing	Air Sealing	Product must comply with Title 24.	No	20
Insulation and Air Sealing	Attic Insulation	Product must comply with Title 24.	No	25
Insulation and Air Sealing	Floor Insulation	Product must comply with Title 24.	No	25
Insulation and Air Sealing	Foam Insulation - Attic or Roof	Product must comply with Title 24.	No	25
Insulation and Air Sealing	Wall Insulation	Product must comply with Title 24.	No	25
Lighting	Indoor Lighting Fixtures	Product must comply with Title 24.	No	20
Lighting	Lighting Control	Product must comply with Title 24.	No	20
Lighting	Outdoor Lighting Fixtures	Product must comply with Title 24.	No	20
Outdoor Water Efficiency	Drip Irrigation	Product must be installed in turf, garden, planter, or flowerbed areas.	No	10
Outdoor Water Efficiency	Greywater Systems	N/A	Yes	15
Outdoor Water Efficiency	Rainwater Catchment Systems	Product must comply with SoCal Water$mart Program Guidelines.	No	20
Outdoor Water Efficiency	Rotating Sprinkler Control	Product must comply with SoCal Water$mart Program Guidelines.	No	10
Outdoor Water Efficiency	Weather-Based Irrigation Control Systems	Product must be WaterSense Certified.	No	10
Pool Equipment	Automatic Pool Covers	Product must be automatic.	No	10
Pool Equipment	Gas Pool Heater	Product must comply with Title 24.	Yes	10
Pool Equipment	Heat Pump Pool Heater	Product must comply with Title 24.	Yes	10
Pool Equipment	Pool Pump and Motor	Product must comply with Title 24.	No	10
Roofing and Siding	Cool Roof - Performance	One of the following performance criteria must be met in order to be eligible: Eligible Attic Insulation is installed (R38), Eligible Duct Replacement is installed in attic, Eligible Duct Sealing and Duct Insulation is completed in attic, Eligible Radiant Barrier is installed, 1 inch air-space is installed between top of roof deck and bottom of roofing product, Insulation is installed above roof deck with R-value ≥ 2.	Yes	25
Roofing and Siding	Cool Roof - Prescriptive	Product must comply with Title 24 criteria for cool roofs in ALL climate zones.	Yes	25
Roofing and Siding	Exterior Coating	Product must have solar reflectance ≥ 0.5 as tested by third-party laboratory using ASTM C1549-09 test method. Product color must be listed on the Renew Financial Exterior Coating Pre-Approval List.	No	20
Roofing and Siding	Insulated Siding	One of the following performance criteria must be met to be eligible: The siding includes an insulated backing with R-value ≥ 2, OR Insulation with R- value ≥ 2 is installed beneath the siding.	No	25
Roofing and Siding	Radiant Barrier	Product must comply with Title 24.	No	25
Solar Photovoltaic	Solar Inverters	Product must be on California Solar Initiative Eligible Products list.	Yes	20
Solar Photovoltaic	Solar Panels - PPA	Product must be on California Solar Initiative Eligible Products list. Product is not eligible in Los Angeles County.	Yes	20
Solar Photovoltaic	Solar Panels - With Monitoring	Product must be on California Solar Initiative Eligible Products list. To be eligible for a 30-year term, the system must monitor performance. (30-year term is not available in Los Angeles County, unincorporated Sacramento County, or the City of Chula Vista)	Yes	30
Solar Photovoltaic	Solar Panels - Without	Product must be on California Solar Initiative Eligible Products list.	Yes	25
Solar Thermal	Solar Pool Heating	System must have OG-100 System Certification by Solar Rating and Certification Corporation (SRCC).	No	15
Solar Thermal	Solar Water Heating	Product must comply with Title 24.	Yes	15
Storage	Advanced Energy Storage Systems	Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook.	Yes	10
Water Heating	Electric Heat Pump Tank	Product must comply with Title 24.	Yes	10
Water Heating	Gas Storage Tank Water	Product must comply with Title 24.	Yes	10
Water Heating	Gas Tankless Water Heater	Product must comply with Title 24.	Yes	20

Water Heating	Hot Water Tank Insulation	Product must comply with Title 24.	No	10
Water Heating	Pipe Insulation - Hot Water	Product must comply with Title 24.	No	10
Water Heating	Water Heat Recovery	Heat exchanger must transfer waste heat from drain to hot water tank or hot water delivery system.	No	25
Wind Energy	Small Wind Turbine	Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook.	Yes	20
Windows and Doors	Applied Window Films	Product must be NFRC Certified.	No	10
Windows and Doors	Doors	Product must comply with Title 24.	Yes	25
Windows and Doors	Skylights and Tubular Daylighting Devices	Product must comply with Title 24.	No	20
Windows and Doors	Windows	Product must comply with Title 24.	Yes	25
Custom Product	Custom Product	Product must be approved by Program Administrator. Submissions can be entered here: https://renewfinancial.com/custom-product-request/	TBD	TBD

APPENDIX A-3

ELIGIBLE PRODUCTS
[Spruce PACE FINANCING]

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

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

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

Eligible Product List

In addition to the Product Eligibility Criteria listed below, all product specifications and installation quality must meet or exceed applicable local and state permitting, codes and health and safety standards. Pulled permits are required for many of the products below (if required by the local jurisdiction). All products must be installed per manufacturer's specifications.

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Renewable Energy	Electric Vehicle Charging Station	Electric Vehicle Charging Station	1. Product must be a Level 2 charger with SAE J1772 standard charging plug. 2. Product must be Underwriters Laboratory (UL) listed. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Renewable Energy	Energy Storage	Advanced Energy Storage Systems	1. Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook. 2. System must be grid connected unless the property is not currently connected to the grid. System does not need to be interconnected at time of funding. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Renewable Energy	Solar Photovoltaic	Solar Inverters	1. Product must be manufactured by vendor on Spruce's approved vendor list. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding. 3. System must be grid connected unless the property is not currently connected to the grid. System does not need to be interconnected at time of funding.	20
Renewable Energy	Solar Photovoltaic	Solar Panels - With Monitoring	1. Product must be manufactured by vendor on Spruce's approved vendor. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding. 3. System must be grid connected unless the property is not currently connected to the grid. System does not need to be interconnected at time of funding. 4. To qualify for a 25-year term, a system must monitor performance.	30
Renewable Energy	Solar Photovoltaic	Solar Panels - Without Monitoring	1. Product must be manufactured by vendor on Spruce's approved vendor. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding. 3. System must be grid connected unless the property is not currently connected to the grid. System does not need to be interconnected at time of funding.	20
Renewable Energy	Solar Thermal	Solar Pool Heating	1. Product must have OG-100 Collector Certification by the Solar Rating and Certification Corporation (SRCC) or International Association of Plumbing and Mechanical Officials (IAPMO).	15

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Renewable Energy	Solar Thermal	Solar Water Heating	1. System must have OG-300 System Certification by Solar Rating and Certification Corporation (SRCC) or International Association of Plumbing and Mechanical Officials (IAPMO). 2. System Solar Fraction (SF) must be ≥ 0.5 in property's climate zone. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Renewable Energy	Wind Energy	Small Wind Turbine	1. Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook. 2. System must be installed to be grid connected unless the property is not currently connected to the grid. System does not need to be interconnected at time of funding. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Air-Source Heat Pump	1. SEER ≥ 14.0, EER ≥ 11.0, and HSPF ≥ 8.0. 2. Product must replace an existing product. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Attic Fan	1. Product must have thermostat control. 15 Energy Efficiency HVAC Boiler 1. AFUE ≥ 85%. 2. Only Natural Gas and Propane systems are eligible. 3. Product must replace an existing product. 4. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	HVAC	Ceiling Fan	1. Product must be ENERGY STAR Certified.	10
Energy Efficiency	HVAC	Central Air Conditioner	1. SEER ≥ 14.0 and EER ≥ 11.0. 2. Product must replace an existing product. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Duct Insulation	1. R-value ≥ 6. 2. Per Title 24, total system leakage must be ≤ 15% of nominal system air flow prior to insulation.	20
Energy Efficiency	HVAC	Duct Replacement	1. Installation must comply with Title 24 Requirements. 2. Final total system leakage must be ≤ 6% of nominal system air flow. 3. Product must be insulated with R-value ≥ 6. 4. Final total system leakage as a percent of nominal air flow must be submitted on the final invoice.	20

			5. Per Title 24, duct leakage test is required unless asbestos or other health/safety issues are present. Photo must be submitted to receive exemption.	

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Energy Efficiency	HVAC	Duct Sealing	1. Installation must comply with Title 24 Requirements. 2. Final total system leakage must be ≤ 15% of nominal system air flow. 3. Final total system leakage as a percent of nominal air flow must be submitted on the final invoice. 4. Per Title 24, duct leakage test is required unless asbestos or other health/safety issues are present. Photo must be submitted to receive exemption.	20
Energy Efficiency	HVAC	Ductless Mini-Split	1. SEER ≥ 15.0 and HSPF ≥ 8.2. 2. Product must replace an existing product. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Evaporative Cooler	1. Product must be listed in the CEC Appliance Efficiency Database. 2. Product must have separate ducting system, independent of the air conditioning and heating duct system. 3. Product must be permanently installed through wall or on the roof. Window-installed product is not eligible.	10
Energy Efficiency	HVAC	Furnace	1. AFUE ≥ 90%, or AFUE ≥ 80% with ECM. 2. Product must replace an existing product. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Geothermal Heat Pump	1. Product must meet the criteria below: a. Closed Loop Water-to-Air: EER ≥ 14.1 and COP ≥ 3.3 b. Open Loop Water-to-Air: EER ≥ 16.2 and COP ≥ 3.6 c. Closed Loop Water-to-Water: EER ≥ 15.1 and COP ≥ 3.0 d. Open Loop Water-to-Water: EER ≥ 19.1 and COP ≥ 3.4 e. DGX: EER ≥ 15.0 and COP ≥ 3.5. 2. Product must replace an existing product. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Heating and Air	1. SEER ≥ 14.0, EER ≥ 11.0, and AFUE ≥ 80% with ECM.	15

		Conditioning Package Unit	2. Product must replace an existing product. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	
Energy Efficiency	HVAC	Pellet Stove or Insert	1. Product must be on the List of EPA Certified Wood Stoves.	20
Energy Efficiency	HVAC	Programmable Thermostat Control	1. Product must be programmable.	15
Energy Efficiency	HVAC	Radiant Heating (Floor, Wall, Ceiling)	1. Distribution must be hydronic, not electric resistance. 2. If installing a heat source, the heating equipment must comply with eligibility criteria. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Energy Efficiency	HVAC	Ventilating Fans	1. Product must be ENERGY STAR Certified.	10
Energy Efficiency	HVAC	Whole House Fan	1. Product must be listed in the CEC Appliance Efficiency Database. 2. Installation must comply with Title 24 Requirements.	15
Energy Efficiency	Insulation and Air Sealing	Air Sealing	1. Service must be performed to BPI and ASHRAE 62.2 guidelines. 2. Final ACHn ≤ 0.5 OR overall infiltration reduction ≥ 35%. 3. Final ACHn OR infiltration reduction percentage must be submitted on final invoice.	10
Energy Efficiency	Insulation and Air Sealing	Attic Insulation	1. R-value ≥ 38. 2. Installation must comply with CEC QII Standards.	20
Energy Efficiency	Insulation and Air Sealing	Floor Insulation (over unconditioned space)	1. R-value ≥ 19. 2. Installation must comply with CEC QII Standards.	20
Energy Efficiency	Insulation and Air Sealing	Foam Insulation - Attic/Roof	1. R-value ≥ 30. 2. Surface must be insulated with spray foam. 3. Space beneath insulation must be conditioned space. 4. Installation must comply with CEC QII Standards.	20
Energy Efficiency	Insulation and Air Sealing	Wall Insulation	1. R-value ≥ 13. 2. Installation must comply with CEC QII Standards.	20
Energy Efficiency	Lighting	Indoor Lighting Fixtures	1. Product must be ENERGY STAR Certified. 2. Product must be permanently installed.	10
Energy Efficiency	Lighting	Outdoor Lighting Fixtures	1. Product must be ENERGY STAR Certified. 2. Product must be permanently installed.	10
Energy Efficiency	Pool Equipment	Automatic Pool Covers	1. Product must be an automatic (not manual) pool cover.	10

			2. Product must be Underwriters Laboratory (UL) listed.	
Energy Efficiency	Pool Equipment	Gas Pool Heater	1. Product must be listed in the CEC Appliance Efficiency Database. 2. Thermal Efficiency ≥ 83%. 3. Product must replace an existing product. 4. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Energy Efficiency	Pool Equipment	Pool Pump and Motor	1. Product must be ENERGY STAR Certified. 2. Product must replace an existing product.	10

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Energy Efficiency	Roofing and Siding	Cool Roof - Performance	1. If the roof does not qualify as a Prescriptive Cool Roof, then ONE of the following performance criteria must be met in order to qualify as a Performance Cool Roof: a. Eligible Attic Insulation is installed b. Eligible Duct Replacement is installed c. Eligible Duct Sealing and Duct Insulation is completed d. Eligible Radiant Barrier is installed e. 1" air-space is installed between top of roof deck and bottom of roofing product f. Insulation is installed above roof deck with R-value ≥ 4. 2. Installation must comply with Title 24 Requirements. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	Roofing and Siding	Cool Roof - Prescriptive	1. Product must meet ONE of the criteria below. Per Title 24, if Aged Solar Reflectance is not available, it can be calculated using the following equation: Aged Solar Reflectance = (0.7)*(Initial Solar Reflectance) + 0.06. a. Low-Slope roofs (roof pitch ≤ 2:12) must have an Aged Solar Reflectance ≥ 0.5. b. Steep-Slope roofs (roof pitch > 2:12) must have an Aged Solar Reflectance ≥ 0.15. 2. Installation must comply with Title 24 Requirements. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Energy Efficiency	Roofing and Siding	Exterior Coating	1. Product must have solar reflectance ≥ 0.5 as tested by recognized third-party laboratory using ASTM C1549- 09 test method.	20

Energy Efficiency	Roofing and Siding	Insulated Siding	1. R-Value ≥ 2. 20 Energy Efficiency Roofing and Siding Radiant Barrier 1. Emissivity ≤ 0.1 and Reflectivity ≥ 0.9. 2. Product must be installed with an air space ≥ 1" on at least one side of the barrier.	20
Energy Efficiency	Water Heating	Electric Heat Pump Tank Water Heater	1. Product must be ENERGY STAR Certified. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Energy Efficiency	Water Heating	Gas Storage Tank Water Heater	1. Product must be ENERGY STAR Certified. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Energy Efficiency	Water Heating	Gas Tankless Water Heater	1. Product must be ENERGY STAR Certified. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	10
Energy Efficiency	Water Heating	Hot Water Tank Insulation	1. R-value ≥ 6. 2. Product must only be installed on water tank with R-value < 24.	20

Product Section	Product Category	Product Type	Eligibility Criteria	Maximum Term
Energy Efficiency	Water Heating	Pipe Insulation - Hot Water	1. R-value ≥ 3. 20 Energy Efficiency Water Heating Water Heat Recovery 1. Heat exchanger must transfer waste heat from drain to hot water tank or hot water delivery system.	10
Energy Efficiency	Windows and Doors	Applied Window Films	1. Product must be NFRC Certified.	10
Energy Efficiency	Windows and Doors	Doors	1. Product must meet the criteria below: a. Opaque Doors: U-Factor ≤ 0.21. b. ≤ 1/2-Lite Doors: U-Factor ≤ 0.27 and SHGC ≤ 0.30. c. > 1/2-Lite Doors: U-Factor ≤ 0.32 and SHGC ≤ 0.30. 2. Product must replace an existing product.	20
Energy Efficiency	Windows and Doors	Exterior Shade Products	1. Each product must be permanently installed to provide shading to at least one window or door. 2. Product must be installed on the West or South side of property. 3. Qualifying equipment includes: awnings, exterior window shades, solar screens and patio covers. 4. Other exterior structural elements are NOT eligible including, but not limited to sunroom enclosures, exterior decks, balconies, roof overhangs, and/or any freestanding structure. 5. Interior window shades are NOT eligible. 6. Product can ONLY be installed on properties located within California Building Climate Zones 2 and 6-16.	10

Energy Efficiency	Windows and Doors	Skylights and Tubular Daylighting Devices	1. U-Factor ≤ 0.55 and SHGC ≤ 0.30.	20
Energy Efficiency	Windows and Doors	Windows	1. U-Factor ≤ 0.32 and SHGC ≤ 0.30. 2. Product must replace an existing product. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	20
Water Efficiency	Drought Tolerant Landscaping	Artificial Turf	1. Product must replace existing, living lawn or hardscape (e.g. asphalt/concrete driveway, patio). 2. Product must be water-permeable. 3. Product must be non-toxic and lead free (including any infill material). 4. Product installation must carry a warranty ≥ 10 years. 5. Artificial turf is not allowed in the following cities in Los Angeles County: Alhambra, Bellflower, Cerritos, Cudahy, Culver City, El Monte, Glendale, Monrovia, Montebello, Redondo Beach, San Gabriel, San Marino, West Hollywood, Westlake Village.	10
Water Efficiency	Drought Tolerant Landscaping	Permeable Ground Cover	1. Product must replace existing, living lawn or hardscape (e.g. asphalt/concrete driveway, patio). 2. Product must be water-permeable. 3. The following products qualify: a. Decomposed granite b. Pavers and patio stones with a minimum of 1/4” joint spacing c. Gravel/rock/boulders/stone d. Artificial Turf underlayment. 4. Product depth must be at least 2”. 5. Plants, biodegradable material, and any other products not listed do not qualify.	20
Water Efficiency	Indoor Water Efficiency	High-Efficiency Faucet Fitting	1. Product must be listed in the CEC Appliance Efficiency Database. 2. Flow rate ≤ 1.5 GPM. 3. Product must be permanently installed.	15
Water Efficiency	Indoor Water Efficiency	High-Efficiency Showerhead	1. Product must be listed in the CEC Appliance Efficiency Database. 2. Flow rate ≤ 1.5 GPM. 3. Product must be permanently installed.	10
Water Efficiency	Indoor Water Efficiency	Toilets	1. Product must be WaterSense Certified.	20
Water Efficiency	Indoor Water Efficiency	Water Delivery Systems	1. Product must meet the definition of one of the following water delivery options: a. Dedicated Recirculation Line b. Whole House Manifold System c. Demand-initiated Recirculating System d. Core Plumbing System.	15

			2. Installation cannot include any work on the sewage system or the city main. 3. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	
Water Efficiency	Outdoor Water Efficiency	Drip Irrigation	1. Product must be installed in turf, garden, planter, or flower bed areas.	10
Water Efficiency	Outdoor Water Efficiency	Greywater Systems	1. Installation must comply with Chapter 16A of the California Plumbing Code. 2. A copy of the pulled permit or permit number must be submitted for this product prior to funding.	15
Water Efficiency	Outdoor Water Efficiency	Rainwater Catchment Systems	1. Product must hold ≥ 50 gallons at one time. 2. Product must be permanently installed.	10
Water Efficiency	Outdoor Water Efficiency	Weather-Based Irrigation Control Systems	1. Product must be WaterSense Certified.	10

APPENDIX A-4

ELIGIBLE PRODUCTS
[PACE Funding Residential PACE Financing]

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

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

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

6.4. Eligible Products and Useful Life Schedule

6.4.1 Renewable & Alternative Energy Products

Solar Photovoltaic

Product Type	Eligibility Specifications	Maximum Term (Years)	Maximum Price
Solar Electric (photovoltaic) System	1. Product must be listed as California Solar Initiative incentive eligible photovoltaic module in compliance with CA-SB1 guidelines. 2. Installation Eligible Contractor must be registered with the California Solar Initiative Program and have the correct CSLB licensure to install solar systems. 3. System must be grid connected unless the property is not currently connected to the grid. 4. Installed per manufacturer specifications. **To qualify for a 25-year term, a system must meet on the following criteria:** **A.) System installed by or including equipment on the CSI Performance Monitoring list (http://www.gosolarcalifornia.ca.gov/equipment/perf_monitor.php) OR** **B.) System provides data summarized by hour, day, month, and year; a meter display accessible to homeowner; and notification system alerts indicating a non-functioning or poorly functioning system.** **All non-monitored systems are eligible for only a maximum 20-year term.**	20 25	$7.25/W
Solar Inverter	1. Product must be listed as California Solar Initiative incentive eligible photovoltaic module in compliance with CA-SB1 guidelines. 2. Installation Eligible Contractor must be registered with the California Solar Initiative Program and have the correct CSLB licensure to install solar systems. 3. System must be grid connected unless the property is not currently connected to the grid. 4. Installed per manufacturer specifications.	20	Included in price of Solar Electric System

Solar Thermal

Product Type	Eligibility Specifications	Maximum Term (Years)	Maximum Price

Solar Water Heating	1. System must have the OG-300 System Certification by the Solar Rating and Certification Corporation (SRCC). 2. System Solar Fraction (SF) must be ≥ 0.5. 3. Installed per manufacturer specifications.	15	$15,000
Solar Pool Heating	1. Product must have the OG-100 Collector Certification by the Solar Rating and Certification Corporation (SRCC). 2. Installed per manufacturer specs.	15	$10,000

Alternative Energy

Product Type	Eligibility Specifications	Maximum Term (Years)	Maximum Price
Small Wind Turbine	1. Product must be certified by the Small Wind Certification Council as meeting the requirements of the AWEA Small Wind Turbine Performance and Safety Standard (9.1-2009). 2. Product must be grid connected unless the property is not currently connected to the grid. 3. Installed per manufacturer specs.	20	$9/W
Advanced Energy Storage System	1. System must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook. 2. System must be tied to a program eligible Solar PV system. 3. System must be grid connected unless the property is not currently connected to the grid. 4. Installed per manufacturer specs.	10	$1/kwh
Electric Vehicle Charging Station	1. Product must be certified as meeting the UL Subject 2594 Standard Testing for Charging Stations. 2. Product must be a Level 2 charger with SAE J1772 standard charging plug. 3. Installed per manufacturer specs.	10	$2,500

Stationary Fuel Cell Power System	1. System must be certified as meeting the ANSI/CSA America FC1 standard. 2. Installed in accordance with local code and/or the Standard for the Installation of Stationary Fuel Cell Power Plants, NFPA 853, the National Fuel Gas Code, ANSI Z223.1/NFPA 54, National Electrical Code, NFPA 70, as applicable. 3. Installed per manufacturer specs.	15	$15,000

Cogeneration

Product Type	Eligibility Specifications	Maximum Term (Years)	Maximum Price
Micro turbine	1. P.U. Code 216.6 2. Installed per manufacturer specs.	20	$9/W
Internal Combustion Engine	1. P.U. Code 216.6 2. Installed per manufacturer specs.	20	$4/W
Fuel Cell	1. P.U. Code 216.6 2. Installed per manufacturer specs.	20	$4/W

6.4.2 Energy Efficiency Products

High-Efficiency Heating Ventilation and Air Conditioning (HVAC)

Product Type	Eligibility Specifications	Maximum Terms (Years)	Maximum Price
Air-Source Heat Pump	1. Product must be AHRI Certified. 2. 2. Product must be ENERGY STAR Certified: a. Split: SEER ≥ 14.5 and EER ≥ 12 and HSPF ≥ 8.2. b. Package: SEER ≥ 14 and EER ≥ 11 and HSPF ≥ 8.0. 3. Must replace an existing product. Installed per 4. manufacturer specs.	15	$7,000
Central Air Conditioner	1. Product must be AHRI Certified and AHRI Number must be provided. 2. Product must be ENERGY STAR Certified: a. Split: SEER ≥ 14.5 and EER ≥ 12. b. Package: SEER ≥ 14 and ≥ EER 11. 3. Must replace an existing product 4. Installed per manufacturer specs	15	$25,000
Furnace	1. Product must be AHRI Certified and AHRI number must be provided. 2. Efficiency if equipped with ECM: AFUE = 80% 3. Efficiency if not equipped with ECM: AFUE = 90% Must 4. replace an existing product. Installed per manufacturer specs.	20	$11,000
Evaporative Cooler	1. Product must be listed in California Energy Commission Appliance Efficiency Database. 2. Must be permanently installed through wall or on the roof;	10	$2,500

	window installed product is not eligible. 3. Must have separate ducting system – independent of the air conditioning and heating duct system. 4. Installed per manufacturer specs.		
Boiler	1. Product must be AHRI Certified. 2. 3. Product must be ENERGY STAR Certified: AFUE ≥ 85%. 4. Must replace an existing product. Installed per manufacturer specs.	20	$20,000
Geothermal Heat Pump	1. Product must be ENERGY STAR Certified: a. Closed Loop Water-to-Air: ≥ 14.1 EER and ≥ 3.3 COP b. Open Loop Water-to-Air: ≥ 16.2 EER and ≥ 3.6 COP c. Closed Loop Water-to-Water: ≥ 15.1 EER and ≥ 3.0 COP d. Open Loop Water-to-Water: ≥ 19.1 EER and ≥ 3.4 COP e. DGX: ≥ 15.0 EER and ≥ 3.5 COP Must replace an 2. existing product. 3. Installed per manufacturer specs.	15	$7,500
Hydronic Radiant Heating	1. System must be powered by a high-efficiency heating source. 2. Installed per manufacturer specs.	15	$35,000
Mini-Split Air Conditioner	1. Product must be AHRI certified. 2. Efficiency: ≥ 15 SEER and HSPF ≥ 8.2. 3. Must replace an existing product. 4. Installed per manufacturer specs.	15	$1,500/kBTU
Mini-Split Heat Pump	1. Product must be AHRI certified. 2. Efficiency: ≥ 15 SEER and HSPF ≥ 8.2. 3. Must replace an existing product.	15	$1,500/kBTU

	4. Installed per manufacturer specs.		
Biomass / Wood Stove	1. Product must be certified and listed on the EPA Certified Wood Stoves list. 2. Installed per manufacturer specs.	15	$15,000
Duct Replacement	1. Duct system leakage: a. Partial Replacement: ≤ 15% total system nominal flow b. Full Replacement: ≤ 6% total system nominal flow 2. Duct Insulation R-Value ≥ R-6. 3. Installed per Title 24, Part 6.	20	$7,500
Heat/Energy Recovery Ventilator	1. Product must be certified by the Home Ventilation Institute (HVI). 2. Installed per manufacturer specs.	10	$5,000
Exhaust Ventilation Fixture	1. Product must be ENERGY STAR Certified. 2. Installed per manufacturer specs.	10	$1,000
Whole House Fan	1. Product must be listed in California Energy Commission Appliance Efficiency Database. 2. Installed per manufacturer specs.	20	$5,000
Attic Ventilation Fixture	1. Product must have thermostat control. 2. Installed per manufacturer specs.	15	$2,000
Ceiling Fan	1. Product must be ENERGY STAR Certified. 2. Installed per manufacturer specs.	10	$1,000/fan

Windows Doors and Skylights

Product Type	Eligibility Specifications	Maximum Terms (Years)	Maximum Price
Window	1. Product must be ENERGY STAR and NFRC Certified: 2. U-Factor ≤ 0.32 and SHGC ≤ 0.30. 3. Must replace an existing product. 4. Product NFRC label to be submitted with Completion Certificate 5. Installed per manufacturer specs. 6. Product must meet Title 24 requirements.	25	$2,500/ window
Door	1. Product must be ENERGY STAR and NFRC Certified: a. Opaque: U-Factor ≤ 0.21 and SHGC = Any b. ≤ 1/2-Lite: U ≤ 0.27 and SHGC ≤ 0.30 c. > 1/2-Lite: U ≤ 0.32 and SHGC ≤ 0.30 2. Installed per manufacturer specs.	25	$1,500/ Door
Skylights and Tubular Day lighting Device	1. Product must be NFRC Certified: U-Factor ≤ 0.55 and SHGC ≤ 0.30 2. Installed per manufacturer specs.	20	$2,500/ skylight
Applied Window Film	1. Product must be NFRC Certified. 2. NFRC label for each different product to be submitted with Completion Certificate. Installed per manufacturer specs.	10	$250/ window

Exterior Window Shading Device	1. 2. 3. 4. 5. 6. 7. 8.	Product must be permanently secured to the exterior of the property with attachments or fasteners that are not intended for removal. Each product must be installed to provide shading to at least one window or door. Product must be one of the following styles: a. Patio Covers b. Fixed Awnings c. Operable Awnings d. Operable Shutters e. Solar Screens Product is <u>only</u> eligible to be installed on properties located within California Building Climate Zones 2, and 6-16. Other exterior structural products including, but not limited to, sunroom enclosures, exterior decks, balconies, roof overhangs, detached/free-standing arbors, detached/freestanding pergolas, and/or carports are <u>NOT</u> eligible. Interior window shading products including, but not limited to, blinds, shutters, shades, or curtains are <u>NOT</u> eligible. Product is <u>NOT</u> eligible to be installed on properties located with California Building Climate Zones 1, and 3-5. Installed per manufacturer specs.	10	$4,000 for fixed $9,000 for retractable

Building Envelope

Product Type	Eligibility Specifications	Maximum (Term)	Maximum Price
Cool Wall Coating	1. Product must have solar reflectance ≥ 0.5 as tested by recognized third-party laboratory to ASTM C1549-09 standard. 2. Product is only eligible to be installed on properties located within California Building Climate Zones 4-10 and 12-15. 3. Installed per manufacturer specs.	20	$10/sf
Cool Roof - Prescriptive	1. Product must be ENERGY STAR® Qualified or certified by the Cool Roof Rating Council with these ratings: a. Low-Slope Roofs: ≥ 0.5 Aged (3 yrs.) Solar Reflectance b. Steep-Slope Roof: ≥ 0.15 Aged Solar 2. Reflectance Product must meet Title 24, Part 6. 3. Installed per manufacturer specs.	25	built-up: $6.25/sf membrane PV: $6.15/sf modified bitumen: $5.85/sf metal: $14.55/sf asphalt shingle: $10.00/sf applied coating: $9.30/sf concrete tile: $20.00/sf clay tile: $20.65/sf wood shake bare: $10.00/sf

Cool Roof - Performance	If ENERGY STAR® Qualified roofing product is not specified, one of the following Cool Roof performance measures must also be implemented: a. Install ≥ 1" Air-space between the top of the roof deck to the bottom of the roofing product. b. Insulate attic floor to R-value ≥ 38. c. Seal & Insulate attic HVAC duct work to R-8 and ≤ 6% leakage. d. Install an eligible radiant barrier. e. Insulate roof deck to R-value ≥ 4. f. Install roof construction with thermal mass over a membrane with a weight of at least 25 lb/ft2. 2. Project must comply with CA Title 24 Part 6. Property Owner is fully and solely responsible to meet any such additional requirements.	25	built-up: $6.25/sf membrane PV: $6.15/sf modified bitumen: $5.85/sf metal: $14.55/sf asphalt shingle: $10.00/sf applied coating: $9.30/sf concrete tile: $20.00/sf clay tile: $20.65/sf wood shake bare: $10.00/sf
Attic Insulation	R-value ≥ 38. Installed per CEC QII Standards.	25	$3/sf
Wall Insulation	R-value ≥ 13 to full framing cavity depth. Installed per CEC QII Standards.	25	$3/sf
Under-Floor Insulation	R-value ≥ 19 to full joist depth. Installed per CEC QII Standards.	20	$8/sf
Radiant Barrier	Emissivity ≤ 0.1. Reflectivity ≥ 0.9. Installed per manufacturer specs.	20	$8/sf
Air Sealing	Performed to BPI, ENERGY STAR®, and ASHRAE 62.2 guidelines.	10	$10,000

High Efficiency Water Heating

Product Type	Eligibilit y Specifications	Maximum Term (years)	Maximum Price

Gas Storage Water Heater	1. Product must be ENERGY STAR® Certified. 2. EF ≥ 0.67. 3. Installed per manufacturer specs.	10	$7,500
Electric Heat Pump Storage Water Heater	1. Product must be ENERGY STAR® Certified. 2. EF ≥ 2.0. 3. Installed per manufacturer specs.	10	$10,000
Gas Tankless Water Heater	1. Product must be ENERGY STAR® Certified. 2. EF ≥ 0.82. 3. Installed per manufacturer specs.	10	$7,500

High Efficiency Pool Equipment

Product Type	Eligibility Specifications	Maximum Term (years)	Maximum Price
Pool Pump and Motor	1. Product must be ENERGY STAR® Certified: a. Single Speed Pump: EF ≥ 3.8 for single speed b. Multi/Variable Speed/Flow: EF ≥ 3.8 for most efficient speed. 2. Installed per manufacturer specs.	10	$5,000
Electric Heat Pump Pool Heater	1. Product must be listed in California Energy Commission Appliance Efficiency 2. Database. 3. COP ≥ 4.5. Installed per manufacturer specs.	10	$10,000
Gas Pool Heater	1. Product must be listed in California Energy Commission Appliance Efficiency 2. Database. 3. Thermal Efficiency ≥ 83%. Installed per manufacturer specs.	10	$10,000
Automatic Pool Cover	1. Product must be an automatic pool cover UL certified as meeting ASTM F1346 Standard Performance Specification. 2. Product must be permanently installed on an existing swimming pool. 3. Installed per manufacturer specs. 4. Manual swimming pool covers are not eligible.	10	$7,000

High Efficiency Lighting

Product Type	Eligibility Specifications	Maximum Term (Years)	Maximum Price
Indoor Lighting Fixture	1. Product must be ENERGY STAR® Certified and meet Title 24, Part 6 requirements. 2. Product must be permanently installed. 3. Installed per manufacturer specs.	20	$400 ea.
Outdoor Lighting Fixture	1. Product must be ENERGY STAR® Certified and meet Title 24, Part 6 requirements. 2. Product must be permanently installed. 3. Installed per manufacturer specs	20	$1,000 ea.
Lighting Control	1. 1. Product must be listed in the California Energy Commission Appliance Efficiency Database. 2. Eligible control types include: a. Automatic Time-Switch b. Daylight/Photo- Sensor c. Dimmer d. Occupant/Motion/Vacancy Sensor 3. Install per manufacturer specs.	20	$4,000

Indoor Water Efficiency

Product Type	Eligibility Specifications	Maximum Term (Years)	Maximum Price
High-Efficiency Toilet Fixture	1. Product must be listed in the CEC Appliance Efficiency Database. 2. Toilet and urinals fixtures are eligible. 3. Flow rate ≤ 1.28 GPF. 4. Installed per manufacturer specs.	20	$2,500
High-Efficiency Faucet Fitting	1. Product must be listed in the CEC Appliance Efficiency Database. 2. Flow rate ≤ 1.5 GPM. 3. Must be permanently installed. 4. Installed per manufacturer specs.	15	$1,000
High-Efficiency Showerhead	1. 1. Product must be listed in the CEC Appliance Efficiency Database. 2. Flow ≤ 2.0 GPM. 3. Installed per manufacturer specs.	15	$1,000
Hot Water Delivery System	1. System meets the definition of one of the following water delivery options: a. Dedicated Recirculation Line b. Whole House Manifold System c. Demand-initiated Recirculating System d. Core Plumbing System 2. Installed per manufacturer specs.	20	$1,000

Outdoor Water Efficiency

Product Type	Eligibility Specifications	Maximum Term (Years)	
High-Efficiency Sprinkler Nozzle	1. Product must be on SoCal Water Smart Qualified Sprinkler Nozzle product list. 2. Installed per manufacturer specs.	10	$100 each
Weather-Based Irrigation Controller	1. Product must be WaterSense Qualified. 2. Installed per manufacturer specs.	10	$1,000
Drip Irrigation	1. Product installed be installed in turf, garden, planter, or flower bed area. 2. Installed per manufacturer specs.	10	$10/sq ft
Rainwater Catchment System	1. Sized to hold ≥ 50 gallons at one time. 2. Must be permanently installed. 3. Installed per manufacturer specs.	20	$5,000
Gray Water System	1. System must meet California Plumbing Code, Chapter 16A. Product must comply with local code and permitting requirements. 2. Eligible system types include: a. Single-Fixture b. Multi-Fixture Simple (≤ 250 GPD) c. Multi-Fixture Complex (> 250 GPD) 3. Installed per manufacturer specs.	20	$10,000
Artificial Turf	1. Product must be water and air permeable. 2. Product must be non-toxic and lead free. 3. Product must be recyclable. 4. Product installation must carry ≥ 10 year warranty.	10 or 15	$15/sq ft

	5. Installed per manufacturer specs. 6. Product infill material must be one of the following: a. Acrylic Covered Sand b. Crumb Rubber c. Zeolite		
Drought Tolerant Landscaping	1. Product installation area must replace existing live turf grass or other irrigated area 2. Products must be installed to limit excess site runoff 3. Requested financing amount may only include: a. Removal of existing landscape material b. Site preparation for installation c. Installation of eligible hardscape/ groundcover material d. Installation of eligible irrigation options 4. Requested finance amount may NOT include: a. Installation of live plants or biodegradable plant material b. Removal/replacement of pre-existing hardscape areas (i.e. driveways, pools, etc.) c. Installation of water features (i.e. ponds, fountains, etc.) d. Installation of any other products not listed in specification #3	20	$20/sq. ft.

APPENDIX A-5

ELIGIBLE PRODUCTS

[Greenworks COMMERCIAL FINANCING]

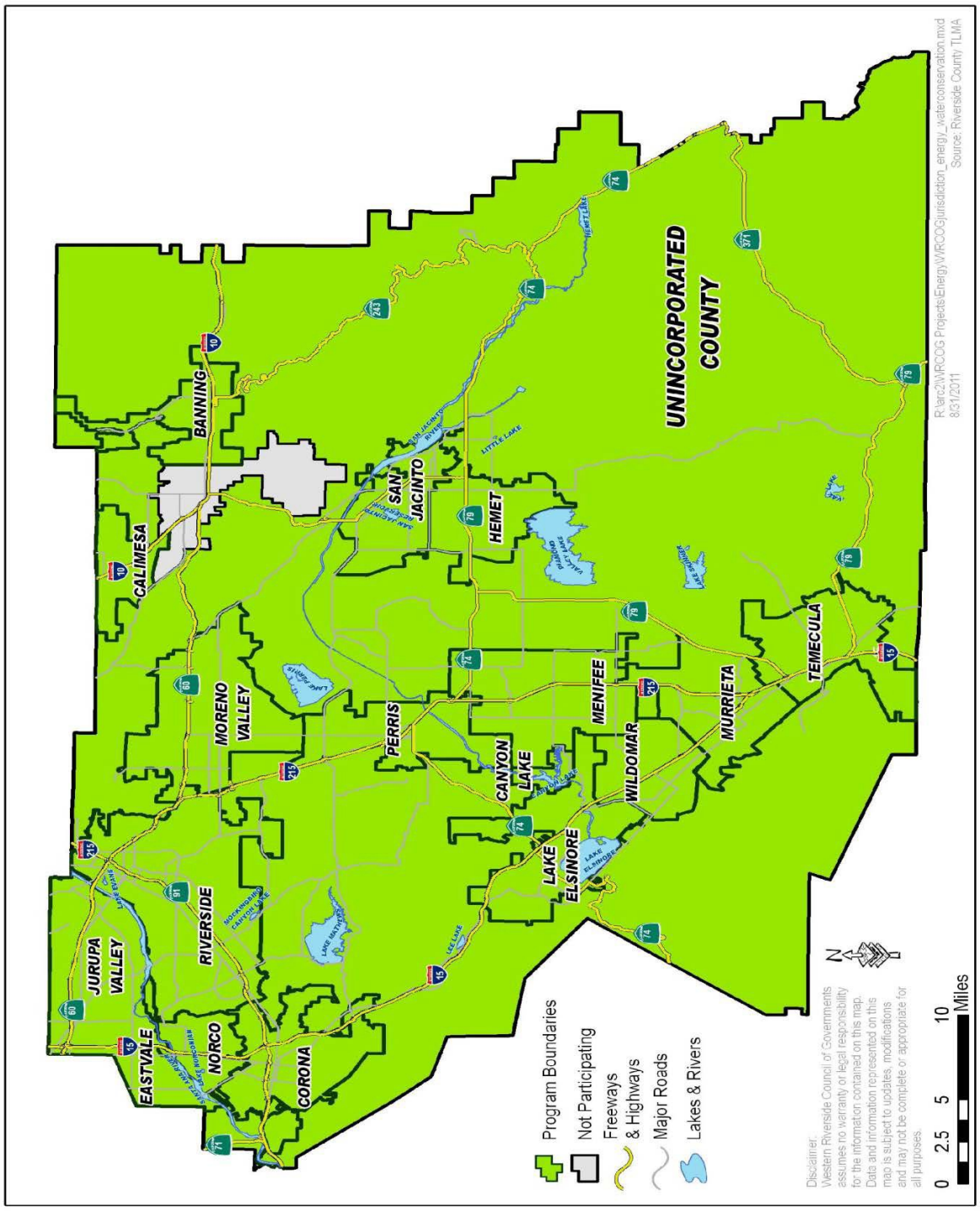
The WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County offers financing for a number of eligible equipment types, energy efficiency measures, solar systems, and other innovative, energy-saving and energy generation custom products for residential and commercial property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

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

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

APPENDIX B

MAP OF AREA



APPENDIX C-1

Draft Assessment Contract

WRCOG HERO Program
ASSESSMENT CONTRACT
(RESIDENTIAL)

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

RECITALS

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

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

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

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

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

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

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

AGREEMENT

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

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

Section 3. Contract to Pay Assessment; Prepayment

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

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

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

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

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

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

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

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

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

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

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

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

Section 6. Financing of the Improvements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Except as otherwise set forth in this Contract, this Contract shall expire upon the final payment or prepayment of the Assessment.

(b) This Contract establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to the newly-created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment will be assigned to each of the newly-created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment should be allocated in an alternate manner.

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

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

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

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

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

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

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Jonathon Smith Initials:	_____	Initials:	_____
Initials:	_____	Initials:	_____

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Contract.

Section 12. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or

indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the HERO Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Contract, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Contract.

The provisions of this Section 12 shall survive the termination of this Contract.

Section 13. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 14. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 15. HERO Program Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the HERO Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the HERO Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 16. Amendment. Except as set forth in Section 3(b) or as provided for in Exhibit A pertaining to a fully executed and final Completion Certificate, this Contract may be modified only by an Addendum (as provided in Section 4) or other written agreement of the Authority and the Property Owner.

Section 17. Binding Effect; Assignment. This Contract inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns. The Authority has the right to assign any or all of its rights and obligations under this Contract without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Contract is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 18. Exhibits. Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if set forth in their entirety in this Contract.

Section 19. Severability. If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Contract.

Section 20. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Contract.

Section 21. Governing Law: Venue. This Contract is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Contract must be instituted in the Superior Court of the County of Riverside, State of California.

Section 22. Counterparts. This Contract may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 23. Monitoring and Recording of Telephone Calls. The HERO Program may monitor and/or record telephone calls for security and customer service purposes. By agreeing to this Assessment Contract the Property Owner agrees to have their telephone calls with the HERO Program monitored and/or recorded.

Section 24. Contract Documents. Property Owner understands and acknowledges that the entire agreement between Property Owner and SANBAG includes each and every document specified in the List of Documents contained in Exhibit B to this Contract (together, the "Contract Documents").

By executing this Contract Property Owner acknowledges and agrees that:

a. Property Owner has had sufficient time to review and has reviewed each of the Contract Documents and has had the opportunity to ask any questions to WRCOG that the Property Owner may have regarding such Contract Documents.

b. Property Owner has reviewed, understands and agrees to each and every additional requirement and term contained in Appendix B to the HERO Residential Program Handbook (the "Handbook").

c. Property Owner has reviewed, understands, agrees to and affirms each and every representation and warranty contained in the Property Owner's application and the Handbook.

Prior to executing this Assessment Contract I have read and understand (a) the Property Owner's Acknowledgments and Disclosures contained in (a) the Application, (b) this Assessment Contract, (c) the Privacy Notice and (d) the Handbook.

Owner(s) must execute and return this Contract to WRCOG at the address set forth in the "Notice Information" section of Exhibit A hereto so that it is received by WRCOG not later than 08/01/2014. If the Property Owner fails to return the signed Assessment Contract to WRCOG by the indicated date the HERO Program reserves the right to require the Property Owner to enter into a new Contract. All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously successfully completed the identity verification process approved by WRCOG.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Contract to be executed in their respective names by their duly authorized representatives, all as of the Effective Date. The "Effective Date" is defined as the last date entered with the signatures of the parties below.

Owner 1:

Jonathon Smith, Signature

Date: _____
Month/Day/Year

Identity Verification Code:

WRCOG: Executive Director and/or his or her designee**:**	
Name *(Please Print)*	
WRCOG Signature	Date of Execution by WRCOG

EXHIBIT A

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

Description of Property:

Property Owner Name(s):	Jonathon Smith
Property Address:	12345 Main St, Riverside, CA 92508
APN:	0000000000
Participating Entity:	WRCOG
County:	Riverside

Description of Products:

The Products include the following:

PRODUCT #1	
Product Category Type:	**High-Efficiency HVAC - Central Air Conditioner**

Or similar energy efficient product which is allowed under the HERO Program Guide.

All terms set forth in the fully executed and final Completion Certificate shall supersede and take precedence over any term in this Exhibit A that conflicts with, is not covered by, or is otherwise contrary to, the terms set forth in such Completion Certificate, and such Completion Certificate shall become part of, and be incorporated into, this Exhibit A as if they originally appeared therein.

Notice Information:

Western Riverside Council of Governments
Attn: WRCOG HERO Program Manager
~~4080 Lemon Street 3rd Floor MS 1032~~
3390 University Avenue, Suite 450
Riverside, CA 92501

Jonathon Smith
12345 Main St
Riverside, CA 92508

EXHIBIT B

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

List of Contract Documents:

The Contract shall consist of the following documents:

This Contract and the exhibits hereto:

Any Addendum entered into pursuant to Section 4 hereto:
The Application;
The Right to Cancel;
The Completion Certificate or, pursuant to Section 7, each applicable Completion Certificate;
The Assessment Cost and Payment Summary;
The Notice of Assessment;
The Payment of Contractual Assessment Required;
The WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County Residential HERO Program Handbook, Version 2.3, dated October 2014; and
The HERO Program website located at https://www.heroprogram.com.

Disbursement Amounts:

The "Maximum Disbursement Amount" under this Contract is $____.__, which means that WRCOG shall not disburse any amount that exceeds this figure.

The "Estimated Disbursement Amount" under this Contract is **$____.__**, which was based upon the Improvements and pricing set forth on the table below in this Exhibit B. The Estimated Disbursement Date is November 19, 2014, which date is used in the table below.

Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments is based on the following assumptions:

1. WRCOG disburses the Estimated Disbursement Amount to Owner.

2. Interest totaling a maximum of $___.__will accumulate until your first Payment. That amount will be added to Owner's Estimated Disbursement Amount.

3. WRCOG disburses to Owner on the Estimated Disbursement Date.

4. The Assessment Interest Rate is _.__%.

5. The Annual Percentage Rate (APR) of your assessment is _.__%. APR is the annual interest rate you will actually pay on your assessment, including fees required in order to participate in the HERO Program.

6. The total administrative fees, recording fees and annual assessment added to your assessment is $___.__.

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Current Annual Administrative Assessment Fee****	Total Estimated Contractual Assessment Payment
2015 - 2016*					
2016 - 2017					
2017 - 2018					
2018 - 2019					
2019 - 2020					

*The Estimated Initial Tax Year shown on preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date.

**** Subject to change

FOLLOWING THE DISBURSEMENT OF THE ACTUAL DISBURSEMENT AMOUNT, THE HERO PROGRAM ADMINISTRATOR WILL ADJUST THE ASSESSMENT AND THE ESTIMATED MAXIMUM ANNUAL ASSESSMENT INSTALLMENTS, IF NECESSARY, TO REFLECT THE ACTUAL ASSESSMENT BASED UPON THE ACTUAL DISBURSEMENT AMOUNT, THE ACTUAL DATE OF DISBURSEMENT AND THE ACTUAL AMOUNT OF INTEREST DUE AND PAYABLE BEFORE THE FIRST PAYMENT ADDED TO THE ACTUAL DISBURSEMENT AMOUNT. THE ACTUAL AMOUNT OF THE ASSESSMENT AND SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS SHALL BE SPECIFIED IN THE "PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED" TO BE RECORDED BY WRCOG IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE.

Prepayment:

You have a right to pay off your assessment lien amount at any time in full, or in any amount of at least $2,500 pursuant to Section 3(d) of the Assessment Contract. However, if you do so, you will have to pay the principal amount of the assessment to be prepaid ("Assessment Prepayment Amount") and interest on the Assessment Prepayment Amount to the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made.

WRCOG HERO Program
ADDENDUM TO THE ASSESSMENT CONTRACT
Addendum No. 1

All terms set forth below in this Addendum (i) shall supersede and take precedence over any term in the Assessment Contract by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority"), and **Jonathon Smith** entered into on the Effective Date (defined within the Assessment Contract) (the "Contract") that conflicts with, is not covered by, or is otherwise contrary to, the terms set forth herein and (ii) shall become part of, and be incorporated into, the Contract as if they originally appeared therein. For the avoidance of doubt, name, capacity, title, party and clerical corrections appearing below in this Addendum shall become part of, and be incorporated into, the Contract as if they originally appeared therein. For purposes of this Addendum, "Exhibit A" and "Exhibit B" refer to Exhibits A and B within the Contract.

RECITALS:

WHEREAS, the Authority and Property Owner have executed the Contract to finance the Improvements installed at the Property; and

WHEREAS, (i) the Improvements, Improvement types, and/or Improvement categories appearing in Exhibit A differ from those appearing in this Addendum, and/or (ii) the Estimated Disbursement Amount appearing in this Addendum is greater than the Estimated Disbursement Amount originally listed in Exhibit B; and

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

Defined Terms. Capitalized terms used in this Addendum and not otherwise defined herein shall have the meanings given to them in the Contract.

Addendum.

The Improvements and Improvement Amounts appearing in this Addendum shall replace the Improvements listed in Exhibit A, and shall become part of, and incorporated into, Exhibit A as if they originally appeared herein.

The Revised Estimated Disbursement Amount listed in this Addendum shall replace the Estimated Disbursement Amount listed in Exhibit B, and shall become part of, and be incorporated into, Exhibit B as if it originally appeared therein.

The name, capacity, title, party and other clerical corrections (if any) appearing in the signature block of this Addendum shall supersede and take precedence over those originally appearing in the Contract and shall become part of, and be incorporated into, the Contract as if they originally appeared therein.

Miscellaneous. The existing Contract, as amended by the Addendum, remains in full force and effect. Any reference to the Contract from and after the date hereof shall be deemed to refer to

the Contract as amended hereby.

Representations and Warranties.

Property Owner hereby represents and warrants that (i) the terms, conditions and information contained in this Addendum are true and correct, and (ii) the Property Owner affirmatively authorized installation of the Improvements identified herein and in the fully executed and final Completion Certificate.

Property Owner hereby confirms that (i) each of its representations, warranties and covenants set forth in the Contract, after giving effect to this Addendum are true and correct as of the date first written above with the same effect as though each has been made as of such date, and (ii) all terms and conditions of the Contract shall remain in full force and effect and the Property Owner hereby ratifies the obligations thereunder.

Estimated Disbursement Amount. The Revised Estimated Disbursement Amount under this Contract is $, which is based upon the Improvements and pricing set forth in this Addendum. The Estimated Disbursement Date is November 19, 2014, which date is used in the table below.

Interest totaling a maximum of $_____will accumulate until your first Payment. Total administrative fees, recording fees, and annual assessment fee added to your assessment is $_____.

Property Owner Information:

Date:	**08/01/2014**
Property Owner:	**Jonathon Smith**
Property Address:	**12345 Main St, Riverside, CA 92508**
HERO ID:	**RWR12345N**
Application Date:	**08/01/2014**
Expiration Date:	**11/19/2014**

Summary:

Financing Term	Interest Rate	Annual Amount Added to Property Tax Bill
5 years	_. %	$___.

Description of Products:

PRODUCT #1	
Product Category Type:	**High-Efficiency HVAC - Central Air Conditioner**

Payment Schedule:

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Current Annual Administrative Assessment Fee****	Total Estimated Contractual Assessment Payment
2015 - 2016*					
2016 - 2017					
2017 - 2018					
2018 - 2019					
2019 - 2020					

*The Estimated Initial Tax Year shown on the preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date.

**** Subject to change

All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously, immediately prior to executing this Addendum No. 1, successfully completed the identity verification process approved by the Authority.

Owner 1:

Jonathon Smith, Signature

Date:_____ **Identity Verification Code:**

Month/Day/Year

WRCOG: Executive Director and/or his or her designee**:**

_____

Name *(Please Print)*

_____ _____

WRCOG Signature Date of Execution by WRCOG

APPENDIX C-2

DRAFT ASSESSMENT CONTRACT

WRCOG SAMAS COMMERCIAL ASSESSMENT CONTRACT (COMMERCIAL)

APPENDIX C-3

DRAFT ASSESSMENT CONTRACT

WRCOG HERO COMMERCIAL ASSESSMENT CONTRACT (COMMERCIAL)

PLACE HOLDER

APPENDIX C-4
RESIDENTIAL ASSESSMENT CONTRACT
RENEW FINANCIAL PACE

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CALIFORNIAFIRST
(COUNTY OF RIVERSIDE)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this 17 day of February, 2017, by and between the Western Riverside Council Of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the CaliforniaFIRST program (the "**CaliforniaFIRST Program**") to allow the financing of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

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

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the county identified on Exhibit A (the "**County**"); and

WHEREAS, the Property is located within the boundaries of unincorporated land of the County, or the incorporated city, identified in Exhibit A as the "Municipality" (the "**Municipality**"), and the Municipality has consented to (i) owners of property within its

jurisdiction participating in the CaliforniaFIRST Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

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

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

AGREEMENT

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

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

Section 3. Agreement to Pay Assessment; Prepayment.

(a) Payment of Assessment. The Property Owner hereby freely and willingly agrees to pay the assessment shown as the "Assessment Amount" on Exhibit B, representing the amounts being financed (i) for purposes of installing the Improvements, which are shown as the "Cost of Improvements" in Exhibit B, and (ii) for the purposes described in Section 3(b) (the "**Assessment**"). The Authority will not provide financing for the benefit of the Property Owner in an amount in excess of the Assessment.

Except as otherwise set forth in this Agreement, the Assessment will be paid in the installments of principal (representing the amortization of the Assessment over the period shown on Exhibit B), except as provided in Section 3(b)(vi), and interest on the unpaid principal at the rate set forth on Exhibit B (collectively, the "**Financing Installments**"). Interest will begin to accrue on the date on which the Authority disburses money to the Property Owner, or its designee, to finance the installation of the Improvements. The interest rate is further described in Section 5(b) of this Agreement.

(b) Financing of Upfront Costs. In addition to financing installation of the Improvements, the Authority will finance the following amounts, which are included in the Assessment and shown as "Upfront Costs" on Exhibit B:

(i) Program-Related Fees. These include closing fees paid from a portion of bond proceeds to the Authority, any other entities responsible for program management and administration, and issuer and bond counsel to the Authority, and as well as any other related costs of issuance of any bond.

(ii) Lien Recording Fee. This one-time fee is paid from a portion of bond proceeds to cover the cost associated with recording the lien of the Assessment on the Property.

(iii) Reserve Fund Deposit. This is a one-time deposit from a portion of bond proceeds into a debt service reserve fund for bonds issued by the Authority to finance installation of the Improvements on the Property and other Properties participating in the CaliforniaFIRST Program.

(iv) California Alternative Energy and Advanced Transportation Financing Authority ("**CAEATFA**") PACE Loss Reserve Program Fee. This is a one-time fee associated with the CAEATFA PACE Loss Reserve Program, which benefits any first mortgage lender on the Property and other Properties participating in the CaliforniaFIRST Program. The fee will be paid from a portion of bond proceeds.

(v) Foreclosure Expense Reserve Account Deposit. This is a one-time deposit from a portion of bond proceeds into a reserve account that the Authority will use to pay for the costs of foreclosing on the Property and other properties participating in the CaliforniaFIRST program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.

(vi) Capitalized Interest. The Financing Installments and related Administrative Expenses may be billed either on or (to the extent permitted by law) off the County's property tax roll at the sole discretion of the Authority. If on-roll billing is utilized, the CaliforniaFIRST Program's deadline for placing the first year's Financing Installment and related Administrative Expenses (as defined in Section 3(c)) on the County's property tax roll is shown on Exhibit B as the "Applicable Tax Roll Deadline" (the "**Applicable Tax Roll Deadline**"). If the Authority issues a bond to finance installation of the Improvements on the Property *before* the Applicable Tax Roll Deadline occurring in the same calendar year of the bond issuance, then the first year's Financing Installment and related Administrative Expenses will be billed on the Property Owner's property tax bill for the related Tax Year (as defined in Section 5(c)). However, if the Authority issues such a bond *after* the Applicable Tax Roll Deadline occurring in the

same calendar year of the bond issuance, the first year's Financing Installment will not include a principal component, and a portion of the proceeds of the bond will be used to fund the payment of all of such year's interest component.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act (including Sections 8682(b) and 8682.1(a)), the Authority may add annual amounts to any Financing Installment in order to pay for the costs of collecting that installment and administering the CaliforniaFIRST Program ("**Administrative Expenses**"). Exhibit B shows the estimated Administrative Expenses with the Financing Installments; **however, such estimated Administrative Expenses may increase if the cost of collecting the Financing Installments or administering the CaliforniaFIRST Program increase**. The Property Owner agrees to pay actual Administrative Expenses, which may be higher than such estimates. The Administrative Expenses, together with each Financing Installment and the Assessment, are referred to collectively as the "**Assessment Obligations**."

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or any other amount equal to at least $2,500, at any time. Prepayments will be applied to cause the discharge of the portion of the lien of the Assessment prepaid at the end of the month in which funds are received. Upon request, the Authority will provide a payoff statement and payment instructions. The prepayment amount will include (i) a credit for any applicable refund of amounts financed for the reserve fund deposit described in Section 3(b)(iii); (ii) a credit for any applicable refund of amounts financed to pay interest described in Section 3(b)(vi), (iii) interest, which continues to accrue on the amount prepaid to the first bond interest payment date that is at least 65 days following the date of the prepayment, and (iv) the reasonable costs of the Authority related to the prepayment. On or prior to the June 30 next following a prepayment, the Authority will provide the Property Owner with an updated payment schedule that reduces subsequent annual installments so that the remaining scheduled payments will be sufficient to pay all amounts due under the Assessment throughout the original remaining term of this Agreement. **As a result of the updated payment schedule, the Property Owner will enjoy a lower annual installment following a prepayment, but the total amount of interest that the Property Owner pays over the term of the Assessment will be higher than if the Property Owner had continued, after the prepayment, to pay annual installments in accordance with the original payment schedule.** Due to circumstances outside the Authority's control, prepayments made after June 30 of any calendar year may result in Property Owner receiving a tax bill that does not reflect that prepayment. In these circumstances, Property Owner must pay the full tax bill and the Authority will refund overpayments to Property Owner when the Authority receives the amount overpaid from the tax collector.

(e) Absolute Obligation. The Property Owner hereby agrees that none of the Assessment Obligations will be subject to reduction, offset or credit of any kind in the event that the bonds secured thereby are refunded or for any other reason.

Section 4. Collection of Assessment; Lien. The Assessment Obligations, and the interest and penalties thereon imposed by law as a result of a delinquency in the payment of any Financing Installment and Administrative Expenses, shall constitute a lien against the Property until they are paid and shall be collected and have the lien priority set forth in Chapter 29.

The Property Owner acknowledges that if any Financing Installment and related Administrative Expenses are not paid when due, the Authority has the right to have the delinquent installment, associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent installment, associated penalties and interest, and all costs of suit, including attorneys' fees.

The Property Owner acknowledges that if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent Financing Installments and related Administrative Expenses under specified circumstances. Such a covenant would typically provide that no later than a specific date in each year, the Authority will determine whether the Property is delinquent in the payment of Financing Installments and related Administrative Expenses and, if so, will notify its legal counsel ("**Authority Counsel**") of any such delinquencies. Authority Counsel will commence, or cause to be commenced, the foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint by a specific date acceptable to the bond owner(s).

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the CaliforniaFIRST Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority. The Property Owner hereby acknowledges that the Improvements confer a special benefit to the Property in an amount at least equal to the Assessment.

(b) Financing Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements and other purposes described in Section 3(b). The interest rate used to calculate the interest component of the Financing Installments, as identified on Exhibit B, reflects the interest cost of the bonds. If the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to

the Property Owner, the Authority may provide the Property Owner with a schedule that provides for annual installments that are less than those set forth in the attached Exhibit B. The Property Owner hereby represents to the Authority that the cost of the Improvements as shown in a final invoice provided to the Authority by the Property Owner does not include any costs of constructing the Improvements for which the Property Owner will receive credits, incentives or rebates.

In the event the actual cost of acquisition, construction or installation of the Improvements exceeds the portion of the Assessment expected in this Agreement to be used to finance acquisition, construction and installation of the Improvements, then the Property Owner agrees to pay the additional costs and to complete acquisition, construction or installation of the Improvements.

(c) Initial Tax Year. The Financing Installments and related Administrative Expenses will be placed on the County property tax roll each "**Tax Year**" (being the period beginning July 1 and ending the immediately succeeding June 30), commencing with the first Tax Year in which the Financing Installments and related Administrative Expenses are placed on the Property Owner's property tax bill prior to the Applicable Tax Roll Deadline for a Tax Year (the "**Initial Tax Year on Roll**"). The estimated Initial Tax Year on Roll is identified on Exhibit B.

Section 6. Term; Agreement Runs with the Land; Subdivision. (a) If the Authority has not received a completion certificate for the Improvements within 150 days of the date hereof, this Agreement shall automatically expire. The date of such expiration is shown as the "Expiration Date" on Exhibit B. Except as otherwise set forth in this Agreement, this Agreement shall also expire upon the final payment or full prepayment of the Assessment Obligations. The Authority will notify the Property Owner in writing (at the address specified in Exhibit A) when the lien of the Assessment Obligations has been removed from the property.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment Obligations remain unpaid, the Assessment Obligations will be assigned to the newly created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment Obligations will be assigned to each of the newly created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment Obligations should be allocated in an alternate manner.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded

against the Property, including but not limited to the Notice of Assessment and the Payment of Contractual Assessment Required.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property (including the purchasers of any subdivisions of the Property) of the obligation to pay the Assessment Obligations pursuant to this Agreement. Neither this Agreement nor the Program imposes limitations nor restrictions on the transfer of the Property and Assessment to a new Property Owner.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment Obligations following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Property Owner acknowledges its right to cancel this transaction within three (3) business days from the date of its executing this Agreement.

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

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

the city and county in which the Property is located and any and all agents, employees, attorneys, representatives and successors and assigns of the bond purchaser, the Authority or the city and county in which the Property is located.

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials:

_____
GP

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Arbitration Agreement. Please read this Section 10 ("Arbitration Agreement") carefully. It is part of this Assessment Contract and affects the Property Owner's rights. It contains a JURY TRIAL WAIVER and procedures for MANDATORY BINDING ARBITRATION AND A CLASS ACTION WAIVER.

(a) Informal Dispute Resolution. Before asserting a claim in any proceeding, Property Owner ("Property Owner" includes any successor in interest to the Property Owner) and the Authority ("Authority" includes any of the Authority's parents, subsidiaries, affiliates, agents, privities, employees, predecessors, successors, assigns,

contractors and sub-contractors) agree that they shall engage in good faith to resolve the claim.

(b) Arbitration. All claims and disputes arising out of or relating to the CaliforniaFIRST Program, this Assessment Contract and/or the Authorized Improvements that cannot be resolved informally or in small claims court shall be resolved by binding arbitration on an individual basis under the terms of this Arbitration Agreement. This Arbitration Agreement applies to the Property Owner and the Authority.

(c) Waiver of Jury Trial. PROPERTY OWNER AND THE AUTHORITY HEREBY WAIVE THEIR CONSTITUTIONAL AND STATUTORY RIGHTS TO GO TO COURT AND HAVE A TRIAL IN FRONT OF A JUDGE OR JURY, instead electing that all claims and disputes shall be resolved by arbitration under this Arbitration Agreement.

(d) Arbitration Rules. The Federal Arbitration Act governs the interpretation and enforcement of this dispute resolution provision. Arbitration shall be initiated through JAMS, Inc., an established alternative dispute resolution provider ("ADR Provider"). If the selected provider is not available to arbitrate, the Parties shall select an alternative ADR Provider. The rules of the ADR Provider shall govern all aspects of this arbitration, except to the extent such rules are in conflict with this Assessment Contract ("Arbitration Rules") or to the extent that application of the Assessment Contract provisions would result in the unenforceability of this Arbitration Agreement. The JAMS rules governing the arbitration are available online at www.jamsadr.com or by calling JAMS at 1-800-352-5267. Any arbitration hearing will be held in the Property Owner's federal judicial district. Any judgment on the awarded rendered by the arbitrator may be entered in any court of competent jurisdiction.

(e) Decision of the Arbitrator. The arbitrator shall issue a written award and statement of decision describing the essential findings and conclusions of which the award is based. The arbitrator has the same authority to award relief on an individual basis that a judge in a court of law would have. The award of the arbitrator is final and binding upon the Property Owner and WRCOG.

(f) Waiver of Class or Consolidated Actions. ALL CLAIMS AND DISPUTES WITHIN THE SCOPE OF THIS ARBITRATION AGREEMENT MUST BE ARBITRATED ON AN INDIVIDUAL BASIS AND NOT ON A CLASS ACTION BASIS, AND ARBITRATION CLAIMS OF MORE THAN ONE PROPERTY OWNER CANNOT BE ARBITRATED OR LITIGATED JOINTLY OR CONSOLIDATED WITH THOSE OF ANY OTHER PROPERTY OWNER.

(g) Severability. If any part or parts of this Arbitration Agreement other than the waiver of class or consolidated rights are found under the law to be invalid or

unenforceable, then such specific part or parts shall be of no force and effect and shall be severed and the remainder of the Arbitration Agreement shall continue in full force and effect. If the waiver of class or consolidated rights is found to be unenforceable, then as to the specific dispute in which that ruling of unenforceability was made, this entire Arbitration Agreement shall be unenforceable.

(h) Survival of Agreement. This Arbitration Agreement shall survive the termination of this Assessment Contract.

(i) Small Claims Court. Notwithstanding the foregoing, either Property Owner or the Authority may bring an individual action in small claims court.

(j) Property Owner's Right to Opt Out of Arbitration. Property Owner may opt out of this Arbitration Agreement by sending a written election of the Property Owner's election to do so, signed by all Property Owners, within 15 days of the date of this Assessment Contract. Such election shall be sent to Attn: WRCOG CaliforniaFIRST Program Manager, 3390 University Avenue, Suite 450, Riverside, CA 92501.

By initialing below, the Property Owner acknowledges and agrees to the terms set forth in this Section 10.

Property Owner's Initials:

_____
GP

Section 11. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the city and county in which the Property is located, any bond purchaser and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority, the city and county in which the Property is located or any bond purchaser, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the CaliforniaFIRST Program, (ii) the Assessment Obligations, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

The provisions of this Section 11 shall survive the termination or expiration of this Agreement.

Section 12. Right to Inspect Property. The Property Owner hereby grants the Authority and its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority and its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 13. Carbon Credits. The Property Owner hereby agrees that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned by the Authority.

Section 14. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the CaliforniaFIRST Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the CaliforniaFIRST Program Application are true and correct as of the date hereof as if made on the date hereof.

Section 15. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner.

Section 16. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment Obligations set forth in this Agreement is an obligation of the Property, and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment Obligations lien or the right to enforce the collection of the Assessment Obligations or any installment thereof against the Property.

Section 17. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 18. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 19. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 20. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, that actions to foreclose delinquent Financing Installments and related Administrative Expenses will be instituted in the superior court of the County or as otherwise provided by law.

Section 21. Existing Instruments. BEFORE ENTERING INTO THIS ASSESSMENT CONTRACT, THE PROPERTY OWNER SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) ("EXISTING INSTRUMENTS") THAT AFFECT THE PROPERTY OR TO WHICH THE PROPERTY OWNER IS A PARTY. THE PROPERTY OWNER'S ENTERING INTO THIS AGREEMENT WITHOUT THE CONSENT OF AN EXISTING LENDER COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH EXISTING INSTRUMENTS. DEFAULTING UNDER AN EXISTING INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE PROPERTY OWNER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY THE AUTHORITY. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Its: Authorized Signatory

Prior to executing this Agreement, I have received and understand (a) the Financing Application Disclosures, (b) the Privacy Policy, (c) this Agreement, (d) the Program Handbook, and (e) the Financing Estimate and Disclosures.

The following are the authorized signatories of the Property Owner:

Name: Golden Path

By:_

Its: Authorized Signatory

Date:

APPENDIX C-5
DRAFT COMMERCIAL ASSESSMENT CONTRACTS UTILIZED WITH RENEW FINANCIAL

1. NON RESIDENTIAL PPA
2. PPA ASSIGNMNET
3. NON –RESIDENITAL NON PPA
4. AGRREMENT TO PAY

Sample 1- DRAFT
Agreement to Pay Assessment and Finance Improvements
(Power Purchase Agreement/Lease)

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
(CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this_____ day of _____ **, 2017**, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

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

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

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the_____(the "**City/County**"); and

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

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

WHEREAS, Section 5899.2 of Chapter 29 provides that, for the purpose of financing the installation of distributed generation renewable energy sources pursuant to Chapter 29, "permanently fixed" includes, but is not limited to, systems attached to a residential, commercial, industrial, agricultural, or other real property pursuant to a power purchase agreement or lease between the owner of the system and the owner of the assessed property, if the power purchase agreement or lease contains certain provisions, including, among other things, that after installation, the power purchase agreement or lease is paid, either partially or in full, using the funds from the contractual assessment program; and

WHEREAS, the Property Owner has informed the Authority that it intends to finance the installation of the Improvements on the Property by entering into a power purchase agreement or lease with a third party selected by the Property Owner and that the power purchase agreement or lease contains the provisions required by Section 5899.2 of Chapter 29;

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

AGREEMENT

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

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

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the "**Initial Assessment**"). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues a bond to finance installation of the Improvements on the Property before the County's

deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's installments will be billed on the Property Owner's property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues a bond to finance installation of the Improvements on the Property after the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority issues bonds to finance the installation of the Improvements (the "**Improvement Bonds**").

(b) Payment of Non-Completion Assessment. The Property Owner hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") in the event that the Property Owner fails to install the Improvements in compliance with the Program rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds from the unused proceeds of the Improvement Bonds, including but not limited to any portion of the prepayment premium that is not paid from the unused proceeds and (ii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid Initial Assessment, (b) the accrued but unpaid interest on the unpaid Initial Assessment through the redemption date of the Improvement Bonds, (c) a prepayment premium in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds.

(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

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

Section 5. Financing of the Improvements; Installation of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

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

(c) Unused Bond Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds secured by the Assessment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds.

(d) Installation of Improvements. The Property Owner agrees to cause installation of the Improvements on the Property by paying all or a portion of a power purchase agreement or lease with the proceeds of the bonds secured by the Assessment. The Property Owner hereby represents and warrants that the terms of the power purchase agreement or lease comply with the provisions of Section 5899.2 of Chapter 29, and that an executed copy of the power purchase agreement has been submitted to the Authority as part of the Property Owner's application for financing from the Program.

Section 6. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment of the Assessment. Following such expiration, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of the Assessment.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

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

in the Property shall be solely responsible for the installation, operation and maintenance of the Improvements. The Property Owner hereby acknowledges that the Property will be responsible for payment of the Assessment regardless of whether the Improvements are properly installed, operated or maintained as expected.

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

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner’s Initials:

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County]

from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 11. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 12. Carbon Credits. The Property Owner and the Authority hereby agree that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned in the manner set forth in the power purchase agreement or lease.

Section 13. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____
Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____

EXHIBIT A

Property Owner:

Property (APN/Legal Description):

Prepayment Premium: The prepayment premium shall be equal to the redemption premium, if any, payable on the applicable redemption date for the Improvement Bonds.

Interest Rate Used to Calculate Initial Assessment Installments:

Reserve Fund Deposit: $ _____ . The Authority will fund a deposit to a debt service reserve fund for Improvement Bonds. The reserve fund deposit will be in an amount equal to 0% of the Initial Assessment.

EXHIBIT B

IMPROVEMENTS

The Improvements are described on the attached documentation.

EXHIBIT C

SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS

[to come]

[Attach notary pages]

Sample 2
PPA Assignment

Draft

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
(CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this_____ day of_____ , 20 __, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code ("**Chapter 29**") authorizes the financing of the installation of certain renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property (the "**Authorized Improvements**"), which includes, pursuant to Chapter 29, distributed generation renewable energy systems attached to real property pursuant to a power purchase agreement or lease between the owner of the system and the owner of the real property; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program (the "**Program**") to provide financing for the installation of Authorized Improvements through the levy of contractual assessments pursuant to Chapter 29 and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

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

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the_____ (the "**City/County**"); and

WHEREAS, the Property is located in the boundaries of the [City/County] and the [City/County] has consented to (i) owners of real property within its jurisdiction participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the installation of the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Authority and the Property Owner wish to enter into a contract pursuant to which the Property Owner would agree to pay an assessment, which payment constitutes funds from the contractual assessment program, to satisfy payments due under a lease of the Authorized Improvements entered into between the owner of the Authorized Improvements and the Property Owner in order to finance the installation on the Property of the Authorized Improvements described in Exhibit B (the "**Improvements**") and the Authority would agree to provide financing, all on the terms set forth in this Agreement.

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

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B. The Authority may finance installation with one or both of the following: (i) bonds it issues that are payable in whole or in part from the installments set forth on Exhibit C (as described below) ("**Improvement Bonds**") and (ii) as interim financing for the financing of the Improvements in anticipation of the issuance of Improvement Bonds, one or more assignments of all or a portion of the installments set forth on Exhibit C (as described below) (each, an "**Assignment**"). The Property Owner and the Authority acknowledge that, although the Improvements are attached to the Property (within the meaning of Chapter 29), the Improvements constitute personal property, including for purposes of Division 9 of the California Commercial Code, and are not a part of, an accession or addition to, or a fixture on the Property.

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

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the "**Initial Assessment**"). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C.

(b) Interest Rate. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. Interest will accrue beginning on the date on which the Authority first makes funds available to the Property Owner to finance the installation of the Improvements.

(c) Payment of Non-Completion Assessment. The Property Owner hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") in the event that the Property Owner fails to install the Improvements in compliance with the

Program rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds, including but not limited to any portion of the prepayment premium, that is not paid from the unused cash proceeds of the Improvement Bonds, (ii) if the Authority makes an Assignment as interim financing in anticipation of issuing the Improvement Bonds, the payment of any costs associated with the reassignment of all or a portion of the installments payable under this Agreement, including but not limited to any portion of the prepayment premium, that is not paid from the unused cash proceeds of the Assignment, and (iii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(d) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(e) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (i) the whole or a portion of the unpaid principal component of the Initial Assessment, (ii) the accrued but unpaid interest on the unpaid principal component of the Initial Assessment through the redemption date of the Improvement Bonds or the prepayment date if there are no Improvement Bonds outstanding, (iii) a prepayment premium, calculated by multiplying the percentage set forth on Exhibit A by the amount of principal prepaid and (iv) the reasonable costs of the Authority related to such prepayment. Upon any partial prepayment, the amount of the Assessment remaining shall be re-amortized to provide for equal installments over the remainder of the term of this Agreement and Exhibit C shall be revised accordingly. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds or the prepayment of the assignee under an Assignment.

(f) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien.

(a) The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

(b) The Property Owner acknowledges that if any Assessment installment is not paid when due, the Authority has the right to have the delinquent installment and its associated penalties and interest removed from the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent installments, associated penalties and interest, and all costs of suit, including attorneys' fees. Removal of a tax year's delinquent installment and its associated penalties and

interest from the secured property tax roll does not result in the removal of the lien or change the obligation to pay future installments. The Property Owner acknowledges that if Improvement Bonds are sold to finance installation of the Improvements, the Authority may obligate itself, through a covenant with the owners of the Improvement Bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances and that California law may be amended in the future to grant to the Authority the right to take similar actions for the benefit of an assignee under an Assignment.

Section 5. Financing of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the installation of the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to one or both of the following to finance the installation of the Improvements: (i) the issuance of the Improvement Bonds by the Authority and (ii) an Assignment of all or a portion of the installments hereunder. If the Authority determines in its reasonable discretion that the Initial Assessment installments (x) should be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or (y) should be reduced, if the size (measured in kilowatts) of the Improvements, as shown in a final notice provided to the Authority by either the Property Owner or the installer of the Improvements, is less than the size (measured in kilowatts) of the Improvements shown on Exhibit B, then the Authority shall provide the Property Owner with a revised schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C, which revised schedule shall be prepared using the same methodology that is used to prepare the first Initial Assessment under the lease between the installer of the Improvements and the Property Owner.[1]

(c) Unused Financing Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds or an Assignment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds or prepay the assignee under the Assignment, as applicable. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds or an Assignment will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds or prepay the assignee under the Assignment, as applicable.

Section 6. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment in full of the Assessment, and any applicable prepayment premium. Following such expiration, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of the Assessment.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to California Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the Notice of Assessment and other documents and notices required by Chapter 29 and other applicable laws to be recorded against the Property. Upon the recordation of the Notice of Assessment, the Assessment shall become a lien upon the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement.

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

(b) The Property Owner hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the Program. The Property Owner hereby agrees that the Authority has no responsibility for the installation, operation or maintenance of the Improvements. The Property Owner hereby acknowledges that the Property Owner will be responsible for payment of the Assessment and other charges hereunder regardless of whether the Improvements are properly installed, operated or maintained as expected.

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

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 of the California Civil Code in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials:

(e) The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification.

(a) The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

(b) The provisions of this Section 10 shall survive the termination of this Agreement.

Section 11. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable prior written notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 12. Carbon Credits. The Property Owner and the Authority hereby agree that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned in the manner set forth in the power purchase agreement.

Section 13. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Amendment. Except as set forth in Section 5(b) of this Agreement, this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment or the assignee under an Assignment if the amendment will, in the sole opinion of the owner(s) of the Improvement Bonds or the assignee under the Assignment, adversely impact the owner(s) of the Improvement Bonds or the assignee under the Assignment.

Section 15. Binding Effect; Assignment.

(a) This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

(b) The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation that runs with the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____
Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____

EXHIBIT A

THE PROPERTY

Property Owner:

[Prepayment Premium: The prepayment premium shall be equal to [ ]%.]

Property (APN/Legal Description):

Interest Rate Used to Calculate Initial Assessment Installments:
Please note: the interest rate shown on the previous line assumes interest accrues on the unpaid Initial Assessment through the applicable interest payment date for Improvement Bonds, but the Authority initially may provide financing for the Improvements through an Assignment, in which case the interest rate shown above may not reflect the accrual of interest on the unpaid Initial Assessment through the date on which the assignee under an Assignment receives the assigned installments.

Reserve Fund Deposit: $

EXHIBIT B

IMPROVEMENTS; POWER PURCHASE AGREEMENT

1. Power Purchase Agreement: < name > dated as of _____, 2017

2. Description of Improvements: The Improvements are described below.

EXHIBIT C

SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS

[to come]

EXHIBIT C

SCHEDULE 2
INITIAL ASSESSMENT INSTALLMENTS

[Attach notary pages]

Sample 3
Non PPA

Draft

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
(CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this_____ day of _____ **, 2017**, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

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

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

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the (the "**City/County**"); and

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

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

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

AGREEMENT

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

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

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the "**Initial Assessment**"). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues a bond to finance installation of the Improvements on the Property before the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's installments will be billed on the Property Owner's property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues a bond to finance installation of the Improvements on the Property after the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority issues bonds to finance the installation of the Improvements (the "**Improvement Bonds**").

(b) Payment of Non-Completion Assessment. The Property Owner hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") in the event that the Property Owner fails to install the Improvements in compliance with the Program rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds from the unused proceeds of the Improvement Bonds, including but not limited to any portion of the prepayment premium that is not paid from the unused proceeds and

(ii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid Initial Assessment, (b) the accrued but unpaid interest on the unpaid Initial Assessment through the redemption date of the Improvement Bonds, (c) a prepayment premium in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds.

(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

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

Section 5. Financing of the Improvements; Installation of the Improvements.

(a) Agreement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

(b) Assessment Installments. The Property Owner agrees to the issuance of the Improvement Bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Initial Assessment installments set forth on Exhibit C is identified on Exhibit A. If the Authority determines in its reasonable discretion that the Initial

Assessment installments may be reduced because the applicable interest rate on the Improvement Bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit A, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Initial Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit C.

(c) Unused Bond Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds secured by the Assessment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds.

(d) Installation of Improvements. The Property Owner agrees to install the Improvements on the Property and that the Improvements will be permanently fixed to the Property.

Section 6. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment of the Assessment. Following such expiration, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of the Assessment.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the owners of a majority of any Improvement Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

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

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

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner’s Initials:

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County]

from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 11. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 13. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____
Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____

EXHIBIT A

Property Owner:

Property (APN/Legal Description):

Prepayment Premium: The prepayment premium shall be equal to the redemption premium, if any, payable on the applicable redemption date for the Improvement Bonds.

Interest Rate Used to Calculate Initial Assessment Installments:

Reserve Fund Deposit: $ _____ .The Authority will fund a deposit to a debt service reserve fund for Improvement Bonds. The reserve fund deposit will be in an amount equal to 0% of the Initial Assessment.

EXHIBIT B

IMPROVEMENTS

IMPROVEMENT	**AMOUNT**
	$
TOTAL PROJECT AMOUNT TO BE FINANCED	$

EXHIBIT C

SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS

Tax Year	Principal (a)	Interest (b)	Administrative Expenses (c)*	Total (a) + (b) + (c)
2017 - 2018	$	$***	$	$
2018 - 2019				
2019 - 2020				
2020 - 2021				
2021 - 2022				
2022 - 2023				
2023 - 2024				
2024 - 2025				
2025 - 2026				
2026 - 2027				
2027 - 2028				
2028 - 2029				
2029 - 2030				
2030 - 2031				
2031 - 2032				
2032 - 2033				
2033 - 2034				
2034 - 2035				
2035 - 2036				
2036 - 2037				
Total Assessment:**	**0**		**Total Payment**	**0**

**Total Assessment accounts for interest accrued from transaction date to first payment date.

***Does not include interest accrued between the Closing Date identified on Exhibit A and [September 2, 2017] (the first date on which the Property Owner will be obligated to make an installment payment pursuant to this Exhibit C). Such interest ($) was financed and retained by the Transferee on the Closing Date.

[Attach notary pages]

SAMPLE 4
Draft Agreement to Pay

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
(CALIFORNIA FIRST)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this_____ day of_____ **, 2015**, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and the record owner(s)**[Insert name of the property owner]** (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the"**Property**").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

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

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

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the_____ (the "**City/County**"); and

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

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

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

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property. The Authority will not finance installation of Improvements other than those listed on Exhibit B. The Authority may finance installation with one or both of the following: (i) the proceeds of bonds it issues that are payable in whole or in part from the installments described below ("**Improvement Bonds**") and (ii) as interim financing for the financing of the Improvements in anticipation of the issuance of Improvement Bonds, the proceeds of one or more assignments of all or a portion of the installments described below (each, an "**Assignment**").

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

Section 3. Agreement to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) Payment of Initial Assessment. The Property Owner hereby freely and willingly agrees to pay the initial assessment set forth on Exhibit C (the "**Initial Assessment**"). The Authority will not provide financing in an amount in excess of the Initial Assessment.

Except as otherwise set forth in this Agreement, the Initial Assessment will be paid in the installments set forth in Exhibit C. There are two schedules set forth in Exhibit C. If the Authority issues an Improvement Bond to finance installation of the Improvements on the Property before the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's installments will be billed on the Property Owner's property tax bill. Schedule 1 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

If the Authority issues an Improvement Bond or makes an Assignment to finance installation of the Improvements on the Property after the County's deadline for placing the first year's installments of the Initial Assessment on the County's property tax roll, then the first year's Initial Assessment installments will be financed and will be included in the amount of the Initial Assessment. Schedule 2 shows the amount of the Initial Assessment and the Initial Assessment installments payable in this circumstance.

Interest will accrue on the Initial Assessment at the interest rate set forth on Exhibit A beginning on the date on which the Authority first makes funds available to the Property Owner to finance the installation of the Improvements.

(b) Payment of Non-Completion Assessment. The Property Owner hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") in the event that the Property Owner fails to install the Improvements in compliance with the Program

rules or the Property Owner otherwise fails to meet the conditions established by the Authority for financing through the Program. The Non-Completion Assessment shall include, to the extent such costs are not otherwise paid by the Property Owner, (i) all costs of redeeming the Improvement Bonds from the unused proceeds of the Improvement Bonds, including but not limited to any portion of the prepayment premium that is not paid from the unused proceeds, (ii) the payment of any costs associated with the assignment and reassignment of all or a portion of the installments payable under this Agreement, including any portion of the prepayment premium that is not paid from the unused Assignment proceeds, and (iii) all of the Authority's costs related to the release of the lien of the Assessment on the Property. The Property Owner acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the County property tax roll.

(c) Administrative Expenses. The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an annual installment of the Initial Assessment in order to pay for the costs of collecting the Assessment (the "**Additional Administrative Assessment**"; together with the Initial Assessment and the Non-Completion Assessment, the "**Assessment**").

(d) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in part, at any time upon the payment of (a) the whole or a portion of the unpaid Initial Assessment, (b) the accrued but unpaid interest on the unpaid Initial Assessment through the redemption date of the Improvement Bonds or the prepayment date if there are no Improvement Bonds outstanding, (c) so long as Improvement Bonds are outstanding or an Assignment has not been discharged, a prepayment premium on the amount prepaid in the amount set forth on Exhibit A and (d) the reasonable costs of the Authority related to such prepayment. The Authority shall apply the proceeds of any such prepayment to the redemption of the Improvement Bonds or the prepayment of the assignee under an Assignment.

(e) Absolute Obligation. The Property Owner hereby agrees that the Assessment will not be subject to reduction, offset or credit of any kind except to the extent set forth in this Agreement.

Section 4. Collection of Assessment; Lien. The Assessment, and the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

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

Section 5. Financing of the Improvements.

(a) greement to Finance Improvements. The Authority hereby agrees to use the Assessment to finance the Improvements, including the payment of the Authority's reasonable costs of administering the Program, subject to the Property Owner's compliance with the conditions for such financing established by the Authority, as set forth in the Program Handbook for the Program.

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

(c) Unused Financing Proceeds. In the event that the Authority concludes that there are proceeds of the Improvement Bonds or an Assignment that will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Improvement Bonds or prepay the assignee under the Assignment, as applicable. In the event that the Property Owner notifies the Authority that proceeds of the Improvement Bonds or an Assignment will not be used to finance installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Improvement Bonds or prepay the assignee under the Assignment, as applicable.

(d) Installation of Improvements. The Property Owner agrees to install the Improvements on the Property and that the Improvements will be permanently fixed to the Property.

Section 6. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment in full of the Assessment, and any applicable prepayment premium. Following such expiration, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of the Assessment.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid the Assessment will be assigned to each of the newly created parcels on a per acre basis unless the Authority, at the direction of the beneficial owner of this Contract or, if Bonds have been issued, the owners of a majority of any Bonds outstanding, determines that the Assessment should be allocated in an alternate manner so as to best assure repayment of the Assessment.

Section 7. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 8. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property of the obligation to pay the Assessment pursuant to this Agreement.

Section 9. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

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

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

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

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY

HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials:

The waivers, releases and agreements set forth in this Section 9 shall survive termination of this Agreement.

Section 10. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the [City/County] and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the [City/County] from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

The provisions of this Section 10 shall survive the termination of this Agreement.

Section 11. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 13. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds or Assignments secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds or Assignments.

Section 15. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 16. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 17. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 18. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 19. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 20. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Property Owner:

[Name of Entity]

By: _____
Name: _____
Title: _____

EXHIBIT A

Property Owner:

Property (APN/Legal Description):

Prepayment Premium: The prepayment premium shall be equal to % of the dollar amount of the Initial Assessment prepaid in accordance with the following schedule:

Year	Prepayment Premium
< Date of Contract > - final installment	%

Interest Rate Used to Calculate Initial Assessment Installments:

Please note: the interest rate shown on the previous line assumes interest accrues on the unpaid Initial Assessment through the applicable interest payment date for Improvement Bonds, but the Authority initially may provide financing for the Improvements through an Assignment, in which case the interest rate shown above may not reflect the accrual of interest on the unpaid Initial Assessment through the date on which the assignee under an Assignment receives the assigned installments.

Reserve Fund Deposit: $ _____.

EXHIBIT B

IMPROVEMENTS

The Improvements are described on the attached documentation.

Include the capitalized/accrued interest $ figure.

EXHIBIT C

SCHEDULE 1
INITIAL ASSESSMENT INSTALLMENTS

[to come]

APPENDIX C-6

RESIDENTIAL ASSESSMENT CONTRACT
Spruce PACE

Spruce PACE Program

ASSESSMENT CONTRACT (RESIDENTIAL)

This Assessment Contract (this "Contract") is made and entered into as of this <Date>, by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the “Authority” or “WRCOG”), and the record owner(s), Joe Smith, (the "Property Owner"), of the fee title to the real property identified on Exhibit A (the "Property").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

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

WHEREAS, the Authority subsequently allowed SPRUCE PACE LLC to become an additional administrator of the Program (the “SPRUCE PACE Program”); and

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

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the cities or County of Riverside (the “County”) identified in Exhibit A and which has elected to participate in the Spruce PACE Program (the "Participating Entity"); and WHEREAS, the Property is located in the boundaries of the Participating Entity, and the Participating Entity has consented to (i) owners of property within its jurisdiction (the "Participating Property Owners") participating in the Spruce PACE Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance the Authorized Improvements; and

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

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

AGREEMENT

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

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

Section 3. Contract to Pay Assessment; Prepayment

(a) Payment of Assessment. The Property Owner hereby freely and willingly agrees to pay the "Assessment," the amount of which shall be determined as provided in Section 3(b) below. The Authority will not provide financing in an amount in excess of the Assessment. Except as otherwise set forth in this Contract, the Assessment will be paid in the installments (each, an "Assessment Installment"). The schedule of estimated maximum annual Assessment Installments are set forth in paragraph (c) below. Interest will accrue on the Assessment at the interest rate set forth on Exhibit B beginning on the date on which the Authority issues bonds to finance the installation of the Improvements.

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

(c) Schedule of Estimated Maximum Annual Assessment Installments. The following schedule of estimated maximum annual Assessment Installments is based upon the assumptions provided in Exhibit B hereto, including (without limitation) the Estimated Disbursement Amount, which is based upon the price of the initially selected Improvements identified in Exhibit A, which in turn provides the basis for calculating the associated costs, fees and interest appearing below and on Exhibit B.

Tax Year* (commencing July 1)	Total Annual Payment**	Interest Portion of Annual Payment***
2017 – 2018		
2018 – 2019		
2019 – 2020		
2020 – 2021		
2021 – 2022		
2022 – 2023		
2023 – 2024		
2024 – 2025		
2025 – 2026		
2026 – 2027		

* The estimated initial Tax Year is based upon the Estimated Disbursement Date. The actual initial Tax Year will be based upon the actual disbursement date.

** Includes the annual Assessment Installments due in the Tax Year and current annual assessment administrative fee of $25.00 (subject to change).

*** This column includes annual interest and any prepaid interest if financed. Consult your tax advisor about potential tax deductibility and any other tax benefits.

FOLLOWING THE DISBURSEMENT OF THE ACTUAL DISBURSEMENT AMOUNT, THE SPRUCE PACE PROGRAM ADMINISTRATOR WILL ADJUST THE ASSESSMENT AND THE ESTIMATED MAXIMUM ANNUAL ASSESSMENT INSTALLMENTS, IF NECESSARY, TO REFLECT THE ACTUAL ASSESSMENT BASED UPON THE ACTUAL DISBURSEMENT AMOUNT, THE ACTUAL DATE OF DISBURSEMENT AND THE ACTUAL AMOUNT OF INTEREST DUE AND PAYABLE BEFORE THE FIRST PAYMENT ADDED TO THE ACTUAL DISBURSEMENT AMOUNT. THE ACTUAL AMOUNT OF THE ASSESSMENT AND SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS SHALL BE SPECIFIED IN THE "PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED" TO BE RECORDED BY WRCOG IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE.

Upon receipt of the fully executed and final Completion Certificate (as described in the current version of the Spruce PACE Program Handbook, referred to herein as the "Handbook") the Authority shall calculate and disburse payments to those entitled to receive them (the "Actual Disbursement Amount") hereunder. If at any time after executing this Contract but before the Authority pays the Actual Disbursement Amount, the Property Owner changes the Improvements to be installed from those originally appearing on Exhibit A, but (i) the Improvement categories and the Improvement types do not change from those originally selected, and (ii) the "Revised Estimated Disbursement Amount" (which means the amount anticipated to be the Actual Disbursement Amount based on the changed Improvements) is less than or equal to the Estimated Disbursement Amount, the parties do not need to execute the Addendum described in Section 5 below, and this Contract shall remain unmodified and the Assessment shall be calculated as described above in this Section 3(c). If, however, any such change meets the provisions of Section 5 below, then an Addendum will be required.

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

(e) Prepayment of the Assessment. The Assessment may be prepaid, in whole or in any amount of at least $2,500, at any time upon the payment of (i) the whole or a portion of the unpaid principal component of the Assessment, (ii) and interest on the Assessment Prepayment Amount to the second business day of the second month following the date the prepayment is made.

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

Section 4. Existing Mortgage Disclosure. The Program establishes the manner by which WRCOG may finance, pursuant to Chapter 29, the installation of Authorized Improvements, including the Improvements. The Improvements will be financed pursuant to this Assessment Contract between Property Owner and WRCOG.

BEFORE EXECUTING THIS ASSESSMENT CONTRACT, PROPERTY OWNER SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) WHICH AFFECT THE PROPERTY OR TO WHICH THE PROPERTY OWNER IS A PARTY. ENTERING INTO THIS ASSESSMENT CONTRACT WITHOUT THE CONSENT OF EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE PROPERTY OWNER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT.

IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNERS OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY WRCOG. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE

THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

If Property Owner's mortgage lender requires an impound for Property Owner's property taxes, Property Owner acknowledges that Property Owner should consider notifying such lender of the annual Assessment payment amount so such lender can adjust the Property Owner's impound amount to include the annual Assessment payment.

Section 5. Addendum. The parties agree to execute an addendum to this Contract (the "Addendum") if at any time after executing this Contract but before the Actual Disbursement Amount is released for disbursement: (i) the Improvement categories or the Improvement types change from those appearing in Exhibit A; (ii) the Revised Estimated SAMPLE Smith, Joe CA073000000 4 Disbursement Amount is greater than the Estimated Disbursement Amount but does not exceed the Maximum Disbursement Amount; or (iii) it becomes necessary to correct the name, capacity, title, party or clerical errors identified therein. In any such case, the Authority, or the Spruce PACE Program on behalf of the Authority, shall prepare an Addendum: (i) setting forth an accurate description of the Improvements installed; (ii) confirming that the Assessment does not exceed the Maximum Disbursement Amount; and (iii) as necessary, correcting the names, capacities, titles, parties and other clerical corrections appearing in the original documentation comprising this Contract. The Authority, or the Spruce PACE Program on behalf of the Authority, shall prepare and provide such Addendum to the Property Owner for review and signature. Once signed by the Property Owner, the Authority shall execute the Addendum, which shall become part of, and be incorporated into, this Contract as if it originally appeared therein.

Section 6. Collection of Assessment; Lien. The Assessment, the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, and the Additional Administrative Assessment shall constitute a lien against the Property until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29.

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

Section 7. Financing of the Improvements.

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

(b) Assessment Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Assessment Installments set forth in Section 3(c) of this Contract is identified on Exhibit B. If the Authority determines in its reasonable discretion that the Assessment Installments may be reduced because the applicable interest rate on the bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit B, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less

than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Assessment Installments that provides for annual installments that are less than those set forth in the attached Exhibit B.

Section 8. Multiple Contractors and Improvements. Notwithstanding anything to the contrary in this Contract, if the Property Owner engages one or more contractors (each, a "Contractor," which term includes any designee thereof) to install more than one Improvement, the installation of which Improvements will not be completed simultaneously, the Property Owner and the Authority agree as follows:

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

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

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

iii. The Authority shall cause all instruments, documents and agreements described in Section 10 of this Contract to be recorded;

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

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

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

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

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

1. If the remaining balance of the Actual Disbursement Amount the Investor has deposited with the municipal trustee exceeds the amount reflected in the Final Installation Completion Certificate, the Authority shall cause such excess to be applied, at the discretion of the Investor, (i) to the Property Owner's next assessment payment due under this Contract, or (ii) to the reduction of the outstanding balance of the Assessment determined in accordance with Sections 3 and 5 of this Contract; or

2. If the remaining balance of the Actual Disbursement Amount the Investor has deposited with the municipal trustee is less than the amount reflected in the Final

Installation Completion Certificate, the Property Owner shall be individually responsible for paying such difference to the applicable Contractor, and such payment shall be excluded from the Assessment under this Contract.

d. If for any reason any one or more of the categories or types of Improvements planned to be installed under this Section 8 is not installed by the expiration date reflected in the Notice to Proceed, then the Investor shall have the option to declare the financing of the Improvements complete, in which case the municipal trustee shall be notified to apply any remaining balance of the Actual Disbursement Amount held by such municipal trustee to reduce the Property Owner's outstanding Assessment.

Section 9. Term: Contract Runs with the Land: Subdivision.

(a) Except as otherwise set forth in this Contract, this Contract shall expire upon the final payment or prepayment of the Assessment.

(b) This Contract establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to the newly-created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment will be assigned to each of the newly-created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment should be allocated in an alternate manner.

Section 10. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 11. Notice. To the extent required by applicable law, the Property Owner hereby agrees to provide written notice to any subsequent purchaser of the Property, including any subdivision of the Property, of the obligation to pay the Assessment pursuant to this Contract.

Section 12. Waivers, Acknowledgment and Contract. Because this Contract reflects the Property Owner's free and willing consent to pay the Assessment following a noticed public hearing, the Property Owner hereby waives any otherwise applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

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

The Property Owner hereby agrees that the Authority is entering into this Contract solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the Participating Entity have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the Participating Entity from any and all losses, liabilities, claims, damages

(including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Contract that the Property Owner may now have or hereafter acquire against the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity.

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

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."
>
> By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases. The waivers, releases and agreements set forth in this Section 12 shall survive termination of this Contract.

Section 13. Dispute Resolution Procedures

Dispute Resolution Procedures

IMPORTANT – PLEASE READ THIS DISPUTE RESOLUTION PROVISION CAREFULLY AND ENTIRELY. IT IS PART OF THIS CONTRACT AND WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY YOU AND THE AUTHORITY MAY RESOLVE ANY DISPUTES NOW OR IN THE FUTURE. IT CONTAINS A JURY TRIAL WAIVER, PROCEDURES FOR DISPUTE RESOLUTION AND A CLASS OR REPRESENTATIVE ACTION WAIVER.

A. **Arbitration and Class or Representative Action Waiver.**

1. Before asserting a Dispute in any proceeding Property Owner ("Property Owner") and Authority agree that they shall engage in good faith attempt to resolve the claim.

2. Any claim, dispute, or controversy (together, any "Dispute") arising out of or relating in any way to this Contract, the Spruce PACE Program or any communication or agreement related to the Spruce PACE Program, and/or any financing of products extended to you through the Spruce PACE program shall be resolved by binding arbitration on an individual basis under the terms of the agreement to arbitrate set forth herein. The issues to be arbitrated shall also include, and the arbitrator shall decide, any issues relating to the making, validity, enforceability, and scope of this Arbitration Agreement. Nothing in sub-part A shall be construed to prejudice the right of either party to obtain such provisional relief or remedies as shall otherwise be available judicially pending appointment of the arbitrator or to bring their Dispute in small claims court on an individual basis.

3. For purposes of sub-parts A and B, you agree that: (a) "Authority" means and includes the Authority or WRCOG, any of WRCOG's parents, subsidiaries, affiliates, agents, privities, employees, predecessors, successors, assigns, contractors and sub-contractors and (b) "Property Owner" includes any successor in interest to the Property. In addition, this agreement to arbitrate will also inure to the benefit of any

third party named as a co-defendant or co-respondent with the Authority (as defined herein) or whose conduct is challenged by you in a Dispute which is otherwise subject to this dispute resolution clause including without limitation any Contractor, Investor, Participating Entity, Spruce PACE, LLC, ("Spruce PACE"), Spruce Lending, Inc., ("Spruce Lending"), or Kilowatt Systems, LLC, ("Kilowatt"), 2900 North Loop West, 3rd Floor, Houston, TX 77092 and any of their parents, subsidiaries, affiliates, agents, privities, employees, predecessors, successors, assigns, contractors and sub-contractors

4. PROPERTY OWNER AND AUTHORITY HEREBY WAIVE THEIR CONSTITUTIONAL AND STATUTORY RIGHTS TO GO TO COURT AND HAVE A TRIAL IN FRONT OF A JUDGE OR A JURY, instead electing that all claims and disputes shall be resolved by arbitration under this Dispute Resolution Provision.

5. The arbitration shall be administered by JAMS pursuant to its Streamlined Arbitration Rules (the "Rules") in effect at the time the arbitration is brought. Information about JAMS and a copy of the JAMS Streamlined Arbitration Rules can be obtained from JAMS at https://www.jamsadr.com/rules-streamlined-arbitration. Any Dispute shall be resolved by a single arbitrator selected by the parties within (30) days of the commencement of the arbitration in accordance with the criteria set forth herein. The arbitrator shall be selected from the JAMS panel of neutrals then active on the roster maintained by the JAMS office located nearest to where you reside at the time arbitration is commenced and the arbitrator shall be a retired federal judge, a retired state appellate judge, or a retired state trial judge, which state trial judge shall have had 10 or more years of judicial experience. In the event that the parties do not agree on the identity of the arbitrator, JAMS shall appoint an arbitrator in accordance with the Streamlined Rules and these criteria.

6. In the event that JAMS is unable or unwilling to administer any arbitration arising under this agreement to arbitrate, then the arbitration shall be administered by the American Arbitration Association ("AAA") before a single arbitrator and under the AAA's Consumer Arbitration Rules in effect at the time the arbitration is brought as modified by this agreement to arbitrate. Information about the arbitration process can be obtained from the AAA at www.adr.org. or (800) 778-7879. In the event AAA refuses or is otherwise unable to administer the arbitration, the arbitration shall be administered by another reputable arbitration service provider agreed to by the parties or, in the event that no agreement is reached, the arbitration service provider shall be selected by a judge of any court of competent jurisdiction. In the event that AAA, or another arbitration service, administers the arbitration, the arbitrator selected can, but need not be, from the JAMS roster but otherwise shall meet the qualifications set forth in paragraph 5, immediately above.

7. All in-person hearings and conferences in the arbitration shall take place at a locale within the federal judicial district in which you reside at the time the arbitration is commenced, unless Property Owner and Authority agree otherwise.

8. This Arbitration Agreement is made pursuant to a transaction involving interstate commerce. The arbitrator shall apply the Federal Arbitration Act (9 U.S.C. §§1-16) (the "FAA"), and no state law governing arbitration shall govern this agreement to arbitrate or any issues relating to the enforcement of the arbitration agreement or the arbitrability of Disputes between the parties.

9. Subject to and without limiting Paragraph 6, in conducting the arbitration and rendering its award, the arbitrator shall apply: (a) the rules of the applicable arbitration service provider identified in Paragraph 5, immediately above, and (b) rules of decision governing the substance of the underlying Dispute. For purposes of sub-part b of this Paragraph, the arbitrator shall apply as rules of decision: (x) federal law (to the extent that the underlying Dispute arises under federal law) and/or (y) the law of the state where the property is located without reference to that state's choice of law rules (to the extent the substance of the underlying dispute does not arise under federal law). The arbitrator shall honor claims of privilege and shall apply statutes of limitations as recognized under applicable law.

10. Each party shall bear the expense of its own counsel, experts, witnesses and preparation and presentation of proofs. Upon request, Authority will pay your portion of the fees and expenses of the arbitrator and administrative fees and expenses of the arbitration imposed by the arbitrator or pursuant to the rules of the arbitration service provider.

11. The arbitrator shall have the authority to award monetary damages and may grant any non-monetary remedy or relief, including injunctive relief that is available under applicable law and rules of the arbitration service provider. The arbitrator will have no authority to award consequential damages, indirect damages, treble damages or punitive damages, or any monetary damages not measured by the prevailing party's economic damages, unless such an award is expressly authorized under applicable law. The arbitrator will have no authority to award attorney's fees except authorized by law (such as where a party brings a claim under a statute that provides for attorney's fees to be awarded to the prevailing party) in which case such attorney's fees and costs will be available to the claimant or respondent on the same basis as if the Dispute were venued in a court of law. For avoidance of doubt, fees awarded pursuant to fee shifting authorized by law shall not include the fees of the arbitrator or any administrative fee imposed by the arbitration service provider. The arbitrator shall issue a written award and statement of decision describing the essential findings and conclusions on which the award is based. The award of the arbitrator is final and binding upon the Property Owner and WRCOG.

12. **THERE SHALL BE NO RIGHT OR AUTHORITY FOR ANY DISPUTES WITHIN THE SCOPE OF THIS ARBITRATION PROVISION TO BE ARBITRATED ON A CLASS OR REPRESENTATIVE BASIS OR FOR CLAIMS TO BE ARBITRATED OR LITIGATED JOINTLY OR CONSOLIDATED WITH THE DISPUTES OF ANY OTHER PROPERTY OWNERS.**

13. Any state or federal court with jurisdiction and venue may enter an order enforcing this agreement to arbitrate, enter judgment upon the arbitrator's award and/or take any action authorized under the FAA.

14. If any part or parts of this agreement to arbitrate are found to be invalid or unenforceable by a decision of a court of competent jurisdiction, then such specific part or parts shall be of no force or effect and shall be severed, but the remainder of this agreement to arbitrate shall continue in full force and effect. If, however, the waiver of rights to participate in class, representative or consolidated proceedings or to arbitrate injunctive relief claims is finally determined to be invalid, unenforceable, , then part A of this agreement to arbitrate shall be of no force or effect.

15. You may opt out of Arbitration by sending us written notice within 15 days of the date of this contract stating that you wish to "opt out of the agreement to arbitrate disputes." Your written notice must be signed by all Property Owners (including successors in ownership to the signatories below). **The opt-out notice should be sent to the following address: Spruce PACE Program 2900 North Loop West, 3rd Floor, Houston TX 77092. (You should retain a copy of your opt-out notice and evidence of mailing or delivery). An opt-out notice is only effective if it is signed by you and sent to us within 15 days (as provided above).** I agree that indicating my desire to opt-out of this agreement to arbitrate in any manner other than as provided above is insufficient notice. By opting-out you will not be subject to arbitration. **HOWEVER, TO FULLEST EXTENT PERMITTED BY LAW, YOU AGREE TO WAIVE ANY RIGHT TO A JURY TRIAL CONCERNING ANY DISPUTE BETWEEN YOU AND SPRUCE REGARDLESS OF WHETHER YOU OPT OUT OF ARBITRATION**. However, your decision to opt out of this Arbitration Provision will not have any other effect on this Contract.

16. Survival of Agreement. This agreement to arbitrate shall survive the termination of this Contract.

17. Small Claims Court. Notwithstanding the foregoing, either Property Owner or Authority may bring an individual action in small claims court.

B. **California Judicial Reference Proceeding (California-Related Property Owners Only).**

1. This sub-part B applies only to a "California-Related Property Owner." You are a California-Related Property Owner if you are a California resident at the time you enter into this Contract, your property is located in California, or you file suit against Authority in California.

2. To the extent that a California-Related Property Owner opts out of arbitration or (a) his or her agreement to arbitrate claims for injunctive relief is deemed unenforceable or (b) his or her wavier of the right to participate in class, representative or consolidated proceedings are deemed unenforceable, then any claim, dispute, or controversy (together, any "dispute") arising out of or relating in any way to this Contract, the Spruce PACE Program or any communication or agreement related to the Spruce PACE Program, and/or any financing of products extended to you through the Spruce PACE program shall be resolved pursuant to the provisions for reference and trial by referee (without jury) set forth in California Code of Civil Procedure Section 638 et seq., as expressly modified by the provisions hereof (a "Reference Action").

3. The referee ("Referee") shall be a retired federal judge, a retired state appellate judge, or a retired state trial judge, which state trial judge shall have had 10 or more years of judicial experience. The Referee shall be appointed who is either (i) agreed to by the parties within (30) days of notice by any party to the others of the intention to invoke this judicial reference agreement to resolve the dispute, or (ii) failing such agreement, is appointed pursuant to California Code of Civil Procedure Section 640. The parties agree that an action to obtain appointment of referee may be commenced in the Superior Court of California in and for the county of Property Owner's residence at the time the Property Owner entered into this Contract or for the county in which the property is located. The parties hereto agree that any party may (and, if necessary, the other party shall join in such filing) file with the Clerk of the appropriate Superior Court, and/or with the appropriate judge of such Court, any and all petitions, motions, applications or other documents necessary to obtain the appointment of such a Referee.

4. Property Owner and Authority agree that said Referee shall be appointed for all purposes (including, without limitation, (x) ruling on any and all discovery matters and motions and any and all pretrial or trial motions, (y) setting a schedule of pretrial proceedings, and (z) making any other orders or rulings a sitting judge of the Superior Court would be empowered to make in any action or proceeding in the Superior Court). Any matter before the Referee shall be governed by the substantive law of California including its choice of law rules except as otherwise specifically agreed by the parties and approved by the Referee. The parties intend this general reference agreement to be specifically enforceable in accordance with the California Code of Civil Procedure. Any appeal or writ review of the decisions of the Referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of a Superior Court. The Referee shall in his/her statement of decisions set forth his/her findings of fact and conclusions of law.

5. Pursuant to California Code of Civil Procedure 2016.030, Property Owner and Authority agree that discovery shall be conducted in accordance with the JAMS Streamlined Arbitration Rules identified in sub-part A, above, however the Referee retains discretion, for good cause shown by noticed motion, to require additional discovery. It is the parties' intention and the parties and the Referee shall use their best efforts to be certain that (i) the exchange of documents contemplated in the Streamlined Rules be completed no later than two months from the date (the "Referee Date") the Referee is appointed (whether by stipulation or by the Court), and (ii) trial be set on a date that is within six months after the Referee Date. Property Owner and Authority agree that motions for summary judgment or summary adjudication may be heard on thirty days' notice.

6. Nothing in this judicial reference clause shall prejudice the right of either party to obtain provisional relief or other equitable remedies as shall otherwise be available judicially pending reference of a Dispute to a Referee.

By initialing below, the Property Owner acknowledges and agrees to the terms set forth in Sections 4, 12 and 13 above.

NAME Initials:	____	Initials:	____
Initials:	____	Initials:	____

Section 14. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the Spruce PACE Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Contract, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Contract.

The provisions of this Section 14 shall survive the termination of this Contract.

Section 15. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 16. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 17. Spruce PACE Program Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the Spruce PACE Program Application submitted to the Authority in connection with Property Owner’s request for financing is true and correct as of the date hereof, and that the representations set forth in the Spruce PACE 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 18. Amendment. Except as set forth in Section 3 or as provided for in Exhibit A pertaining to a fully executed and final Completion Certificate, this Contract may be modified only by an Addendum (as provided in Section 5) or other written agreement of the Authority and the Property Owner.

Section 19. Binding Effect; Assignment. This Contract inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns. The Authority has the right to assign any or all of its rights and obligations under this Contract without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Contract is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 20. Exhibits. Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if set forth in their entirety in this Contract.

Section 21. Severability. If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Contract.

Section 22. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Contract.

Section 23. Governing Law: Venue. This Contract is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Contract must be instituted in the Superior Court of the County of Riverside, State of California.

Section 24. Counterparts. This Contract may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument. Section 25. Monitoring and Recording of Telephone Calls. The Spruce PACE Program may monitor and/or record telephone calls for security and customer service purposes. By agreeing to this Assessment Contract the Property Owner agrees to have their telephone calls with the Spruce PACE Program monitored and/or recorded.

Section 26. Contract Documents. Property Owner understands and acknowledges that the entire agreement between Property Owner and WRCOG includes each and every document specified in the List of Documents contained in Exhibit B to this Contract (together, the "Contract Documents").

By executing this Contract Property Owner acknowledges and agrees that:

a. Property Owner has had sufficient time to review and has reviewed each of the Contract Documents and has had the opportunity to ask any questions to WRCOG that the Property Owner may have regarding such Contract Documents.

b. Property Owner has reviewed, understands and agrees to each and every additional requirement and term contained in Appendix B to the Spruce PACE Program Handbook (the "Handbook").

c. Property Owner has reviewed, understands, agrees to and affirms each and every representation and warranty contained in the Property Owner's application and the Handbook.

Prior to executing this Assessment Contract, I have read and understand (a) the Property Owner's Acknowledgments and Disclosures contained in (a) the Application, (b) this Assessment Contract, (c) the Privacy Notice and (d) the Handbook.

Owner(s) must execute and return this Contract to WRCOG at the address set forth in the "Notice Information" section of Exhibit A hereto so that it is received by WRCOG not later than DATE. If the Property Owner fails to return the signed Assessment Contract to WRCOG by the indicated date the Spruce PACE Program reserves the right to require the Property Owner to enter into a new Contract. All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously successfully completed the identity verification process approved by WRCOG.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Contract to be executed in their respective names by their duly authorized representatives, all as of the Effective Date. The "Effective Date" is defined as the last date entered with the signatures of the parties below.

Owner 1:

_____

<NAME>, Signature

Date: _____
Month/Day/Year

WRCOG: Executive Director and/or his or her designee:

_____

Name (Please Print)

_____ _____

WRCOG Signature Date of Execution by WRCOG

EXHIBIT A

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

Description of Property:

Property Owner Name(s): <NAME>

Property Address: <ADDRESS>

APN: xxx-xxx-xxx-xxx

Participating Entity: City of San Diego

County: San Diego

Description of Products:

PRODUCT #1
Product Category Type: Heating, Cooling & Ventilation - Air Conditioner

Or similar energy efficient product which is allowed under the Spruce PACE Program Guide.

All terms set forth in the fully executed and final Completion Certificate shall supersede and take precedence over any term in this Exhibit A that conflicts with, is not covered by, or is otherwise contrary to, the terms set forth in such Completion Certificate, and such Completion Certificate shall become part of, and be incorporated into, this Exhibit A as if they originally appeared therein.

Notice Information:

Western Riverside Council of Governments
Attn: Spruce PACE Program Manager
~~4080 Lemon Street, 3rd Floor MS 1032~~
3390 University Avenue, Suite 450
Riverside, CA 92501

Joe Smith
[Address]
[City, State, Zip]

EXHIBIT B

LIST OF CONTRACT DOCUMENTS, DISBURSEMENT, AND ASSUMPTIONS APPLICABLE TO THE SCHEDULE OF ESTIMATED MAXIMUM ANNUAL ASSESSMENT INSTALLMENTS

List of Contract Documents:

The Contract shall consist of the following documents:

- This Contract and the exhibits hereto;
- Any Addendum entered into pursuant to Section 5 hereto;
- The Right to Cancel;
- The Completion Certificate or, pursuant to Section 8, each applicable Completion Certificate;
- The Assessment Cost and Payment Summary;
- The Notice of Assessment;
- The Payment of Contractual Assessment Required;
- The Spruce Program Handbook, current version; and
- The Spruce PACE Program website located at https://www.sprucefinance.com/pace.

Disbursement Amounts:

The "Maximum Disbursement Amount" under this Contract is $_____, which means that WRCOG shall not disburse any amount that exceeds this figure. The "Estimated Disbursement Amount" under this Contract is $<TOTAL ASSESSMENT AMT>, which is based upon the Improvements and pricing set forth in this Contract. The Estimated Disbursement Date is <DATE>, which date is used in the table in Section 3(c) of the Contract.

Assumptions Applicable to the Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments provided in Section 3(c) of the Contract is based on the following assumptions:

1. WRCOG disburses the Estimated Disbursement Amount to Owner.

2. Interest totaling a maximum of $<CAP I> will accumulate until September 2nd of the year in which you make your first assessment payment, in accordance with the Improvement Bond Act of 1915. That amount will be added to Owner's Estimated Disbursement Amount.

3. WRCOG disburses to Owner on the Estimated Disbursement Date.

4. The Assessment Interest Rate is <RATE>%.

5. The Annual Percentage Rate (APR) of your assessment is <APR>%. The APR is your costs over the term expressed as a rate. This is not your interest rate.

6. The total administrative fees, recording fees and annual assessment added to your assessment is $<FEES>.

Prepayment:

You have a right to pay off your assessment lien amount at any time in full, or in any amount of at least $2,500 pursuant to Section 3(e) of the Assessment Contract. However, if you do so, you will have to pay the principal amount of the assessment to be prepaid ("Assessment Prepayment Amount") and interest on the Assessment Prepayment Amount to the second business day of the second month following the date the prepayment is made.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Property Owner

STATE OF California }ss.
COUNTY OF _____ }
On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature _____ (This area for official notarial seal)

MEMORANDUM AGREEMENT OF ASSESSMENT CONTRACT

THIS MEMORANDUM AGREEMENT OF ASSESSMENT CONTRACT is entered into as of <DATE>, between the Western Riverside Council of Governments, a joint exercise of powers of authority (the "Authority") and Joe Smith, (individually and collectively the "Property Owner"), the record owner(s) of the fee title to the real property identified on Exhibit A (the "Property") and constitutes a binding contract of the parties hereto.

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

2. Authority subsequently allowed SPRUCE PACE LLC to become an additional administrator of the Program (the "SPRUCE PACE Program").

3. The Authority and the Property Owner are executing in connection herewith, that certain Spruce PACE Program Assessment Contract dated as of the date hereof (the "Assessment Contract").

4. The Property Owner hereby freely and willingly agrees to pay the assessment (the "Assessment") as provided in Exhibit B to the Assessment Contract plus interest and the Additional Administrative Assessment as provided in the Assessment Contract. The Assessment shall equal the total amount disbursed by the Authority to pay for (i) the Improvements identified on Exhibit A to the Assessment Contract, plus (ii) all costs, fees and interest associated therewith as reflected on Exhibit B to the Assessment Contract, which total amount is also known as the Actual Disbursement Amount (defined below).

5. Upon receipt of the fully executed and final Completion Certificate, as described in the current version of The Spruce PACE Program Handbook (referred to herein as the "Handbook"), the Authority shall calculate and disburse payments to those entitled to receive them (the "Actual Disbursement Amount") hereunder subject to such revisions as are agreed to pursuant to the Assessment Contract and subject to any Addendum to the Assessment Contract provided for under the Assessment Contract agreed to and executed by the parties hereto. The Property Owner shall comply with all requirements for contracting for the installation of the Improvements as required in the Assessment Contract and shall deliver such Completion Certificates as are provided for in the Assessment Contract. The Authority shall comply with all disbursement and recording requirements provided for in the Assessment Contract.

6. The Assessment, the interest and penalties thereon as a result of a delinquency in the payment of any installment of the Assessment, and the Additional Administrative Assessment shall constitute a lien against the Property (the "Assessment Lien") until they are paid and shall be collected and shall have the lien priority as set forth in Chapter 29 and may be enforced through judicial foreclosure action that could result in the sale of the Property for payment of the delinquent installments, and all penalties, interest and costs of suit, including attorneys' fees subject to such forbearance and subordination as may be provided in any Subordination Agreement that may be executed between the Authority and any other lienholder now or hereafter.

7. Except as otherwise set forth herein or in the Assessment Contract, this Contract shall expire upon (i) the final Assessment payment as provided in the Assessment Contract or (ii) any prepayment of the Assessment, provided that such prepayment is meant to be permanent and the party who is then the Property Owner does

not execute a document confirming the assumption and continuation of the Assessment Contract and the Assessment Lien.

8. This Contract establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462. If the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to the newly-created parcel as provided in the Assessment Contract.

9. The Property Owner hereby waives (i) any otherwise applicable requirements of Article XIIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot; (ii) any right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment or any aspect of the proceedings of the Authority undertaken in connection with the HERO Program; and (iii) any rights waived in the Assessment Contract.

10. This Memorandum is subject to all of the terms, conditions and understandings of the Assessment Contract, which are incorporated herein by reference as though copied verbatim herein. In the event of a conflict between the terms of this Memorandum and the terms of the Assessment Contract, the terms of the Assessment Contract shall prevail.

Description of Improvements:

PRODUCT #1
Product Category Type:

IN WITNESS WHEREOF, the Authority and the Property Owner have duly executed this Memorandum as of the date first above written.

Owner 1:

_____

<NAME>, Signature

Date: _____

Month/Day/Year

WRCOG: Executive Director and/or his or her designee:

_____

Name (Please Print)

_____ _____

WRCOG Signature Date of Execution by WRCOG

APPENDIX C-7

RESIDENTIAL ASSESSMENT CONTRACT PACE FUNDING

WRCOG PACE Funding
Program ASSESSMENT
CONTRACT
(RESIDENTIAL)

This Assessment Contract (thIs "Contract") is made and entered into as of this [Date], by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority"), and the record owner(s), **[Owner 1][Owner 2],** (the "Property Owner"), of the fee title to the real property identified on Exhibit A (the "Property").

RECITALS

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

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

WHEREAS, the Authority has authorized PACE Funding Group, LLC ("PACE Funding") to serve as a program administrator for the WRCOG Program (the "WRCOG PACE Funding Program"); and

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

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

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

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

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

AGREEMENT

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

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

Section 3. Contract to Pay Assessment: Prepayment

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

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

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

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

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

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

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

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

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

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

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

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

Section 6. Financing of the Improvements.

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

(b) Assessment Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Assessment installments set forth on Exhibit B is identified on Exhibit B. If the Authority determines in its reasonable discretion that the Assessment installments may be reduced because the applicable interest

rate on the bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit B, or if the cost of the Improvements, as shown in a final invoice provided to the Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit B.

Section 7. Multiple Contractors and Improvements. Notwithstanding anything to the contrary in this Contract, if the Property Owner engages one or more contractors (each, a "Contractor," which term includes any designee thereof) to install more than one Improvement, the installation of which Improvements will not be completed simultaneously, the Property Owner and the Authority acknowledge that either (a) funds may be advanced by PACE Funding, as Program administratior, for payments of each Contractor upon receipt of a Completion Certificate executed by a Contractor and the Property Owner acknowledging installation of the applicable improvement(s) (each a "Completion Certificate") or (b) the Authority shall cause bonds to be issued and sold to the investor the proceeds of which will be held in a project fund and upon receipt of a Completion Certificate from the Property Owner and the Contractor acknowledging installation of the Improvements, the Authority shall cause the municipal trustee for the Program to disburse amount(s) from the project fund reflected in the Completion Certificate to the applicable Contractor who installed such Improvements.

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

(a) Except as otherwise set forth in this Contract, this Contract shall expire upon the final payment or prepayment of the Assessment.

(b) This Contract establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to the newly-created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment will be assigned to each of the newly-created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment should be allocated in an alternate manner.

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

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

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

The Property Owner hereby waives its right to repeal the Assessment by initiative or any other

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

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

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

[Owner 1][Owner 2]
Initials: _____

Initials: _____

Initials: _____

Initials: _____

Initials:

___

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Contract.

Section 12. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's
fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the PACE Funding Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Contract, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Contract.

The provisions of this Section 12 shall survive the termination of this Contract.

Section 13. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 14. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 15. PACE Funding Program Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the PACE Funding Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the PACE Funding Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 16. Amendment. Except as set forth in Section 3(b) or as provided for in Exhibit A pertaining to a fully executed and final Completion Certificate, this Contract may be modified only by an Addendum (as provided in Section 4) or other written agreement of the Authority and the Property Owner.

Section 17. Binding Effect; Assignment. This Contract inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns. The Authority has the right to assign any or all of its rights and obligations under this Contract without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Contract is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 18. Exhibits. Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if set forth in their entirety in this Contract.

Section 19. Severability. If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Contract.

Section 20. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Contract.

Section 21. Governing Law: Venue. This Contract is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Contract must be instituted in the Superior Court of the County of Riverside, State of California.

Section 22. Counterparts. This Contract may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 23. Monitoring and Recording of Telephone Calls. The PACE Funding Program may monitor and/or record telephone calls for security and customer service purposes. By agreeing to this Assessment Contract the Property Owner agrees to have their telephone calls with the PACE Funding Program monitored and/or recorded.

Section 24. Contract Documents. Property Owner understands and acknowledges that the entire agreement between Property Owner and WRCOG includes each and every document specified in the List of Documents contained in Exhibit B to this Contract (together, the "Contract Documents").

By executing this Contract Property Owner acknowledges and agrees that:

a. Property Owner has had sufficient time to review and has reviewed each of the Contract Documents and has had the opportunity to ask any questions to WRCOG that the Property Owner may have regarding such Contract Documents.

b. Property Owner has reviewed, understands and agrees to each and every additional requirement and term contained in Appendix B to the PACE Funding Residential Program Handbook (the "Handbook").

c. Property Owner has reviewed, understands, agrees to and affirms each and every representation and warranty contained in the Property Owner's application and the Handbook.

Prior to executing this Assessment Contract I have read and understand (a) the Property Owner's Acknowledgments and Disclosures contained in (a) the Application, (b) this Assessment Contract, (c) **the Privacy Notice and (d) the Handbook.**

Owner(s) must execute and return this Contract to WRCOG at the address set forth in the "Notice Information" section of Exhibit A hereto so that it is received by WRCOG not later than 08/13/2015. If the Property Owner fails to return the signed Assessment Contract to WRCOG by the indicated date the PACE Funding Program reserves the right to require the Property Owner to enter into a new Contract. All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously successfully completed the identity verification process approved by WRCOG.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Contract to be executed in their respective names by their duly authorized representatives, all as of the Effective Date. The "Effective Date" is defined as the last date entered with the signatures of the parties below.

Owner 1:

[Owner 1][Owner 2],
Signature

Date

Month/Day/Year

Identity Verification Code:

ID verification complete

WRCOG: Executive Director and/or his or her designee:

Name *(Please Print)*

WRCOG Signature

Date of Execution by WRCOG

EXHIBIT A

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

Description of Property:

Property Owner Name(s):	[Owner 1] [Owner 2]
Property Address:	[Property Address]
APN:	[APN]
Participating Entity:	[City] or "Unincorporated"
County:	Riverside

Description of Products:

The Products include the following:

PRODUCT#1

Product Category Type:

PRODUCT#2

Product Category Type:

Or similar energy efficient product which is allowed under the PACE Funding Program Guide.

All terms set forth in the fully executed and final Completion Certificate shall supersede and take precedence over any term in this Exhibit A that conflicts with, is not covered by, or is otherwise contrary to, the terms set forth in such Completion Certificate, and such Completion Certificate shall become part of, and be incorporated into, this Exhibit A as if they originally appeared therein.

Notice Information:

Western Riverside Council of Governments Attn: WRCOG PACE Funding Program Manager
~~4080 Lemon Street, 3rd Floor MS 1032~~
3390 University Avenue, Suite 450
Riverside, CA 92501
[Owner 1][Owner 2]
[[Address]

EXHIBITS

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

List of Contract Documents:

The Contract shall consist of the following documents:

- This Contract and the exhibits hereto;
- Any Addendum entered into pursuant to Section 4 hereto;
- The Application;
- The Right to Cancel;
- The Completion Certificate or, pursuant to Section 7, each applicable Completion Certificate;
- The Assessment Cost and Payment Summary;
- The Notice of Assessment;
- The Payment of Contractual Assessment Required;
- The WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County Residential PACE Funding Program Handbook, Version 2.4, dated January 2015; and
- The PACE Funding Program website located at https://www.heroprogram.com.

Disbursement Amounts:

The "Maximum Disbursement Amount" under this Contract is [Maximum Credit Approval amount], which means that WRCOG
shall not disburse any amount that exceeds this figure.

The "Estimated Disbursement Amount" under this Contract is [Project Cost], which was based upon the Improvements and pricing set forth on the table below in this Exhibit B. The Estimated Disbursement Date is [Date], which date is used in the table below.

Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments is based on the following assumptions:

1. WRCOG disburses the Estimated Disbursement Amount to Owner.

2. Interest totaling a maximum of [CapInterest] will accumulate until your first Payment. That amount will be added to Owner's Estimated Disbursement Amount.

3. WRCOG disburses to Owner on the Estimated Disbursement Date.

4. The Assessment Interest Rate is [Interest Rate]%.

5. The Annual Percentage Rate (APR) of your assessment is [APR] %. APR is the annual interest rate you will actually pay on your assessment, including fees required in order to participate in the PACE Funding Program.

6. The total administrative fees, recording fees and annual assessment added to your assessment is $[TotalFees].

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Current Annual Administrative Assessment Fee••••	Total Estimated Contractual Assessment Payment
2017 - 2018*					

*The Estimated Initial Tax Year shown on preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date.

**** Subject to change

FOLLOWING THE DISBURSEMENT OF THE ACTUAL DISBURSEMENT AMOUNT, THE PACE Funding PROGRAM ADMINISTRATOR MAY ADJUST THE ASSESSMENT AND THE ESTIMATED MAXIMUM ANNUAL ASSESSMENT INSTALLMENTS, IF NECESSARY, TO REFLECT THE ACTUAL ASSESSMENT BASED UPON THE ACTUAL DISBURSEMENT AMOUNT, THE ACTUAL DATE OF DISBURSEMENT AND THE ACTUAL AMOUNT OF INTEREST DUE AND PAYABLE BEFORE THE FIRST PAYMENT ADDED TO THE ACTUAL DISBURSEMENT AMOUNT. THE ACTUAL AMOUNT OF THE ASSESSMENT AND SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS SHALL BE SPECIFIED IN THE "PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED" TO BE RECORDED BY WRCOG IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE.

Prepayment:
You have a right to pay off your assessment lien amount at any time in full, or in any amount of at least $2,500 pursuant to Section 3(d) of the Assessment Contract. However, if you do so, you will have to pay the principal amount of the assessment to be prepaid ("Assessment Prepayment Amount") and interest on the Assessment Prepayment Amount to first of the month occurring at least 30 days following the date the prepayment is made.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

APPENDIX C-8

COMMERCIAL ASSESSMENT CONTRACT GREENWORKS

Agreement to Pay Assessment and Finance Improvements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
WRCOG PACE PROGRAM AND CALIFORNIA PACE PROGRAM
(Greenworks Commercial PACE Program)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____**, 20**___, (the "Effective Date") by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**") and acknowledged and accepted by Greenworks Lending LLC ("Greenworks" or the "PACE Program Administrator"), in its role as the Program Administrator.

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

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

WHEREAS, the purpose and method of administration of the assessments under the Program are described in the WRCOG Program Report dated June 7, 2010, as such report has been amended from time to time and the California Program Report originally adopted by the WRCOG Executive Committee on June 3, 2013, as such report has been and may be amended from time to time (collectively, the "**Program Report**") prior to the Effective Date of this Contract.

WHEREAS, the Authority executed an Administration Agreement with Greenworks to provide program administrative services to owners of commercial properties participating in the Greenworks Commercial PACE Program (the "**Greenworks Program**") of the Program, including but not limited to reviewing and approving application materials subject to the Program Report ("**Approved Project**"), processing all disbursement requests, including accepting disbursement

request forms, reviewing submitted forms and attachments, and providing for the disbursement of funds for the Authorized Improvements.

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

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "**City/County**"); and

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

WHEREAS, Property Owner has submitted application materials including a description of the Authorized Improvements that will be acquired, constructed on and/or installed on the Property and are to be financed pursuant to the Greenworks Program and the PACE Program Administrator has determined it is an Approved Project; and

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

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

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property.

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

Section 3. Assessment and Lien.

(a) Pursuant to the terms of this Agreement, the Authority shall disburse funds, or cause funds to be disbursed, to or on behalf of the Property Owner in a principal amount not to exceed $[ ] (the "Financed Amount"), of which $[ ] shall be for the actual cost of the design, approval, acquisition, construction, financing, and/or installation of the Improvements, (the "Project Cost"), and of which $[ ] shall be for Authority and PACE Program Administrator fees and expenses ("Initial Administrative Expenses"). If the actual cost of the Improvements

exceeds the Project Cost, the Property Owner shall be solely responsible for the payment of such excess costs.

(b) Interest shall accrue on a simple interest basis on the Financed Amount from the Effective Date at [insert rate] per annum until all outstanding obligations are paid in full. Interest shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year for the actual number of days during which the principal balance of the Assessment outstanding. Property Owner acknowledges and agrees that the calculation of interest on the basis described in the immediately preceding sentence may result in the accrual and payment of interest in amounts greater than those which would be payable if interest were calculated on the basis of a three hundred sixty-five (365) day year.

(c) Property Owner agrees that upon the execution of this Agreement by the parties, the Property is subject to a voluntary contractual assessment levied against the Property pursuant to this Agreement, Chapter 29 and other applicable law in an amount equal to the Financed Amount plus any administration fees, accrued interest and penalties thereon (the "Assessment"). Upon execution of this Agreement, the Authority will execute and cause to be recorded in the office of the County Recorder of the County within which the Property is located (the "County") a notice of assessment and payment of contractual assessment required (collectively, the "Notice of Assessment") as required pursuant to Chapter 29, together with a copy of this Agreement. The recordation of the Notice of Assessment will create a lien against the Property.

(d) The execution of this Agreement by the parties constitutes the levy of the Assessment by the Authority against the Property without any further action required by the parties.

(e) The Property Owner hereby promises to pay the Assessment for a period of [ ] years annually, in two installments ("Installments") as permitted by the County tax collector, together with annual assessment administrative fees ("Annual Assessment Administrative Fees") as defined in paragraph (e) below, (collectively, "Assessment Installment") on the due dates set forth in Exhibit C (the "Assessment Schedule"). Owner agrees to pay each Assessment Installment by its due date in order to avoid delinquencies and related penalties.

(f) The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an Installment each year in order to pay for the costs of collecting and administering the Assessment (the "Annual Assessment Administrative Fees"). The maximum Annual Assessment Administrative Fee shall not exceed [$] in tax year commencing on [insert year]. The Annual Assessment Administrative Fee shall thereafter be adjusted annually commencing on [insert date] of each subsequent tax year for cost of living based on the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers applicable to the County of [COUNTY]. The PACE Program Administrator shall annually determine the amount of the Annual Assessment Administrative Fee, not to exceed the maximum Annual Assessment Administrative Fee determined in accordance with the preceding sentence.

(g) The Assessment, together with any interest and penalties incurred thereon, shall constitute a lien upon the Property until paid. Failure to pay any Assessment Installment or any interest thereon, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest accruing on the amounts due. In addition, under those circumstances, the Authority has the right to judicially foreclose the lien of the Assessment, as set forth in paragraph 8(g) below.

Section 4. Collection of Assessment; Other Remedies.

(a) The Assessment Installment shall be collected on the property tax bill pertaining to the Property. The Assessment Installment shall be payable in the same manner and at the same time as the general taxes of the County on real property are payable, and Assessment Installments shall be payable and become delinquent at the same times and shall bear the same penalties and interest after delinquency, and be subject to the same provisions for redemption and sale, as the general taxes on real property of the County.

(b) The Assessment Installments shall commence on the due dates set forth in the Assessment Schedule (Exhibit C).

(c) The lien of the Assessment (the "Assessment Lien") shall be co-equal to and independent of the lien for general taxes, and, pursuant to Government Code Section 53936, not subject to extinguishment by the sale of the Property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances on or against the Property except: (i) the lien for general taxes, special taxes or ad valorem assessments in the nature of and collected as taxes levied by the State of California or any county, city, special district or other local agency; (ii) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment; (iii) easements constituting servitudes upon or burdens the Property; (iv) water rights, the record title to which is held separately from the title to the Property; and (v) restrictions of record.

(d) Property Owner acknowledges and understands that, no later than October 1st of each year, if the Property is delinquent in the payment of any Assessment Installment or any accrued interest and penalties thereon, the Property will be subject to the commencement of foreclosure proceedings. The Authority will commence, or cause to be commenced, judicial foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint not later than sixty (60) days following the determination that the property is delinquent in the payment of such Assessment Installments. Failure of such a complaint to be filed by such date shall not, however, invalidate any judicial foreclosure proceedings commenced after such date. The Property Owner acknowledges that the Authority shall have the delinquent Assessment Installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent Assessment Installments, associated penalties and interest, and all costs of suit, including attorneys' fees. The Property Owner acknowledges that, if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of such bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances. Additionally, if no action is taken by the Authority and you remain delinquent on the payment of any Assessment Installment for a period of five (5) years, the County in which the Property is located may commence foreclosure proceedings.

Section 5. Financing of the Improvements; Installation of the Improvements.

(a) The Authority hereby approves the disbursement of funds against the Financed Amount subject to the provisions of this Section. The funds will be disbursed by the PACE Program Administrator on behalf of the Authority, pursuant to the terms of this Agreement and applied by Property Owner to pay for the Improvements.

(b) Notwithstanding anything to the contrary contained herein, the PACE Program Administrator's obligation to disburse any of the Project Cost to Property Owner or their contractor ("Contractor") shall be subject to satisfaction of the following conditions precedent, in the PACE Program Administrator's sole discretion, or any such condition precedent is expressly waived in writing by the PACE Program Administrator:

i) the construction contract between the Property Owner and the Contractor, together with all major subcontracts thereunder (collectively, the "Construction Contract") shall have been approved in all respects by the PACE Program Administrator;

ii) the Property Owner shall have provided copies of all permits required by law to the PACE Program Administrator;

iii) the Property Owner shall have provided to the PACE Program Administrator the written consent of its existing mortgage lender to the Assessment;

iv) the PACE Program Administrator shall have received confirmation from the applicable County Recorder that the Notice of Assessment, together with a copy of this Agreement has been recorded in the relevant land records;

v) the Property Owner shall have provided to the PACE Program Administrator evidence acceptable to the PACE Program Administrator of incentive awards related to the Improvements, if applicable;

vi) Property Owner has provided the PACE Program Administrator original, executed copies of this Agreement and any related certificates.

vii) The PACE Program Administrator shall have determined that the representations of Property Owner contained in this Agreement are true and correct, and no Default (as defined in Section 14 below) shall have occurred and be continuing hereunder.

viii) No order or notice shall have been given by any governmental agency stopping construction or stating that the work or construction is in violation of any law, ordinance, code or regulation, unless such order or notice has been rescinded and a copy of such rescission has been delivered to and shall be satisfactory to the PACE Program Administrator in its sole discretion. No stop payment or mechanic's lien notice pertaining to the Products has been filed and remains in effect as of the Effective Date.

ix) the Property Owner shall have submitted to the Authority and the PACE Program Administrator a request for the disbursement in the form of the certification attached hereto as Exhibit [ ]

x) the Property Owner shall have furnished to the PACE Program Administrator partial waivers and releases of liens (for labor, services or materials which have been performed and paid for or such lien waiver will be subject to payment) from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements in the form attached hereto as Schedule 2 to Exhibit [ ];

xi) the Property Owner shall have provided a list of authorized representatives on whose instructions and directions the PACE Program Administrator may rely until such time as an updated list has been provided, as set forth on Exhibit [ ] attached hereto; and

xii) the Property Owner has provided to the PACE Program Administrator evidence satisfactory to the PACE Program Administrator of current insurance policies on the Property and has provided evidence satisfactory to the PACE Program Administrator that such insurance shall be maintained in force during the term of the Assessment.

(c) Upon satisfaction or waiver of the conditions described in paragraph (a), above, the PACE Program Administrator will disburse funds to or on behalf of the Owner.

(d) The PACE Program Administrator's obligation to authorize the final disbursement shall be subject to the satisfaction of the following conditions precedent in the PACE Program Administrator's sole discretion:

i) Satisfaction of all conditions set forth in this Section;

ii) Full completion of construction of the Improvements in accordance with the Construction Contract, as evidenced through a receipt by the PACE Program Administrator of the executed Completion Certificates in the forms attached hereto as Exhibit [ ]

iii) If applicable, receipt by the PACE Program Administrator of the final unconditional Certificate of Occupancy for the Improvements or a conditional Certificate of Occupancy which conditions are punch-list items only;

iv) Receipt by the PACE Program Administrator of final waivers and releases of liens from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements, substantially in the form of the waiver and release attached hereto as Exhibit [ ]; and

v) No stop payment or mechanic's lien notice pertaining to the Improvements has been served upon Property Owner, the PACE Program Administrator, or the Authority or recorded against the Property and which remains in effect.

(e) Amount and Frequency of Disbursements.

i) Each disbursement shall either (x) reimburse the Property Owner for costs of the Improvements already incurred by the Property Owner, or (y) be disbursed directly to the Contractor and/or suppliers retained for the Improvements, for construction costs incurred by the Property Owner in accordance with the approved budget. The Property Owner may apply any savings or under-budget line item cost in the approved budget to increase the amount of any other line item in the approved budget, subject in each instance to the PACE Program Administrator's review and approval, which approval shall not be unreasonably withheld.

ii) Disbursements shall be made upon the Property Owner's compliance with the terms hereof in such proportion of the total cost of that part of the work completed to the PACE Program Administrator's satisfaction in its sole discretion, so that at all times

the undisbursed portion of the Project Cost shall be sufficient, in the PACE Program Administrator's sole discretion, to complete the Improvements (including, without limitation, to pay all non-construction costs associated with the Improvements). The PACE Program Administrator shall have the right to make the final determination in its sole discretion as to the amount of each disbursement. The PACE Program Administrator may, in its sole discretion, determine the number and frequency of each disbursement, which will not exceed one hundred percent (100%) of the cost of the work then completed and in place less the standard retainage of five percent (5%) for all construction costs (unless a higher retainage is specified in any contract). Such retainage will be disbursed to the Property Owner at the date on which the Completion Certificate has been executed.

iii) The final disbursement will be made upon full completion of the Improvements in accordance with the Construction Contract and satisfaction of the conditions precedent set forth in Section 5 (c).

iv) No disbursement shall be made for materials not yet installed or incorporated into the Improvements, except that the PACE Program Administrator may agree, in its sole discretion, to authorize a disbursement for such materials.

v) In no event shall the amount of any disbursement exceed an amount equal to (x) the cost of the construction work in place at the Property, subject to the retainage provisions set forth in Section 5(e)(ii), plus the amount of non-construction costs paid or payable by the Property Owner pursuant to the approved budget as of the date of the requested advance, less (y) all disbursements previously disbursed.

vi) In no event shall the aggregate amount of all disbursements exceed the Project Cost.

vii) In no event shall any disbursement be made to the Property Owner from and after the date on which the final disbursement shall have been paid in accordance with Section 5 (c).

(f) Unused Proceeds. In the event Property Owner draws less than eighty-five percent (85%) of the Assessment, upon PACE Program Administrator making the final disbursement in accordance with Section 5(d) of this Agreement, the Property Owner shall pay to PACE Program Administrator an unused Assessment fee in an amount equal to ___% of the difference derived by subtracting (i) the total amount disbursed by PACE Program Administrator of the Assessment including such final disbursement, from (ii) the maximum principal amount of the Assessment authorized pursuant to the terms hereof. In the event Property Owner prepays the Assessment in accordance with Section 6 hereof, this Section shall only apply if Property Owner draws less than eighty-five percent (85%) of the amount equal to the difference derived by subtracting (i) the total amount Property Owner has prepaid in accordance with Section 6 hereof, from (ii) the Assessment amount. .

Section 6. Prepayment of the Assessment.

The outstanding principal balance of the Financed Amount may be prepaid, in whole or in any amount of at least $5,000, at any time upon the payment of a premium in an amount equal to a percentage of the amount of the principal to be prepaid as calculated pursuant to the processing fee and schedule of prepayment premiums is set forth in Exhibit hereto. In addition, prepayment costs may also include any applicable trustee fees, bond interest (if bonds have been issued), and other related charges.

Section 7. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment of the Assessment. Following such expiration, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of the Assessment.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) Property Owner shall not, without the express written consent of the Authority and the PACE Program Administrator, in their sole discretion, by act or omission impair the integrity of the Property as a single, separate, subdivided and zoned lot separate apart from all other property which is owned by Property Owner, or not. Property Owner hereby acknowledges that, in the event of a subdivision of the Property is approved by the Authority and PACE Program Administrator, no subdivision of the Property subject to this Agreement shall be valid unless an amendment to this Agreement divides the Assessment between the newly subdivided parcels pro rata to the special benefit realized by each subdivided parcel.

Section 8. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 9. Representations and Warranties of Property Owner. Property Owner represents and warrants to the Authority and PACE Program Administrator as follows, which representations and warranties shall be true and correct as of the date of this Agreement and at all times thereafter until the Assessment has been repaid in full:

(a) Corporate Existence; Qualification. Property Owner is duly organized, validly existing and in good standing in the state of its organization and with authority to do business under the laws of the State of California

.

(b) Authorization; Enforceable Obligations.

i. Property Owner has all necessary power and authority to own the Property and to conduct its business and enter into the transactions contemplated hereby. Property Owner has the right to enter into and perform this Agreement and all other documents executed in connection therewith have been duly authorized, executed and delivered and constitute valid and binding obligations of Property Owner, each enforceable in accordance with its respective terms.

ii. No consent or authorization of, filing with, notice to or other act by or in respect of any governmental authority (Federal, State or Local) or any other person is required to be obtained by the Property Owner in connection with (1) the financing hereunder, (2) the execution, delivery, validity or enforceability of this Agreement or any related documents, or (3) the performance of this Agreement, except, in each case, for routine consents, authorizations, filings and notices required to be made in the ordinary course of business.

iii. The Property Owner has secured all necessary approvals or consents required with respect to this transaction by any mortgagor, creditor, or other party having any financial interest in the Property Owner or the Property.

(c) No Legal Bar. The execution, delivery and performance of this Agreement or any related documents by the Property Owner, the financing hereunder and the use of the proceeds thereof will not violate any applicable law, the Property Owner 's organizational documents or any material agreement of the Property Owner.

(d) Financial Statements. All financial statements delivered to the Authority and the PACE Program Administrator are true and correct, have been prepared in accordance with generally accepted accounting principles (or such alternate accounting method acceptable to the Authority) consistently applied, fairly represent the financial condition of Property Owner as of the date thereof, and no material adverse change has occurred in the financial condition presented therein since such date.

(e) No Litigation. There are no actions, suits, claims or proceedings pending, or to the knowledge of Property Owner threatened, against or affecting it or the Property which could materially adversely affect Property Owner, its financial condition, any of its properties (including the Property), or the construction of the Improvements or Property Owner 's ability to satisfy its obligations under this Agreement.

(f) Title. Property Owner has good, marketable and insurable title to the Property subject only to real property taxes, pari passu assessment liens of record, and the permitted encumbrances approved by the Authority and the PACE Program Administrator and set forth in Exhibit G attached hereto ("Permitted Encumbrances").

(g) Compliance with Laws. Property Owner has complied with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Property and construction of the Improvements. All permits, consents, approvals and authorizations required to be issued by any governmental body (collectively, the "Permits") necessary for (a) the installation and construction of the Improvements in accordance with the plans and specifications submitted by Property Owner; (b) the construction, connection and operation of all utilities necessary to service the Improvements; and (c) the construction and use of all roadways, driveways, curb cuts and other vehicular or other access to and egress from the Property, either (i) have been obtained, are valid, are in full force and effect and have been complied with by the Property Owner in all respects; or (ii) will be obtained, will be valid, will be in full force and effect prior to the initiation of construction, and Property Owner will be in compliance therewith in all respects prior to the PACE Program Administrator's disbursing any of the funds. Construction and installation of the Improvements will comply with applicable zoning, use, building or other applicable codes, laws, regulations and ordinances and any restrictive covenants affecting the Property.

(h) Marijuana and Environmental Matters. Property Owner does not and will not engage (nor will it allow any tenants of the Property to engage) in operations that involve the growth, testing, production or distribution of marijuana, nor the generation, manufacture, refining, transportation, treatment, storage or handling of hazardous materials or hazardous wastes, pursuant to applicable state law, or any other federal, state or local environmental laws or regulations, and, to the best of Property Owner's knowledge, after due inquiry, neither the Property nor any other of its buildings thereon has been so used previously, except as previously disclosed in writing to and approved by the Authority and the PACE Program Administrator. There are no underground storage tanks located on the Property. There is no present and to the best of Property Owner 's knowledge there has been no past, non-compliance with environmental laws, or with permits issued pursuant thereto, in connection with the Property, which has not been fully remediated in accordance with environmental laws.

(i) No Default. No Default (as defined herein) has occurred hereunder, and no event has or shall have occurred and be continuing, which, with the lapse of time or the giving of notice, or both, would constitute a Default. No foreclosure action is currently threatened or has been commenced with respect to the Property. Property Owner is not currently in default on any mortgage or deed of trust loan(s) secured by the Property.

(j) No Misrepresentation or Material Nondisclosure. Property Owner has not made and will not make to the Authority or to the PACE Program Administrator, in this Agreement or otherwise, any untrue statement of a material fact, nor has it omitted and nor will it omit to state a material fact necessary to make any statement made not misleading. All information provided by Property Owner to the Authority or to the PACE Program Administrator in writing or in electronic form is complete, true and correct in all material respects.

(k) Insurance. Property Owner has provided to the Authority and the PACE Program Administrator satisfactory evidence of the current insurance policies on the Property and has provided evidence that such insurance shall be maintained in force during the term of the Assessment. Such policies must be issued in form and content reasonably acceptable to the Authority and the PACE Program Administrator. Required insurance hereunder includes property insurance and, where and when applicable, builder's risk or inland marine insurance and flood insurance. Property insurance shall be in an amount equal to the lesser of, as determined by the Authority and the PACE Program Administrator in their reasonable discretion: (i) the full replacement cost of the Property; (ii) the full value of the buildings located on the Property as determined by the Authority and PACE Program Administrator in their sole discretion; (iii) or the principal amount of the Assessment divided by 0.35. Property Owner must obtain flood insurance if the Property is or is deemed to be located in a Special Flood Hazard Area as determined by the U.S. Flood Emergency Management Agency. The insurance policies shall also be subject to the following requirements:

i. Each policy must provide for ten (10) days' prior notice to the Authority and the PACE Program Administrator in the event of cancellation or nonrenewal;

ii. The PACE Program Administrator must be named as an additional insured (mortgagee/loss payee) on all insurance policies required hereunder (and in the certificate holder box list "Greenworks Lending LLC ISAOA, ATIMA"). The Property Owner hereby agrees to, upon request by the PACE Program Administrator, provide the PACE Program Administrator with updated certificates of insurance which endorse the required insurance policies and further agrees to, upon request by the PACE Program Administrator, add the

PACE Program Administrator's assignees or successors in interest as loss payees and additional insureds; and

iii. Should Property Owner fail to acquire and/or maintain the required insurance policies, the Authority shall have the right, but not the obligation, to obtain such policies in amounts and limits sufficient to protect the Authority. Property Owner shall be obligated to pay the Authority for the cost of such insurance.

(l) Approval of Plans and Budgets. The plans and specifications submitted by the Property Owner to the Authority and the PACE Program Administrator and approved thereby (the **"Plans"**) will be a true and accurate reflection of the Improvements (when completed) and have been approved as required by all governmental bodies or agencies having jurisdiction or will be approved prior to the first disbursement request. The budget for construction of the Improvements (the "**Budget**") submitted by the Property Owner to the Authority and the PACE Program Administrator is an accurate current estimate of all costs necessary to construct the Improvements in accordance with the Plans and the cost of construction of the Improvements on any portion thereof is not expected to exceed the cost therefor set forth in the Budget.

(m) Commercial Purpose. Property Owner will use the proceeds from the disbursements of funds for the Authorized Improvements only for the purposes specified in the Recitals to this Agreement. The primary purpose of the funds disbursed pursuant to this Agreement is for a commercial and business purpose, and said funds will not be used primarily for personal, family or household purposes.

(n) Improvements. The proposed Improvements are consistent with the purpose of the Program.

(o) Incorporation of Representations and Warranties. The request by Property Owner for a disbursement shall constitute a certification by Property Owner that the representations and warranties contained herein are true and correct as of the date of such request.

(p) Insolvency Event. No Insolvency Event shall have occurred or is continuing with respect to the Property Owner. Property Owner is not aware of any circumstances or conditions with respect to the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien that could reasonably be expected to materially and adversely affect any of the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien. For purposes hereunder, "**Insolvency Event**" shall mean the Property Owner has (i) consented to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceeding or of relating to the Property Owner or relating to all or substantially all of such Property Owner 's property, (ii) failed to pay its debts as they become due and such failure has not been cured within thirty (30) days of the event; (iii) admitted in writing its inability to pay its debts as they become due, (iv) filed a petition to take advantage of any applicable insolvency or reorganization statute, (v) made an assignment for the benefit of its creditors, (vi) had filed against it a petition for involuntary bankruptcy or some other involuntary insolvency proceeding which is not dismissed within thirty (30) days, or (vii) or voluntarily suspended payment of its obligations.

(q) Fraud. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the Property or Improvements has taken place on the part of the Property Owner or any other person, including, without limitation, to the best of Property Owner 's knowledge, any appraiser, title company, closing or settlement agent, realtor, builder or developer or any other

party involved in the Property or Improvements, that would impair in any way the rights of the Authority in the Property or Improvements or that violated applicable law

(r) No Damage/Condemnation. The Property is undamaged by waste, vandalism, fire, hurricane, earthquake or earth movement, windstorm, flood, tornado or other casualty adversely affecting the value of a Property or the use for which the Property was intended and the Property is in substantially the same condition it was at the time the most recent appraisal was obtained. There is no proceeding pending or, to the knowledge of the Property Owner, threatened for the total or partial condemnation of the Property.

(t) Legally Occupied. With respect to the Property lawfully occupied as of the date hereof, all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities.

Section 10. COVENANTS OF PROPERTY OWNER.

The Property Owner covenants and agrees as follows:

(a) Completion and Maintenance of the Improvements. The Property Owner shall commence construction of the Improvements and shall diligently proceed with construction in accordance with the approved Plans and Budget in a good, substantial and workmanlike manner in accordance with all applicable laws, ordinances, codes, rules and regulations. Construction of the Improvements shall be completed on or prior to the completion date set forth in the Construction Contract. If, in the Authority's opinion, after thirty (30) days' written notice to Property Owner, the construction is not proceeding with reasonable dispatch, the Authority may (i) request that Property Owner remove and replace the general contractor with a general contractor acceptable to the Authority, the failure of which by Property Owner shall be a default under this Agreement, (ii) utilize funds and continue construction of the Improvements and such funds shall be considered disbursements of the Financed Amount, or (iii) deny any disbursements of the Financed Amount until such time as the construction resumes proceeding with reasonable dispatch.

(b) Changes to Construction Contract. There shall be no material revision to the Construction Contract, Plans or Budget without the prior written approval of the Authority and the PACE Program Administrator, whose consent shall not be unreasonably withheld. If the cost of construction of the Improvements or any portion thereof exceeds the cost therefor set forth in the approved budget, the Property Owner shall immediately deposit with the Authority the deficiency between such budgeted cost and the actual cost.

(c) Payment of the Financing. The Property Owner shall pay punctually the Assessment Installments on this Agreement on each due date according to its terms and conditions and shall pay punctually any other amounts that may become due and payable to the Authority under or pursuant to the terms of this Agreement, regardless of whether or not the Assessment Installments appear on the Property Owner 's property tax bill.

(d) Payment of All Charges. The Property Owner shall pay when due all taxes, assessments, water charges, sewer charges, liens for taxes past due with respect to the Property, carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens and all other

charges levied on or against the Property, and upon written request, submit to the Authority evidence of such payments.

(e) Compliance with Law and Agreements. In commencing and completing the Improvements, Property Owner shall comply with all existing laws, regulations, orders, building restrictions and requirements of, and all agreements with and commitments to, all governmental, judicial and legal authorities having jurisdiction over the Property or the Improvements and which are applicable to the Improvements, and with all recorded instruments, agreements, and covenants and restrictions affecting the Property.

(f) Permits, Licenses and Approvals. Property Owner shall properly obtain, comply with and keep in effect all permits, licenses and approvals which are required to be obtained from any governmental authority in order to commence and complete the Improvements. Property Owner, upon the request of the Authority or the PACE Program Administrator, shall deliver within fifteen (15) days, copies of all such permits, licenses and approvals to the Authority or the PACE Program Administrator.

(g) Site Visits. Property Owner grants the Authority and the PACE Program Administrator, their agents and representatives the right to enter and visit the Property at any reasonable time, after giving reasonable notice to Property Owner, for the purposes of observing the Improvements. The Authority and the PACE Program Administrator, their agents and representatives will make reasonable efforts during any site visit to avoid interfering with Property Owner 's use of the Property. Property Owner shall also allow Authority or the PACE Program Administrator to examine and copy records and other documents of Property Owner which relate to the Improvements. The Authority and the PACE Program Administrator are under no duty to visit the Property, or observe any aspects of the Improvements, or examine any records, and the Authority and the PACE Program Administrator shall not incur any obligation or liability by reason of not making any such visit or examination. Any site visit, observation or examination by the Authority or the PACE Program Administrator shall be solely for the purposes of protecting the PACE Program Administrator and the Authority's rights under the Agreement.

(h) Protection against Lien Claims. The Property Owner shall promptly pay and discharge all claims for labor performed and material and services furnished in connection with construction of the Improvements, and take all other steps necessary to prevent the assertion of claims or liens either against the Property or the Improvements, other than (i) the claims and lien provided herein, (ii) all liens, encumbrances and other matters expressly set forth in Exhibit G, (iii) liens, if any, for taxes imposed by any governmental authority not yet due or delinquent, and (iv) such other title and survey exceptions as Lender has approved or may approve in writing in Lender's sole discretion.

(i) Notice of Claims; Adverse Matters. Property Owner shall promptly notify the Authority and the PACE Program Administrator in writing of any potential Insolvency Event and all pending or threatened litigation or other matters that may materially and adversely affect the Property or Property Owner 's ability to meet its obligations under this Agreement or otherwise with respect to the Improvements.

(j) Damage or Destruction. Property Owner shall promptly notify the Authority and the PACE Program Administrator if the Property is damaged or destroyed by fire, casualty, injury or any other cause (each such occurrence, a "Casualty"). The PACE Program Administrator shall have no obligation to make additional disbursements upon the occurrence of a Casualty. Upon the occurrence of such Casualty, the insurance proceeds will be applied to repayment of the total

outstanding principal due and owing under this Agreement plus any applicable fees, unless the Authority and the PACE Program Administrator agree in their commercially reasonable discretion to the application of the insurance proceeds to the restoration of the Improvements. In the event restoration of the Improvements is permitted, Property Owner shall immediately proceed with the restoration thereof in accordance with the Construction Contract and Plans. If, in the Authority and PACE Program Administrator's commercially reasonable judgment, said insurance proceeds are insufficient to complete the restoration, Property Owner shall deposit with the PACE Program Administrator an amount necessary, in the Authority and PACE Program Administrator's sole judgment, to complete the restoration in accordance with the Plans and Construction Contract.

(k) Notice of Default. Property Owner shall notify in writing the Authority and the PACE Program Administrator within fifteen (15) days of any Default under this Agreement, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

(l) Changes to Ownership. Property Owner shall, prior to completing construction of the Improvements, preserve and keep in full force and effect its existence and retain title to the Property. After completion of the Improvements, Property Owner shall not transfer ownership of the Property without (a) prior written notice to the Authority and the PACE Program Administrator, and (b) execution by the purchaser of the Property of an assignment of this Agreement in the form of Exhibit X..

(m) Insurance. Property Owner shall maintain in force, and provide evidence thereof when requested by the Authority and the PACE Program Administrator, the insurance required by Section 9(k) of this Agreement throughout the term of the Assessment.

(n) Condemnation. If the Improvements or the Property or any part thereof are taken temporarily or permanently by any governmental authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof (a "**Condemnation**"), or are subject to an imminent threat of Condemnation, the PACE Program Administrator's obligation to make further disbursements hereunder shall immediately terminate unless, in the Authority and the PACE Program Administrator's sole judgment, the Property and the Improvements can be replaced and restored in a manner which will enable the Improvements to be functionally and economically utilized and occupied as originally intended. If the Authority and the PACE Program Administrator so decide that the Improvements can be so restored, then the rights and obligations of the PACE Program Administrator, the Authority and the Property Owner subsequent to a taking by Condemnation or imminent threat thereof and the disbursement of any Condemnation proceeds actually paid to the Authority and undisbursed funds hereunder, shall be the same as described in the Section 10(j) hereof with regard to insurance proceeds

(o) Indemnification.

i. Without limitation of any other obligation or liability of the Property Owner or any right or remedy of the Authority contained herein, the Property Owner agrees to indemnify and hold harmless the Authority and PACE Program Administrator, as well as each of the respective directors, officers, employees, agents, subsidiaries and affiliates, and the successors and assigns of the foregoing (each, a "Person"), from and against all damages, losses, settlement payments, obligations, liabilities, claims, suits, penalties, fines, assessments, citations, directives, demands, judgments, actions or causes of action, whether statutorily created or under the common law, including all costs and

expenses (including, without limitation, reasonable fees and disbursements of attorneys, engineers and consultants) and all other liabilities whatsoever (including, without limitation, liabilities under any applicable environmental laws, regulations or rules) which shall at any time or times be incurred, suffered, sustained or required to be paid by any such indemnified Person (except any of the foregoing to the extent it results from the gross negligence or willful misconduct of the indemnified Person) (collectively, the "Indemnified Amounts") on account of or in relation to or in any way in connection with (i) any of the arrangements or transactions contemplated by, associated with or ancillary to this Agreement, or any other documents executed or delivered in connection herewith or therewith, all as the same as may be amended from time to time, or any action taken or omitted to be taken by any Person in connection with or under any of the foregoing, whether or not all or part of the transactions contemplated by, associated with or ancillary to this Agreement or any such other documents are ultimately consummated, (ii) any violation or alleged violation of, non-compliance with or liability under any requirements of law or regulation, (iii) ownership of, liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (iv) any taxes attributable to the execution, delivery, filing or recording of any this Agreement, or any other documents executed or delivered in connection herewith or therewith or any memorandum of any of the foregoing, (v) any lien or claim arising on or against the Property under any requirements of law or any liability asserted against any Person with respect thereto, (vi) (1) a past, present or future violation or alleged violation of any environmental laws in connection with the Property by any person or other source, whether related or unrelated to Property Owner, (2) any presence of any hazardous, toxic or harmful substances, materials, wastes, pollutants or contaminants defined as such in or regulated under any environmental law ("Materials of Environmental Concern") in, on, within, above, under, near, affecting or emanating from the Property, (3) the failure to timely perform any investigation, inspection, site monitoring, containment, clean–up, removal, response, corrective action, mitigation, restoration or other remedial work of any kind or nature because of, or in connection with, the current or future presence, suspected presence, Release (defined below) or threatened Release in or about the air, soil, ground water, surface water or soil vapor at, on, about, under or within all or any portion of the Property of any Materials of Environmental Concern, including any action to comply with any applicable environmental laws or directives of any governmental authority with regard to any environmental Laws, (4) any past, present or future activity by any person or other source, whether related or unrelated to Property Owner in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting the Property, (5) any past, present or future actual generation, treatment, use, storage, transportation, manufacture, refinement, handling, production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of the Property (a "Release") (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting the Property by any person or other source, whether related or unrelated to Property Owner , (6) the imposition, recording or filing or the threatened imposition, recording or filing of any lien on the Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any environmental law, or (7) any misrepresentation or failure to perform any obligations pursuant this Agreement, or any other documents executed or delivered in connection herewith or therewith to environmental matters in any way, or (vii) Property Owner's conduct, activities, actions

and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 10(o), that, in each case, results from any conduct, act or failure to act by the Property Owner or its affiliates or related parties or the use or intended use of the proceeds of any disbursements made pursuant to this Agreement. To the extent that the undertaking to indemnify and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Property Owner shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all liabilities set forth in the preceding sentence incurred by any Person. In the case of an investigation, litigation or other proceeding to which the indemnification in this Section 10.(o) applies, such indemnification shall be effective whether or not such investigation, litigation or proceeding is brought by Property Owner, a Person or any other person or any Person is otherwise a party thereto and whether or not any transactions contemplated by this Agreement are entered into. In any investigation, proceeding or litigation, or the preparation therefor, the Authority shall select its own counsel and, in addition to the foregoing indemnity, the Property Owner agrees to pay promptly the reasonable fees and expenses of such counsel. In the event of the commencement of any such proceeding or litigation, the Property Owner shall be entitled to participate in such proceeding or litigation with counsel of its choice at its own expense, provided that such counsel shall be reasonably satisfactory to the Authority. This section shall survive the execution, delivery, performance and repayment of this Agreement, and the extinguishment of any Assessment Lien.

ii. If for any reason the indemnification provided in this Section 10.(o) is unavailable to any Person or is insufficient to hold a Person harmless, even though such Person is entitled to indemnification under the express terms thereof, the Property Owner shall contribute to the amount paid or payable by such Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Person on the one hand and Property Owner on the other hand, the relative fault of such Person, and any other relevant equitable considerations.

iii. A Person may at any time send Property Owner a notice showing in reasonable detail the basis for and calculation of Indemnified Amounts, and Property Owner shall pay such Indemnified Amounts to such Indemnified Person within fifteen (15) days after Property Owner receives such notice. The obligations of Property Owner under this Section 10(o) shall apply to assignees and survive the termination of this Agreement.

iv. Neither the Authority nor the PACE Program Administrator shall have any liability to the Property Owner or any other person on account of (i) the Property Owner engaging a contractor from the list of contractors submitted by the Authority or the PACE Program Administrator to the Property Owner, (ii) the services performed by the Contractor, or (iii) any neglect or failure on the part of the Contractor to perform or properly perform its services. Neither the Authority nor the PACE Program Administrator assumes any obligation of the Property Owner concerning Contractor, the quality of construction of the Improvements or the absence therefrom of defects. The authorization by the Authority of a disbursement shall not constitute the Authority's approval or acceptance of the construction theretofore completed. The Authority's inspection and approval of the budget, the construction work, the Improvements comprising the Improvements, or the workmanship and materials used therein, shall impose no liability of any kind on the Authority, the sole obligation of the Authority as the result of such inspection and approval being to authorize the disbursements if, and to the extent, required by this Agreement. Any disbursement authorized by the Authority without the Authority having received each

of the items to which it is entitled under this Agreement shall not constitute breach or modification of this Agreement, nor shall any written amendment to this Agreement be required as a result thereof.

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

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

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

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Agreement.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 13. Greenworks Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in all information submitted to the Authority and/or the PACE Program Administrator in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in such information with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Events of Default and Remedies

a) Remedies with respect to the nonpayment of the Assessment or other amounts payable by Property Owner hereunder are governed by the provisions of Section 4 hereof and state law.

b) The occurrence of any of the following events shall constitute a "**Default**" hereunder:

(i) Any of Property Owner's representations, disclosures or warranties made to the Authority or the PACE Program Administrator shall have been false or misleading in any material respect as of the date when made, or the failure or delay by Property Owner to perform any of its obligations under the terms or provisions of this Agreement, other than with respect to the payment of the Assessment, the Annual Assessment Administrative FeeAnnual Assessment Administrative Fees, or other amount payable by Property Owner.

(ii) An Insolvency Event occurred with respect to the Property Owner or the Property Owner becomes insolvent or unable to pay its debts as they mature and such has not been cured within thirty (30) days of the event;

(iii) There occurs any event which in the Authority's sole discretion materially and adversely affects: (x) the ability of the Property Owner to perform any of its obligations hereunder; (y) the business or financial condition of the Property Owner; or (z) the timely repayment of the Assessment authorized by this Agreement, which Property Owner has not cured within thirty (30) days of receiving notice from the Authority of such breach;

(iv) Any encumbrance on any portion of the Property is created, other than current liens for real estate property taxes or special assessments, which encumbrance purports to have priority over the Assessment Lien;

(v) The existence of any liens for taxes past due with respect to the Property, or carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens which have not been dismissed, escrowed (subject to the Authority's sole approval) or bonded for thirty (30) days after the filing or recording thereof;

(vi) Any material deviation in the Improvements from the Plans without the prior written consent of Lender, or the appearance of defective workmanship or materials, in

Lender's sole discretion, which has not been cured for a period exceeding thirty (30) days; and

(vii) Any general contractor or any other contractor defaults under any construction contract, in a manner which the Lender deems to be material, and unless otherwise agreed in writing by the Lender, the Obligor fails to exercise its rights and remedies under the construction contract, as applicable with respect to such default and such failure to exercise its rights has not been cured within thirty (30) days of when such right first arose.

c) Upon the occurrence of a Default, the Authority may in addition to any other remedies which it may have, at its option and without prior demand or notice, take any of the following actions:

(i) The Authority may, in addition to any other remedies which it may have, at its option and without prior demand or notice, immediately cause the cancellation of any pending disbursement (and the PACE Program Administrator shall have no obligation to make further disbursements) and from time to time apply all or any part of any undisbursed funds to payment of amounts owing on the Assessment and/or to any other obligations of the Property Owner hereunder. The Authority has authorized the Program Administrator at its option and without prior demand or notice, to enter the Property and complete construction of the Improvements in accordance with the Plans and the Construction Contract with such changes therein as the Program Administrator may from time to time and in its judgment deem appropriate, all at the risk and expense of the Property Owner.

(ii) Exercise any other rights and remedies available to it hereunder or at law or in equity

(iii) Except as otherwise expressly provided in this Agreement, no remedy provided for by this Agreement shall be exclusive of any other remedy, each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of a Default.

(iv) Property Owner agrees to pay all costs of collection when actually incurred, by the Authority, including but not limited to reasonable attorneys' fees and all related costs. If any suit or action is instituted to enforce this Agreement, Property Owner promises to pay, in addition to the costs and disbursements otherwise allowed by law, such sum as the court may adjudge reasonable attorneys' fees and costs in such suit or action to the Authority as the prevailing party

Section 15. Amendment. This Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 16. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

(a) The Authority has the right to assign any or all or any of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the

Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property. Any assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Authority hereunder to the extent that such rights and obligations have been assigned by the Authority pursuant to the assignment documentation between the Authority and the assignee. The Authority may furnish any information concerning the Property Owner in its possession from time to time to prospective assignees.

(b) In no event shall Property Owner assign or transfer any portion of this Agreement or Property Owner's obligations under the Agreement without the prior express written consent of the Authority, which consent may be granted or withheld in the sole and absolute discretion of the Authority. Sale, transfer, or rental of the Property or any parcel thereof is not an assignment or transfer of this Agreement.

Section 17. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 18. Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Contract or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

Section 19. Notices All. notices and demands shall be given in writing by first class mail, postage prepaid, by personal delivery (by recognized courier service or otherwise), or via electronic mail. Notices shall be considered given upon the earlier of (a) receipt of electronic mail or personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid. Notices shall be addressed as provided below and incorporated herein by this reference for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice. Notwithstanding anything set forth above, after disbursement of the Disbursement Amount to Owner, all notices regarding the assessment shall be sent only as provided by state law.

If to Authority: Western Riverside Council of Governments

~~4080 Lemon Street, 3rd Floor MS 1032~~
3390 University Avenue, 4th Floor
Riverside, CA 92501
Attention: Executive Director

If to Program Administrator:	Greenworks Lending LLC 28 Thorndal Circle, 3rd Floor Darien, CT 06820 Attn: Alexandra Cooley acooley@greenworkslending.com and servicing@greenworkslending.com
If to Property Owner:	[Name] [Address] [Phone] [Email]

Section 20. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 21. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Riverside, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 23. No Waiver; Amendments. No waiver of any default or breach by Property Owner hereunder shall be implied from any failure by the PACE Program Administrator or the Authority to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by Property Owner and the Authority. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonable be required in order to carry out the expressed intention of this Agreement

Section 24. Waiver of Jury Trial and Class Action. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Its: _____

ACKNOWLEDGED AND ACCEPTED BY:

GREENWORKS LENDING LLC

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____
Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

EXHIBIT B

IMPROVEMENTS

IMPROVEMENT	AMOUNT
	$
TOTAL PROJECT AMOUNT TO BE FINANCED	$

EXHIBIT C

ASSESSMENT SCHEDULE

Tax Year	Principal (a)	Interest (b)	Administrative Expenses (c)*	Total (a) + (b) + (c)
2017 – 2018	$	$	$	$
2018 – 2019				
2019 – 2020				
2020 – 2021				
2021 – 2022				
2022 – 2023				
2023 – 2024				
2024 – 2025				
2025 – 2026				
2026 – 2027				
2027 – 2028				
2028 – 2029				
2029 – 2030				
2030 – 2031				
2031 – 2032				
2032 – 2033				
2033 – 2034				
2034 – 2035				
2035 – 2036				
2036 – 2037				
Total Assessment:	**0**		**Total Payment**	**0**

*Subject to increase pursuant to Section 3(f) of the Agreement.

[Attach notary pages]

Exhibit A

RESIDENTIAL PROPERTIES
PROGRAM APPLICATION



hero HERO Financing Program℠ Application

P: (855) HERO-411 F: (858) 385-0379 E: wrcog@heroprogram.com A: 4080 Lemon Street 3rd Floor. MS1032 Riverside, CA 92501

The Western Riverside Council of Governments (the "Authority") HERO Program (the "Program") finances installation of renewable energy, energy or water efficiency products, or electric vehicle charging infrastructure that are permanently fixed to a property owner's real property ("Eligible Products"). Eligible Products will be financed upon the signing of an assessment contract between the Authority and the property owner ("Assessment Contract"). The Authority has retained Renovate America, Inc. ("RA") to facilitate the Program, and you will see this name throughout the Program materials. The Authority and RA are referred to collectively therein as "Program Administrator."

Property Owner Acknowledgments

In order to participate in the Program, I understand that I need to meet the qualifications listed below. By signing this Application, I acknowledge and represent to the best of my knowledge that I and any other owner(s) of the property which is the subject of this application (the "Property") meet these qualifications and I authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustees whose social security number is provided on this application.

1. Applicant(s) must be the owner(s) of record of the property;
2. Mortgage-related debt on the property must not exceed 90.00% of the value of the property;
3. Property owner(s) must be current on their property taxes and there must be no more than one late payment in the past three years;
4. Property owners must be current on all property debt of the subject property at the time of application and cannot have had more than one 30 day mortgage late payment over the previous 12 months;
5. Property owner(s) must not have had any active bankruptcies within the last seven years, and the Property must not be an asset in an active bankruptcy. However, for all jurisdictions with the exception of the City of San Diego, if a bankruptcy was discharged between two and seven years prior, and the property owner(s) have not had any additional late payments more than 60 days past due in the last 24 months, the property owner may be approved; and
6. The property must not have any federal or state income tax liens, judgment liens, mechanic's liens, or similar involuntary liens on the property.

I understand that to qualify for the Program that the following requirements must be met:

a. The amount to be financed under the Program must be less than 10% of the value of the Property.
b. The combined amount to be financed under the Program plus the mortgage related debt must not exceed 100% of the value of the Property. For properties within the City of San Diego, all mortgage related debt plus the HERO Financing amount must not exceed 95% of the value of the property.
c. All property owners must sign all required documentation, including but not limited to the Application, the Completion Certificate and the Assessment Contract with all other required Financing Documents.
d. Following approval, my contractor or I must call the Program to identify the Eligible Products I would like to purchase, enter into an Assessment Contract with the Authority, and receive Notification to Proceed from the Program before beginning the installation of any Eligible Products. Products which have not been approved by the Program will not be funded.
e. Interest rates may change from the approval date to receiving the Notification to Proceed.

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

1. That the information provided in this Application is true and correct as of the date set forth opposite my signature on the Application and that I understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties including, but not limited to, imprisonment, liability for monetary damages to the Authority, its agents, or successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I have made in this Application, or both.
2. I have the authority to authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustee(s) whose social security number(s) is provided on this Application.
3. I understand that it is my responsibility to receive, read and understand all documents comprising the Program, which, in addition to information on the Program website, include the following:
   a. This Application;
   b. Privacy Policy Notice;
   c. Assessment Contract; and
   d. Program Handbook.

   I have had an opportunity to ask Program representatives and/or my legal counsel any questions I have regarding the documents listed above. I understand I will be asked to sign the Assessment Contract, among other documents, as a pre-condition to the closing of the financing.
4. I am applying to participate in the Program. I have the authority, without the consent of any third party, to execute and deliver this Application, the Assessment Contract, and the various other documents and instruments referenced herein.
5. I understand that the financing provided pursuant to the Assessment Contract will be repayable through an assessment levied against the Property. I understand that an assessment lien will be recorded by the Authority against the Property in the office of the County Recorder of the County of Riverside upon execution of the Assessment Contract. The property tax bill (which will include the assessment payments) for the Property will increase by the amount of these assessment installment payments. The Assessment Contract will specify the amount of the assessment, the assessment installments and the interest on the assessment to be collected on the property tax bill for the Property each year during the term specified in the Assessment Contract. The assessment and the interest and any penalties thereon will constitute a lien against the Property until they are paid. As with all tax and assessment liens, this lien will be senior to all existing and future private liens against the Property, including mortgages, deeds of trust and other security instruments.

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Disclosures

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. A full understanding of any item listed below can be gained only by reviewing the relevant laws, policy statements, and/or the contractual documents related to the Program. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or if you need copies of any document related to the Program.

1. Program Disclosures and Disclaimers.

   a. **Existing Mortgage.** The Program establishes the manner by which the Authority may finance, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), the installation of Eligible Products. Eligible Products will be financed pursuant to an Assessment Contract between you and the Authority.

   BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) WHICH AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO A PROGRAM ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY the Authority. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

   If your lender requires an impound for your property taxes, please consider notifying them of the annual assessment payment amount so they can adjust your impound amount.

   b. **Interest Rate.** You will be charged a fixed interest rate on your total financed amount. Your interest rate will be set at the time your financing documents are issued. Interest rates may change from the approval date to the date the Notification to Proceed is sent.

   c. **Program Administration Fee.** At the time of closing, the Authority will charge you a one-time administration fee of 6.95% of the principal amount of the assessment on the Property to cover the costs of administering the Program. This fee will be added to the assessment amount.

   d. **Recording Fee.** At the time of closing, the Authority will pass-through the assessment recording fee of approximately $95.00 to you to cover the costs of recording the assessment. This fee will be added to the assessment amount.

   e. **Assessment Administration Fee.** Each year, an annual assessment administrative fee will be added to the assessment lien amount on your property tax bill. Currently these costs are $35.00 and there will be adjustments in subsequent years for cost of living increases, not to exceed $95.00.

   f. **Interest Before First Payment:** Based on the date an assessment is recorded on your property the payment of assessment installments may not begin until the following year's property tax bill. As a result interest will be added to the assessment amount for the period between your closing date and the date of your first assessment payment. The maximum amount of interest will be listed on your Final Payment Summary, which will be provided with your financing documents.

   g. **Automated Valuation Model Disclosure.** You have the right to a copy of the automated valuation model (AVM) report used in connection with your application for credit. If you want to obtain a copy, please email or write to us at the address we have provided. We must hear from you no later than 90 days after we provide you with a notice of the action taken on your application or a notice of incompleteness, or in the case of a withdrawn application, 90 days after the withdrawal. An AVM is not an appraisal. It is a computerized property valuation system that is used to derive a real property value.

   h. **Foreclosure.** Not later than October 1 each year, the Authority shall determine whether any annual assessment installment is not paid when due and shall have the right and obligation to order that any such delinquent payment, penalties, interest, and associated costs be collected by an action brought in Superior Court to foreclose the lien of such delinquent assessment installment in the manner provided and to the extent permitted by applicable law.

   i. **Prepayment.** You have the option to pay off your assessment amount at any time in full, or in any amount of at least $2,500. A prepayment is calculated to include the principal amount of the assessment to be prepaid (Assessment Prepayment Amount) and interest on the Assessment Prepayment Amount to the earlier of March 2 or September 2 occurring at least 50 days following the date the prepayment is made.

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j. **No Endorsement, Warranty or Liability.** The Authority, Renovate America, Inc., and the Program do not endorse any manufacturer, contractor, product, or system, or in any way warranty such equipment, installation, or the efficiency or production capability of any equipment. The Authority, Renovate America, Inc. and the Program make no representations and have no responsibility regarding the equipment and its installation, including the quality, safety, cost savings, efficiency or production capability of any equipment; or any compliance of the equipment or its installation with any applicable laws, regulations, codes, standards or requirements. Further, the Authority, Renovate America, Inc. and the Program shall not be in any way liable for any incidental or consequential damages resulting from the equipment or its installation.

k. **Validation.** The Program may validate that installed Eligible Products meet Program eligibility requirements including requiring the applicant to provide additional sales receipts, contractor invoices, serial numbers or other identifying details, portions of packages or stickers originally attached to the installed Eligible Products beyond what the Program already requires to be provided. The Program reserves the right to perform independent on-site validation(s) of any Eligible Products financed by the Program even if permit inspections have already been completed. If a validation visit is required, Program staff will schedule any such on-site validation visit with the property owner, at any reasonable time and with reasonable notice. In addition, the Program reserves the right to perform online monitoring of any installed renewable energy systems' generation data, if applicable, as well the tracking of energy consumption impacts and utility usage for any installed/financed product via property utility bill data. You, by submitting this application, consent to any such onsite validations, online monitoring, and utility bill energy usage analysis. By submitting this application, you also agree to sign the authorization form to participate in utility billing energy usage analysis to measure Program impact savings and participant satisfaction.

2. Legal Disclosures

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

b. **Fair Credit Reporting Act.** As part of assembling your Program application, the Authority has requested a consumer report bearing your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.

c. **The Housing Financial Discrimination Act Of 1977.** It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:

   i. trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice; or
   ii. race, color, religion, sex, marital status, domestic partnership, national origin or ancestry.

d. **Patriot Act Disclosure.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identities each person who opens an account. What this means for you: As part of applying to the Program, the Authority may be required to ask for your name, address, date of birth, and other information that will allow it to identify you. The Authority may also need a copy of the driver's license or other identifying documents from any and all borrowers and guarantors.

e. **Communications with Legal Advisers.** If you have any questions about any agreements or security instruments which affect the Property or to which you are a party, or about your authority to execute the Program Application or enter into an Assessment Contract with the Authority without the prior consent of your existing lender(s), the Program strongly encourages you to consult with your own legal counsel and your lender(s). Program staff cannot provide you with advice about existing agreements or security instruments.

f. **Monitoring and Recording Telephone Calls.** The Program may monitor or record telephone calls for security and customer service purposes. By applying for HERO Financing, you consent to have any phone conversations with the Program recorded or monitored.

Property Owner Signature(s)

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

	_____	_____ Date	_____	_____ Date
	_____	_____ Date	_____	_____ Date

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FOR CONTRACTOR CALL IN ONLY

Property Address

Property Owner

Ownership Type:

Property Owner 2

Property Owner Signature(s)

I declare that I have the authority, without the consent of any third party which has not been previously obtained, to execute and deliver the Application, Assessment Contract, and the various documents and instruments referenced therein.

	Date		Date
	Date		Date

If you do NOT wish to receive email communications from the Program and would prefer all communications to occur through the U.S. mail instead, please contact us.

☐ Please check this box if you do NOT want to receive newsletters or other marketing materials from the Program or Renovate America, Inc.

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Exhibit B

HERO COMMERCIAL
COMMERCIAL PROPERTIES
PROGRAM APPLICATION

SAMAS COMMERCIAL
COMMERCIAL PROPERTIES
PROGRAM APPLICATION

APPLICATION DATE:
_____/____/_____

FOR OFFICIAL USE ONLY

DATE RECEIVED: ____/____/_____

FILE #: _____

PROPERTY ADDRESS:

_____

_____ **OCCUPANCY TYPE:** ☐ Owner-Occupied ☐ Tenant-Occupied
☐ Both

DESCRIBE OCCUPANTS' BUSINESSES: _____

PROPERTY TYPE:

☐ Multi-Family (5+ units) ☐ Small Commercial ☐ Large Commercial ☐ Industrial ☐ Agricultural ☐ Other: _____

MAILING ADDRESS:
(if different from property address)

PROPERTY OWNER TYPE:

☐ Individual ☐ Trust ☐ Corporation ☐ Partnership ☐ Other: _____

PROPERTY OWNER #1 INFORMATION (Should be person/entity who handles all program contacts):

_____ _____ _____

_____ _____ _____ _____

PROPERTY OWNER #2 INFORMATION:
(If there are additional Property Owners or Trustees, please provide additional sheet(s) with property owner information.)

Assets	Amount	Liabilities	Amount
Cash in Banks		Notes Payable	
Accounts Receivable		Accounts Payable	
Notes Receivable		Income Tax Payable	

Securities Owned		Other Taxes Payable	
Real Estate		Mortgages or Liens on Real Estate	
Other Assets		Other Liabilities	
Total		Total	

Property Income (Annual)	Amount	Property Expenses (Annual)	Amount
Rent		Maintenance and Repairs	
Other Income		Property Taxes	
Interest		Property Insurance	
Total		Total	

Commercial Real Estate Schedule						
Address / Type of Property	**Title in Name of**	**How Held**	**Cost / Year Acquired**	**Monthly Income**	**Present Market Value**	**Total Balance Owed**

Mortgages and Liens on Commercial Real Estate							
Property ID	**To Whom Payable**	**1or 2Mtg. ?**	**Monthly Paymt.**	**Current?**	**Security**	**Maturity Date**	**Principal Remaining**

Notes Payable				
Name of Debtor	**Collateral**	**Monthly Paymt.**	**Maturity Date**	**Total Amount Due**

Commercial Property Insurance						
Property ID	**Insured**	**Coverage**	**Insurance Co.**	**Effective Dates**	**Date Premium Paid Through**	**Annual Premium**

FINANCIAL STATEMENT QUESTIONS

Please explain all “yes” answers on a separate sheet.

☐ ☐ Do(es) the Property Owner(s) have any outstanding judgment(s)?

☐ ☐ Do(es) the Property Owner(s) have any tax obligations, including payroll or real estate taxes, that are past due?

☐ ☐ Is/Are the Property Owner(s) a party in any active or threatened lawsuit(s) or other legal action(s)?

☐ ☐ Has(ve) the Property Owner(s) had property foreclosed or give title or deed in lieu thereof?

☐ ☐ Has(ve) the Property Owner(s) compromised a debt or modified a mortgage loan in the last 12 months?

☐ ☐ Is the subject Property cross-collateralized?

PROPOSED BUILDING IMPROVEMENTS

	DESCRIPTION	CONTRACTOR PROVIDING BID	ESTIMATED COST
1	**Description:** _____ **Brand:** _____ **Model #:** _____ **Quantity:** _____ **Efficiency Level:** _____	_____ _____ _____	**$** _____
2	**Description:** _____ **Brand:** _____ **Model #:** _____ **Quantity:** _____ **Efficiency Level:** _____	_____ _____ _____	**$** _____
3	**Description:** _____ **Brand:** _____ **Model #:** _____ **Quantity:** _____ **Efficiency Level:** _____	_____	**$** _____

ITEMIZED ESTIMATED COST OF IMPROVEMENT(S)

(i) Construction contract(s) (bid price for cost of materials and labor less any applicable rebates): and/or	**$** _____
(ii) If self-installing, cost of equipment (less applicable rebates; do not include any labor costs):	**$** _____
Energy assessment/audit costs	**$** _____
Draft, engineering and/or plan preparation costs:	**$** _____
Estimated Permit fees:	**$** _____
Recording Fee for Assessment Lien documents and assessment contract. Set by state law and the County Recorder's Office	**$** _____
Title Costs	**$** _____
Other Please list (Attach separate sheet(s) explaining other costs if needed.)	**$** _____
Other: _____	**$** _____
Other: _____	**$** _____
Requested Financing Amount: This requested amount is the maximum amount that can be funded.	**$** _____
Loan Term (5, 10, 15, 20 years):	

APPLICANT(S) SIGNATURES

By signing this Application, the undersigned hereby declares under penalty of perjury under the laws of the State of Missouri that all property owner(s) and/or trustees have read, understand, and agree to all sections of the Program Handbook and that all information set forth in this Application is true, accurate, and complete.

(Applicant Signature) (Date)	(Applicant Signature) (Date)
(Printed Name, Business Name, Title (if applicable))	(Printed Name, Business Name, Title (if applicable))
(Applicant Signature) (Date)	(Applicant Signature) (Date)
(Printed Name, Business Name, Title (if applicable))	(Printed Name, Business Name, Title (if applicable))

COMMERCIAL APPLICATION
RENT ROLL DETAILS FORM

Unit #	Unit Type	Tenant Name	Square Feet	Monthly Rent	Term		Comments
					Start	End	
Prospective Tenants							

Rent Roll Certification:
I/We certify that the attached rent roll(s) dated_____for the property located at _____ is/are true and correct.

By:_____

Exhibit C

RENEW FINANCIAL PACE
RESIDENTIAL PROGRAM APPLICATION

Renew Financial FINANCING APPLICATION

1) Application Information

CF-00065876 Application ID	**February 17, 2017** Application Date	

2) Property Information

Single Family Residential Property Type		
978 Stannage Ave Street Address		
Albany City	**CA** State	**94706** Zip

3) Contractor Information

☒ **Contractor-Install** ☐ **Self-Install**

180 Solar Power Company Name *(Not Applicable if Self Install)*		
320 east 2nd ave, Suite 101 Street Address		
escondido City	**CA** State	**92025** Zip

4) Owner Information

individual Owner Type	**yes** Is Primary Contact for Application?	
Golden First Name	**Path** Last Name	**XXX-XX-XXXX** SSN
XX-XX-XXXX Birth Date	**(XXX)XXX-XXXX** Phone	**mhernandez@renewfinancial.com** Email
978 Stannage Ave Mailing Street Address		
Albany Mailing City	**CA** Mailing State	**94706** Mailing Zip

5) Maximum Eligible Project Amount

The Maximum Eligible Project Amount is the highest possible project amount for which you qualify with CaliforniaFIRST financing. Below is a list of requested products you want to install. If your Total Project Amount increases, you may need to re-sign new Financing Documents.	**$99,779.42**

6) Eligible Product(s)

	Product Type	Requested Project Amount
1	**Solar Panels - With Monitoring**	**$10,000.00**

Total Project Amount	**$10,000.00**

FINANCING APPLICATION DISCLOSURE

Application ID: **CF-00065876**
Property Address: **978 Stannage Ave**
Albany, CA 94706

Under the Energy Efficiency and Water Conservation Program for Western Riverside County ("Program"), the Western Riverside Council of Governments ("WRCOG") finances installation of certain renewable energy, energy efficiency and/or water efficiency products that are permanently fixed to real property ("Eligible Products"). Eligible Products will be financed by levying a contractual assessment and placing a lien on your real property. The assessment will be repaid by collecting payments through annual installments that will be included on your property tax bill, consistent with an assessment contract between WRCOG and the property owner(s) ("Assessment Contract"). As discussed below, these installments will include interest, fees, annual costs and other costs. The Program is administered by Renew Financial Group LLC ("Program Administrator"). The Program Administrator manages the Program Call Center and daily activities of the Program.

All relevant information about the Program can be found in the CaliforniaFIRST Program Residential Property Owner Handbook ("Property Owner Handbook") including a list of Eligible Products and is discussed below. The list of cities and counties participating in the Program ("Participating Communities") is available on the Program website and in the Property Owner Handbook.

Program Requirements and Terms

The following requirements and terms apply to the Program. By signing this application, you acknowledge these requirements and terms and certify that, to the best of your knowledge, all applicable requirements have been satisfied. To verify that certain requirements have been satisfied, you authorize the Program Administrator to obtain a credit report for the property owner(s) and/or trustee(s) whose social security numbers are provided on this application.

The property identified above (the "Property") is within a Participating Community, is used for residential purposes, has three (3) units or fewer, and is not undergoing development.

There is at least 10% equity in the Property (in other words, mortgage-related debt is no more than 90% of the value of the Property). In addition, the amount financed under the Program is the lesser of $200,000 or 15%of the value of the Property and, when combined with any other debts or obligations secured by the Property, cannot exceed 100% of the value of the Property.

Taxes on the Property must be current for the prior twelve (12) months and have not have been paid late more than once during the prior three (3) years (or since the purchase of the Property if owned by the current property owner(s) for less than 3 years). The Property is not subject to any current federal or state income tax liens, judgment liens, mechanic's liens, similar involuntary liens, or other liens/judgments.

All debts and obligations secured by the Property must be current and no mortgage payment can have been more than thirty (30) days late during the previous twelve (12) months. There have been no notices of default or foreclosure filed against the Property within the last two (2) years (or since the purchase of the Property if owned by the current property owner(s) for less than 2 years). The Property cannot be an asset in a bankruptcy proceeding and property owner(s) have not been involved in a bankruptcy proceeding during the past two (2) years.

The Property's title is not subject to power of attorney, easements, or subordination agreements restricting authority of the property owner(s) to subject the Property to a PACE lien, other than issues related to standard mortgage loan agreements.

All owners of record of the Property have signed this application and all other required Program documentation.

The maximum term of the financing per Property is the lesser of a) the useful economic life of the greatest Eligible Product or approved Custom Product cost financed with respect to such Property and b) thirty (30) years.

The all in tax rate on the Property may not exceed 5% of the subject Property value.

State incentive and rebate programs are available and participating property owners must declare any rebates received for the project.

Program Rates, Fees, and Costs

Below are the rates, fees and costs of the Program. For rates, fees and costs specific to your application please see the Assessment Contract and Financing Statement.

Note that 15% of Property Value is only available for the first $700K of the property value, then 10% is applied.

RATES	
Fixed Interest Rate. The rate will be set when the Assessment Contract is issued and will be locked for **90-120** days (depending on the Eligible Products being financed). Installation of the Eligible Products must be completed and a Completion Certificate must be submitted to WRCOG by this date or the interest rate may change.	**Set Daily.**
Annual Percentage Rate (APR). Interest and certain other costs over the Assessment term expressed as a rate. This is not your interest rate.	**Varies.** **Based on interest rate and other costs.**
UPFRONT COSTS	
Program-Related Fees. One-time charges. Includes program administration, origination, program sponsor, bond counsel, and tax administration.	**Not to exceed 6.40% of Assessment Amount**
Lien Recording. The amount charged by the government for recording notice documents relating to the assessment on the Property.	**Varies by county.** **Not to exceed $86.**
Reserve Fund. One-time charge deposited into debt service reserve fund for bonds issued by WRCOG to finance projects in the Program.	**0.25% of Assessment Amount**
CAEATFA PACE Loss Reserve Program. One-time charge for participation in the CAEATFA PACE Loss Reserve Program.	**$0**
Foreclosure Expense Reserve Account. One-time charge deposited into a reserve account that WRCOG will use to pay for the costs of foreclosing on the Property and other properties participating in the Program as a result of a delinquency in the payment of any Financing Installment or Administrative Expenses.	**Varies.** **Not to exceed $10 per transaction.**
Capitalized Interest. A lump sum interest charge for the period prior to the first tax year in which payment is made.	**Varies based on when financing begins.**
ANNUAL COSTS	
Estimated Administrative Expenses. An annual charge that will change based on the costs of the Program.	**$XX. May be increased over time.**

Additional Disclosures

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. Additional information regarding the Program is provided in the Assessment Contract and the other Program documents. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or for copies of any document related to the Program.

7) **Existing Mortgage**. The Program establishes the manner by which WRCOG may finance, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), the installation of Eligible Products. Eligible Products will be financed pursuant to an Assessment Contract between you and WRCOG. BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) THAT AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO AN ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY WRCOG. THIS MAY MEAN THAT PROPERTY OWNERS

   WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS, AND ANY ASSOCIATED PREPAYMENT PENALTIES, AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING. RENEW FINANCIAL DOES NOT CHARGE A PERCENTAGE OF THE OUTSTANDING BALANCE TO THE PROPERTY OWNER AS A PENALTY BASED ON THE YEAR IN WHICH THEY MAKE PAYMENT. HOWEVER, DEPENDING ON WHEN THE PREPAYMENT IS MADE, ACCRUED INTEREST UNTIL THE NEXT PAYMENT DATE TO BOND HOLDERS – TWICE A YEAR IN SEPTEMBER AND MARCH – MUST BE PAID AT TIME OF PREPAYMENT. If your lender requires an impound for your property taxes, you should notify the lender of the annual assessment payment amount so they can adjust your impound amount.

8) **Valuation Disclosure**. We will order an automated valuation of the Property. We will promptly give you a copy of this valuation, even if your financing does not close. You can pay for an additional appraisal for your own use and to establish the property value at your own cost.

9) **Foreclosure**. Not later than October 1 each year, WRCOG will determine whether any annual assessment obligation is not paid when due and will have the right and obligation to order that any such delinquent payment, penalties, interest, and associated costs be collected by an action brought in Superior Court to foreclose the lien of such delinquent assessment obligation in the manner provided and to the extent permitted by applicable law. By December 1 of the same year, WRCOG may initiate the order to foreclose.

10) **No Endorsement, Warranty or Liability**. WRCOG, purchasers of bonds issued by WRCOG, and the Program Administrator do not endorse any manufacturer, contractor, product, or system, or in any way warranty such equipment, installation, or the efficiency or production capability of any equipment. WRCOG, purchasers of bonds issued by WRCOG, and the Program Administrator make no representations and have no responsibility regarding the equipment and its installation, including the quality, safety, cost savings, efficiency or production capability of any equipment; or any compliance of the equipment or its installation with any applicable laws, regulations, codes, standards or requirements. Further, WRCOG, purchasers of bonds issued by WRCOG, and the Program Administrator shall not be in any way liable for any incidental or consequential damages resulting from the equipment or its installation.

11) **Validation**. The Program Administrator may validate that installed Eligible Products meet Program eligibility requirements including requiring the applicant to provide additional sales receipts, contractor invoices, serial numbers or other identifying details, portions of packages or stickers originally attached to the installed Eligible Products beyond what the Program already requires to be provided. The Program Administrator may also conduct an inspection to validate installation of Eligible Products at qualified locations. You, by submitting this application, consent to any such onsite validations, which shall be conducted during normal business hours following advance notice to you. By submitting this application, you also agree to sign the authorization form to participate in billing energy usage analysis to measure Program impact savings and participant satisfaction.

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

13) **Fair Credit Reporting Act.** As part of assembling your Program application, WRCOG has requested a consumer report bearing on your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.

14) **Communications with Legal Advisers**. If you have any questions about any agreements or security instruments that affect the Property or to which you are a party, or about your authority to execute this application or enter into an Assessment Contract with WRCOG without the prior consent of your existing lender(s), we strongly encourage you to consult with your own legal counsel and your lender(s). Program staff cannot provide you with advice about existing agreements or security instruments.

15) **Monitoring and Recording Telephone Calls**. The Program Administrator may monitor or record telephone calls for security and customer service purposes. By applying for CaliforniaFIRST Financing, you consent to have any phone conversations with the Program Administrator recorded or monitored.

16) **Married Applicants.** A married applicant whose spouse does not have an ownership interest in the Property may apply for a separate account.

THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977 FAIR LENDING NOTICE

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

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

2) **RACE, COLOR, RELIGION, SEX, MARITAL STATUS, DOMESTIC PARTNERSHIP, NATIONAL ORIGIN OR ANCESTRY.**

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

THESE PROVISIONS GOVERN FINANCIAL ASSISTANCE FOR THE PURPOSE OF THE PURCHASE, CONSTRUCTION, REHABILITATION OR REFINANCING OF ONE- TO FOUR-UNIT FAMILY RESIDENCES OCCUPIED BY THE OWNER AND FOR THE PURPOSE OF THE HOME IMPROVEMENT OF ANY ONE- TO FOUR-UNIT FAMILY RESIDENCE.

IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS, OR IF YOU WISH TO FILE A COMPLAINT, CONTACT THE MANAGEMENT OF THIS FINANCIAL INSTITUTION OR:

SECRETARY OF BUSINESS, TRANSPORTATION AND HOUSING
980 9TH STREET, SUITE 2450
SACRAMENTO, CALIFORNIA 95814

Property Owner Declaration and Signature(s)

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

1) That the information provided in this Application is true and correct to the best of my knowledge as of the date set forth opposite my signature below and that I understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties including, but not limited to, imprisonment, liability for monetary damages to WRCOG, its agents, or successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I have made in this Application, or both.

2) I have provided information to the Program Administrator regarding other PACE liens on the subject property, if applicable.

3) I have the authority to authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustee(s) whose social security number(s) is provided on this application.

4) I have the authority to authorize the Program Administrator to share relevant information on application and financing status with the contractor(s) indicated on this application. The Program Administrator will not share social security numbers with the contractor(s).

5) I understand that it is my responsibility to receive all necessary approvals from my homeowners' association and/or historical review board, as applicable to my Property and project.

6) I understand that it is my responsibility to receive, read and understand all documents regarding the Program, which, in addition to the information on the Program website, include without limitation the following:

   a. Residential Property Owner Handbook;
   b. Financing Application and Disclosure; c. Assessment Contract;
   d. Financing Statement;
   e. Notice of Right to Cancel;
   f. Electronic Record and Signature Disclosure;
   g. Privacy Policy Notice;
   h. Self-Install Agreement (if applicable);
   i. Notice to Proceed; and
   j. Completion Certificate.

I have had an opportunity to ask Program representatives and/or my legal counsel any questions I have regarding the documents listed above. I understand I will be asked to sign the Assessment Contract, among other documents, before receiving any funds.

I am applying to participate in the Program. I have the authority, without the consent of any third party, to execute and deliver this application, the Assessment Contract, and the various other documents and instruments referenced herein.

I understand that the financing provided pursuant to the Assessment Contract will be repayable through an assessment levied against the Property. I understand that a special priority assessment lien will be recorded by WRCOG against the Property in the office of the County Recorder of the County in which the Property is located upon execution of the Assessment Contract. The property tax bill for the Property will increase by the amount of installments sufficient to repay the assessment (with interest) and related administrative expenses. The Assessment Contract will specify the amount of the assessment and the assessment obligations (including principal, interest, and estimated administrative expenses) to be collected on the property tax bill for the Property each year during the assessment term specified in the Assessment Contract. The assessment obligations and any associated penalties will constitute a lien against the Property until they are paid. As with all tax and assessment liens, this lien will be senior to all existing and future private liens against the Property, including mortgages, deeds of trust and other security instruments.

I acknowledge receipt of a copy of The Housing Financial Discrimination Act of 1977 Fair Lending Notice.

I declare that: (i) I have the authority, without the consent of any third party which has not been previously obtained, to execute and deliver this application and attest to the accuracy of the information indicated in this application; (ii) I have received, read and understand the risks and characteristics of the Program described above; and (iii) I have been informed that I must take the sole responsibility to satisfy myself that executing the Assessment Contract, receiving financing for Eligible Products, and consenting to the assessment levied against the Property will not constitute a default under any other agreement or security instrument (including, specifically, the terms of any mortgage on the Property) which affects the Property or to which I am a party.

Golden_Path_signature	Golden_Path_date
Golden Path Signature	Date

Exhibit D

NOTICE OF ASSESSMENT

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO
Secretary to Executive Committee
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor. MS1032
Riverside, CA 92501-3609

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

(Recorded Pursuant to California Streets & Highways Code section 5898.32)

NOTICE OF ASSESSMENT

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS LIMITED OBLIGATION IMPROVEMENT BONDS (ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY)

On January 12, 2011, the Executive Committee of the Western Riverside Council of Governments ("WRCOG"), County of Riverside, State of California, adopted its Resolution No. 07-11 (the "Resolution") whereby the Executive Committee approved a report (the "Program Report") prepared by the Executive Director, in accordance with Section 5898.22 of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), established the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County (the "Program") to be implemented as provided in the Program Report, confirmed that voluntary contractual assessments may be levied against parcels within the jurisdictions of the member agencies of WRCOG participating in the Program (the "Program Area") within the parameters of the Program Report to finance certain distributed generation renewable energy sources, energy or water efficiency improvements, or electrical vehicle charging infrastructure (the "Improvements").

Pursuant to the requirements of Sections 5898.32 of the Streets and Highways Code, the undersigned Secretary of the Executive Committee of WRCOG, at the direction of such Executive Committee, HEREBY GIVES NOTICE that pursuant to Chapter 29, the Resolution, and the Program Report, as initially approved and as amended to date, WRCOG and the record owner(s) (the "Record Owners") of the real property described on Exhibit "A" to this Notice, attached hereto and incorporated herein by reference (the "Property") have entered into an assessment contract with WRCOG (the "Assessment Contract"), a copy of which is contained in Exhibit "B" to this Notice, attached and incorporated herein by this reference. Pursuant to the Assessment Contract, WRCOG is making a disbursement in the principal amount of $ (the "Disbursement") to the Record Owners of the Property to finance the acquisition and installation and/or construction on the Property of the Improvements identified in the Assessment Contract. Pursuant to the Assessment Contract, the Record Owners agree that the Property is subject to an assessment levied against the Property pursuant to Chapter 29 in the principal amount of the Disbursement, as provided in the Assessment Contract, together with fees and interest thereon, for a total Assessment in the amount of $ (the "Assessment") as set forth in the payment schedule on Exhibit "B" to the Assessment Contract. In addition, so long as the Assessment is unpaid, the Record Owners agree that the Property is subject to an annual

administrative assessment levied against the Property to pay costs of WRCOG which result from the administration and collection of the Assessment and from the administration or registration of any associated bonds or other financing arrangement, as described in the Program Report, and from the administration of any reserve fund and other related funds (the "Annual Administrative Assessment"). The Annual Administrative Assessment shall not exceed the amount authorized pursuant to the HERO Residential Program Handbook.

NOTICE IS FURTHER GIVEN that upon the recording of this notice in the office of the County Recorder, the Assessment shall become a lien upon the Property. In addition, the Annual Administrative Assessment shall become a lien upon the Property at the same time as property taxes upon the Property become a lien each year.

Dated:

Western Riverside Council of Governments
Program Administrator

By: _____
Authorized Officer

EXHIBIT "A"

IDENTIFICATION OF PROPERTY OWNERS AND PROPERTY DESCRIPTION

Owner(s) Names:

Address:

APN(s):

County:

Legal Description:

Exhibit E

PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

RECORDING REQUESTED BY &
WHEN RECORDED RETURN
TO:

Secretary to Executive Committee
Western Riverside Council of
Governments
~~4080 Lemon Street, 3rd Floor MS 1032~~
3390 University Avenue, Suite 450
Riverside, CA 92501

PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

Pursuant to the requirements of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, as amended, commencing with Section 5898.10 (the "Act"), including without limitation Section 5898.24(d) of the Act, and in furtherance of Section 1102.6b of the California Civil Code, Western Riverside Council of Governments ("WRCOG") hereby provides notice of the levy and collection by WRCOG of a contractual assessment under the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County (the "Program"), established and authorized pursuant to the Act. Pursuant to the Act and the Program, WRCOG and the current owner(s) described below (the "Owners") of the real property (the "Property") described herein have entered into that certain assessment contract entitled, "Assessment Contract," dated as of, by and between WRCOG and the Owners (the "Assessment Contract"). Pursuant to the Assessment Contract and the Act, the Owners have requested and voluntarily agreed to WRCOG's imposition of a contractual assessment against the Property (the "Contractual Assessment"), which is generally collected by the County of Riverside, on behalf of WRCOG, through the consolidated property tax bill.

Current Owner(s):

Legal Description of Property and Assessor's Parcel Number: See Exhibit "A" attached hereto.

Annual Amount of Contractual Assessment: See Exhibit "B" attached hereto.

Expiration of the Contractual Assessment: The date upon which the Contractual Assessment and all accrued interest thereon, together with any applicable penalties, costs, fees and other charges, have been paid.

Purpose for Which Funds Will Be Used: The funds from the Contractual Assessment will finance the acquisition and construction and/or installation on the Property of the renewable energy system(s), energy efficiency and/or water efficiency improvement(s) that are permanently affixed to the Property and identified in the Assessment Contract (the "Work").

Contact Information: The specific contact information for WRCOG and more information regarding the Contractual Assessment may be obtained from the Program Manager at 3390 University Avenue, Suite 450, Riverside, California (address), tel: (951) 405-6700.

Dated:

Western Riverside Council of
Governments Program Administrator

By:_____ Authorized Officer

Exhibit F

COMBINED NOTICE OF ASSESSMENT AND
PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO
Secretary to Executive Committee
Western Riverside Council of
Governments
~~4080 Lemon Street, 3rd Floor 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

Executive Committee, HEREBY GIVES NOTICE that pursuant to Chapter 29, the Resolution, and the Program Report, as initially approved and as amended to date, that:

1. **Record Owners and Legal Description of Property.** WRCOG and **John Smith,** the record owner(s) (the "Record Owners") of the real property described on Exhibit "A" to this Notice, attached hereto and incorporated herein by reference (the "Property") have entered into an assessment contract with WRCOG (the "Assessment Contract"), a copy of which is contained in Exhibit "C" to this Notice, attached and incorporated herein by this reference. Pursuant to the Assessment Contract and the Act, the R ec or d 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: _____

EXHIBIT "A"

IDENTIFICATION OF PROPERTY OWNERS AND PROPERTY DESCRIPTION

Record Owner(s) Names: John
Smith

Address: 4141 Capital St, San Diego, CA 92115

APN(s): 123123124

County: San Diego

Legal Description:

THE FOLLOWING DESCRIBED REAL PROPERTY IN THE CITY OF SAN DIEGO, COUNTYOF SAN DIEGO, STATE OF CALIFORNIA:LOT 77, PARK VISTA UNIT NO. 2, IN THE COUNTY OF SAN DIEGO, STATE OFCALIFORNIA, ACCORDING TO MAP THEREOF NO. 2900, FILED IN THE OFFICE OFTHE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, AUGUST 20, 1952.

EXHIBIT "B"
SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS, INCLUDING PRINCIPAL, INTEREST AND THE ANNUAL ASSESSMENT ADMINISTRATIVE FEE

Tax Year	Principal	Interest	Total Principal and Interest	Current Annual Assessment Administrative Fee**	Total Annual Assessment Installment
2015-2016					
2016-2017					
2017-2018					
2018-2019					
2019-2020					
2020-2021					
2021-2022					
2022-2023					
2023-2024					
2024-2025					

**Subject to increase pursuant to the Assessment Contract.

EXHIBIT "C"
ASSESSMENT CONTRACT

Item 6.A

PACE Programs Activities Update

Attachment 7

CA HERO Program Report Amended January 2018- addition of Greenworks Lending, LLC

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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, 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, 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, PITTSBURG, PLACENTIA, PLACERVILLE, PLEASANT HILL, 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, 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, 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 JANUARY 8, 2018

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PROGRAM INTRODUCTION

This California HERO Program Report (this "Program Report") provides an overview of a property assessed clean energy ("PACE") municipal financing program called the California HERO Program (the "California HERO Program", “HERO,” “SAMAS Commercial”, “Greenworks”, or “Program”) for cities and counties that elect to participate in the California HERO Program.

A Residential Program Handbook and a Commercial Program Handbook (collectively “Handbooks”) are incorporated herein by reference into this Program Report and supplement and provide further details on the Program.

PURPOSE OF THE CALIFORNIA HERO PROGRAM

The Western Riverside Council of Governments (“WRCOG” or “Agent”) is making the California HERO Program available to every city and county in California to encourage installation of distributed generation renewable energy sources, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure for residential and commercial property owners. The Agent has partnered with Renovate America for residential and SAMAS Capital and Greenworks LLC for commercial to make HERO available throughout the State.

The California HERO Program is an economic development program available at no cost to participating cities and counties. HERO finances improvements which decrease energy, create clean renewable energy, or decrease water consumption. In addition to these direct benefits, HERO helps create local jobs, save money, increase property values and lower greenhouse gas emissions.

HERO first launched its residential program in western Riverside County in December 2011 and has received several awards across the state. The commercial Program launched in December 2012.

Southern California Association of Governments
2012 President’s Award for Excellence (Highest Honor)
http://www.compassblueprint.org/toolbox/videos/12awards/wrcog

U.S. Green Building Council
2012 Best Residential Partnership Program in California
http://www.usgbc.org/ShowFile.aspx?DocumentID=18852

Urban Land Institute
2012 Best of the Best

HERO FINANCING

In July, 2008, the California Legislature approved Assembly Bill 811 amending Chapter 29 of the Improvement Act of 1911 (Streets and Highways Code Section 5898.12 and following) ("Chapter 29"), authorizing cities and counties to establish voluntary contractual assessment programs to fund an array of conservation and renewable energy projects proposed by property owners. Assembly Bill 474 was subsequently passed in October 2009 to further amend Chapter 29 to add water efficiency improvements to the list of eligible improvements. Finally, SB 1340 was enacted in 2010 to amend Chapter 29 to authorize the installation of electric vehicle charging infrastructure.

Under the California HERO Program, a contractual assessment is entered into between the property owner and the Agent. Participation by a property owner in such a contractual assessment is 100% voluntary. The contractual assessment is memorialized in a contract between the participating property owner and WRCOG (an "Assessment Contract"). The separate forms of Assessment Contract for Residential properties, i.e., a property developed for a single family home or fewer than three (3) residential dwelling units, or Commercial properties, i.e., all non-residential properties, including apartment buildings with four (4) units or more, are set forth in substantially the forms attached to this Program Report as Appendix E The amount of the contractual assessment is equal to the cost to pay for the eligible improvements ("Eligible Products"), the costs to pay for the issuance of the bonds that will finance the Program, and the costs to administer the Program. Like most assessments, the amounts are billed and collected on the County property tax bill. If the property is sold, the obligation to make the remaining payments on the assessment may remain on the property or may be required to be paid off when the primary mortgage is refinanced or when the property is sold. Additionally, if a property owner fails to pay the annual contractual assessment installments, the Agent is obligated to strip the delinquent installments off the property tax bill and commence judicial proceedings to foreclose the lien of the delinquent installments. This is an expedited procedure that can result in the public sale of the property in less than a year. This process is disclosed to the property owner in the applicable Assessment Contract.

PURPOSE OF THE PROGRAM REPORT

This Program Report is prepared pursuant to Sections 5898.22 and 5898.23 of the California Streets and Highways Code in connection with the establishment of the California HERO Program. This Program Report is supplemented by separate handbooks prepared for the residential and the commercial programs (each, a "Handbook") which are incorporated in this Program Report by reference. This is the document, together with the Handbooks, that establish the parameters of the Program and the requirements for property owner participation in the California HERO Program and fulfills the requirements of Sections 5898.22 and 5898.23. The California HERO Program is offered to property owners in participating Cities and Counties. Cities and the County can make HERO, SAMAS Commercial, and Greenworks available to their constituents by adopting a resolution and entering into an amendment to the WRCOG joint exercise of powers agreement (the "JPA Amendment") pursuant to which such City or County becomes an Associate Member of WRGOG authorizing the Agent to offer the California HERO

Program within the respective boundaries of such Cities and Counties. The Associate Members within which the California HERO Program may be implemented are set forth in Exhibit “B” hereto which delineates the boundaries of the territory within which voluntary contractual assessments may be offered pursuant to the California HERO Program.

RESIDENTIAL AND COMMERCIAL PROGRAM REQUIREMENTS

This section identifies the California HERO Program requirements relating to improvements made on residential and commercial properties.

ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

In order for properties to be eligible to participate in the California HERO Program, the applicant must meet the eligibility requirements listed below. The Handbooks provides additional detail on each criteria.

a. Applicant. Applicant(s) must be the property owner(s) of record.

b. Address. The applicant's property must be located within the boundaries of the California HERO Program. If a property is located in a city, the city must adopt a resolution and enter into the JPA Amendment authorizing the Agent to offer the California HERO Program within its boundaries. If a property is located within the unincorporated territory of a County, the County must adopt a resolution and enter into the JPA Amendment authorizing the Agent to offer the Program within its boundaries. A map showing the areas within which the California HERO Program may be offered is attached hereto as Appendix B.

c. Property Taxes. The property owners must be current on their property taxes within the time period specified in the applicable Handbook.

d. Involuntary Liens. The property must not be subject to involuntary liens, judgments or defaults or judgments in excess of the amount identified in the applicable Handbook.

e. Mortgage Debt. The mortgage debt on the property must not exceed that certain percentage of the value of the property as set forth in the applicable Handbook.

f. Annual Property Taxes. The total annual property tax and assessments, including the contractual assessment, on the property must not exceed 5% of the property's market value, as determined at the time of approval of the Assessment Contract.

g. Bankruptcy. The property owner must not have declared bankruptcy within the time period specified in the applicable Handbook.

ELIGIBLE PRODUCTS, CONTRACTORS AND COSTS

Eligible Products

Property owners are responsible for installation, operation, and maintenance of the Eligible Products installed on their property. Property owners must address performance and other system-related issues directly with the contractor installing the Eligible Products according to the terms of the contract between the property owner and the contractor. The California HERO

Program is a financing program only. Neither the Agent or the City or the County in which the property is located, nor their employees or agents are responsible for the Eligible Products, their installation or their performance.

The California HERO Program affords property owners the opportunity to take advantage of a wide range of eligible renewable energy, energy-saving, and water conservation/efficiency products that are included among the Eligible Products, consistent with the following provisions:

a. The California HERO Program is intended principally to encourage the adoption of renewable energy, energy efficiency and water efficiency measures.

b. The California HERO Program provides financing only for Eligible Products that are permanently affixed to real property.

c. The California HERO Program provides financing only for Eligible Products specified in Appendix A of the report. The list of Eligible Products will be updated from time to time and published in the Handbooks. Broadly, these include:

    a. Water Conservation/Efficiency Products
    b. Energy Efficiency Products
    c. Renewable Energy Systems
    d. Electric vehicle charging infrastructure
    d. Custom Products

d. The property owner must ensure that any and all permits and inspections required by the jurisdiction within which such property is located for the installation of the Eligible Products are obtained.

e. 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.

Contractors

The cost of installation of Eligible Products shall be eligible to be financed under the California HERO Program only if such installation is completed by a contractor that is registered with the Program or by the property owner if self-installing such Eligible Products. A list of contractors that are registered with the Program shall also be located on the Program website. Registration of a contractor with the Program is neither a recommendation of such contractor nor a guaranty of or acceptance of responsibility for work of such contractor by the Agent, Renovate America, Samas Capital, Greenworks LLC, or the City or County in which the property upon which the Eligible Products are installed is located or the officers, employees or agents of such entities. Neither the Agent, Renovate America, Samas Capital, Greenworks LLC or the City or County in which the property upon which the Eligible Products are installed is located, their officers, employees nor agents any have responsibility whatsoever for the selection by a property owner of a registered contractor or the work performed by such registered contractor.

Improvement Costs

Eligible costs of the improvements include the cost of equipment and installation of such equipment. Installation costs may include, but are not limited to, energy and water audit consultations, labor, design, drafting, engineering, permit fees, and inspection charges. Eligible costs do not include labor costs for property owners that elect to do the work themselves.

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

Program staff will evaluate conditions in the construction and installation market for the proposed Eligible Products, including the pricing of Eligible Products, and may require the property owner to obtain additional bids to determine whether costs are reasonable. While the property owner may choose the contractor, the amount available for financing may be limited as set forth in the applicable Handbook.

Administrative Costs/Fees

The Program will cover all or a portion of its costs of establishing the Program; processing, 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 Program through an expense component to be added to the amount of the financing request as set forth in the applicable Handbook. 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 applicable Handbook. These costs may include:

Application Fee. An application fee may be required. 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.

Title and Recording Costs. Title and recording costs, including title insurance, where required, may be paid by the property owner.

Permitting Costs. Property owners are required to verify whether or not a permit and/or inspections are required by the jurisdiction in which such owner's property is located. Any such permit and/or inspection costs will be paid by the property owner and are an eligible cost to include in the financing.

Ongoing Administration Costs. Annual assessment administration, collection, County treasurer-tax collector and auditor-controller and trustee 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 the County or region.

Onsite Validation Fees. Onsite validation fees may be required for Program staff to confirm that approved Eligible Products were actually installed prior to funding; provided, however, such fee may not exceed the actual cost to undertake such validation.

Multiple Disbursement Fees. The Program may offer multiple disbursements for assessments if feasible. If multiple disbursements are offered, the partial disbursement funding requests may be subject to an additional processing fee per partial disbursement as set forth in the applicable Handbook; provided, however, that such fee may not exceed the actual cost of providing such service.

Capitalized Interest. Because each County has established a deadline for placing the contractual assessments on such County's property tax bill, the principal component of the contractual assessment may also include an amount equal to the first tax year's contractual assessment installments if the deadline cannot be met.

Deposit to a Debt Service Reserve Fund. The Agent or project investors may require property owners to fund a deposit to a debt service reserve fund as set forth in the applicable Handbook. The reserve fund would be used to pay debt service on bonds issued to finance the installation of Eligible Products in the event of contractual assessment installment delinquencies.

As required pursuant to Section 5898.22 of Chapter 29, the Agent has met and consulted with the staff of the Counties of the Alameda, Contra Costa, El Dorado, Fresno, Imperial, Kern, Los Angeles, Madera, Merced, Mono, Monterey, Napa, Orange, Riverside, Sacramento, San Diego, San Francisco, San Mateo, San Joaquin, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Ventura, and Yolo Auditor's office concerning the additional fees, if any, that will be charged to the Agent for incorporating the proposed assessment installments into the assessments of the general taxes on real property. The payment of such fees shall be included as a part of ongoing administration costs which will be added each year to the annual assessment on property tax bills.

APPEAL PROCESS

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

TRACKS FOR PARTICIPATION

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

WATER CONSERVATION/EFFICIENCY

Water Conservation/Efficiency covers a wide range of water conserving fixtures, such as low flow toilets, low flow shower heads, and irrigation controllers.

ENERGY EFFICIENCY

Energy Efficiency covers a wide range of energy efficiency fixtures such as windows and doors, attic insulation, and HVAC equipment that are EnergyStar rated. Most Eligible Products in this category must meet specified minimum efficiencies.

RENEWABLE ENERGY

Solar Photovoltaic or Solar Thermal Systems provide for solar energy generation and solar hot water systems, respectively. Small wind turbines, fuel cell systems or geothermal systems may also be eligible under this category.

CUSTOM PROJECTS

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

PROGRAM PARAMETERS

MINIMUM FINANCING AMOUNT AND DURATION OF ASSESSMENT

Assessment Contracts are available for varying terms as set forth in the applicable Handbook.

Minimum and maximum financing amounts are set forth in the applicable Handbook.

MAXIMUM PORTFOLIO

The maximum aggregate dollar amount of contractual assessments initially authorized under the California HERO Program is $2 billion.

ASSESSMENT INTEREST RATE

Residential Properties: The interest rate for a contractual assessment on a residential property is set at the time that the Assessment Contract is delivered to the property owner. An estimated, current rate will always be available on the Program website and any variations from that estimated rate will be based solely on market fluctuations.

Commercial Properties: The interest rate for a contractual assessment on a commercial property is set at the time the Assessment Contract is entered into.

The 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 bonds issued to finance the installation of Eligible Products on participating properties and encourage the future liquidity of the Program.

PROPERTY ASSESSMENT LIEN

All property owners must sign, and return the Assessment Contract within the time period specified in the notice of approval of a property owner's application. Upon completion of the project and execution of the Assessment Contract, the Agent will place a lien for the full amount of the contractual assessment on the property that secures such assessment. If the lien is recorded before the first business day in July, the assessment installment will appear on the next tax bill. For liens recorded after the first business day of July, the assessment installment will not appear on the tax bill until the following tax year, but interest will accrue on the outstanding balance. A direct bill and/or additional tax bill or other method of payment (including capitalized interest) may be required, as determined by the Program, during the first tax year.

DELINQUENT ASSESSMENT COLLECTIONS

In general, it is expected that assessment installments will be collected on the *ad valorem* tax bills sent to property owners by the Treasurer-Tax Collector of the County in which such owner's property is located, and therefore delinquency information will generally be available from such the Treasurer-Tax Collector's office. In order to attract financing, the Agent will covenant to commence and pursue judicial foreclosure proceedings with respect to parcels that are delinquent in the payment of assessment installments. The precise terms of such a covenant will be determined at the time of bond issuance.

THE FINANCIAL STRATEGIES

The Program includes the following financial strategies.

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

Strategy Two: The Program will, at launch, utilize the Samas Capital to fund installations of Eligible Products for Commercial properties, under SAMAS Commercial. Samas Capital will provide a revolving credit line to finance the installation of Eligible Products to Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section II above and the Commercial Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to Samas Capital one or more municipal bonds secured by the contractual assessments payable by the Commercial properties to be improved.

Strategy Three: The Program will, at launch, utilize the Greenworks Lending, LLC to fund installations of Eligible Products for Commercial properties, under Greenworks Commercial. Greenworks will provide a revolving credit line to finance the installation of Eligible Products to

Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in Section II above and the Commercial Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to Greenworks one or more municipal bonds secured by the contractual assessments payable by the Commercial properties to be improved.

Strategy Four: The Agent may establish the "Statewide PACE Financing Fund" (the "PACE Fund") and may accept funds from any available source. Repayments will be made pursuant to Assessment Contracts between the property owners and the Agent and will be collected through the property assessment mechanism in the County property tax system in which the properties of such owners are located. The Agent will manage or cause the Trustee or other qualified third party administrator to manage the PACE Fund in one enterprise fund with multiple sub-funds.

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

GLOSSARY OF TERMS

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

ASSEMBLY BILL 811: Approved in July 2008 by the California legislature, AB 811 amended Chapter 29 to authorize cities and counties to establish voluntary contractual assessment programs to fund an array of conservation and renewable energy projects proposed by property owners.

ASSEMBLY BILL 474: Approved in October 2009 by the California legislature, AB 474 amended Chapter 29 to authorize the funding of water conservation products through a voluntary contractual assessment program.

ASSESSMENT CONTRACT: A contract entered into between a property owner or property owners to provide financing for the installation of Eligible Improvements on property of such owner or owners under the California HERO Program.

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

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

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

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

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

COMMERCIAL: Commercial entities are defined as all non-residential properties and include, but are not limited to, apartment buildings with five units or more, industrial and agricultural properties.

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

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

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

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

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

ELIGIBLE PRODUCTS: All Eligible Products as specified in the applicable Program Handbook.

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

EXPECTED PERFORMANCE-BASED BUY-DOWN (EPBB): Under CSI, EPBB provides that solar systems smaller than 30kW in capacity can receive a one-time, up-front incentive based on expected performance, and calculated by equipment ratings and installation factors (geographic location, tilt and shading). EPBB payments are provided on a $ per watt basis. Systems eligible for EPBB can choose to opt-in to the PBI system.

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

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

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

INTERCONNECTION AGREEMENT: A legal document authorizing the flow of electricity between the facilities of two electric systems. Under the CSI Program, eligible renewable energy systems must be permanently interconnected and operating in parallel to the electrical distribution grid of the utility serving the customer's electrical load. Portable systems are not eligible. Proof of interconnection and parallel operation is required prior to receiving an incentive payment.

INVESTOR-OWNED UTILITY (IOU): For purposes of the Program, this refers to Southern California Edison Company, Pacific Gas & Electric Company and San Diego Gas & Electric Company.

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

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

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

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

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

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

PARTICIPATING JURISDICTION: A city or county that has elected to participate in the California HERO Program.

PROGRAM: The California HERO Program.

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

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

PERFORMANCE BASED INCENTIVE (PBI): All solar systems requesting incentive payments over 30 kW must take the PBI. Any sized system can elect to take PBI. The PBI pays out an incentive, based on actual kWh production, over a period of five years. PBI payments are provided on a $ per kilowatt-hour basis.

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

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

RESIDENTIAL: Single family home, fewer than four (4) residential units.

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

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

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

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

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

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

- Building standards that have been adopted by state agencies without change from building standards contained in national model codes;
- Building standards that have been adopted and adapted from the national model code standards to meet California conditions;
- Building standards, authorized by the California legislature, that constitute extensive additions not covered by the model codes that have been adopted to address particular California concerns.

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

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

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (WRCOG): A joint powers authority representing its Associate Members in establishing the California HERO Program. WRCOG is serving as Agent to facilitate funding for owners of properties in jurisdictions of its Associate Members that meet the project approval and funding criteria provided herein for participation in the California HERO Program.

Appendix A
ELIGIBLE PRODUCTS

The California HERO Program offers financing for a number of eligible equipment types, energy efficiency measures, water efficiency/conservation improvements, solar systems, and other innovative, energy-saving, water saving, and energy generation custom products for residential and commercial property owners as specified in the applicable Handbook.

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

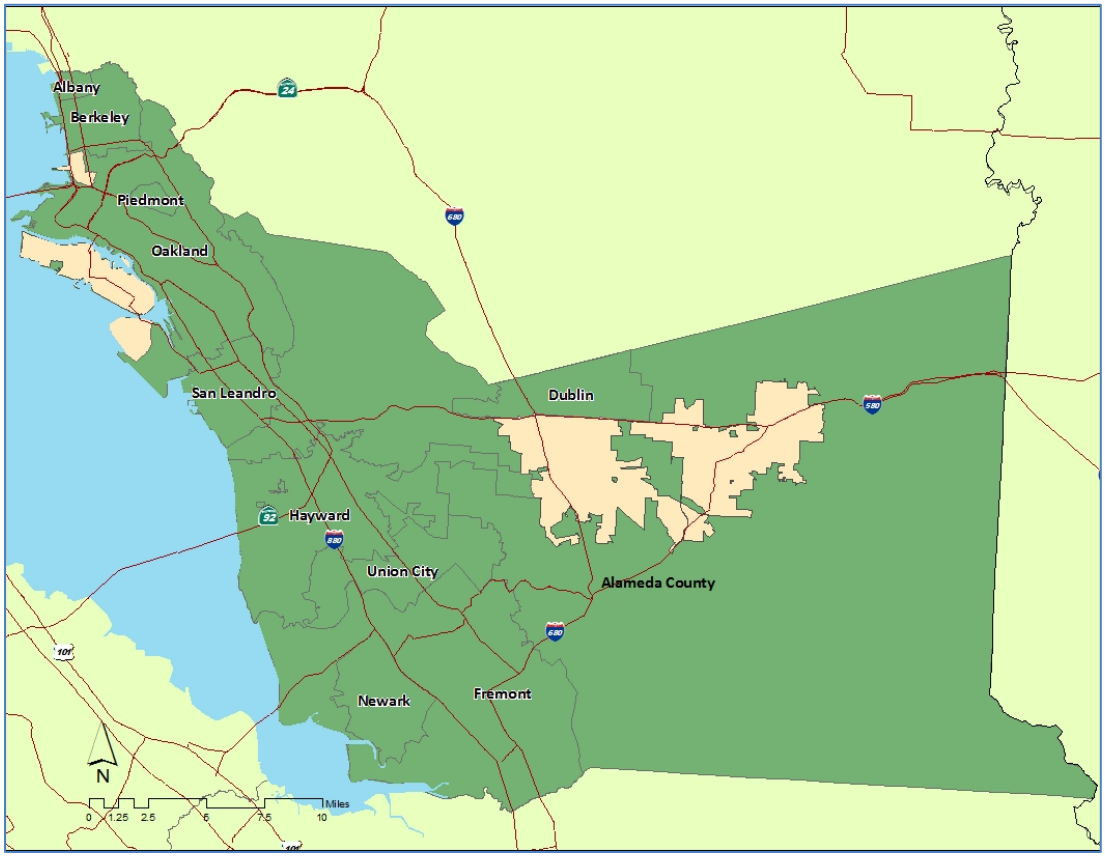
Any Solar PV system must be eligible for and participate in CSI or an equivalent utility rebate program, unless the property is not connected to the electricity grid, or such utility rebate program is not available.

Appendix B
MAP OF PROGRAM AREA
(DECEMBER 4, 2017)

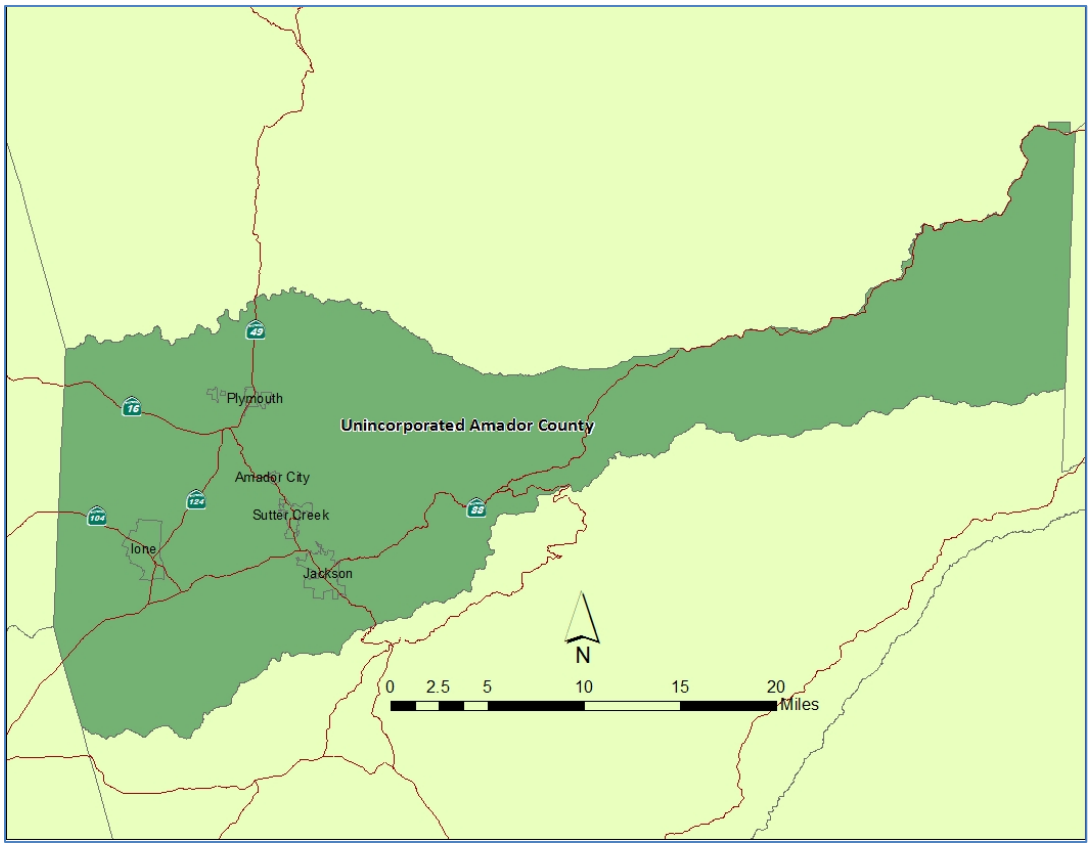
The territories within which voluntary contractual assessments are authorized to be offered pursuant to the California hero program are the jurisdictional boundaries of Albany, Alhambra, Aliso Viejo, Amador, American Canyon, Anaheim, Antioch, Arcadia, Arcata, Arvin, Atherton, Atwater, Avalon (Commercial 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, 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, Pittsburg, Placentia, Placerville, Pleasant Hill, 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, 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 Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Tehama, Tulare, Yolo, and Yuba.

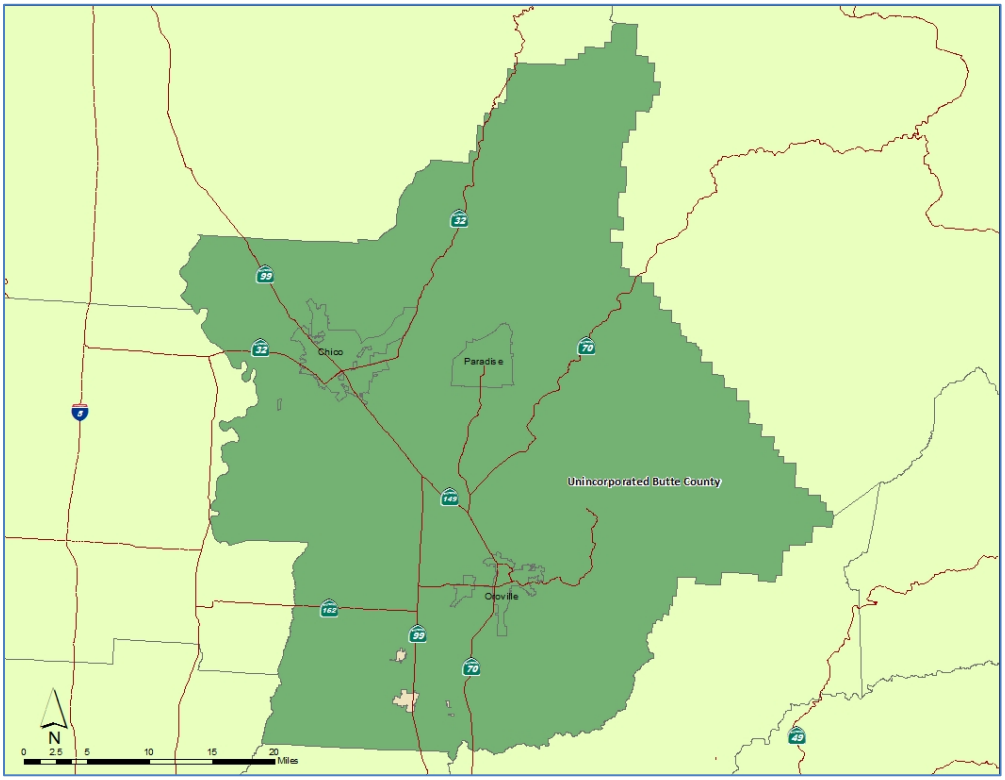
Cities of Albany, Berkeley, Dublin, Fremont, Hayward, Newark, Oakland, Piedmont, San Leandro, Union City, and Alameda County unincorporated areas located in Alameda County, California



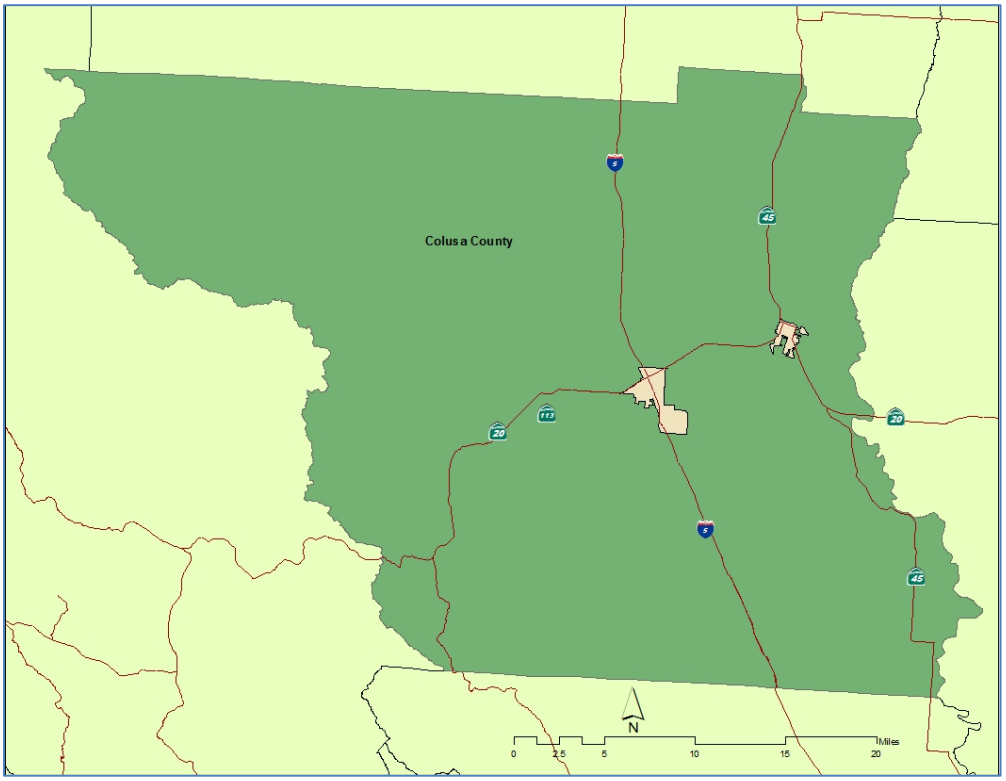
Cities of Amador, Ione, Jackson, Plymouth, and Sutter Creek, and Amador County unincorporated areas,in Amador County, California



Cities of Chico, Paradise, Oroville, and Butte County unincorporated areas, located in Butte County, California



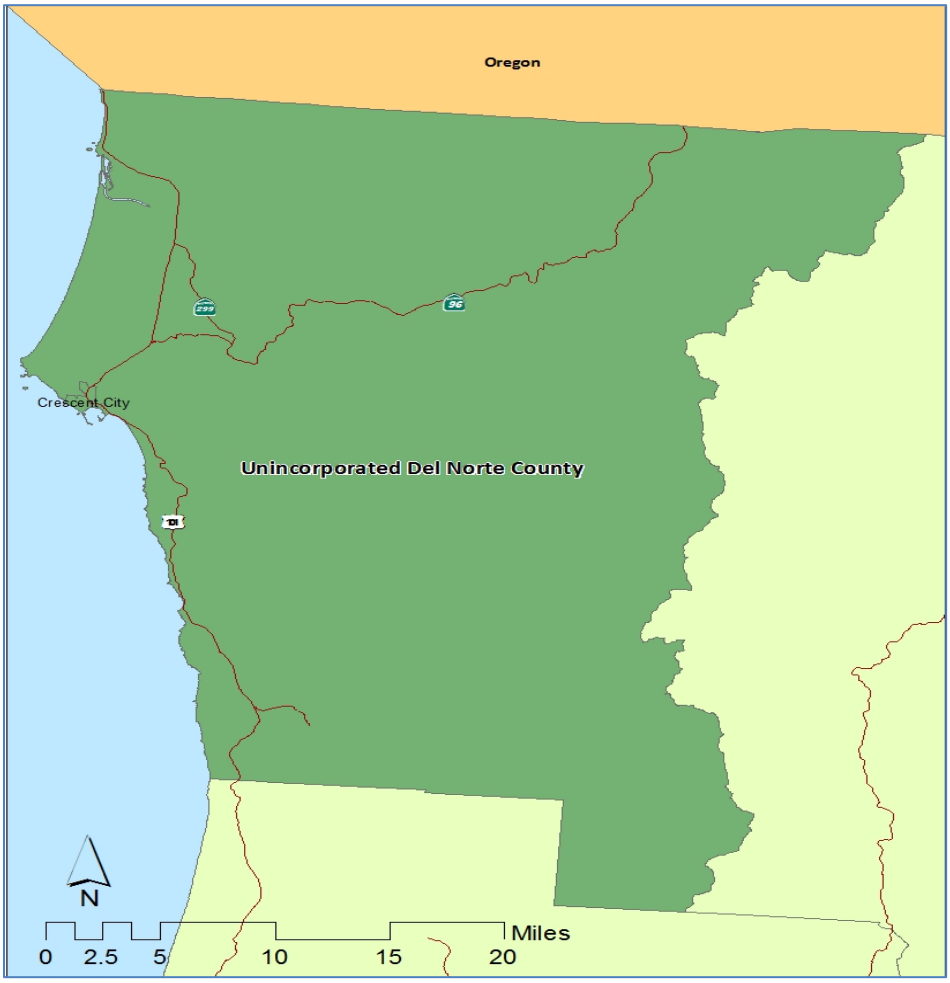
County of Colusa unincorporated areas in Colusa County, California



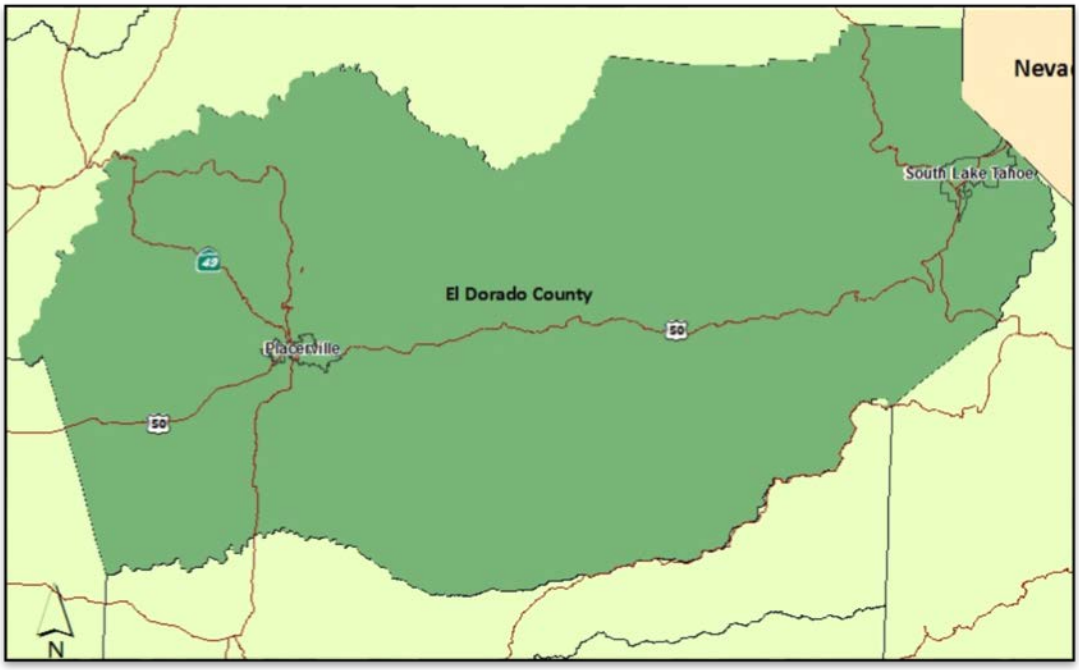
Cities of Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Lafayette, Martinez, Town of Moraga, Oakley, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon, Walnut Creek, and Contra Costa unincorporated areas, located in Contra Costa County, California



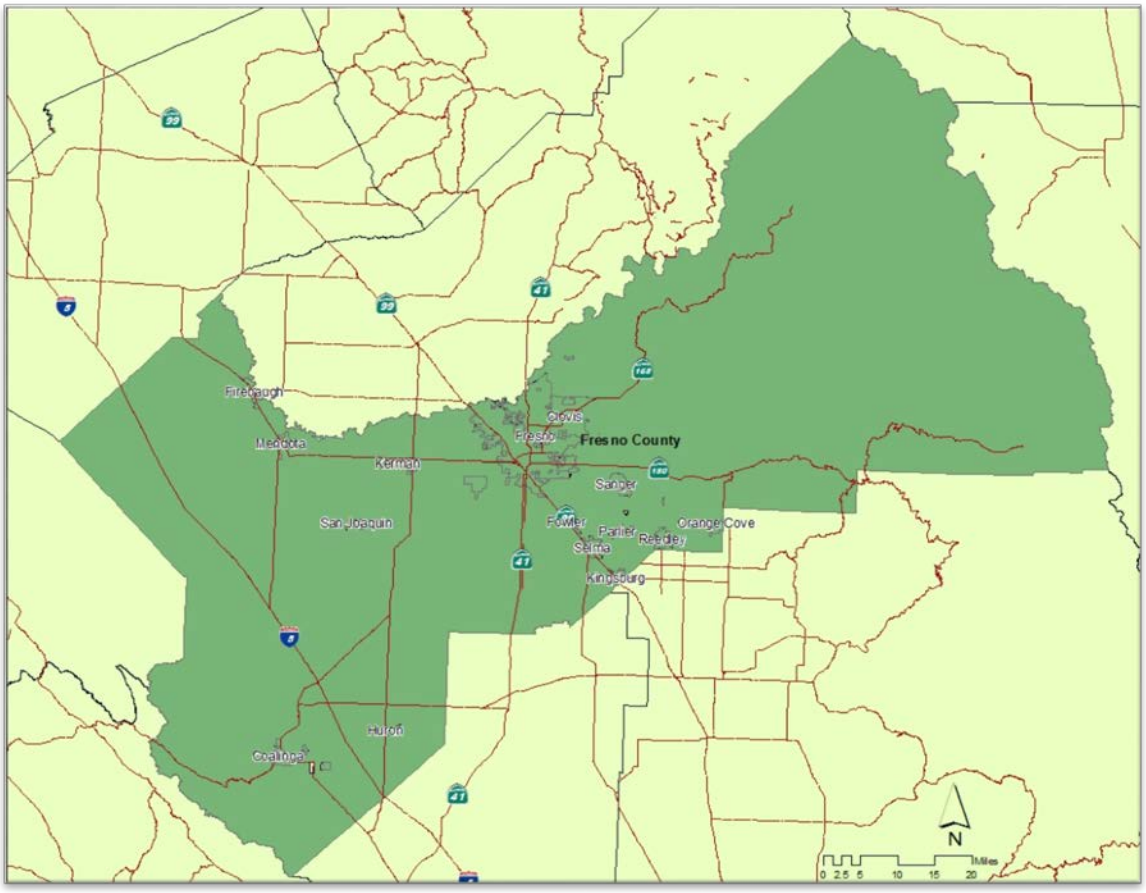
City of Crescent City and County of Del Norte unincorporated areas, located in Del Norte County, California



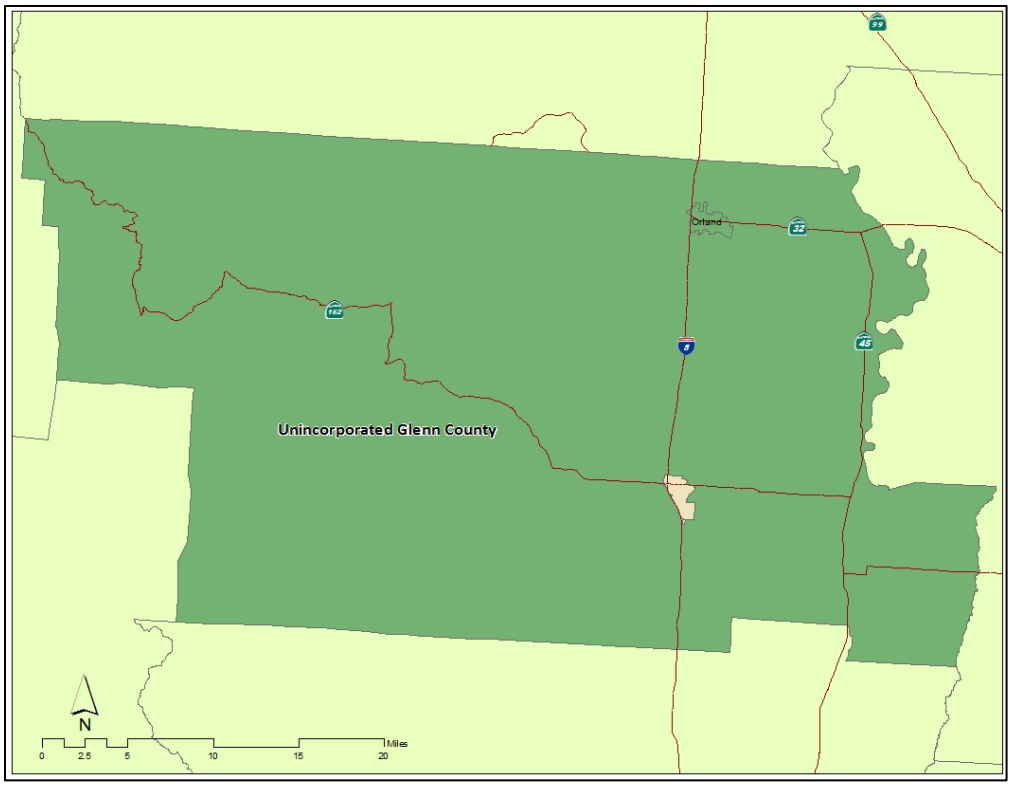
Cities of Placerville and South Lake Tahoe, and El Dorado County Unincorporated areas located in El Dorado County, California



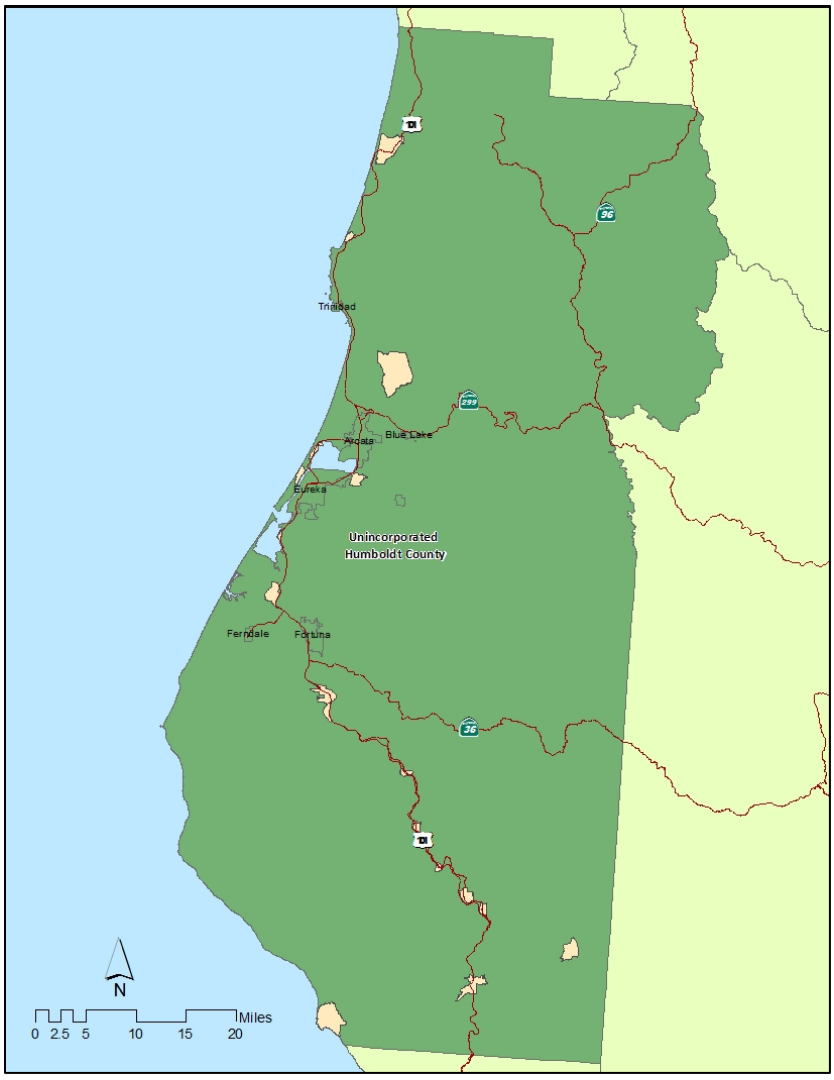
Cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, Sanger, San Joaquin, Selma, and Fresno County unincorporated areas, located in Fresno County, California



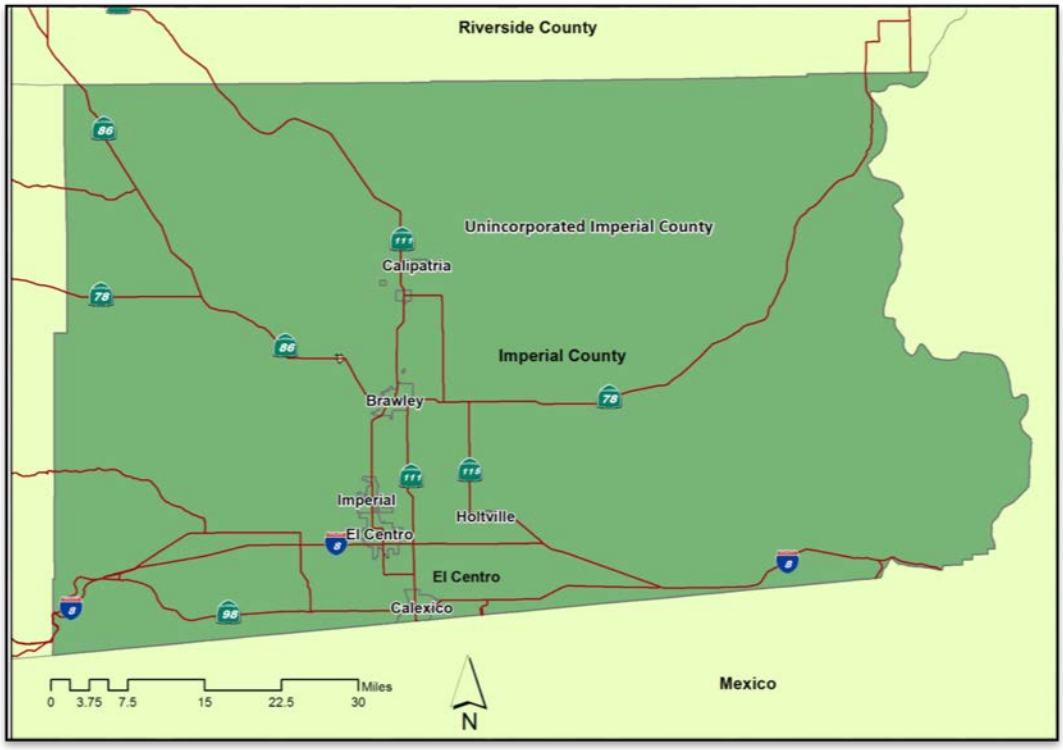
City of Orland and Glenn County unincorporated areas located in Glenn County, California



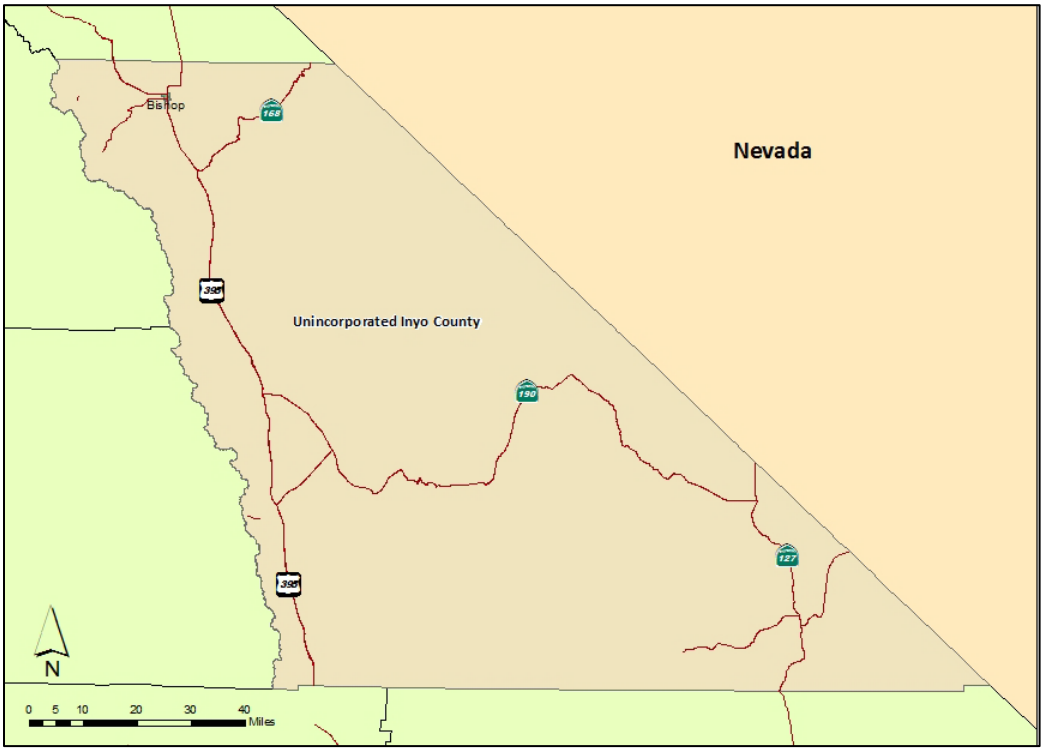
Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Trinidad, and Humboldt County unincorporated areas, located in Humboldt County, California



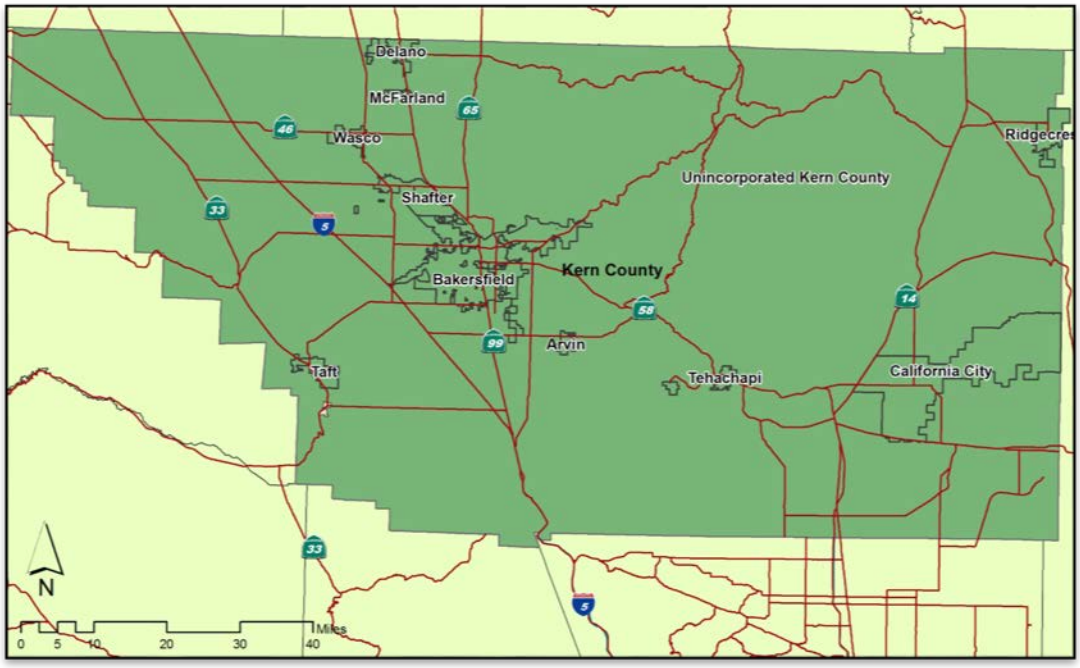
Cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, and Imperial County unincorporated areas, located in Imperial County, California



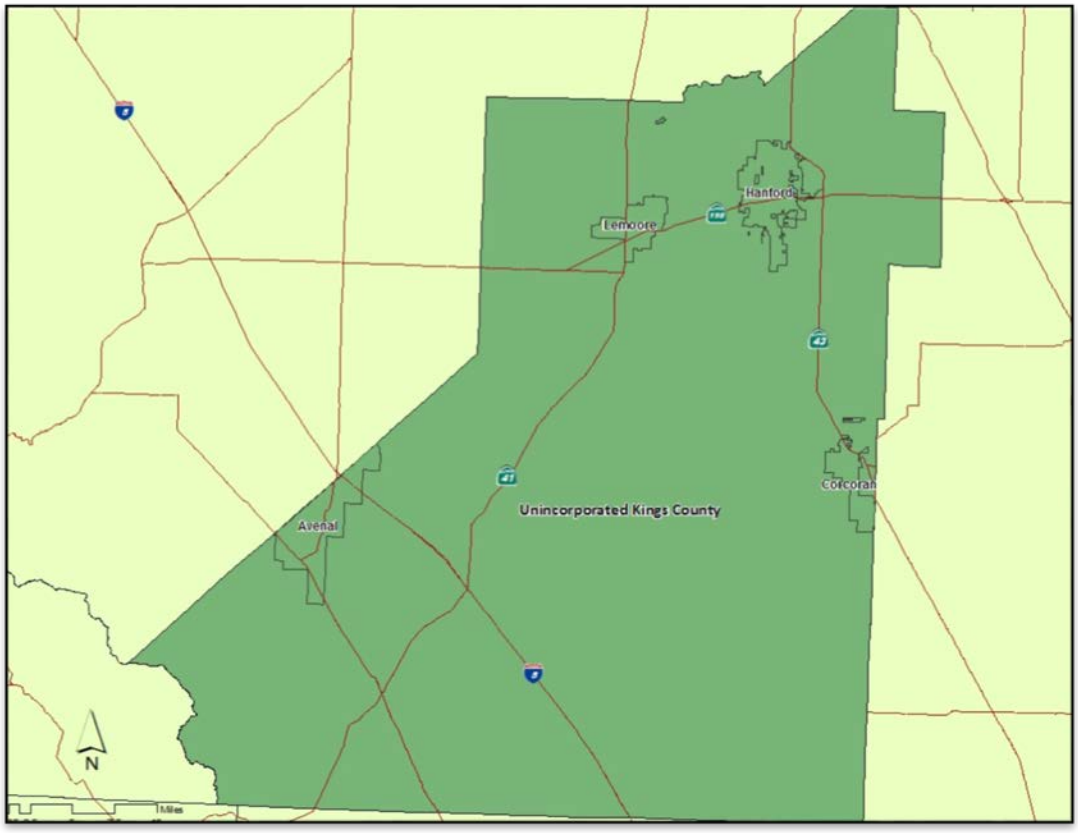
City of Bishop, located in Inyo County, California



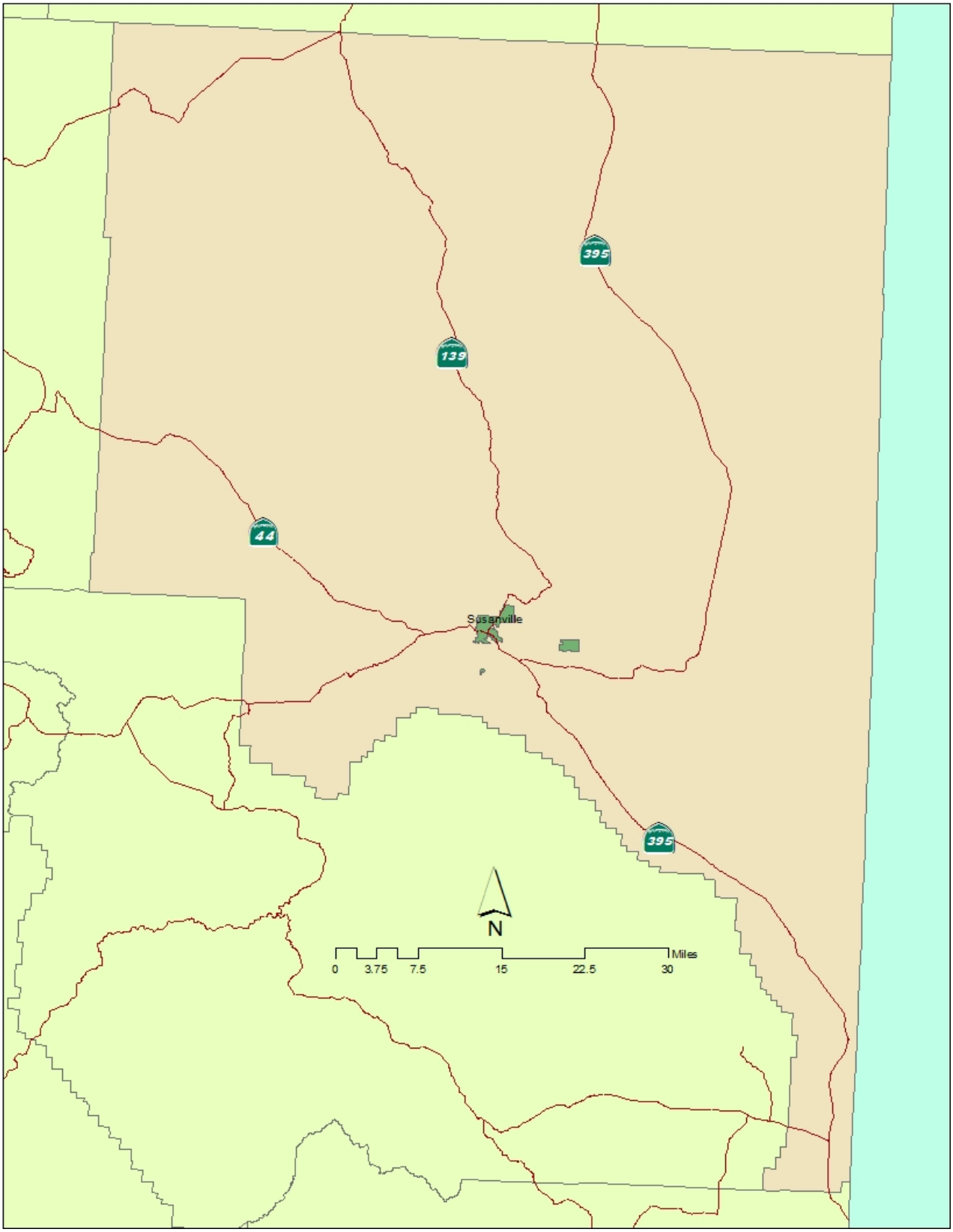
Cities of Arvin, Bakersfield, California City, Delano, McFarland, Ridgecrest, Shafter, Taft, Tehachapi, Wasco, and Kern County unincorporated areas, located in Kern County, California



Cities of Avenal, Corcoran, Hanford, Lemoore, and Kings County unincorporated areas, located in Kings County, California



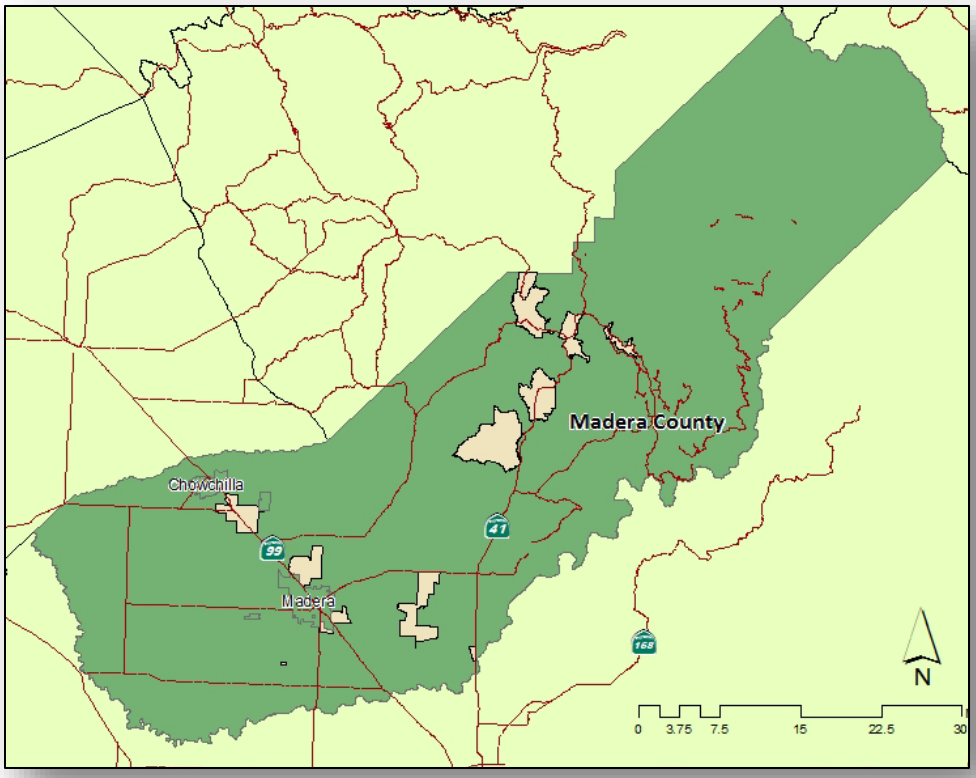
City of Susanville, located in Lassen County, California



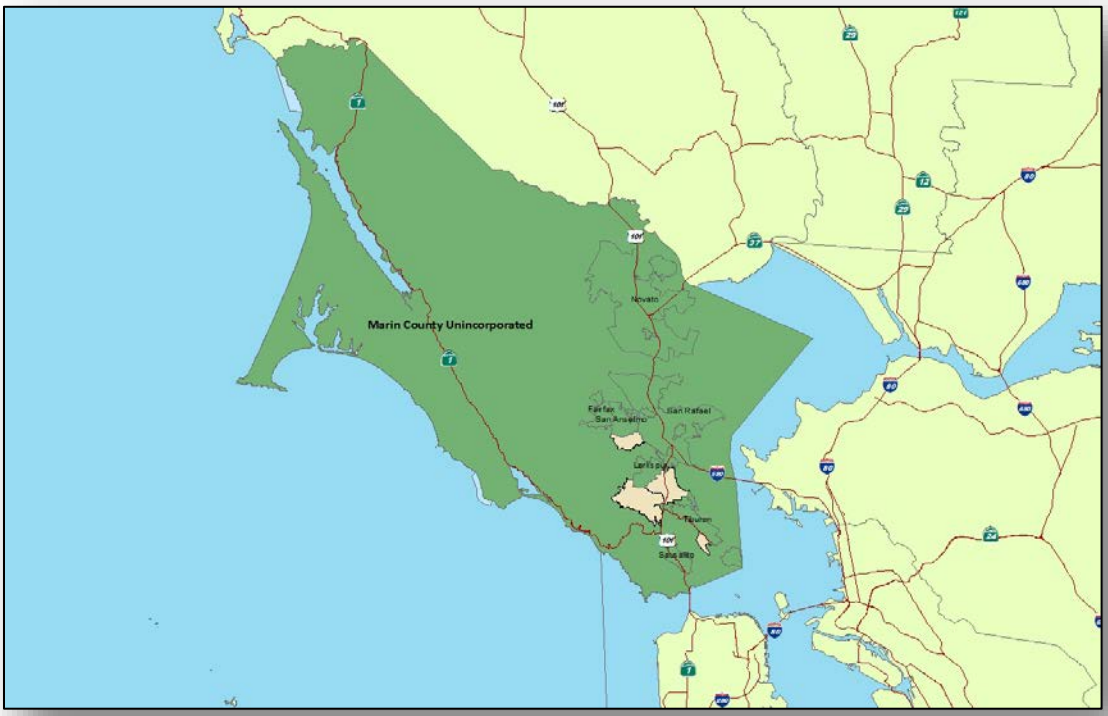
Cities of Alhambra, Arcadia, Avalon (Commercial Only), Azusa, Baldwin Park, Bell Garden (Commercial Only), Bellflower, Bradbury, Calabasas (Commercial Only), Carson, Claremont, Commerce, Covina, Diamond Bar, El Monte, El Segundo, Gardena, Glendora, Hawthorne, Hermosa Beach, Industry, Inglewood, Irwindale, La Canada Flintridge, La Verne, Lancaster, Lawndale, Lomita, Long Beach (Commercial Only), Malibu, Monrovia, Montebello, Monterey Park, Palmdale, Pomona, Redondo Beach, Rolling Hills, Rolling Hills Estates, Rancho Palos Verdes, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Monica, Sierra Madre, South El Monte, South Pasadena, Temple City, Torrance, Walnut, and West Covina, located in Los Angeles County, California.



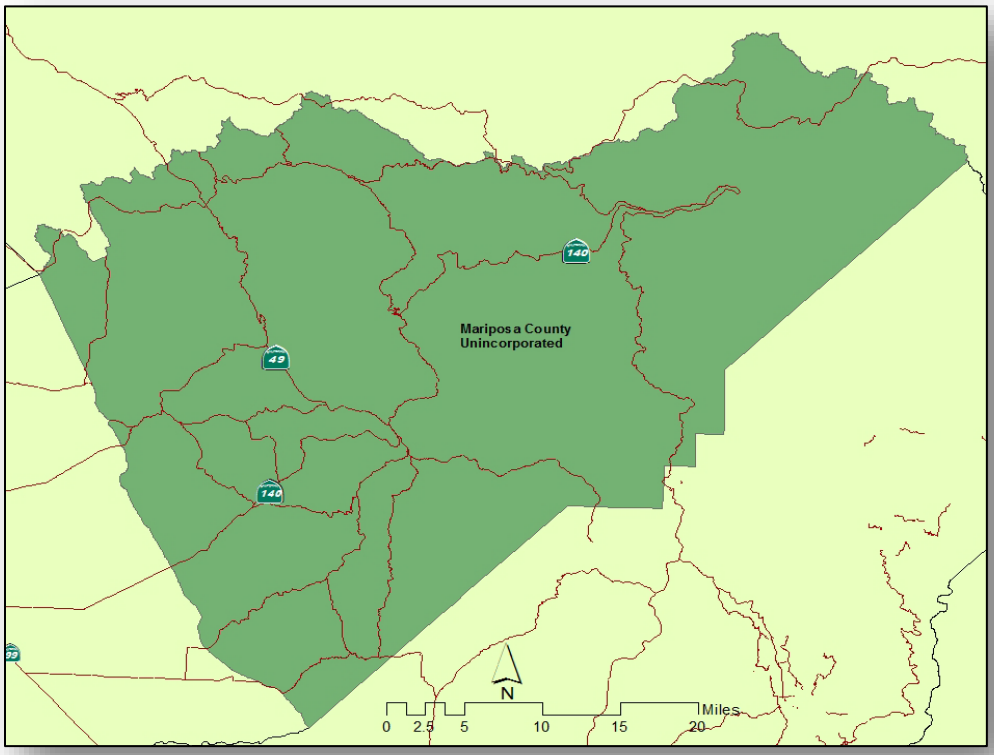
Cities of Chowchilla, Madera and Madera County unincorporated areas, located in Madera County, California



Cities of Belvedere, Larkspur, Mill Valley, Novato, San Anselmo, San Rafael, Sausalito, Tiburon, and County of Marin unincorporated areas, located in Marin County, California



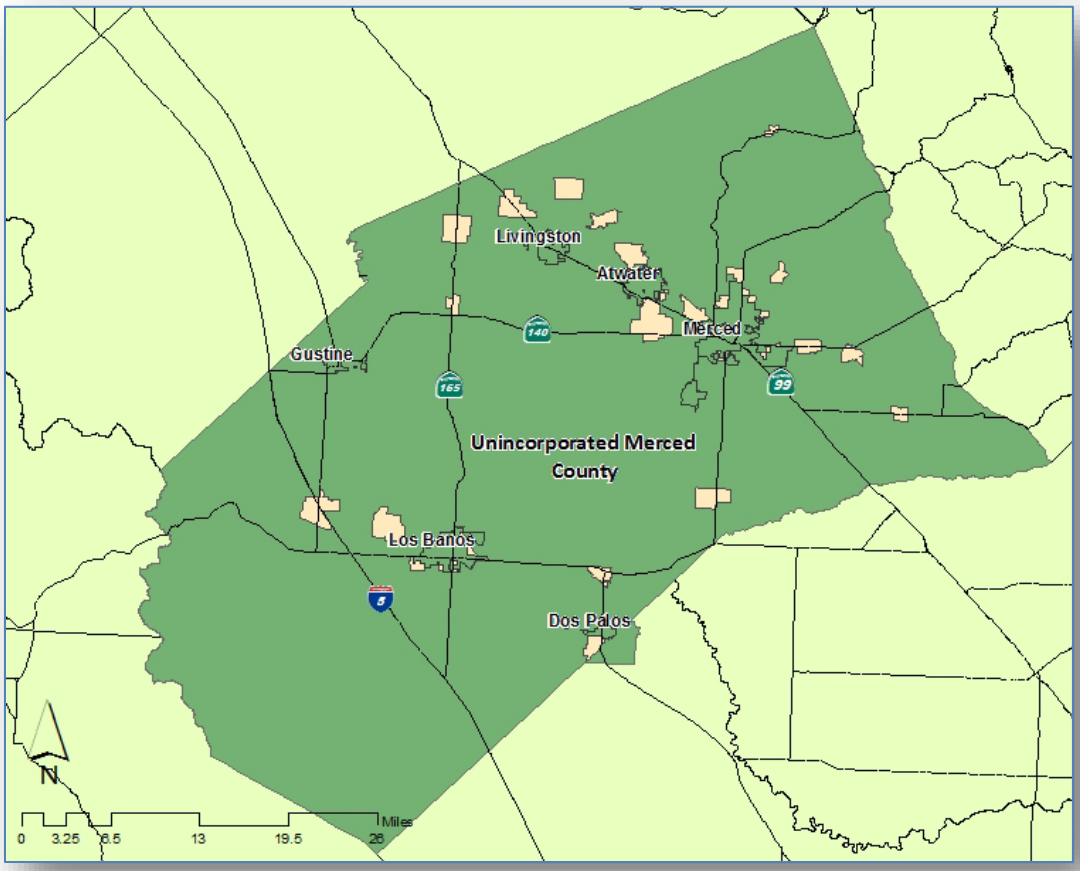
County of Mariposa unincorporated areas, located in Mariposa County, California



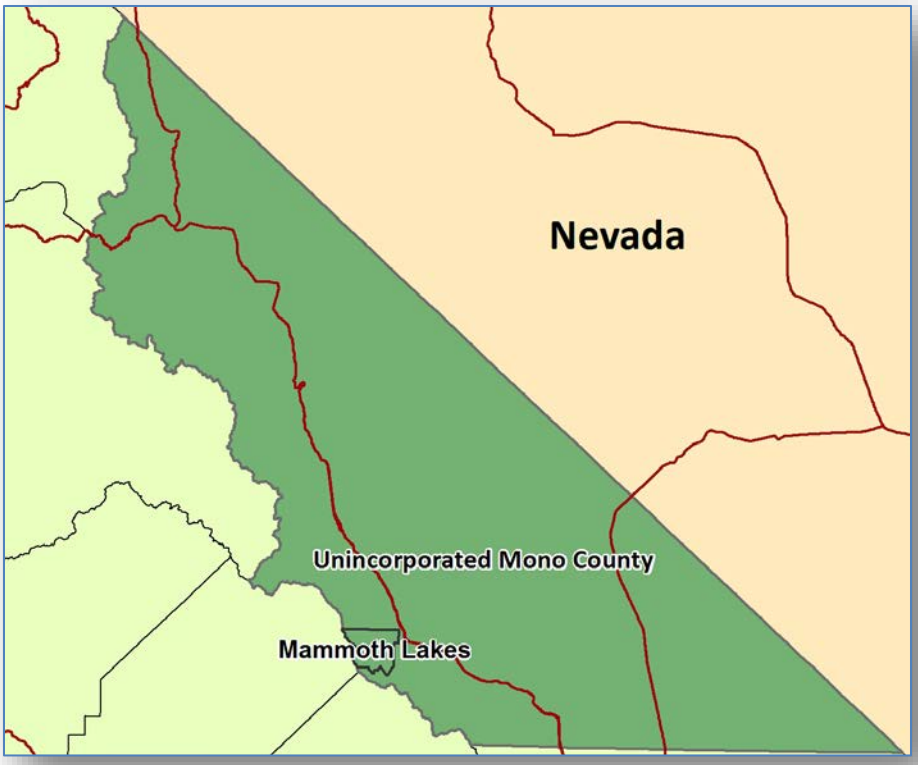
Cities of Fort Bragg, Point Arena, Ukiah, and Mendocino County unincorporated areas located in Mendocino County, California



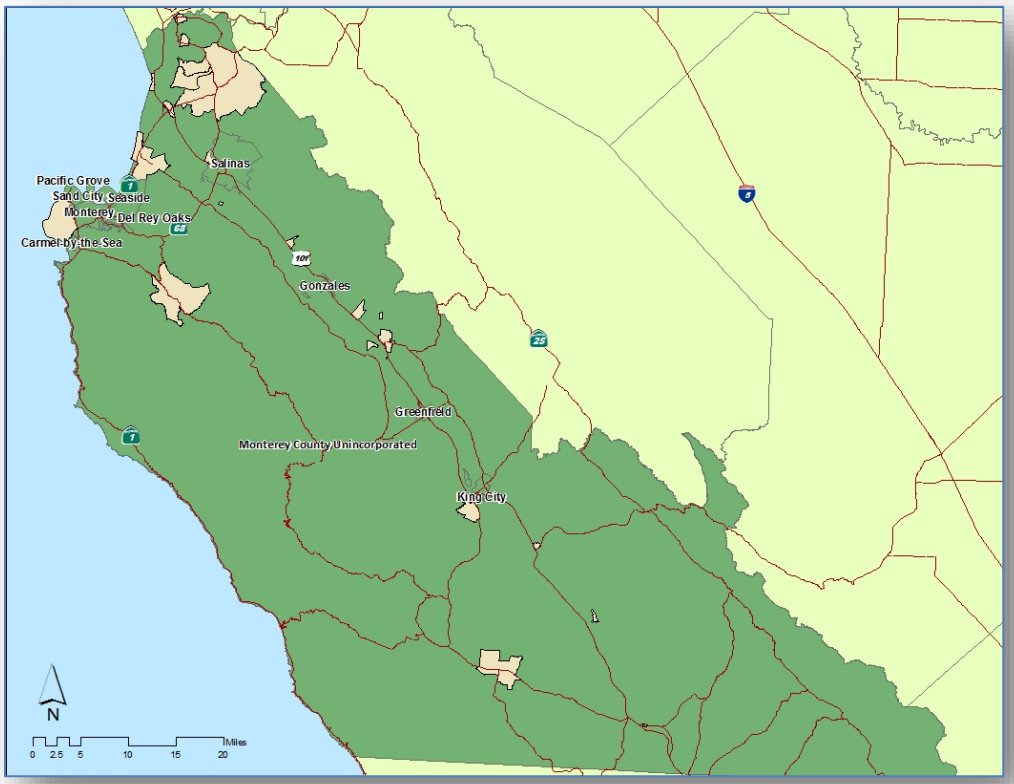
Cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, Merced, and Merced County unincorporated areas, located in Merced County, California



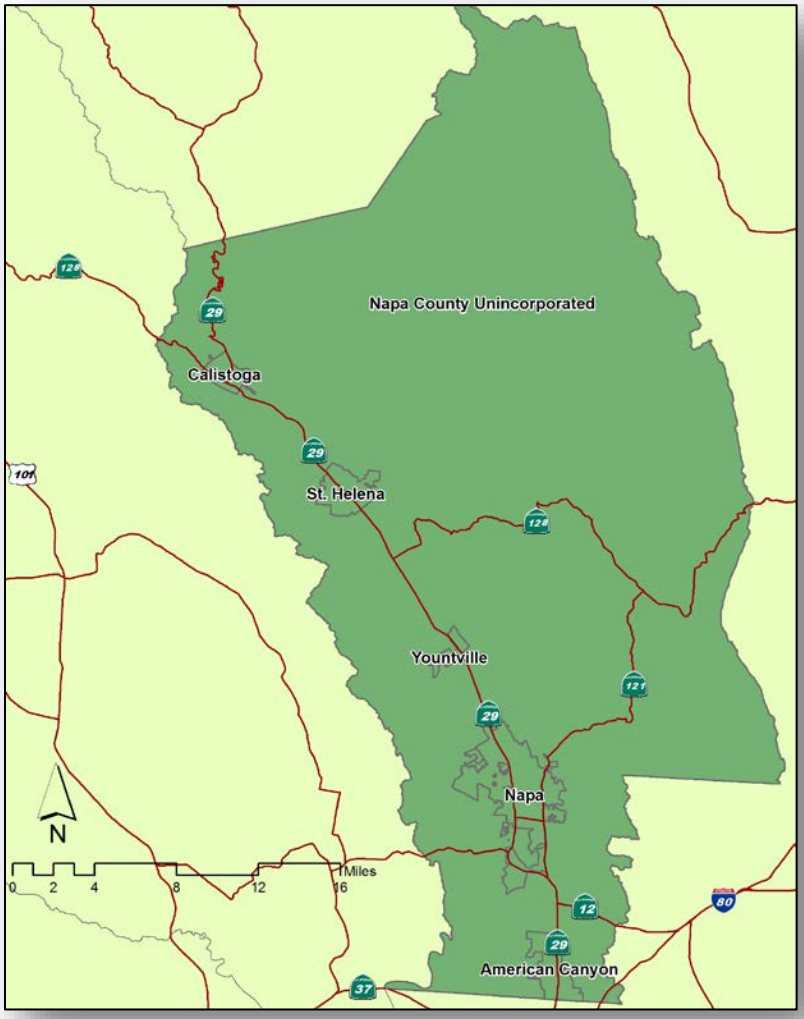
Town of Mammoth Lakes and Mono County unincorporated areas, located in Mono County, California



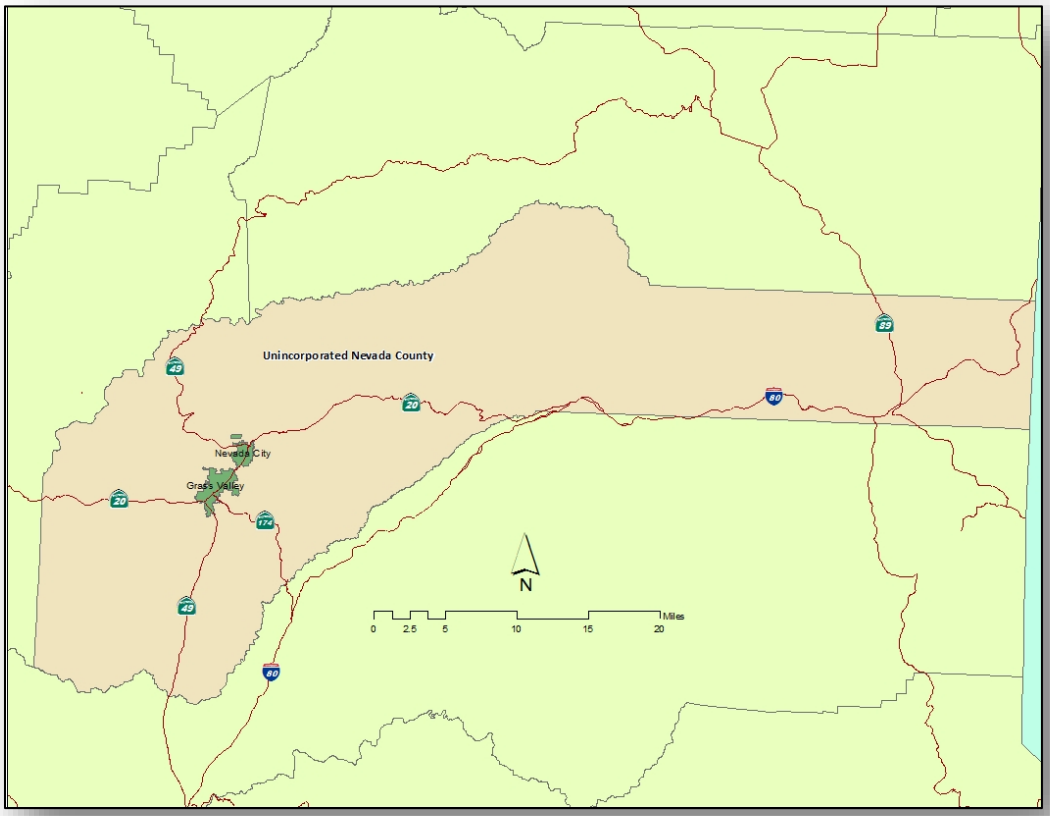
Cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, Kings City, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Monterey County unincorporated areas, located in Monterey County, California



Cities of American Canyon, Calistoga, Napa St. Helena, Yountville, and the County of Napa unincorporated areas, located in Napa County, California



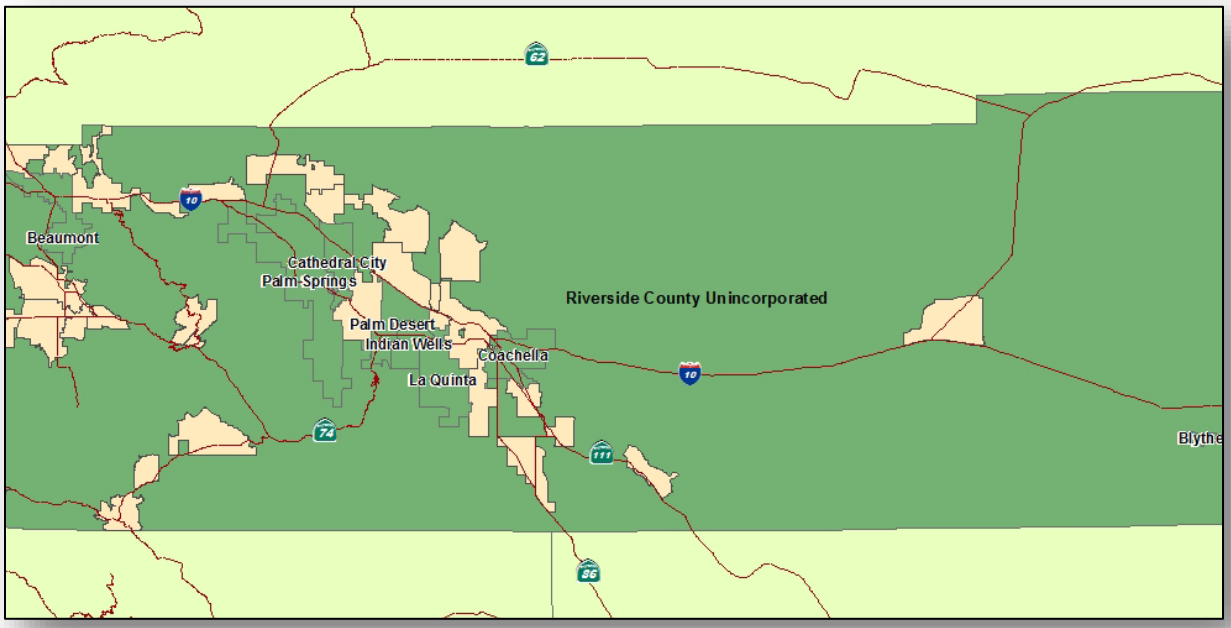
Cities of Grass Valley and Nevada City, located in Nevada County, California



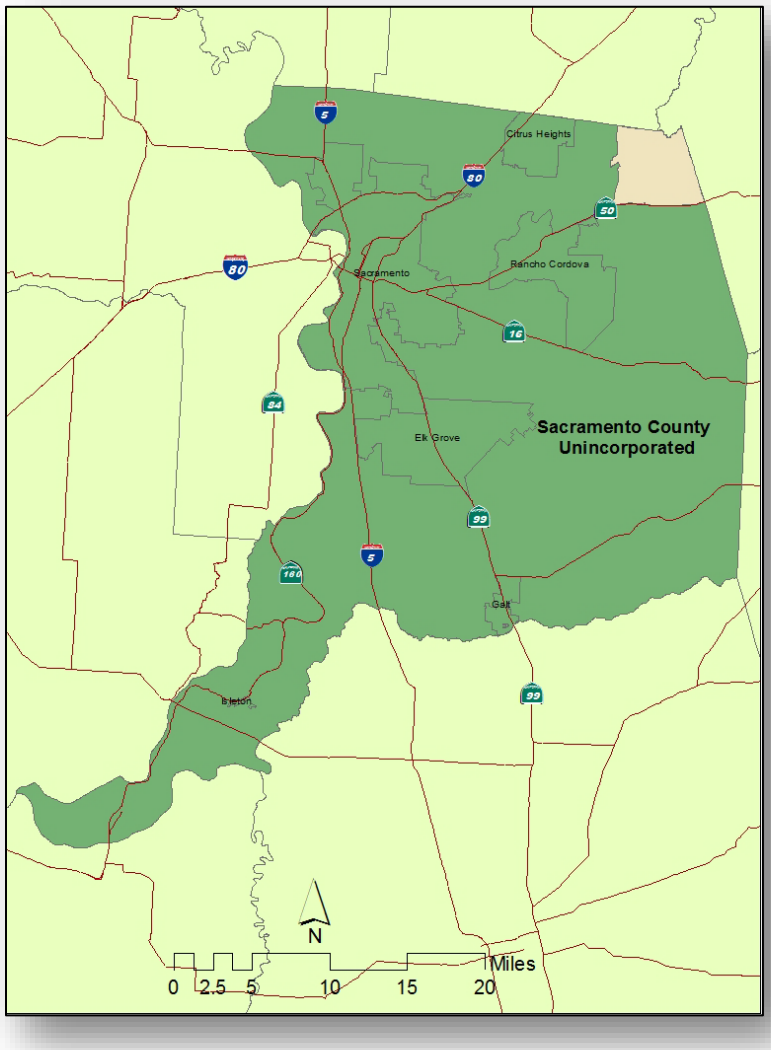
Cities of Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Fountain Valley, Garden Grove, Huntington Beach, La Habra, La Palma, Laguna Beach, Laguna Hills, Lake Forest, Mission Viejo, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, Santa Ana, Stanton, Tustin, Westminster, and Yorba Linda, located in Orange County, California.



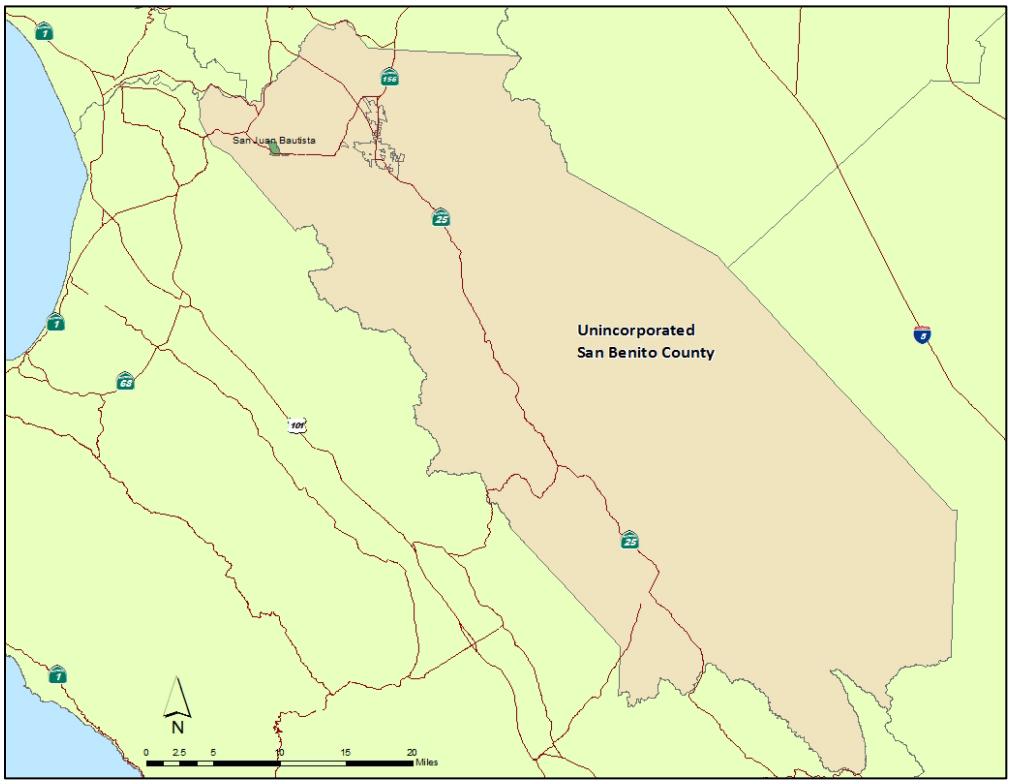
Cities of Beaumont, Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, and Riverside County unincorporated areas located in Riverside County, California



Cities of Citrus Heights, Elk Grove, Galt, Isleton, Rancho Cordova, and Sacramento, and the County of Sacramento unincorporated areas located in Sacramento County, California



City of San Juan Bautista, located in San Benito County, California



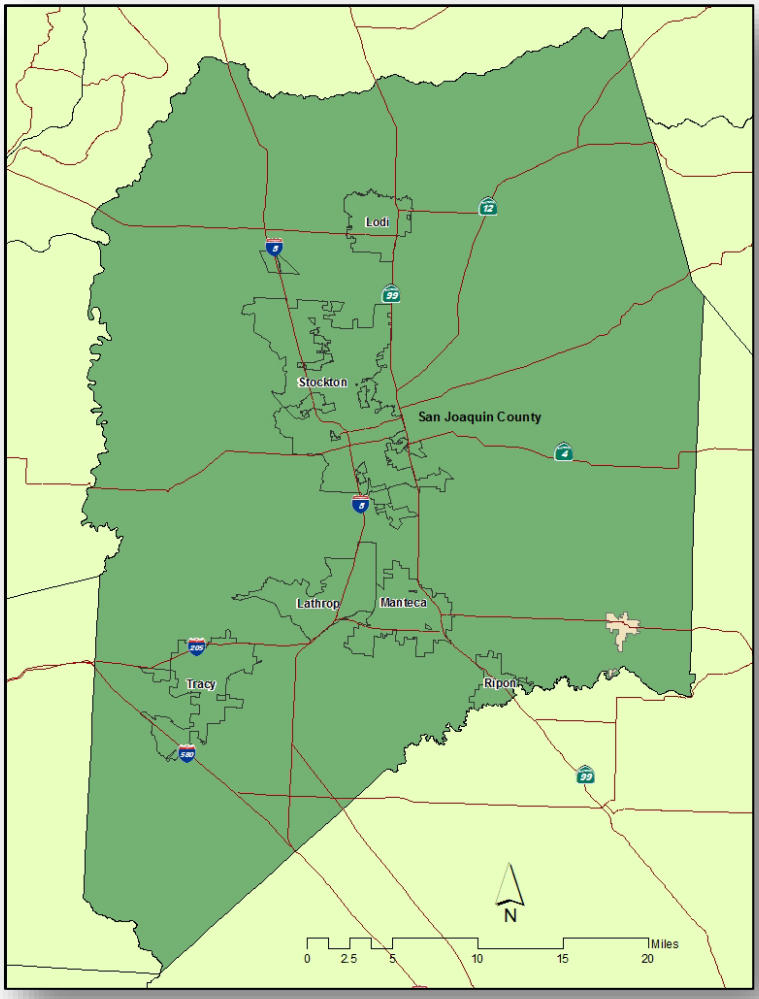
Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, and Vista, San Diego County unincorporated areas, located in San Diego County, California



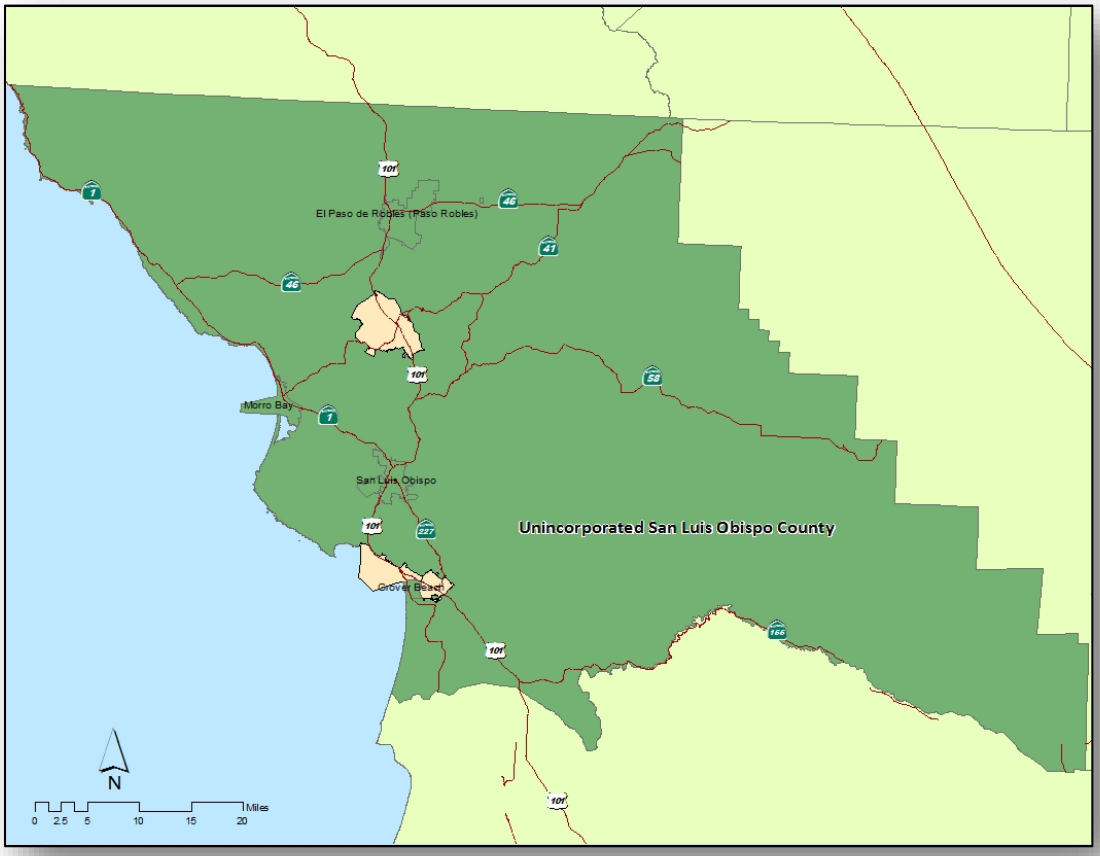
City/County of San Fransisco, located in San Francisco County, California



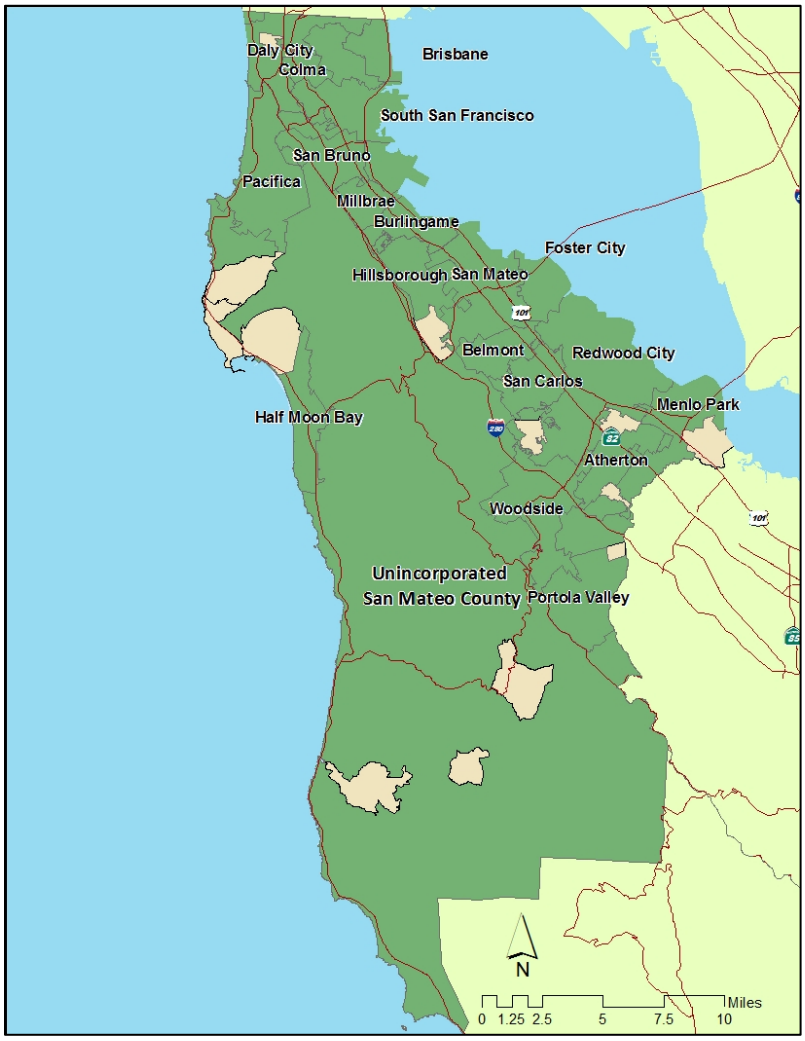
Cities of Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy, and San Joaquin County unincorporated areas, located in San Joaquin County, California



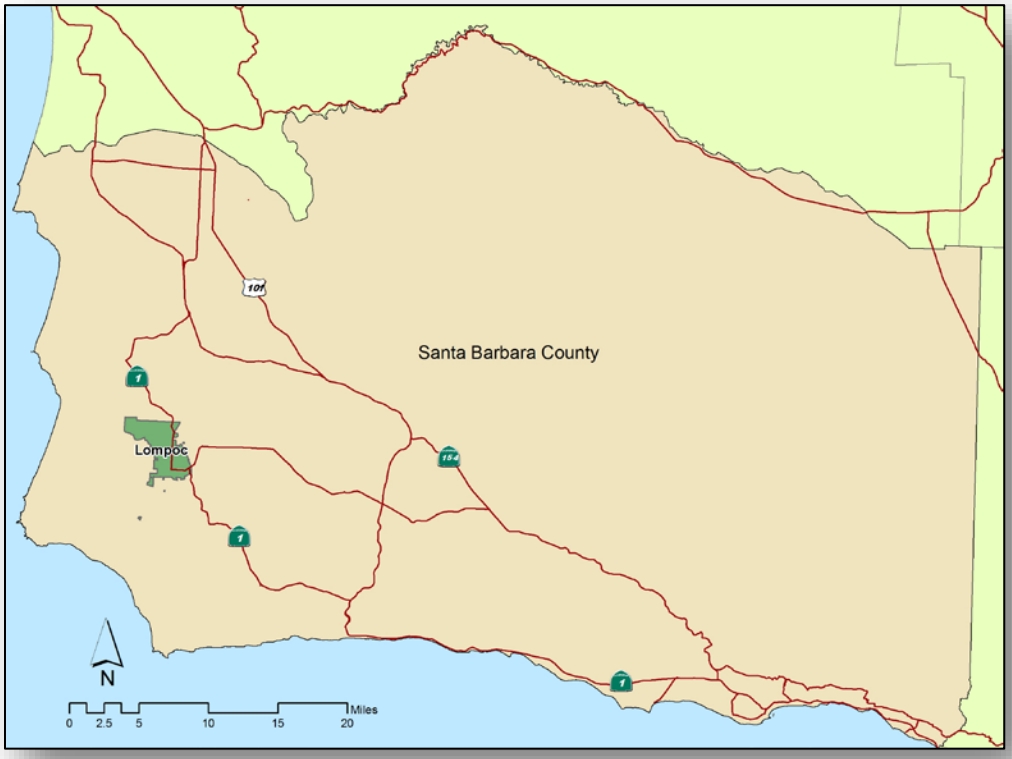
Cities of Grover Beach, Morro Bay, Paso Robles, San Luis Obispo, and San Luis Obispo County unincorporated areas, located in San Luis Obispo County, California



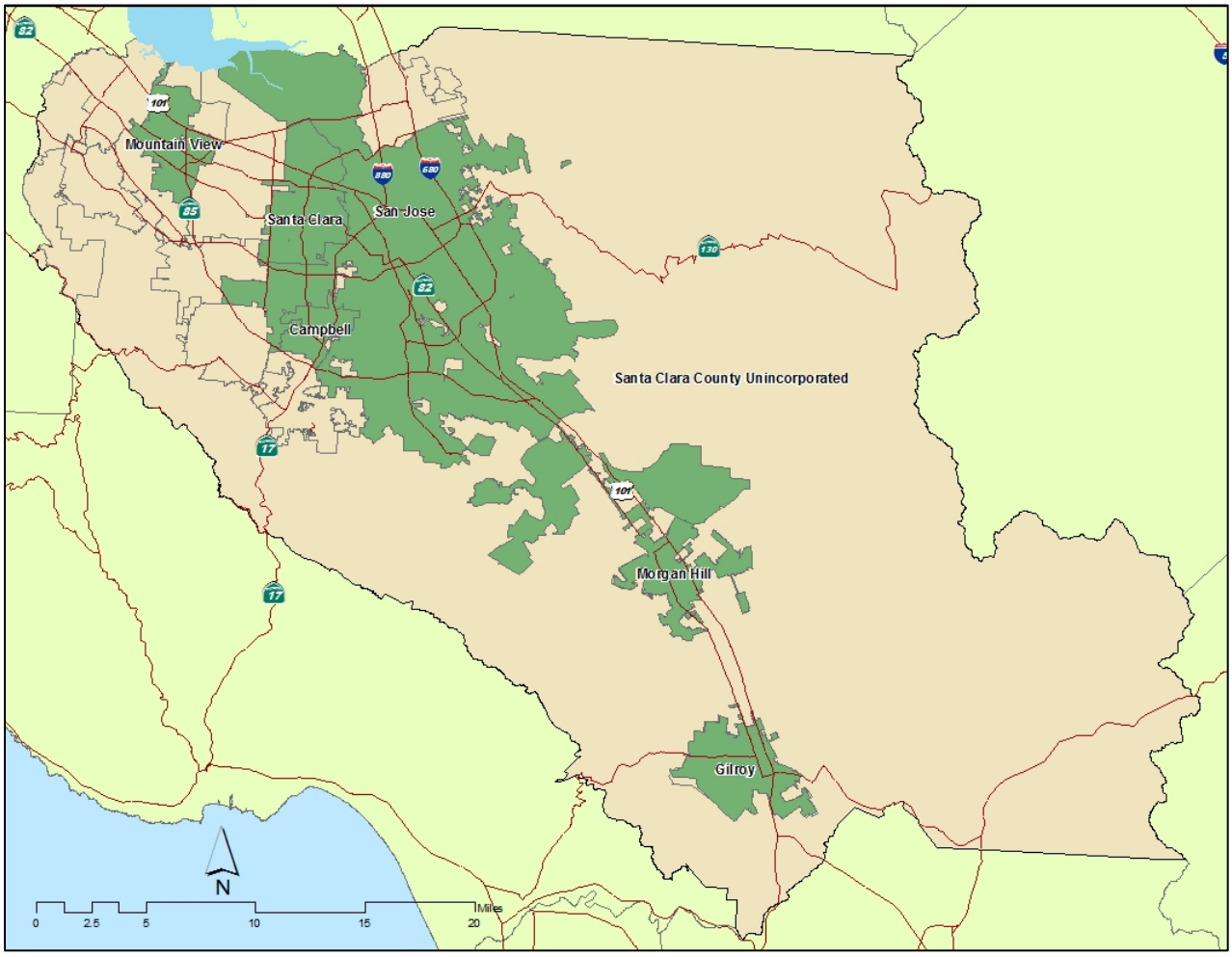
Cities/Towns of Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside, and the County of San Mateo unincorporated areas, located in San Mateo County, California



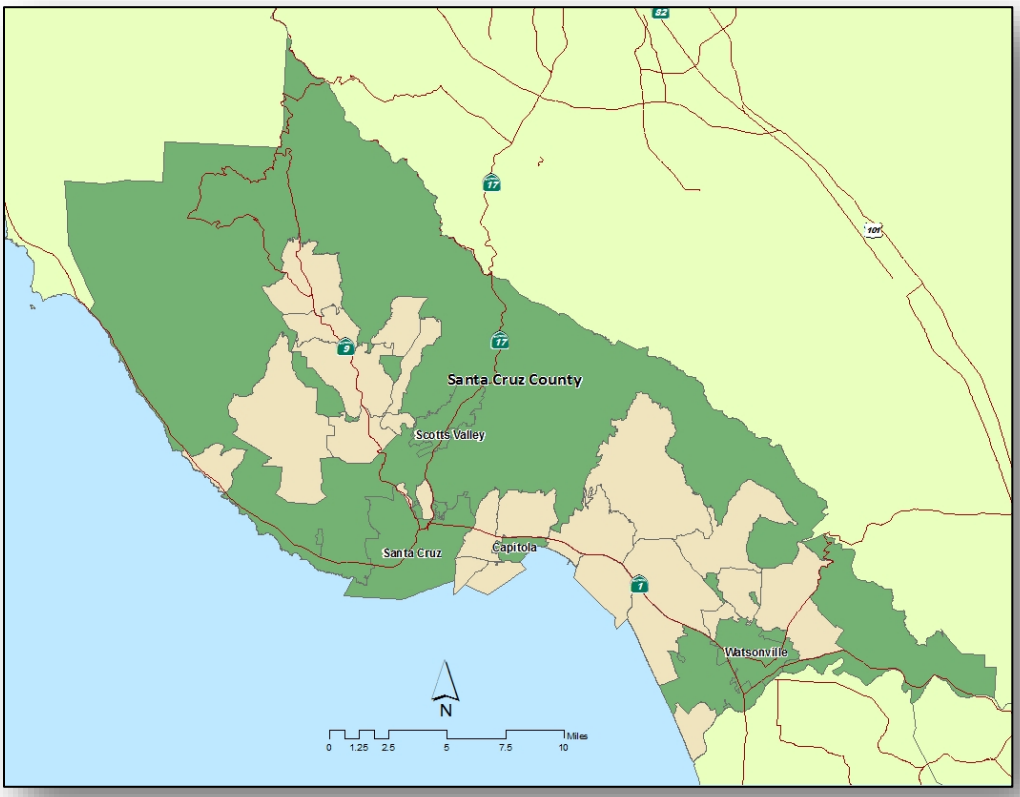
City of Lompoc, located in Santa Barbara County, California



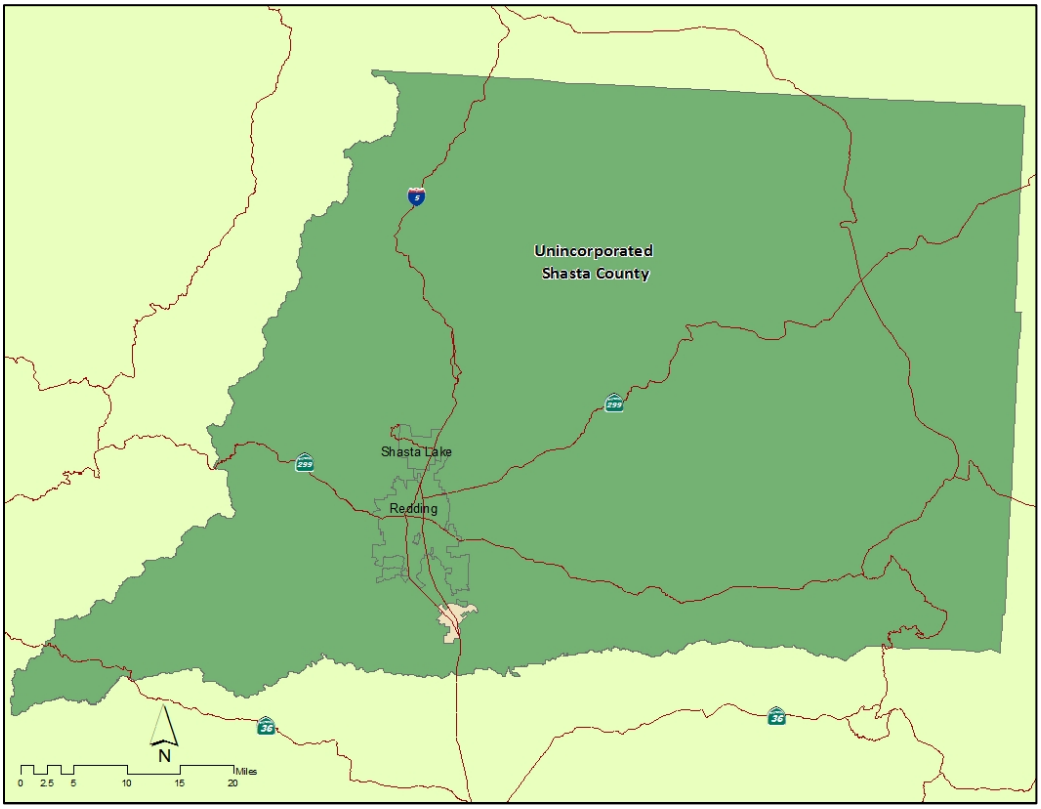
Cities of Campbell, Cupertino, Gilroy, Morgan Hill, Mountain View, San Jose, and Santa Clara, located in Santa Clara County, California



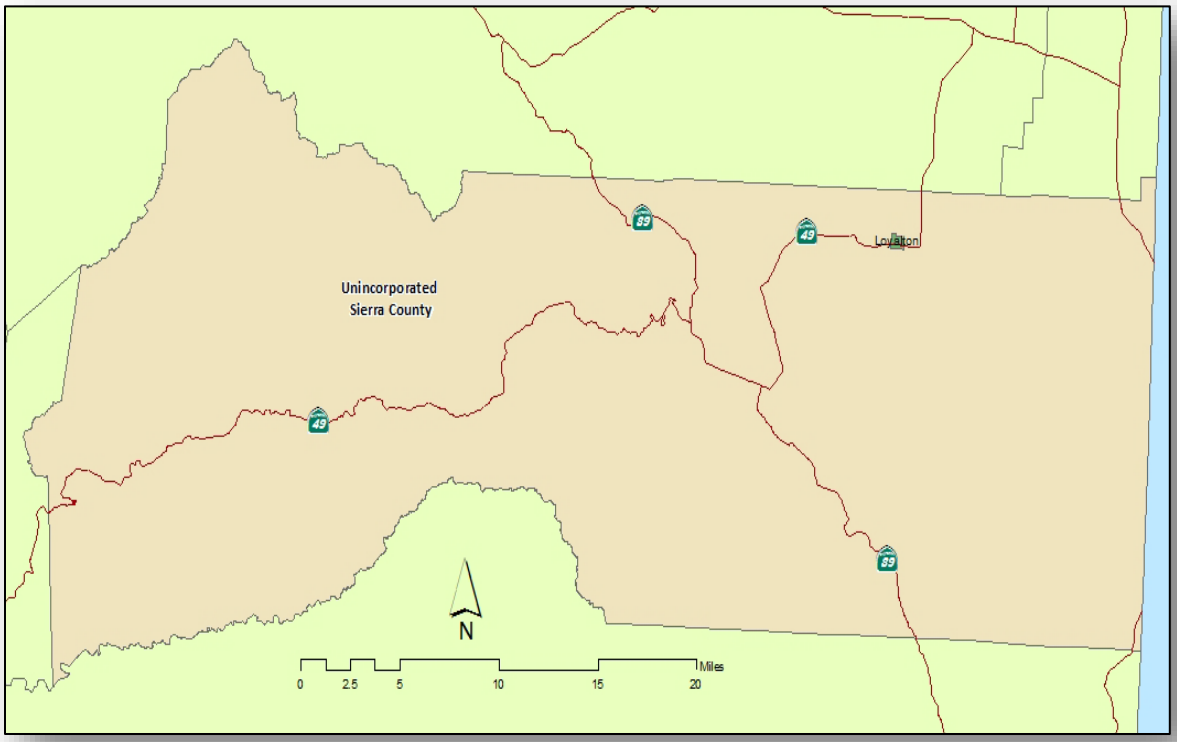
Cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, and Santa Cruz County unincorporated areas, located in Santa Cruz County, California



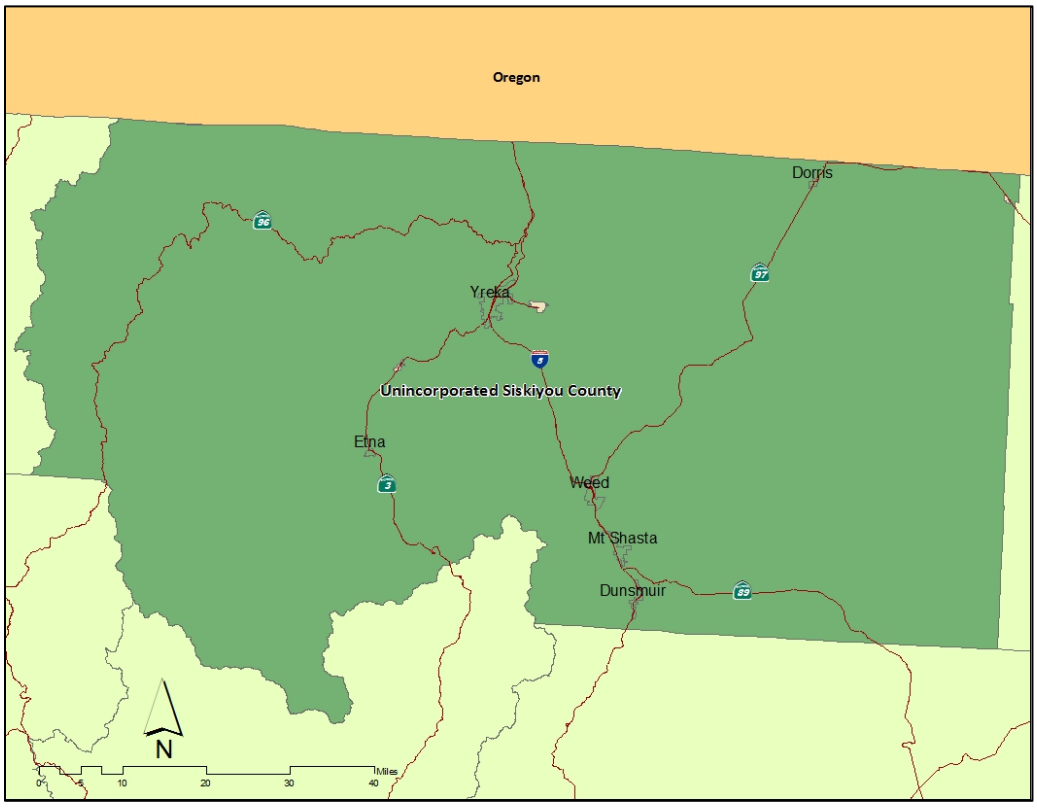
Cities of Redding, Shasta Lake and County of Shasta unincorporated areas, located in Shasta County, California



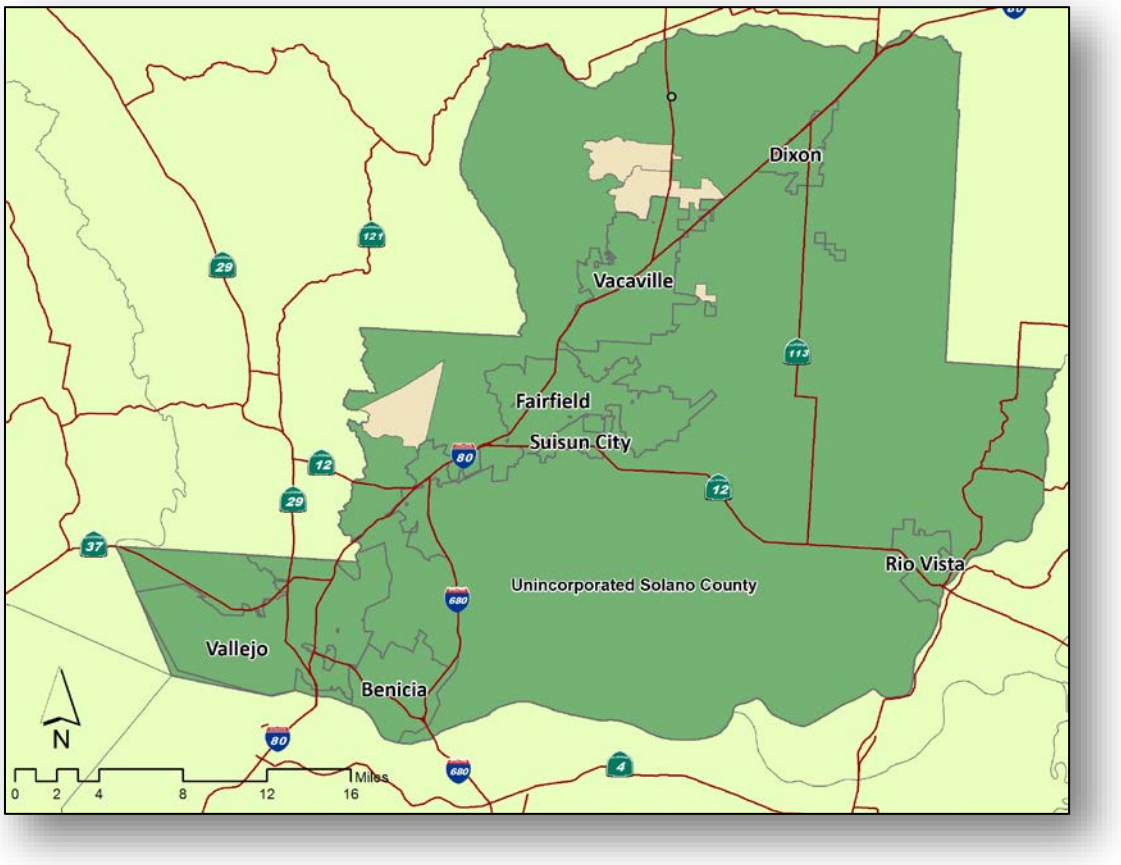
City of Loyalton, located in Sierra County, California



Cities of Dorris, Dunsmuir, Etna, Mount Shasta, Weed, Yreka, and County of Siskiyou unincorporated areas located in Siskiyou County, California



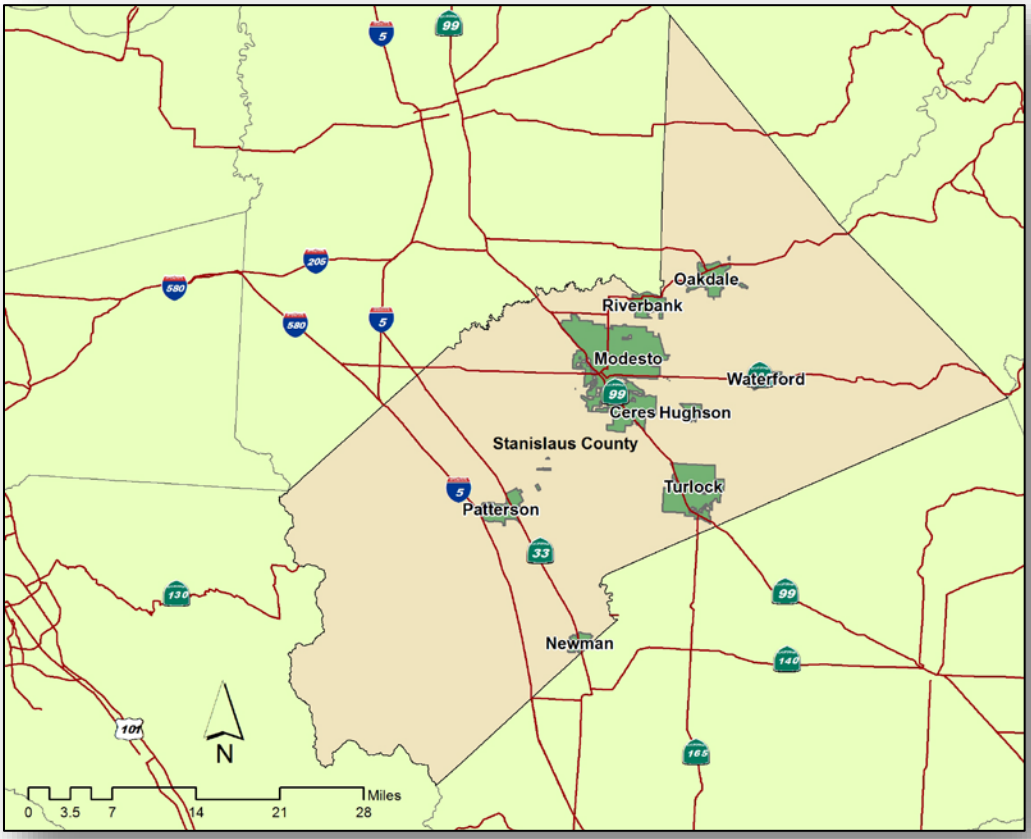
Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, Vallejo, and the Solano County unincorporated areas, located in Solano County, California



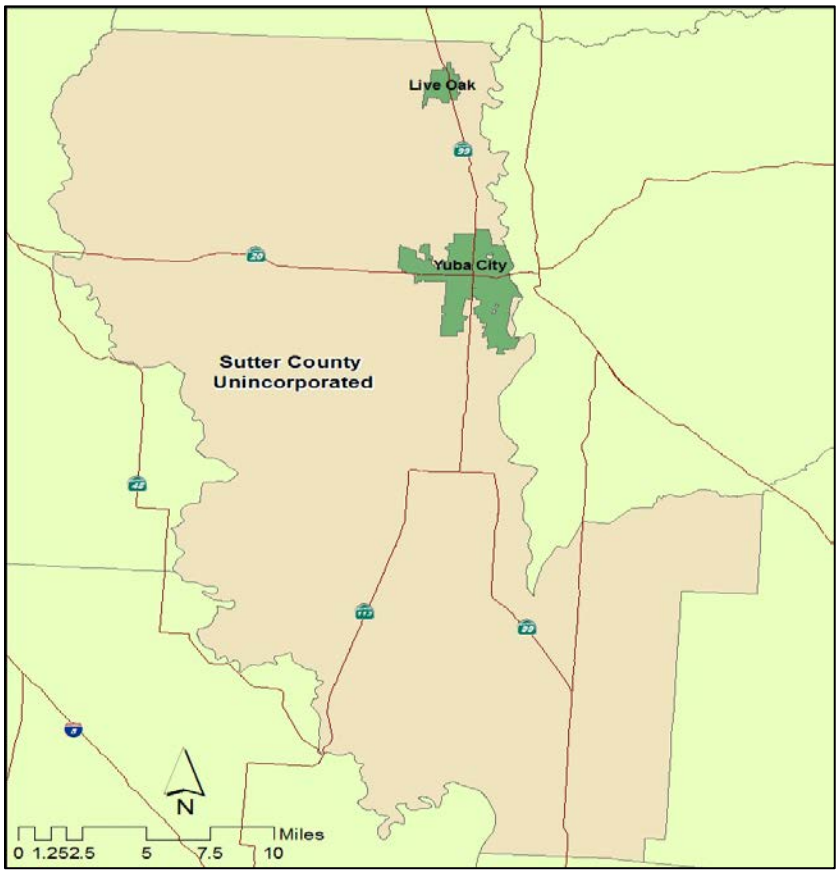
Cities of Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Windsor, and Sonoma County unincorporated areas, located in Sonoma County, California



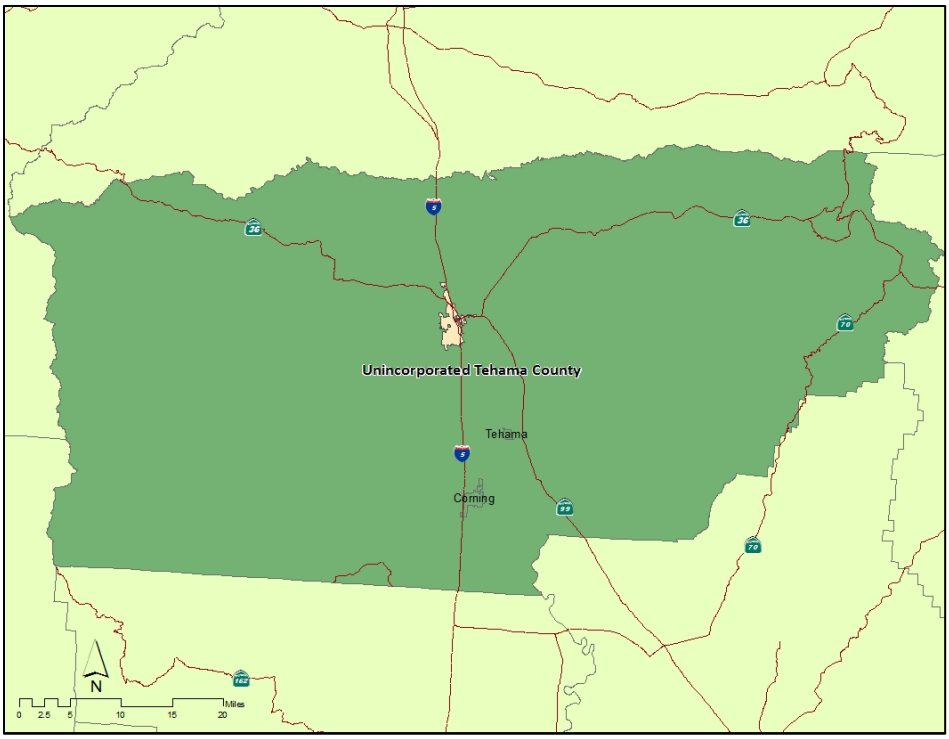
Cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford, located in Stanislaus County, California



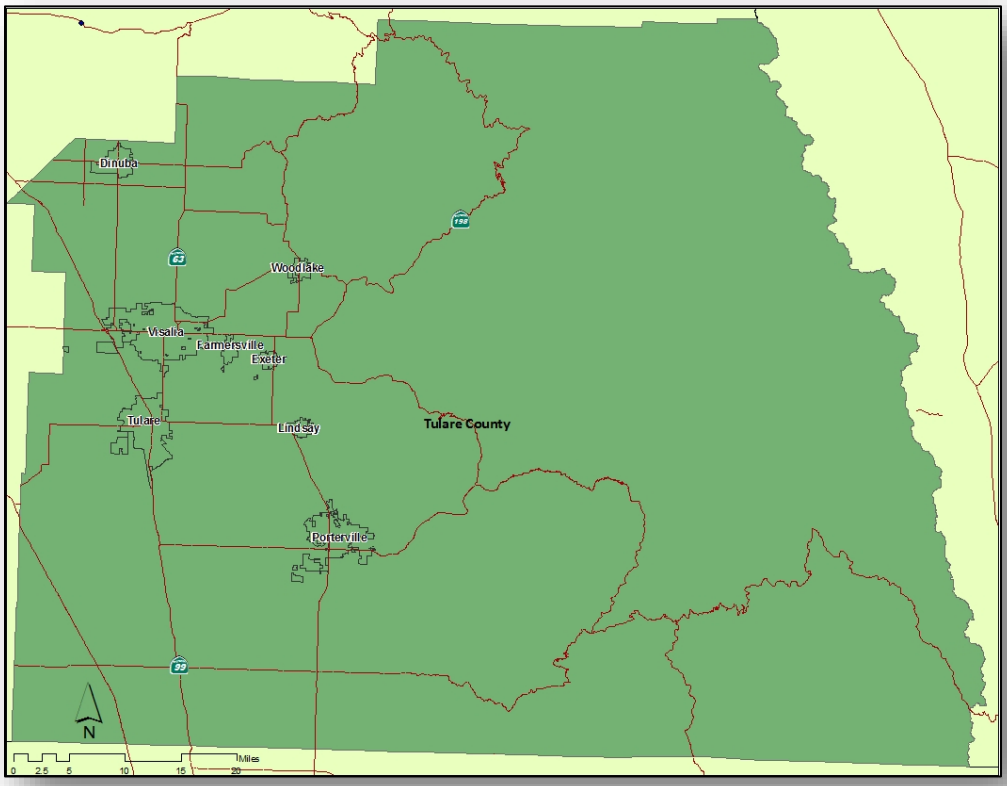
Cities of Live Oak and Yuba City, located in Sutter County, California



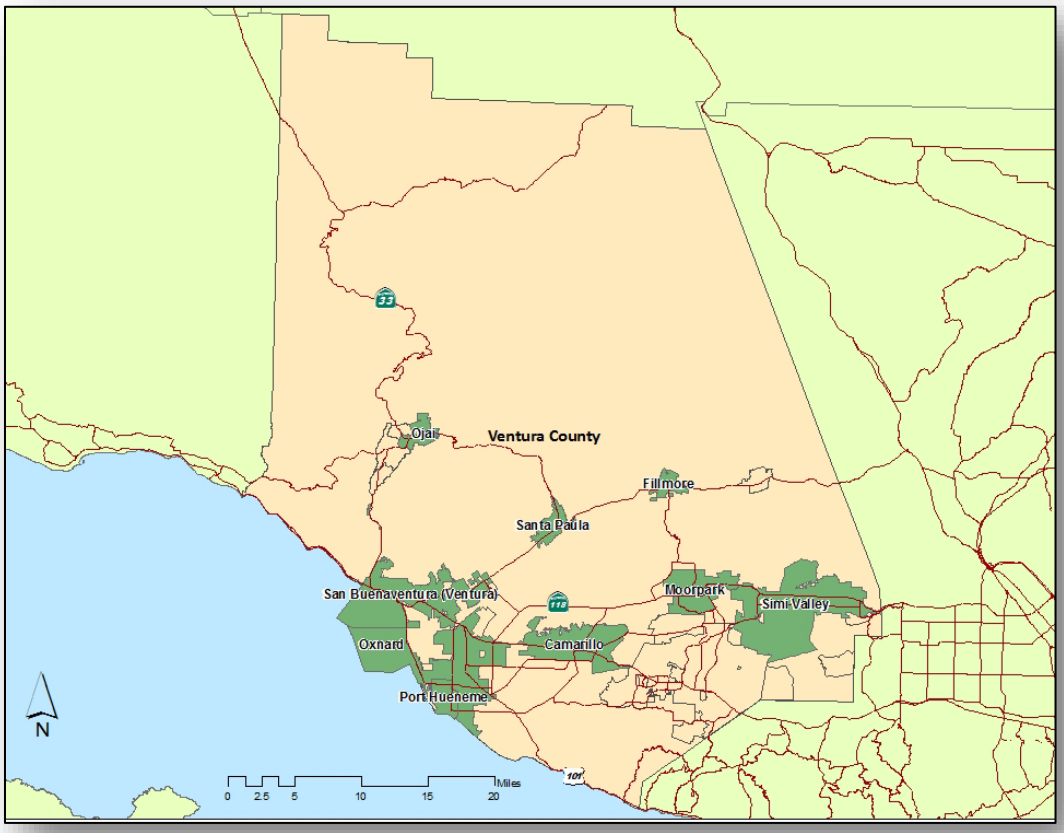
Cities of Corning, Tehama, and Tehama County unincorporated areas, located in Tehama County, California



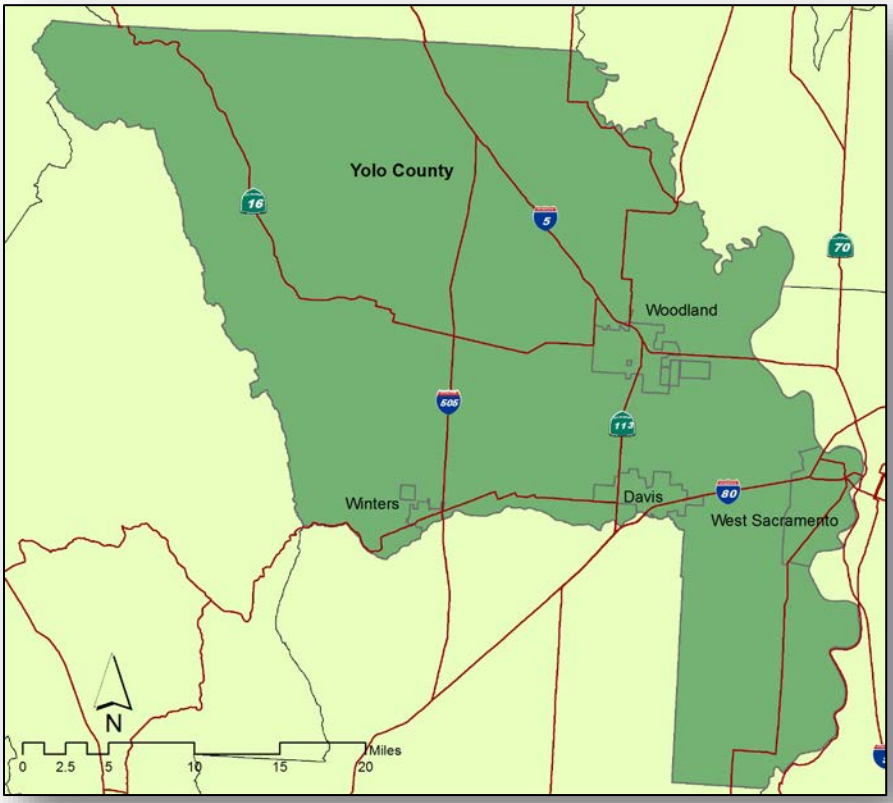
Cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, Woodlake, and Tulare County unincorporated areas located in Tulare County, California



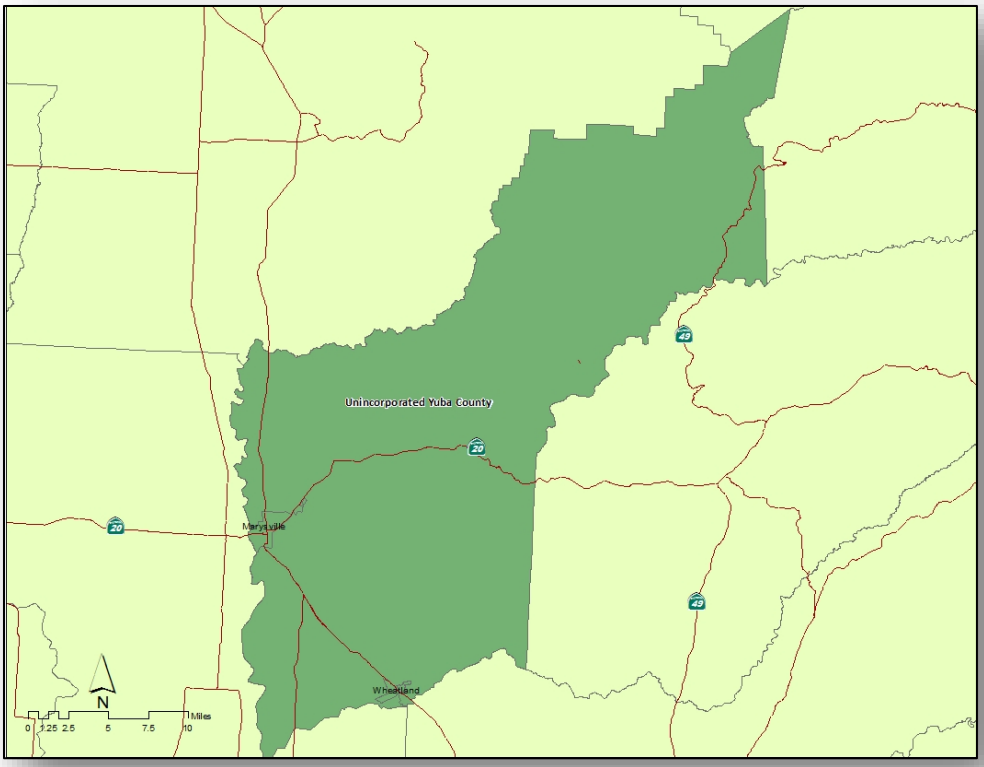
Cities of Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, San Buenaventura, Santa Paula, Simi Valley, and Thousand Oaks, located in Ventura County, California



Cities of Davis, West Sacramento, Winters, Woodland, and Yolo County unincorporated areas, located in Yolo County, California



Cities of Marysville, Wheatland, and Yuba County unincorporated areas, located in Yuba County, California



APPENDIX C
RESIDENTIAL PROPERTIES PROGRAM APPLICATION

HERO Financing Program℠ Application

P: (855) HERO-411 F: (858) 385-0379 E: info@heroprogram.com A: 15073 Avenue of Science Suite 200 San Diego, CA 92128

The Western Riverside Council of Governments (the "Authority") HERO Program (the "Program") finances installation of renewable energy, energy or water efficiency products, or electric vehicle charging infrastructure that are permanently fixed to a property owner's real property ("Eligible Products"). Eligible Products will be financed upon the signing of an assessment contract between the Authority and the property owner ("Assessment Contract"). The Authority has retained Renovate America, Inc. ("RA") to facilitate the Program, and you will see this name throughout the Program materials. The Authority and RA are referred to collectively therein as "Program Administrator."

Property Owner Acknowledgments

In order to participate in the Program, I understand that I need to meet the qualifications listed below. By signing this Application, I acknowledge and represent to the best of my knowledge that I and any other owner(s) of the property which is the subject of this application (the "Property") meet these qualifications and I authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustees whose social security number is provided on this application.

1. Applicant(s) must be the owner(s) of record of the property;
2. Mortgage-related debt on the property must not exceed 90.00% of the value of the property;
3. Property owner(s) must be current on their property taxes and there must be no more than one late payment in the past three years;
4. Property owners must be current on all property debt of the subject property at the time of application and cannot have had more than one 30 day mortgage late payment over the previous 12 months;
5. Property owner(s) must not have had any active bankruptcies within the last seven years, and the Property must not be an asset in an active bankruptcy. However, for all jurisdictions with the exception of the City of San Diego, if a bankruptcy was discharged between two and seven years prior, and the property owner(s) have not had any additional late payments more than 60 days past due in the last 24 months, the property owner may be approved; and
6. The property must not have any federal or state income tax liens, judgment liens, mechanic's liens, or similar involuntary liens on the property.

I understand that to qualify for the Program that the following requirements must be met:

a. The amount to be financed under the Program must be less than 10% of the value of the Property.
b. The combined amount to be financed under the Program plus the mortgage related debt must not exceed 100% of the value of the Property. For properties within the City of San Diego, all mortgage related debt plus the HERO Financing amount must not exceed 95% of the value of the property.
c. All property owners must sign all required documentation, including but not limited to the Application, the Completion Certificate and the Assessment Contract with all other required Financing Documents.
d. Following approval, my contractor or I must call the Program to identify the Eligible Products I would like to purchase, enter into an Assessment Contract with the Authority, and receive Notification to Proceed from the Program before beginning the installation of any Eligible Products. Products which have not been approved by the Program will not be funded.
e. Interest rates may change from the approval date to receiving the Notification to Proceed.

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

1. That the information provided in this Application is true and correct as of the date set forth opposite my signature on the Application and that I understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties including, but not limited to, imprisonment, liability for monetary damages to the Authority, its agents, or successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I have made in this Application, or both.
2. I have the authority to authorize the Program Administrator to obtain a credit report for each of the property owner(s) and/or trustee(s) whose social security number(s) is provided on this Application.
3. I understand that it is my responsibility to receive, read and understand all documents comprising the Program, which, in addition to information on the Program website, include the following:
   a. This Application;
   b. Privacy Policy Notice;
   c. Assessment Contract; and
   d. Program Handbook.

   I have had an opportunity to ask Program representatives and/or my legal counsel any questions I have regarding the documents listed above. I understand I will be asked to sign the Assessment Contract, among other documents, as a pre-condition to the closing of the financing.
4. I am applying to participate in the Program. I have the authority, without the consent of any third party, to execute and deliver this Application, the Assessment Contract, and the various other documents and instruments referenced herein.
5. I understand that the financing provided pursuant to the Assessment Contract will be repayable through an assessment levied against the Property. I understand that an assessment lien will be recorded by the Authority against the Property in the office of the County Recorder of the County of upon execution of the Assessment Contract. The property tax bill (which will include the assessment payments) for the Property will increase by the amount of these assessment installment payments. The Assessment Contract will specify the amount of the assessment, the assessment installments and the interest on the assessment to be collected on the property tax bill for the Property each year during the term specified in the Assessment Contract. The assessment and the interest and any penalties thereon will constitute a lien against the Property until they are paid. As with all tax and assessment liens, this lien will be senior to all existing and future private liens against the Property, including mortgages, deeds of trust and other security instruments.

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Disclosures

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. A full understanding of any item listed below can be gained only by reviewing the relevant laws, policy statements, and/or the contractual documents related to the Program. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or if you need copies of any document related to the Program.

1. Program Disclosures and Disclaimers.

   a. **Existing Mortgage.** The Program establishes the manner by which the Authority may finance, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), the installation of Eligible Products. Eligible Products will be financed pursuant to an Assessment Contract between you and the Authority.

   BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) WHICH AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO A PROGRAM ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY the Authority. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

   If your lender requires an impound for your property taxes, please consider notifying them of the annual assessment payment amount so they can adjust your impound amount.

   b. **Interest Rate**. You will be charged a fixed interest rate on your total financed amount. Your interest rate will be set at the time your financing documents are issued. Interest rates may change from the approval date to the date the Notification to Proceed is sent.

   c. **Program Administration Fee.** At the time of closing, the Authority will charge you a one-time administration fee of 6.95% of the principal amount of the assessment on the Property to cover the costs of administering the Program. This fee will be added to the assessment amount.

   d. **Recording Fee.** At the time of closing, the Authority will pass-through the assessment recording fee of approximately $95.00 to you to cover the costs of recording the assessment. This fee will be added to the assessment amount.

   e. **Assessment Administration Fee.** Each year, an annual assessment administrative fee will be added to the assessment lien amount on your property tax bill. Currently these costs are $35.00 and there will be adjustments in subsequent years for cost of living increases, not to exceed $95.00.

   f. **Interest Before First Payment:** Based on the date an assessment is recorded on your property the payment of assessment installments may not begin until the following year's property tax bill. As a result interest will be added to the assessment amount for the period between your closing date and the date of your first assessment payment. The maximum amount of interest will be listed on your Final Payment Summary, which will be provided with your financing documents.

   g. **Automated Valuation Model Disclosure.** You have the right to a copy of the automated valuation model (AVM) report used in connection with your application for credit. If you want to obtain a copy, please email or write to us at the address we have provided. We must hear from you no later than 90 days after we provide you with a notice of the action taken on your application or a notice of incompleteness, or in the case of a withdrawn application, 90 days after the withdrawal. An AVM is not an appraisal. It is a computerized property valuation system that is used to derive a real property value.

   h. **Foreclosure.** Not later than October 1 each year, the Authority shall determine whether any annual assessment installment is not paid when due and shall have the right and obligation to order that any such delinquent payment, penalties, interest, and associated costs be collected by an action brought in Superior Court to foreclose the lien of such delinquent assessment installment in the manner provided and to the extent permitted by applicable law.

   i. **Prepayment.** You have the option to pay off your assessment amount at any time in full, or in any amount of at least $2,500. A prepayment is calculated to include the principal amount of the assessment to be prepaid (Assessment Prepayment Amount) and interest on the Assessment Prepayment Amount to the earlier of March 2 or September 2 occurring at least 50 days following the date the prepayment is made.

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j. **No Endorsement, Warranty or Liability.** The Authority, Renovate America, Inc., and the Program do not endorse any manufacturer, contractor, product, or system, or in any way warranty such equipment, installation, or the efficiency or production capability of any equipment. The Authority, Renovate America, Inc. and the Program make no representations and have no responsibility regarding the equipment and its installation, including the quality, safety, cost savings, efficiency or production capability of any equipment; or any compliance of the equipment or its installation with any applicable laws, regulations, codes, standards or requirements. Further, the Authority, Renovate America, Inc. and the Program shall not be in any way liable for any incidental or consequential damages resulting from the equipment or its installation.

k. **Validation.** The Program may validate that installed Eligible Products meet Program eligibility requirements including requiring the applicant to provide additional sales receipts, contractor invoices, serial numbers or other identifying details, portions of packages or stickers originally attached to the installed Eligible Products beyond what the Program already requires to be provided. The Program reserves the right to perform independent on-site validation(s) of any Eligible Products financed by the Program even if permit inspections have already been completed. If a validation visit is required, Program staff will schedule any such on-site validation visit with the property owner, at any reasonable time and with reasonable notice. In addition, the Program reserves the right to perform online monitoring of any installed renewable energy systems' generation data, if applicable, as well the tracking of energy consumption impacts and utility usage for any installed/financed product via property utility bill data. You, by submitting this application, consent to any such onsite validations, online monitoring, and utility bill energy usage analysis. By submitting this application, you also agree to sign the authorization form to participate in utility billing energy usage analysis to measure Program impact savings and participant satisfaction.

2. Legal Disclosures

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

b. **Fair Credit Reporting Act.** As part of assembling your Program application, the Authority has requested a consumer report bearing your credit worthiness, credit standing and credit capacity. This notice is given to you pursuant to the Fair Credit Reporting Act.

c. **The Housing Financial Discrimination Act Of 1977.** It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:

   i. trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice; or
   ii. race, color, religion, sex, marital status, domestic partnership, national origin or ancestry.

d. **Patriot Act Disclosure.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identities each person who opens an account. What this means for you: As part of applying to the Program, the Authority may be required to ask for your name, address, date of birth, and other information that will allow it to identify you. The Authority may also need a copy of the driver's license or other identifying documents from any and all borrowers and guarantors.

e. **Communications with Legal Advisers.** If you have any questions about any agreements or security instruments which affect the Property or to which you are a party, or about your authority to execute the Program Application or enter into an Assessment Contract with the Authority without the prior consent of your existing lender(s), the Program strongly encourages you to consult with your own legal counsel and your lender(s). Program staff cannot provide you with advice about existing agreements or security instruments.

f. **Monitoring and Recording Telephone Calls.** The Program may monitor or record telephone calls for security and customer service purposes. By applying for HERO Financing, you consent to have any phone conversations with the Program recorded or monitored.

Property Owner Signature(s)

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

	_____	_____ Date	_____	_____ Date
	_____	_____ Date	_____	_____ Date

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FOR CONTRACTOR CALL IN ONLY

Property Address

Single Family Home Property Type

Property Owner

Ownership Type:

Property Owner 2

First Name	M. Initial	Last Name
Social Security Number	Birth Date (mm/dd/yyyy)	

Property Owner Signature(s)

I declare that I have the authority, without the consent of any third party which has not been previously obtained, to execute and deliver the Application, Assessment Contract, and the various documents and instruments referenced therein.

	_____	_____ Date	_____	_____ Date
	_____	_____ Date	_____	_____ Date

If you do NOT wish to receive email communications from the Program and would prefer all communications to occur through the U.S. mail instead, please contact us.

☐ Please check this box if you do NOT want to receive newsletters or other marketing materials from the Program or Renovate America, Inc.

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Appendix D

COMMERCIAL PROPERTIES PROGRAM APPLICATIONS

SAMAS CAPITAL

hero COMMERCIAL

APPLICATION DATE:

_____/_____/_____
(MONTH/DAY/YEAR)

FOR OFFICIAL USE ONLY

DATE RECEIVED:_____/_____/_____

FILE #: _____

CALIFORNIA COMMERCIAL HERO APPLICATION

PROPERTY OWNER QUALIFICATIONS:

YES	NO	
☐	☐	Property Owner(s) and/or Trustees are and have been current on all property debt for the past six (6) months, including no technical defaults.
☐	☐	Property Owner(s) and/or Trustees are current on property taxes with no more than one late payment during the past three (3) years.
☐	☐	Property Owner(s) and/or Trustees have no involuntary liens, defaults or judgments on the property.
☐	☐	Property Owner(s) and/or Trustees have not declared bankruptcy in the last seven (7) years and the property is not an asset in a bankruptcy.
☐	☐	Mortgage-related debt does not exceed 80% of the fair market value of the property, as defined in the Program Handbook.
☐	☐	Property has a debt service coverage ratio of 1.05 (or 105%) (calculated by dividing net operating income by total lender debt on property).

PROPERTY ADDRESS:

_____
(STREET) (CITY) (STATE) (ZIP CODE)

_____ **OCCUPANCY TYPE:** ☐ Owner-Occupied ☐ Tenant-Occupied ☐ Both
(ASSESSOR'S PARCEL NUMBER)

DESCRIBE OCCUPANTS' BUSINESSES: _____

PROPERTY TYPE:

☐ Multi-Family (5+ units) ☐ Commercial ☐ Industrial ☐ Agricultural ☐ Other:_____

MAILING ADDRESS:
(if different from property address)

_____
(STREET/P.O. BOX) (APT/SUITE/ETC/.) (CITY) (STATE) (ZIP CODE)

PROPERTY OWNER TYPE:

☐ Individual ☐ Trust ☐ Corporation ☐ Partnership ☐ Other:_____

PROPERTY OWNER #1 INFORMATION (Should be person/entity who handles all program contacts):

_____ _____ _____
NAME OF PROPERTY OWNER (TAX ID # OR SSN) NAME OF CONTACT PERSON, IF BUSINESS ENTITY OWNER

_____ _____ _____ _____
(PHONE NUMBER) (ADDITIONAL PHONE NUMBER) (EMAIL ADDRESS) % OWNERSHIP

PROPERTY OWNER #2 INFORMATION:
(If there are additional Property Owners or Trustees, please provide additional sheet(s) with property owner information.)

_____ _____ _____
NAME OF PROPERTY OWNER (TAX ID # OR SSN) NAME OF CONTACT PERSON, IF BUSINESS ENTITY OWNER

_____ _____ _____ _____
(PHONE NUMBER) (ADDITIONAL PHONE NUMBER) (EMAIL ADDRESS) % OWNERSHIP

Assets	Amount	Liabilities	Amount
Cash in Banks		Notes Payable	
Accounts Receivable		Accounts Payable	
Notes Receivable		Income Tax Payable	
Securities Owned		Other Taxes Payable	
Real Estate		Mortgages or Liens on Real Estate	
Other Assets		Other Liabilities	
Total		Total	

Property Income (Annual)	Amount	Property Expenses (Annual)	Amount
Rent		Maintenance and Repairs	
Other Income		Property Taxes	
Interest		Property Insurance	
Total		Total	

Mortgages and Liens on Commercial Real Estate							
Property ID	To Whom Payable	1st or 2nd Mortgage?	Monthly Payment	Current?	Security	Maturity Date	Principal Remaining

If the property is cross-collateralized or cross-defaulted, please complete this section.

Commercial Real Estate Schedule						
Address / Type of Property	Title in Name of	How Held	Cost / Year Acquired	Monthly Income	Present Market Value	Total Balance Owed

If the property is owner-occupied, please complete this section.

Notes Payable				
Name of Debtor	Collateral	Monthly Payment	Maturity Date	Total Amount Due

OTHER CRITERIA QUESTIONS

Please explain all "yes" answers on a separate sheet.

YES	NO	
☐	☐	Do(es) the Property Owner(s) have any outstanding judgment(s)?
☐	☐	Do(es) the Property Owner(s) have any tax obligations, including payroll or real estate taxes, that are past due?
☐	☐	Is/Are the Property Owner(s) a party in any active or threatened lawsuit(s) or other legal action(s)?
☐	☐	Has(ve) the Property Owner(s) had property foreclosed or give title or deed in lieu thereof?
☐	☐	Has(ve) the Property Owner(s) compromised a debt or modified a mortgage loan in the last 12 months?

For the listed insurance policy types, is there an active insurance policy for this property?

YES	NO	
☐	☐	Fire and Hazard insurance?
☐	☐	General Liability insurance?
☐	☐	Flood Insurance? Please check here if not in flood zone ☐

REQUIRED ATTACHMENTS:	
☐	Completed rent rolls form.
☐	Signed lender consent for each mortgage on the property to be improved.
☐	12 month payment history for each mortgage on the property to be improved (account history print out (preferred) or mortgage statements).
☐	Profit and Loss Statements and Tax Returns for past two years.
☐	Proposed Improvements – Contractor Bid(s) or Consultant/Engineer Proposal

APPLICANT(S) SIGNATURES

By signing this Application, the undersigned hereby declares under penalty of perjury under the laws of the State of California that all property owner(s) and/or trustees have read, understand, and agree to all sections of the Program Handbook and that all information set forth in this Application is true, accurate, and complete.

(Applicant Signature)	(Date)	(Applicant Signature)	(Date)
(Printed Name, Business Name, Title (if applicable))		(Printed Name, Business Name, Title (if applicable))	
(Applicant Signature)	(Date)	(Applicant Signature)	(Date)
(Printed Name, Business Name, Title (if applicable))		(Printed Name, Business Name, Title (if applicable))	

RENT ROLL DETAILS FORM **DATE:_____**

Unit #	Unit Type	Tenant Name	Square Feet	Monthly Rent	Term		Occupied Yes or No?	Comments
					Start	End		
Prospective Tenants								

Rent Roll Certification:

I/We certify that the above information dated _____ for the property located at _____ is/are true and correct.

By:_____

Title:_____

EXHIBIT A

PROPOSED BUILDING IMPROVEMENTS

	DESCRIPTION	ESTIMATED COST
1	**Description:** _____ **Brand:** _____ **Model #:** _____ **Quantity:** _____ **Efficiency Level:** _____ **Estimated Annual Energy Savings/ Production (# Units):** _____	$_____
2	**Description:** _____ **Brand:** _____ **Model #:** _____ **Quantity:** _____ **Efficiency Level:** _____ **Estimated Annual Energy Savings/ Production (# Units):** _____	$_____
3	**Description:** _____ **Brand:** _____ **Model #:** _____ **Quantity:** _____ **Efficiency Level:** _____ **Estimated Annual Energy Savings/ Production (# Units):** _____	$_____

ITEMIZED ESTIMATED COST OF IMPROVEMENT(S)

A.	(i) Construction contract(s) (bid price for cost of materials and labor less any applicable rebates): and/or	$_____
	(ii) If self-installing, cost of equipment (less applicable rebates; do not include any labor costs):	$_____
B.	Energy assessment/audit costs	$_____
C.	Draft, engineering and/or plan preparation costs:	$_____
D.	Estimated Permit fees:	$_____
E.	Recording Fee for Assessment Lien documents and assessment contract. Set by state law and the County Recorder's Office	$_____
F.	Title Costs	$_____
G.	Other Please list (Attach separate sheet(s) explaining other costs if needed.)	$_____
	Other: _____	$_____
	Other: _____	$_____
	Requested Financing Amount: This requested amount is the maximum amount that can be funded.	$_____
	Loan Term (5, 10, 15, 20 years):	_____

EXHIBIT B

Fill in all contractors or sub-contractors working on the proposed project:

CONTRACTOR OR SUB-CONTRACTOR	CONTRACTOR COMPANY	CONTRACTOR NAME	CONTRACTOR LICENSE #
1 Circle One: Contractor or Sub-Contractor			
2 Circle One: Contractor or Sub-Contractor			
3 Circle One: Contractor or Sub-Contractor			
4 Circle One: Contractor or Sub-Contractor			
5 Circle One: Contractor or Sub-Contractor			
6 Circle One: Contractor or Sub-Contractor			
7 Circle One: Contractor or Sub-Contractor			
8 Circle One: Contractor or Sub-Contractor			
9 Circle One: Contractor or Sub-Contractor			

GREENWORKS ASSESSMENT CONTRACT

Agreement to Pay Assessment and Finance Improvements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
WRCOG PACE PROGRAM AND CALIFORNIA PACE PROGRAM
(Greenworks Commercial PACE Program)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____**, 20**___, (the "Effective Date") by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**") and acknowledged and accepted by Greenworks Lending LLC ("Greenworks" or the "PACE Program Administrator"), in its role as the Program Administrator.

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

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

WHEREAS, the purpose and method of administration of the assessments under the Program are described in the WRCOG Program Report dated June 7, 2010, as such report has been amended from time to time and the California Program Report originally adopted by the WRCOG Executive Committee on June 3, 2013, as such report has been and may be amended from time to time (collectively, the "**Program Report**") prior to the Effective Date of this Contract.

WHEREAS, the Authority executed an Administration Agreement with Greenworks to provide program administrative services to owners of commercial properties participating in the Greenworks Commercial PACE Program (the "**Greenworks Program**") of the Program, including but not limited to reviewing and approving application materials subject to the Program Report ("**Approved Project**"), processing all disbursement requests, including accepting disbursement

request forms, reviewing submitted forms and attachments, and providing for the disbursement of funds for the Authorized Improvements.

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

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "**City/County**"); and

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

WHEREAS, Property Owner has submitted application materials including a description of the Authorized Improvements that will be acquired, constructed on and/or installed on the Property and are to be financed pursuant to the Greenworks Program and the PACE Program Administrator has determined it is an Approved Project; and

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

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

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property.

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

Section 3. Assessment and Lien.

(a) Pursuant to the terms of this Agreement, the Authority shall disburse funds, or cause funds to be disbursed, to or on behalf of the Property Owner in a principal amount not to exceed $[ ] (the "Financed Amount"), of which $[ ] shall be for the actual cost of the design, approval, acquisition, construction, financing, and/or installation of the Improvements, (the "Project Cost"), and of which $[ ] shall be for Authority and PACE Program Administrator fees and expenses ("Initial Administrative Expenses"). If the actual cost of the Improvements

exceeds the Project Cost, the Property Owner shall be solely responsible for the payment of such excess costs.

(b) Interest shall accrue on a simple interest basis on the Financed Amount from the Effective Date at [insert rate] per annum until all outstanding obligations are paid in full. Interest shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year for the actual number of days during which the principal balance of the Assessment outstanding. Property Owner acknowledges and agrees that the calculation of interest on the basis described in the immediately preceding sentence may result in the accrual and payment of interest in amounts greater than those which would be payable if interest were calculated on the basis of a three hundred sixty-five (365) day year.

(c) Property Owner agrees that upon the execution of this Agreement by the parties, the Property is subject to a voluntary contractual assessment levied against the Property pursuant to this Agreement, Chapter 29 and other applicable law in an amount equal to the Financed Amount plus any administration fees, accrued interest and penalties thereon (the "Assessment"). Upon execution of this Agreement, the Authority will execute and cause to be recorded in the office of the County Recorder of the County within which the Property is located (the "County") a notice of assessment and payment of contractual assessment required (collectively, the "Notice of Assessment") as required pursuant to Chapter 29, together with a copy of this Agreement. The recordation of the Notice of Assessment will create a lien against the Property.

(d) The execution of this Agreement by the parties constitutes the levy of the Assessment by the Authority against the Property without any further action required by the parties.

(e) The Property Owner hereby promises to pay the Assessment for a period of [ ] years annually, in two installments ("Installments") as permitted by the County tax collector, together with annual assessment administrative fees ("Annual Assessment Administrative Fees") as defined in paragraph (e) below, (collectively, "Assessment Installment") on the due dates set forth in Exhibit C (the "Assessment Schedule"). Owner agrees to pay each Assessment Installment by its due date in order to avoid delinquencies and related penalties.

(f) The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an Installment each year in order to pay for the costs of collecting and administering the Assessment (the "Annual Assessment Administrative Fees"). The maximum Annual Assessment Administrative Fee shall not exceed [$] in tax year commencing on [insert year]. The Annual Assessment Administrative Fee shall thereafter be adjusted annually commencing on [insert date] of each subsequent tax year for cost of living based on the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers applicable to the County of [COUNTY]. The PACE Program Administrator shall annually determine the amount of the Annual Assessment Administrative Fee, not to exceed the maximum Annual Assessment Administrative Fee determined in accordance with the preceding sentence.

(g) The Assessment, together with any interest and penalties incurred thereon, shall constitute a lien upon the Property until paid. Failure to pay any Assessment Installment or any interest thereon, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest accruing on the amounts due. In addition, under those circumstances, the Authority has the right to judicially foreclose the lien of the Assessment, as set forth in paragraph 8(g) below.

Section 4. Collection of Assessment; Other Remedies.

(a) The Assessment Installment shall be collected on the property tax bill pertaining to the Property. The Assessment Installment shall be payable in the same manner and at the same time as the general taxes of the County on real property are payable, and Assessment Installments shall be payable and become delinquent at the same times and shall bear the same penalties and interest after delinquency, and be subject to the same provisions for redemption and sale, as the general taxes on real property of the County.

(b) The Assessment Installments shall commence on the due dates set forth in the Assessment Schedule (Exhibit C).

(c) The lien of the Assessment (the "Assessment Lien") shall be co-equal to and independent of the lien for general taxes, and, pursuant to Government Code Section 53936, not subject to extinguishment by the sale of the Property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances on or against the Property except: (i) the lien for general taxes, special taxes or ad valorem assessments in the nature of and collected as taxes levied by the State of California or any county, city, special district or other local agency; (ii) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment; (iii) easements constituting servitudes upon or burdens the Property; (iv) water rights, the record title to which is held separately from the title to the Property; and (v) restrictions of record.

(d) Property Owner acknowledges and understands that, no later than October 1st of each year, if the Property is delinquent in the payment of any Assessment Installment or any accrued interest and penalties thereon, the Property will be subject to the commencement of foreclosure proceedings. The Authority will commence, or cause to be commenced, judicial foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint not later than sixty (60) days following the determination that the property is delinquent in the payment of such Assessment Installments. Failure of such a complaint to be filed by such date shall not, however, invalidate any judicial foreclosure proceedings commenced after such date. The Property Owner acknowledges that the Authority shall have the delinquent Assessment Installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent Assessment Installments, associated penalties and interest, and all costs of suit, including attorneys' fees. The Property Owner acknowledges that, if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of such bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances. Additionally, if no action is taken by the Authority and you remain delinquent on the payment of any Assessment Installment for a period of five (5) years, the County in which the Property is located may commence foreclosure proceedings.

Section 5. Financing of the Improvements; Installation of the Improvements.

(a) The Authority hereby approves the disbursement of funds against the Financed Amount subject to the provisions of this Section. The funds will be disbursed by the PACE Program Administrator on behalf of the Authority, pursuant to the terms of this Agreement and applied by Property Owner to pay for the Improvements.

(b) Notwithstanding anything to the contrary contained herein, the PACE Program Administrator's obligation to disburse any of the Project Cost to Property Owner or their contractor ("Contractor") shall be subject to satisfaction of the following conditions precedent, in the PACE Program Administrator's sole discretion, or any such condition precedent is expressly waived in writing by the PACE Program Administrator:

i) the construction contract between the Property Owner and the Contractor, together with all major subcontracts thereunder (collectively, the "Construction Contract") shall have been approved in all respects by the PACE Program Administrator;

ii) the Property Owner shall have provided copies of all permits required by law to the PACE Program Administrator;

iii) the Property Owner shall have provided to the PACE Program Administrator the written consent of its existing mortgage lender to the Assessment;

iv) the PACE Program Administrator shall have received confirmation from the applicable County Recorder that the Notice of Assessment, together with a copy of this Agreement has been recorded in the relevant land records;

v) the Property Owner shall have provided to the PACE Program Administrator evidence acceptable to the PACE Program Administrator of incentive awards related to the Improvements, if applicable;

vi) Property Owner has provided the PACE Program Administrator original, executed copies of this Agreement and any related certificates.

vii) The PACE Program Administrator shall have determined that the representations of Property Owner contained in this Agreement are true and correct, and no Default (as defined in Section 14 below) shall have occurred and be continuing hereunder.

viii) No order or notice shall have been given by any governmental agency stopping construction or stating that the work or construction is in violation of any law, ordinance, code or regulation, unless such order or notice has been rescinded and a copy of such rescission has been delivered to and shall be satisfactory to the PACE Program Administrator in its sole discretion. No stop payment or mechanic's lien notice pertaining to the Products has been filed and remains in effect as of the Effective Date.

ix) the Property Owner shall have submitted to the Authority and the PACE Program Administrator a request for the disbursement in the form of the certification attached hereto as Exhibit [ ]

x) the Property Owner shall have furnished to the PACE Program Administrator partial waivers and releases of liens (for labor, services or materials which have been performed and paid for or such lien waiver will be subject to payment) from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements in the form attached hereto as Schedule 2 to Exhibit [ ];

xi) the Property Owner shall have provided a list of authorized representatives on whose instructions and directions the PACE Program Administrator may rely until such time as an updated list has been provided, as set forth on Exhibit [ ] attached hereto; and

xii) the Property Owner has provided to the PACE Program Administrator evidence satisfactory to the PACE Program Administrator of current insurance policies on the Property and has provided evidence satisfactory to the PACE Program Administrator that such insurance shall be maintained in force during the term of the Assessment.

(c) Upon satisfaction or waiver of the conditions described in paragraph (a), above, the PACE Program Administrator will disburse funds to or on behalf of the Owner.

(d) The PACE Program Administrator's obligation to authorize the final disbursement shall be subject to the satisfaction of the following conditions precedent in the PACE Program Administrator's sole discretion:

i) Satisfaction of all conditions set forth in this Section;

ii) Full completion of construction of the Improvements in accordance with the Construction Contract, as evidenced through a receipt by the PACE Program Administrator of the executed Completion Certificates in the forms attached hereto as Exhibit [ ]

iii) If applicable, receipt by the PACE Program Administrator of the final unconditional Certificate of Occupancy for the Improvements or a conditional Certificate of Occupancy which conditions are punch-list items only;

iv) Receipt by the PACE Program Administrator of final waivers and releases of liens from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements, substantially in the form of the waiver and release attached hereto as Exhibit [ ]; and

v) No stop payment or mechanic's lien notice pertaining to the Improvements has been served upon Property Owner, the PACE Program Administrator, or the Authority or recorded against the Property and which remains in effect.

(e) Amount and Frequency of Disbursements.

i) Each disbursement shall either (x) reimburse the Property Owner for costs of the Improvements already incurred by the Property Owner, or (y) be disbursed directly to the Contractor and/or suppliers retained for the Improvements, for construction costs incurred by the Property Owner in accordance with the approved budget. The Property Owner may apply any savings or under-budget line item cost in the approved budget to increase the amount of any other line item in the approved budget, subject in each instance to the PACE Program Administrator's review and approval, which approval shall not be unreasonably withheld.

ii) Disbursements shall be made upon the Property Owner's compliance with the terms hereof in such proportion of the total cost of that part of the work completed to the PACE Program Administrator's satisfaction in its sole discretion, so that at all times

the undisbursed portion of the Project Cost shall be sufficient, in the PACE Program Administrator's sole discretion, to complete the Improvements (including, without limitation, to pay all non-construction costs associated with the Improvements). The PACE Program Administrator shall have the right to make the final determination in its sole discretion as to the amount of each disbursement. The PACE Program Administrator may, in its sole discretion, determine the number and frequency of each disbursement, which will not exceed one hundred percent (100%) of the cost of the work then completed and in place less the standard retainage of five percent (5%) for all construction costs (unless a higher retainage is specified in any contract). Such retainage will be disbursed to the Property Owner at the date on which the Completion Certificate has been executed.

iii) The final disbursement will be made upon full completion of the Improvements in accordance with the Construction Contract and satisfaction of the conditions precedent set forth in Section 5 (c).

iv) No disbursement shall be made for materials not yet installed or incorporated into the Improvements, except that the PACE Program Administrator may agree, in its sole discretion, to authorize a disbursement for such materials.

v) In no event shall the amount of any disbursement exceed an amount equal to (x) the cost of the construction work in place at the Property, subject to the retainage provisions set forth in Section 5(e)(ii), plus the amount of non-construction costs paid or payable by the Property Owner pursuant to the approved budget as of the date of the requested advance, less (y) all disbursements previously disbursed.

vi) In no event shall the aggregate amount of all disbursements exceed the Project Cost.

vii) In no event shall any disbursement be made to the Property Owner from and after the date on which the final disbursement shall have been paid in accordance with Section 5 (c).

(f) Unused Proceeds. In the event Property Owner draws less than eighty-five percent (85%) of the Assessment, upon PACE Program Administrator making the final disbursement in accordance with Section 5(d) of this Agreement, the Property Owner shall pay to PACE Program Administrator an unused Assessment fee in an amount equal to ___% of the difference derived by subtracting (i) the total amount disbursed by PACE Program Administrator of the Assessment including such final disbursement, from (ii) the maximum principal amount of the Assessment authorized pursuant to the terms hereof. In the event Property Owner prepays the Assessment in accordance with Section 6 hereof, this Section shall only apply if Property Owner draws less than eighty-five percent (85%) of the amount equal to the difference derived by subtracting (i) the total amount Property Owner has prepaid in accordance with Section 6 hereof, from (ii) the Assessment amount. .

Section 6. Prepayment of the Assessment.

The outstanding principal balance of the Financed Amount may be prepaid, in whole or in any amount of at least $5,000, at any time upon the payment of a premium in an amount equal to a percentage of the amount of the principal to be prepaid as calculated pursuant to the processing fee and schedule of prepayment premiums is set forth in Exhibit hereto. In addition, prepayment costs may also include any applicable trustee fees, bond interest (if bonds have been issued), and other related charges.

Section 7. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment of the Assessment. Following such expiration, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of the Assessment.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) Property Owner shall not, without the express written consent of the Authority and the PACE Program Administrator, in their sole discretion, by act or omission impair the integrity of the Property as a single, separate, subdivided and zoned lot separate apart from all other property which is owned by Property Owner, or not. Property Owner hereby acknowledges that, in the event of a subdivision of the Property is approved by the Authority and PACE Program Administrator, no subdivision of the Property subject to this Agreement shall be valid unless an amendment to this Agreement divides the Assessment between the newly subdivided parcels pro rata to the special benefit realized by each subdivided parcel.

Section 8. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 9. Representations and Warranties of Property Owner. Property Owner represents and warrants to the Authority and PACE Program Administrator as follows, which representations and warranties shall be true and correct as of the date of this Agreement and at all times thereafter until the Assessment has been repaid in full:

(a) Corporate Existence; Qualification. Property Owner is duly organized, validly existing and in good standing in the state of its organization and with authority to do business under the laws of the State of California

.

(b) Authorization; Enforceable Obligations.

i. Property Owner has all necessary power and authority to own the Property and to conduct its business and enter into the transactions contemplated hereby. Property Owner has the right to enter into and perform this Agreement and all other documents executed in connection therewith have been duly authorized, executed and delivered and constitute valid and binding obligations of Property Owner, each enforceable in accordance with its respective terms.

ii. No consent or authorization of, filing with, notice to or other act by or in respect of any governmental authority (Federal, State or Local) or any other person is required to be obtained by the Property Owner in connection with (1) the financing hereunder, (2) the execution, delivery, validity or enforceability of this Agreement or any related documents, or (3) the performance of this Agreement, except, in each case, for routine consents, authorizations, filings and notices required to be made in the ordinary course of business.

iii. The Property Owner has secured all necessary approvals or consents required with respect to this transaction by any mortgagor, creditor, or other party having any financial interest in the Property Owner or the Property.

(c) No Legal Bar. The execution, delivery and performance of this Agreement or any related documents by the Property Owner, the financing hereunder and the use of the proceeds thereof will not violate any applicable law, the Property Owner 's organizational documents or any material agreement of the Property Owner.

(d) Financial Statements. All financial statements delivered to the Authority and the PACE Program Administrator are true and correct, have been prepared in accordance with generally accepted accounting principles (or such alternate accounting method acceptable to the Authority) consistently applied, fairly represent the financial condition of Property Owner as of the date thereof, and no material adverse change has occurred in the financial condition presented therein since such date.

(e) No Litigation. There are no actions, suits, claims or proceedings pending, or to the knowledge of Property Owner threatened, against or affecting it or the Property which could materially adversely affect Property Owner, its financial condition, any of its properties (including the Property), or the construction of the Improvements or Property Owner 's ability to satisfy its obligations under this Agreement.

(f) Title. Property Owner has good, marketable and insurable title to the Property subject only to real property taxes, pari passu assessment liens of record, and the permitted encumbrances approved by the Authority and the PACE Program Administrator and set forth in Exhibit G attached hereto ("Permitted Encumbrances").

(g) Compliance with Laws. Property Owner has complied with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Property and construction of the Improvements. All permits, consents, approvals and authorizations required to be issued by any governmental body (collectively, the "Permits") necessary for (a) the installation and construction of the Improvements in accordance with the plans and specifications submitted by Property Owner; (b) the construction, connection and operation of all utilities necessary to service the Improvements; and (c) the construction and use of all roadways, driveways, curb cuts and other vehicular or other access to and egress from the Property, either (i) have been obtained, are valid, are in full force and effect and have been complied with by the Property Owner in all respects; or (ii) will be obtained, will be valid, will be in full force and effect prior to the initiation of construction, and Property Owner will be in compliance therewith in all respects prior to the PACE Program Administrator's disbursing any of the funds. Construction and installation of the Improvements will comply with applicable zoning, use, building or other applicable codes, laws, regulations and ordinances and any restrictive covenants affecting the Property.

(h) Marijuana and Environmental Matters. Property Owner does not and will not engage (nor will it allow any tenants of the Property to engage) in operations that involve the growth, testing, production or distribution of marijuana, nor the generation, manufacture, refining, transportation, treatment, storage or handling of hazardous materials or hazardous wastes, pursuant to applicable state law, or any other federal, state or local environmental laws or regulations, and, to the best of Property Owner's knowledge, after due inquiry, neither the Property nor any other of its buildings thereon has been so used previously, except as previously disclosed in writing to and approved by the Authority and the PACE Program Administrator. There are no underground storage tanks located on the Property. There is no present and to the best of Property Owner 's knowledge there has been no past, non-compliance with environmental laws, or with permits issued pursuant thereto, in connection with the Property, which has not been fully remediated in accordance with environmental laws.

(i) No Default. No Default (as defined herein) has occurred hereunder, and no event has or shall have occurred and be continuing, which, with the lapse of time or the giving of notice, or both, would constitute a Default. No foreclosure action is currently threatened or has been commenced with respect to the Property. Property Owner is not currently in default on any mortgage or deed of trust loan(s) secured by the Property.

(j) No Misrepresentation or Material Nondisclosure. Property Owner has not made and will not make to the Authority or to the PACE Program Administrator, in this Agreement or otherwise, any untrue statement of a material fact, nor has it omitted and nor will it omit to state a material fact necessary to make any statement made not misleading. All information provided by Property Owner to the Authority or to the PACE Program Administrator in writing or in electronic form is complete, true and correct in all material respects.

(k) Insurance. Property Owner has provided to the Authority and the PACE Program Administrator satisfactory evidence of the current insurance policies on the Property and has provided evidence that such insurance shall be maintained in force during the term of the Assessment. Such policies must be issued in form and content reasonably acceptable to the Authority and the PACE Program Administrator. Required insurance hereunder includes property insurance and, where and when applicable, builder's risk or inland marine insurance and flood insurance. Property insurance shall be in an amount equal to the lesser of, as determined by the Authority and the PACE Program Administrator in their reasonable discretion: (i) the full replacement cost of the Property; (ii) the full value of the buildings located on the Property as determined by the Authority and PACE Program Administrator in their sole discretion; (iii) or the principal amount of the Assessment divided by 0.35. Property Owner must obtain flood insurance if the Property is or is deemed to be located in a Special Flood Hazard Area as determined by the U.S. Flood Emergency Management Agency. The insurance policies shall also be subject to the following requirements:

i. Each policy must provide for ten (10) days' prior notice to the Authority and the PACE Program Administrator in the event of cancellation or nonrenewal;

ii. The PACE Program Administrator must be named as an additional insured (mortgagee/loss payee) on all insurance policies required hereunder (and in the certificate holder box list "Greenworks Lending LLC ISAOA, ATIMA"). The Property Owner hereby agrees to, upon request by the PACE Program Administrator, provide the PACE Program Administrator with updated certificates of insurance which endorse the required insurance policies and further agrees to, upon request by the PACE Program Administrator, add the

PACE Program Administrator's assignees or successors in interest as loss payees and additional insureds; and

iii. Should Property Owner fail to acquire and/or maintain the required insurance policies, the Authority shall have the right, but not the obligation, to obtain such policies in amounts and limits sufficient to protect the Authority. Property Owner shall be obligated to pay the Authority for the cost of such insurance.

(l) Approval of Plans and Budgets. The plans and specifications submitted by the Property Owner to the Authority and the PACE Program Administrator and approved thereby (the **"Plans"**) will be a true and accurate reflection of the Improvements (when completed) and have been approved as required by all governmental bodies or agencies having jurisdiction or will be approved prior to the first disbursement request. The budget for construction of the Improvements (the "**Budget**") submitted by the Property Owner to the Authority and the PACE Program Administrator is an accurate current estimate of all costs necessary to construct the Improvements in accordance with the Plans and the cost of construction of the Improvements on any portion thereof is not expected to exceed the cost therefor set forth in the Budget.

(m) Commercial Purpose. Property Owner will use the proceeds from the disbursements of funds for the Authorized Improvements only for the purposes specified in the Recitals to this Agreement. The primary purpose of the funds disbursed pursuant to this Agreement is for a commercial and business purpose, and said funds will not be used primarily for personal, family or household purposes.

(n) Improvements. The proposed Improvements are consistent with the purpose of the Program.

(o) Incorporation of Representations and Warranties. The request by Property Owner for a disbursement shall constitute a certification by Property Owner that the representations and warranties contained herein are true and correct as of the date of such request.

(p) Insolvency Event. No Insolvency Event shall have occurred or is continuing with respect to the Property Owner. Property Owner is not aware of any circumstances or conditions with respect to the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien that could reasonably be expected to materially and adversely affect any of the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien. For purposes hereunder, "**Insolvency Event**" shall mean the Property Owner has (i) consented to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceeding or of relating to the Property Owner or relating to all or substantially all of such Property Owner 's property, (ii) failed to pay its debts as they become due and such failure has not been cured within thirty (30) days of the event; (iii) admitted in writing its inability to pay its debts as they become due, (iv) filed a petition to take advantage of any applicable insolvency or reorganization statute, (v) made an assignment for the benefit of its creditors, (vi) had filed against it a petition for involuntary bankruptcy or some other involuntary insolvency proceeding which is not dismissed within thirty (30) days, or (vii) or voluntarily suspended payment of its obligations.

(q) Fraud. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the Property or Improvements has taken place on the part of the Property Owner or any other person, including, without limitation, to the best of Property Owner 's knowledge, any appraiser, title company, closing or settlement agent, realtor, builder or developer or any other

party involved in the Property or Improvements, that would impair in any way the rights of the Authority in the Property or Improvements or that violated applicable law

(r) No Damage/Condemnation. The Property is undamaged by waste, vandalism, fire, hurricane, earthquake or earth movement, windstorm, flood, tornado or other casualty adversely affecting the value of a Property or the use for which the Property was intended and the Property is in substantially the same condition it was at the time the most recent appraisal was obtained. There is no proceeding pending or, to the knowledge of the Property Owner, threatened for the total or partial condemnation of the Property.

(t) Legally Occupied. With respect to the Property lawfully occupied as of the date hereof, all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities.

Section 10. COVENANTS OF PROPERTY OWNER.

The Property Owner covenants and agrees as follows:

(a) Completion and Maintenance of the Improvements. The Property Owner shall commence construction of the Improvements and shall diligently proceed with construction in accordance with the approved Plans and Budget in a good, substantial and workmanlike manner in accordance with all applicable laws, ordinances, codes, rules and regulations. Construction of the Improvements shall be completed on or prior to the completion date set forth in the Construction Contract. If, in the Authority's opinion, after thirty (30) days' written notice to Property Owner, the construction is not proceeding with reasonable dispatch, the Authority may (i) request that Property Owner remove and replace the general contractor with a general contractor acceptable to the Authority, the failure of which by Property Owner shall be a default under this Agreement, (ii) utilize funds and continue construction of the Improvements and such funds shall be considered disbursements of the Financed Amount, or (iii) deny any disbursements of the Financed Amount until such time as the construction resumes proceeding with reasonable dispatch.

(b) Changes to Construction Contract. There shall be no material revision to the Construction Contract, Plans or Budget without the prior written approval of the Authority and the PACE Program Administrator, whose consent shall not be unreasonably withheld. If the cost of construction of the Improvements or any portion thereof exceeds the cost therefor set forth in the approved budget, the Property Owner shall immediately deposit with the Authority the deficiency between such budgeted cost and the actual cost.

(c) Payment of the Financing. The Property Owner shall pay punctually the Assessment Installments on this Agreement on each due date according to its terms and conditions and shall pay punctually any other amounts that may become due and payable to the Authority under or pursuant to the terms of this Agreement, regardless of whether or not the Assessment Installments appear on the Property Owner 's property tax bill.

(d) Payment of All Charges. The Property Owner shall pay when due all taxes, assessments, water charges, sewer charges, liens for taxes past due with respect to the Property, carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens and all other

charges levied on or against the Property, and upon written request, submit to the Authority evidence of such payments.

(e) Compliance with Law and Agreements. In commencing and completing the Improvements, Property Owner shall comply with all existing laws, regulations, orders, building restrictions and requirements of, and all agreements with and commitments to, all governmental, judicial and legal authorities having jurisdiction over the Property or the Improvements and which are applicable to the Improvements, and with all recorded instruments, agreements, and covenants and restrictions affecting the Property.

(f) Permits, Licenses and Approvals. Property Owner shall properly obtain, comply with and keep in effect all permits, licenses and approvals which are required to be obtained from any governmental authority in order to commence and complete the Improvements. Property Owner, upon the request of the Authority or the PACE Program Administrator, shall deliver within fifteen (15) days, copies of all such permits, licenses and approvals to the Authority or the PACE Program Administrator.

(g) Site Visits. Property Owner grants the Authority and the PACE Program Administrator, their agents and representatives the right to enter and visit the Property at any reasonable time, after giving reasonable notice to Property Owner, for the purposes of observing the Improvements. The Authority and the PACE Program Administrator, their agents and representatives will make reasonable efforts during any site visit to avoid interfering with Property Owner 's use of the Property. Property Owner shall also allow Authority or the PACE Program Administrator to examine and copy records and other documents of Property Owner which relate to the Improvements. The Authority and the PACE Program Administrator are under no duty to visit the Property, or observe any aspects of the Improvements, or examine any records, and the Authority and the PACE Program Administrator shall not incur any obligation or liability by reason of not making any such visit or examination. Any site visit, observation or examination by the Authority or the PACE Program Administrator shall be solely for the purposes of protecting the PACE Program Administrator and the Authority's rights under the Agreement.

(h) Protection against Lien Claims. The Property Owner shall promptly pay and discharge all claims for labor performed and material and services furnished in connection with construction of the Improvements, and take all other steps necessary to prevent the assertion of claims or liens either against the Property or the Improvements, other than (i) the claims and lien provided herein, (ii) all liens, encumbrances and other matters expressly set forth in Exhibit G, (iii) liens, if any, for taxes imposed by any governmental authority not yet due or delinquent, and (iv) such other title and survey exceptions as Lender has approved or may approve in writing in Lender's sole discretion.

(i) Notice of Claims; Adverse Matters. Property Owner shall promptly notify the Authority and the PACE Program Administrator in writing of any potential Insolvency Event and all pending or threatened litigation or other matters that may materially and adversely affect the Property or Property Owner 's ability to meet its obligations under this Agreement or otherwise with respect to the Improvements.

(j) Damage or Destruction. Property Owner shall promptly notify the Authority and the PACE Program Administrator if the Property is damaged or destroyed by fire, casualty, injury or any other cause (each such occurrence, a "Casualty"). The PACE Program Administrator shall have no obligation to make additional disbursements upon the occurrence of a Casualty. Upon the occurrence of such Casualty, the insurance proceeds will be applied to repayment of the total

outstanding principal due and owing under this Agreement plus any applicable fees, unless the Authority and the PACE Program Administrator agree in their commercially reasonable discretion to the application of the insurance proceeds to the restoration of the Improvements. In the event restoration of the Improvements is permitted, Property Owner shall immediately proceed with the restoration thereof in accordance with the Construction Contract and Plans. If, in the Authority and PACE Program Administrator's commercially reasonable judgment, said insurance proceeds are insufficient to complete the restoration, Property Owner shall deposit with the PACE Program Administrator an amount necessary, in the Authority and PACE Program Administrator's sole judgment, to complete the restoration in accordance with the Plans and Construction Contract.

(k) Notice of Default. Property Owner shall notify in writing the Authority and the PACE Program Administrator within fifteen (15) days of any Default under this Agreement, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

(l) Changes to Ownership. Property Owner shall, prior to completing construction of the Improvements, preserve and keep in full force and effect its existence and retain title to the Property. After completion of the Improvements, Property Owner shall not transfer ownership of the Property without (a) prior written notice to the Authority and the PACE Program Administrator, and (b) execution by the purchaser of the Property of an assignment of this Agreement in the form of Exhibit X..

(m) Insurance. Property Owner shall maintain in force, and provide evidence thereof when requested by the Authority and the PACE Program Administrator, the insurance required by Section 9(k) of this Agreement throughout the term of the Assessment.

(n) Condemnation. If the Improvements or the Property or any part thereof are taken temporarily or permanently by any governmental authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof (a "**Condemnation**"), or are subject to an imminent threat of Condemnation, the PACE Program Administrator's obligation to make further disbursements hereunder shall immediately terminate unless, in the Authority and the PACE Program Administrator's sole judgment, the Property and the Improvements can be replaced and restored in a manner which will enable the Improvements to be functionally and economically utilized and occupied as originally intended. If the Authority and the PACE Program Administrator so decide that the Improvements can be so restored, then the rights and obligations of the PACE Program Administrator, the Authority and the Property Owner subsequent to a taking by Condemnation or imminent threat thereof and the disbursement of any Condemnation proceeds actually paid to the Authority and undisbursed funds hereunder, shall be the same as described in the Section 10(j) hereof with regard to insurance proceeds

(o) Indemnification.

i. Without limitation of any other obligation or liability of the Property Owner or any right or remedy of the Authority contained herein, the Property Owner agrees to indemnify and hold harmless the Authority and PACE Program Administrator, as well as each of the respective directors, officers, employees, agents, subsidiaries and affiliates, and the successors and assigns of the foregoing (each, a "Person"), from and against all damages, losses, settlement payments, obligations, liabilities, claims, suits, penalties, fines, assessments, citations, directives, demands, judgments, actions or causes of action, whether statutorily created or under the common law, including all costs and

expenses (including, without limitation, reasonable fees and disbursements of attorneys, engineers and consultants) and all other liabilities whatsoever (including, without limitation, liabilities under any applicable environmental laws, regulations or rules) which shall at any time or times be incurred, suffered, sustained or required to be paid by any such indemnified Person (except any of the foregoing to the extent it results from the gross negligence or willful misconduct of the indemnified Person) (collectively, the "Indemnified Amounts") on account of or in relation to or in any way in connection with (i) any of the arrangements or transactions contemplated by, associated with or ancillary to this Agreement, or any other documents executed or delivered in connection herewith or therewith, all as the same as may be amended from time to time, or any action taken or omitted to be taken by any Person in connection with or under any of the foregoing, whether or not all or part of the transactions contemplated by, associated with or ancillary to this Agreement or any such other documents are ultimately consummated, (ii) any violation or alleged violation of, non-compliance with or liability under any requirements of law or regulation, (iii) ownership of, liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (iv) any taxes attributable to the execution, delivery, filing or recording of any this Agreement, or any other documents executed or delivered in connection herewith or therewith or any memorandum of any of the foregoing, (v) any lien or claim arising on or against the Property under any requirements of law or any liability asserted against any Person with respect thereto, (vi) (1) a past, present or future violation or alleged violation of any environmental laws in connection with the Property by any person or other source, whether related or unrelated to Property Owner, (2) any presence of any hazardous, toxic or harmful substances, materials, wastes, pollutants or contaminants defined as such in or regulated under any environmental law ("Materials of Environmental Concern") in, on, within, above, under, near, affecting or emanating from the Property, (3) the failure to timely perform any investigation, inspection, site monitoring, containment, clean–up, removal, response, corrective action, mitigation, restoration or other remedial work of any kind or nature because of, or in connection with, the current or future presence, suspected presence, Release (defined below) or threatened Release in or about the air, soil, ground water, surface water or soil vapor at, on, about, under or within all or any portion of the Property of any Materials of Environmental Concern, including any action to comply with any applicable environmental laws or directives of any governmental authority with regard to any environmental Laws, (4) any past, present or future activity by any person or other source, whether related or unrelated to Property Owner in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting the Property, (5) any past, present or future actual generation, treatment, use, storage, transportation, manufacture, refinement, handling, production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of the Property (a "Release") (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting the Property by any person or other source, whether related or unrelated to Property Owner , (6) the imposition, recording or filing or the threatened imposition, recording or filing of any lien on the Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any environmental law, or (7) any misrepresentation or failure to perform any obligations pursuant this Agreement, or any other documents executed or delivered in connection herewith or therewith to environmental matters in any way, or (vii) Property Owner's conduct, activities, actions

and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 10(o), that, in each case, results from any conduct, act or failure to act by the Property Owner or its affiliates or related parties or the use or intended use of the proceeds of any disbursements made pursuant to this Agreement. To the extent that the undertaking to indemnify and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Property Owner shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all liabilities set forth in the preceding sentence incurred by any Person. In the case of an investigation, litigation or other proceeding to which the indemnification in this Section 10.(o) applies, such indemnification shall be effective whether or not such investigation, litigation or proceeding is brought by Property Owner, a Person or any other person or any Person is otherwise a party thereto and whether or not any transactions contemplated by this Agreement are entered into. In any investigation, proceeding or litigation, or the preparation therefor, the Authority shall select its own counsel and, in addition to the foregoing indemnity, the Property Owner agrees to pay promptly the reasonable fees and expenses of such counsel. In the event of the commencement of any such proceeding or litigation, the Property Owner shall be entitled to participate in such proceeding or litigation with counsel of its choice at its own expense, provided that such counsel shall be reasonably satisfactory to the Authority. This section shall survive the execution, delivery, performance and repayment of this Agreement, and the extinguishment of any Assessment Lien.

ii. If for any reason the indemnification provided in this Section 10.(o) is unavailable to any Person or is insufficient to hold a Person harmless, even though such Person is entitled to indemnification under the express terms thereof, the Property Owner shall contribute to the amount paid or payable by such Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Person on the one hand and Property Owner on the other hand, the relative fault of such Person, and any other relevant equitable considerations.

iii. A Person may at any time send Property Owner a notice showing in reasonable detail the basis for and calculation of Indemnified Amounts, and Property Owner shall pay such Indemnified Amounts to such Indemnified Person within fifteen (15) days after Property Owner receives such notice. The obligations of Property Owner under this Section 10(o) shall apply to assignees and survive the termination of this Agreement.

iv. Neither the Authority nor the PACE Program Administrator shall have any liability to the Property Owner or any other person on account of (i) the Property Owner engaging a contractor from the list of contractors submitted by the Authority or the PACE Program Administrator to the Property Owner, (ii) the services performed by the Contractor, or (iii) any neglect or failure on the part of the Contractor to perform or properly perform its services. Neither the Authority nor the PACE Program Administrator assumes any obligation of the Property Owner concerning Contractor, the quality of construction of the Improvements or the absence therefrom of defects. The authorization by the Authority of a disbursement shall not constitute the Authority's approval or acceptance of the construction theretofore completed. The Authority's inspection and approval of the budget, the construction work, the Improvements comprising the Improvements, or the workmanship and materials used therein, shall impose no liability of any kind on the Authority, the sole obligation of the Authority as the result of such inspection and approval being to authorize the disbursements if, and to the extent, required by this Agreement. Any disbursement authorized by the Authority without the Authority having received each

of the items to which it is entitled under this Agreement shall not constitute breach or modification of this Agreement, nor shall any written amendment to this Agreement be required as a result thereof.

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

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

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

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Agreement.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 13. Greenworks Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in all information submitted to the Authority and/or the PACE Program Administrator in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in such information with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Events of Default and Remedies

a) Remedies with respect to the nonpayment of the Assessment or other amounts payable by Property Owner hereunder are governed by the provisions of Section 4 hereof and state law.

b) The occurrence of any of the following events shall constitute a "**Default**" hereunder:

(i) Any of Property Owner's representations, disclosures or warranties made to the Authority or the PACE Program Administrator shall have been false or misleading in any material respect as of the date when made, or the failure or delay by Property Owner to perform any of its obligations under the terms or provisions of this Agreement, other than with respect to the payment of the Assessment, the Annual Assessment Administrative FeeAnnual Assessment Administrative Fees, or other amount payable by Property Owner.

(ii) An Insolvency Event occurred with respect to the Property Owner or the Property Owner becomes insolvent or unable to pay its debts as they mature and such has not been cured within thirty (30) days of the event;

(iii) There occurs any event which in the Authority's sole discretion materially and adversely affects: (x) the ability of the Property Owner to perform any of its obligations hereunder; (y) the business or financial condition of the Property Owner; or (z) the timely repayment of the Assessment authorized by this Agreement, which Property Owner has not cured within thirty (30) days of receiving notice from the Authority of such breach;

(iv) Any encumbrance on any portion of the Property is created, other than current liens for real estate property taxes or special assessments, which encumbrance purports to have priority over the Assessment Lien;

(v) The existence of any liens for taxes past due with respect to the Property, or carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens which have not been dismissed, escrowed (subject to the Authority's sole approval) or bonded for thirty (30) days after the filing or recording thereof;

(vi) Any material deviation in the Improvements from the Plans without the prior written consent of Lender, or the appearance of defective workmanship or materials, in

Lender's sole discretion, which has not been cured for a period exceeding thirty (30) days; and

(vii) Any general contractor or any other contractor defaults under any construction contract, in a manner which the Lender deems to be material, and unless otherwise agreed in writing by the Lender, the Obligor fails to exercise its rights and remedies under the construction contract, as applicable with respect to such default and such failure to exercise its rights has not been cured within thirty (30) days of when such right first arose.

c) Upon the occurrence of a Default, the Authority may in addition to any other remedies which it may have, at its option and without prior demand or notice, take any of the following actions:

(i) The Authority may, in addition to any other remedies which it may have, at its option and without prior demand or notice, immediately cause the cancellation of any pending disbursement (and the PACE Program Administrator shall have no obligation to make further disbursements) and from time to time apply all or any part of any undisbursed funds to payment of amounts owing on the Assessment and/or to any other obligations of the Property Owner hereunder. The Authority has authorized the Program Administrator at its option and without prior demand or notice, to enter the Property and complete construction of the Improvements in accordance with the Plans and the Construction Contract with such changes therein as the Program Administrator may from time to time and in its judgment deem appropriate, all at the risk and expense of the Property Owner.

(ii) Exercise any other rights and remedies available to it hereunder or at law or in equity

(iii) Except as otherwise expressly provided in this Agreement, no remedy provided for by this Agreement shall be exclusive of any other remedy, each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of a Default.

(iv) Property Owner agrees to pay all costs of collection when actually incurred, by the Authority, including but not limited to reasonable attorneys' fees and all related costs. If any suit or action is instituted to enforce this Agreement, Property Owner promises to pay, in addition to the costs and disbursements otherwise allowed by law, such sum as the court may adjudge reasonable attorneys' fees and costs in such suit or action to the Authority as the prevailing party

Section 15. Amendment. This Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 16. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

(a) The Authority has the right to assign any or all or any of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the

Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property. Any assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Authority hereunder to the extent that such rights and obligations have been assigned by the Authority pursuant to the assignment documentation between the Authority and the assignee. The Authority may furnish any information concerning the Property Owner in its possession from time to time to prospective assignees.

(b) In no event shall Property Owner assign or transfer any portion of this Agreement or Property Owner's obligations under the Agreement without the prior express written consent of the Authority, which consent may be granted or withheld in the sole and absolute discretion of the Authority. Sale, transfer, or rental of the Property or any parcel thereof is not an assignment or transfer of this Agreement.

Section 17. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 18. Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Contract or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

Section 19. Notices All. notices and demands shall be given in writing by first class mail, postage prepaid, by personal delivery (by recognized courier service or otherwise), or via electronic mail. Notices shall be considered given upon the earlier of (a) receipt of electronic mail or personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid. Notices shall be addressed as provided below and incorporated herein by this reference for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice. Notwithstanding anything set forth above, after disbursement of the Disbursement Amount to Owner, all notices regarding the assessment shall be sent only as provided by state law.

If to Authority:

Western Riverside Council of Governments
3390 University Avenue, 4th Floor
Riverside, CA 92501
Attention: Executive Director

If to Program Administrator:	Greenworks Lending LLC 28 Thorndal Circle, 3rd Floor Darien, CT 06820 Attn: Alexandra Cooley acooley@greenworkslending.com and servicing@greenworkslending.com
If to Property Owner:	[Name] [Address] [Phone] [Email]

Section 20. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 21. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Riverside, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 23. No Waiver; Amendments. No waiver of any default or breach by Property Owner hereunder shall be implied from any failure by the PACE Program Administrator or the Authority to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by Property Owner and the Authority. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonable be required in order to carry out the expressed intention of this Agreement

Section 24. Waiver of Jury Trial and Class Action. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Its: _____

ACKNOWLEDGED AND ACCEPTED BY:

GREENWORKS LENDING LLC

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____
Name: _____ By: _____ Its: _____	Name: _____ By: _____ Its: _____

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

EXHIBIT B

IMPROVEMENTS

IMPROVEMENT	AMOUNT
	$
TOTAL PROJECT AMOUNT TO BE FINANCED	$

EXHIBIT C

ASSESSMENT SCHEDULE

Tax Year	Principal (a)	Interest (b)	Administrative Expenses (c)*	Total (a) + (b) + (c)
2017 – 2018	$	$	$	$
2018 – 2019				
2019 – 2020				
2020 – 2021				
2021 – 2022				
2022 – 2023				
2023 – 2024				
2024 – 2025				
2025 – 2026				
2026 – 2027				
2027 – 2028				
2028 – 2029				
2029 – 2030				
2030 – 2031				
2031 – 2032				
2032 – 2033				
2033 – 2034				
2034 – 2035				
2035 – 2036				
2036 – 2037				
Total Assessment:	**0**		**Total Payment**	**0**

*Subject to increase pursuant to Section 3(f) of the Agreement.

[Attach notary pages]

Appendix E

Assessment Contracts
California HERO Program
ASSESSMENT CONTRACT
(RESIDENTIAL)

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

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

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

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

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

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

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

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

AGREEMENT

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

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

Section 3. Contract to Pay Assessment; Prepayment

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

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

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

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

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

Upon receipt of the fully executed and final Completion Certificate (as described in The California Residential HERO Program Handbook, Version 1.2, dated October 2014, Section 7 referred to herein as the "Handbook") the Authority shall calculate and disburse payments to those entitled to receive them (the "Actual Disbursement Amount") hereunder. If at any time after executing this Contract but before the Authority pays the Actual Disbursement Amount, the Property Owner changes the Improvements to be installed from those originally appearing on Exhibit A, but (i) the Improvement categories and the Improvement types do not change from those originally selected, and (ii) the "Revised Estimated Disbursement Amount" (which means the amount anticipated to be the Actual Disbursement Amount based on the changed Improvements) is less than or equal to the Estimated Disbursement Amount, the parties do not need to execute the Addendum described in Section 4 below, and this Contract shall remain unmodified and the Assessment shall be calculated as described above in this Section 3(b). If, however, any such change meets the provisions of Section 4 below, then an Addendum will be required.

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

Prepayment of the Assessment. The Assessment may be prepaid, in whole or in any amount of at least $2,500, at any time upon the payment of (i) the whole or a portion of the unpaid

principal component of the Assessment, (ii) and interest on the Assessment Prepayment Amount to the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made.

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

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

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

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

Section 6. Financing of the Improvements.

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

Assessment Installments. The Property Owner agrees to the issuance of bonds by the Authority to finance the installation of the Improvements. The interest rate used to calculate the Assessment installments set forth on Exhibit B is identified on Exhibit B. If the Authority determines in its reasonable discretion that the Assessment installments may be reduced because the applicable interest rate on the bonds issued to finance installation of the Improvements is lower than the interest rate specified in Exhibit B, or if the cost of the Improvements, as shown in a final invoice provided to the

Authority by the Property Owner, is less than the amount shown on Exhibit B, then, concurrently with the disbursement of funds to the Property Owner, the Authority may provide the Property Owner with a schedule of annual Assessment installments that provides for annual installments that are less than those set forth in the attached Exhibit B.

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

Upon receipt of the initial Completion Certificate from a Contractor and the Property Owner (the "First Installation Completion Certificate") acknowledging installation of the first type or category of Improvements, then:
The "Investor" (which means any person or entity who has entered into an agreement with the Authority to purchase bonds under the Program) shall deposit the Actual Disbursement Amount with the municipal trustee for the Program;
The Authority shall cause bonds to be issued and sold to the Investor in the amount equal to the Actual Disbursement Amount deposited with such municipal trustee;
The Authority shall cause all instruments, documents and agreements described in Section 9 of this Contract to be recorded;
The Authority shall cause the amount reflected in the First Installation Completion Certificate to be disbursed to the Contractor who installed such Improvements; and
The Authority shall cause all administrative, recording and other fees described on line 6 of Exhibit B to be paid.
Upon receipt of a subsequent Completion Certificate from the Property Owner and the Contractor (each, a "Subsequent Installation(s) Completion Certificate") acknowledging installation of the subsequent types or categories of Improvements, the Authority shall cause the municipal trustee for the Program to disburse amount(s) reflected in each such Subsequent Installation Completion Certificate to the Contractor who installed such Improvements.
Upon receipt of the final Completion Certificate from the Contractor and the Property Owner (the "Final Installation Completion Certificate") acknowledging installation of the final types or categories of Improvements, then:
The Authority shall cause the amount reflected in such Final Installation Completion Certificate to be disbursed to the Contractor who installed such Improvements; provided, however, that:
If the remaining balance of the Actual Disbursement Amount the Investor has deposited with the municipal trustee exceeds the amount reflected in the Final Installation Completion Certificate, the Authority shall cause such excess to be applied, at the discretion of the Investor, (i) to the Property Owner's next assessment payment due under this Contract, or
(ii) to the reduction of the outstanding balance of the Assessment determined in accordance with Sections 3 and 4 of this Contract; or
If the remaining balance of the Actual Disbursement Amount the Investor has deposited with the municipal trustee is less than the amount

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

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

Except as otherwise set forth in this Contract, this Contract shall expire upon the final payment or prepayment of the Assessment.

This Contract establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

In the event the Property is subdivided while the Assessment remains unpaid, the Assessment will be assigned to the newly-created parcel on which the Improvements are located. If the Improvements no longer exist, the Assessment will be assigned to each of the newly-created parcels on a per-acre basis, unless the Authority, in its sole discretion, determines that the Assessment should be allocated in an alternate manner.

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

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

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

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

The Property Owner hereby agrees that the Authority is entering into this Contract solely for the purpose of assisting the Property Owner with the financing of the installation of the Improvements, and that the Authority and the Participating Entity have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the

Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority and the Participating Entity from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees), relating to the subject matter of this Contract that the Property Owner may now have or hereafter acquire against the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity.

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Jonathon Smith Initials:	Initials:
Initials:	Initials:

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Contract.

Section 12. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the Participating Entity and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority or the Participating Entity, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the HERO Program, (ii) the Assessment, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Contract, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Contract.

The provisions of this Section 12 shall survive the termination of this Contract.

Section 13. Right to Inspect Property. The Property Owner hereby grants the Authority, its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 14. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 15. HERO Program Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the HERO Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the HERO Program Application with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 16. Amendment. Except as set forth in Section 3(b) or as provided for in Exhibit A pertaining to a fully executed and final Completion Certificate, this Contract may be modified only by an Addendum (as provided in Section 4) or other written agreement of the Authority and the Property Owner.

Section 17. Binding Effect; Assignment. This Contract inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns. The Authority has the right to assign any or all of its rights and obligations under this Contract without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Contract is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property.

Section 18. Exhibits. Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if set forth in their entirety in this Contract.

Section 19. Severability. If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Contract.

Section 20. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Contract.

Section 21. Governing Law: Venue. This Contract is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Contract must be instituted in the Superior Court of the County of Riverside, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the Superior Court of the County of Los Angeles.

Section 22. Counterparts. This Contract may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 23. Monitoring and Recording of Telephone Calls. The HERO Program may monitor and/or record telephone calls for security and customer service purposes. By agreeing to this

Assessment Contract the Property Owner agrees to have their telephone calls with the HERO Program monitored and/or recorded.

Section 24. Contract Documents. Property Owner understands and acknowledges that the entire agreement between Property Owner and SANBAG includes each and every document specified in the List of Documents contained in Exhibit B to this Contract (together, the "Contract Documents").

By executing this Contract Property Owner acknowledges and agrees that:

Property Owner has had sufficient time to review and has reviewed each of the Contract Documents and has had the opportunity to ask any questions to WRCOG that the Property Owner may have regarding such Contract Documents.

Property Owner has reviewed, understands and agrees to each and every additional requirement and term contained in Appendix B to the HERO Residential Program Handbook (the "Handbook").

Property Owner has reviewed, understands, agrees to and affirms each and every representation and warranty contained in the Property Owner's application and the Handbook.

Prior to executing this Assessment Contract I have read and understand (a) the Property Owner's Acknowledgments and Disclosures contained in (a) the Application, (b) this Assessment Contract, (c) the Privacy Notice and (d) the Handbook.

Owner(s) must execute and return this Contract to WRCOG at the address set forth in the "Notice Information" section of Exhibit A hereto so that it is received by WRCOG not later than 08/11/2014. If the Property Owner fails to return the signed Assessment Contract to WRCOG by the indicated date the HERO Program reserves the right to require the Property Owner to enter into a new Contract. All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously successfully completed the identity verification process approved by WRCOG.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Contract to be executed in their respective names by their duly authorized representatives, all as of the Effective Date. The "Effective Date" is defined as the last date entered with the signatures of the parties below.

Owner 1:

Jonathon Smith, Signature

Date:_____ **Identity Verification Code:**
Month/Day/Year

WRCOG: Executive Director and/or his or her designee**:**

Name *(Please Print)*

WRCOG Signature

Date of Execution by WRCOG

EXHIBIT A

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

Description of Property:

Property Owner Name(s):	Jonathon Smith
Property Address:	123 Oak St, Azusa, CA 91702
APN:	0000000000
Participating Entity:	City of Azusa
County:	Los Angeles

Description of Products:

The Products include the following:

PRODUCT #1

Product Category Type: **High-Efficiency HVAC - Central Air Conditioner**

Or similar energy efficient product which is allowed under the HERO Program Guide.

All terms set forth in the fully executed and final Completion Certificate shall supersede and take precedence over any term in this Exhibit A that conflicts with, is not covered by, or is otherwise contrary to, the terms set forth in such Completion Certificate, and such Completion Certificate shall become part of, and be incorporated into, this Exhibit A as if they originally appeared therein.

Notice Information:

Western Riverside Council of Governments
Attn: WRCOG HERO Program Manager

Jonathon Smith
123 Oak St
Azusa, CA 91702

EXHIBIT B

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

List of Contract Documents:

The Contract shall consist of the following documents:

This Contract and the exhibits hereto;
Any Addendum entered into pursuant to Section 4 hereto;
The Application;
The Right to Cancel;
The Completion Certificate or, pursuant to Section 7, each applicable Completion Certificate;
The Assessment Cost and Payment Summary;
The Notice of Assessment;
The Payment of Contractual Assessment Required;
The California Residential HERO Program Handbook, Version 1.2, dated October 2014; and
The HERO Program website located at https://www.heroprogram.com.

Disbursement Amounts:

The "Maximum Disbursement Amount" under this Contract is $_____.__, which means that WRCOG shall not disburse any amount that exceeds this figure.

The "Estimated Disbursement Amount" under this Contract is **$____.__**, which was based upon the Improvements and pricing set forth on the table below in this Exhibit B. The Estimated Disbursement Date is November 19, 2014, which date is used in the table below.

Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments is based on the following assumptions:

WRCOG disburses the Estimated Disbursement Amount to Owner.

Interest totaling a maximum of $____.__ will accumulate until your first Payment. That amount will be added to Owner's Estimated Disbursement Amount.

WRCOG disburses to Owner on the Estimated Disbursement Date.

The Assessment Interest Rate is _.__%.

The Annual Percentage Rate (APR) of your assessment is _.__%. APR is the annual interest rate you will actually pay on your assessment, including fees required in order to participate in the HERO Program.

The total administrative fees, recording fees and annual assessment added to your assessment is $___.__.

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Current Annual Administrative Assessment Fee****	Total Estimated Contractual Assessment Payment
2015 - 2016*					
2016 - 2017					
2017 - 2018					
2018 - 2019					
2019 - 2020					

*The Estimated Initial Tax Year shown on preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date.

**** Subject to change

FOLLOWING THE DISBURSEMENT OF THE ACTUAL DISBURSEMENT AMOUNT, THE HERO PROGRAM ADMINISTRATOR WILL ADJUST THE ASSESSMENT AND THE ESTIMATED MAXIMUM ANNUAL ASSESSMENT INSTALLMENTS, IF NECESSARY, TO REFLECT THE ACTUAL ASSESSMENT BASED UPON THE ACTUAL DISBURSEMENT AMOUNT, THE ACTUAL DATE OF DISBURSEMENT AND THE ACTUAL AMOUNT OF INTEREST DUE AND PAYABLE BEFORE THE FIRST PAYMENT ADDED TO THE ACTUAL DISBURSEMENT AMOUNT. THE ACTUAL AMOUNT OF THE ASSESSMENT AND SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS SHALL BE SPECIFIED IN THE "PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED" TO BE RECORDED BY WRCOG IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES.

Prepayment:

You have a right to pay off your assessment lien amount at any time in full, or in any amount of at least $2,500 pursuant to Section 3(d) of the Assessment Contract. However, if you do so, you will have to pay the principal amount of the assessment to be prepaid ("Assessment Prepayment Amount") and interest on the Assessment Prepayment Amount to the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made.

California HERO Program

ADDENDUM TO THE ASSESSMENT CONTRACT
Addendum No. 1

All terms set forth below in this Addendum (i) shall supersede and take precedence over any term in the Assessment Contract by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority"), and **Jonathon Smith** entered into on the Effective Date (defined within the Assessment Contract) (the "Contract") that conflicts with, is not covered by, or is otherwise contrary to, the terms set forth herein and (ii) shall become part of, and be incorporated into, the Contract as if they originally appeared therein. For the avoidance of doubt, name, capacity, title, party and clerical corrections appearing below in this Addendum shall become part of, and be incorporated into, the Contract as if they originally appeared therein. For purposes of this Addendum, "Exhibit A" and "Exhibit B" refer to Exhibits A and B within the Contract.

RECITALS:

WHEREAS, the Authority and Property Owner have executed the Contract to finance the Improvements installed at the Property; and

WHEREAS, (i) the Improvements, Improvement types, and/or Improvement categories appearing in Exhibit A differ from those appearing in this Addendum, and/or (ii) the Estimated Disbursement Amount appearing in this Addendum is greater than the Estimated Disbursement Amount originally listed in Exhibit B; and

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

Defined Terms. Capitalized terms used in this Addendum and not otherwise defined herein shall have the meanings given to them in the Contract.

Addendum.

The Improvements and Improvement Amounts appearing in this Addendum shall replace the Improvements listed in Exhibit A, and shall become part of, and incorporated into, Exhibit A as if they originally appeared herein.

The Revised Estimated Disbursement Amount listed in this Addendum shall replace the Estimated Disbursement Amount listed in Exhibit B, and shall become part of, and be incorporated into, Exhibit B as if it originally appeared therein.

The name, capacity, title, party and other clerical corrections (if any) appearing in the signature block of this Addendum shall supersede and take precedence over those originally appearing in the Contract and shall become part of, and be incorporated into, the Contract as if they originally appeared therein.

Miscellaneous. The existing Contract, as amended by the Addendum, remains in full

force and effect. Any reference to the Contract from and after the date hereof shall be deemed to refer to the Contract as amended hereby.

Representations and Warranties.

Property Owner hereby represents and warrants that (i) the terms, conditions and information contained in this Addendum are true and correct, and (ii) the Property Owner affirmatively authorized installation of the Improvements identified herein and in the fully executed and final Completion Certificate.

Property Owner hereby confirms that (i) each of its representations, warranties and covenants set forth in the Contract, after giving effect to this Addendum are true and correct as of the date first written above with the same effect as though each has been made as of such date, and (ii) all terms and conditions of the Contract shall remain in full force and effect and the Property Owner hereby ratifies the obligations thereunder.

Estimated Disbursement Amount. The Revised Estimated Disbursement Amount under this Contract is **$_____.__**, which is based upon the Improvements and pricing set forth in this Addendum. The Estimated Disbursement Date is November 19, 2014, which date is used in the table below.

Interest totaling a maximum of **$___.__** will accumulate until your first Payment. Total administrative fees, recording fees, and annual assessment fee added to your assessment is **$___.__**.

Property Owner Information:

Date:	**08/01/2014**
Property Owner:	**Jonathon Smith**
Property Address:	**123 Oak St, Azusa, CA 91702**
HERO ID:	**RLA12345N**
Application Date:	**08/01/2014**
Expiration Date:	**11/19/2015**

Summary:

Financing Term	Interest Rate	Annual Amount Added to Property Tax Bill
5 years	_.__%	$____.__

Description of Products:

PRODUCT #1

Product Category Type: **High-Efficiency HVAC - Central Air Conditioner**

Payment Schedule:

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Current Annual Administrative Assessment Fee****	Total Estimated Contractual Assessment Payment
2015 - 2016*					
2016 - 2017					
2017 - 2018					
2018 - 2019					
2019 - 2020					

*The Estimated Initial Tax Year shown on the preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date.

**** Subject to change

All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously, immediately prior to executing this Addendum No. 1, successfully completed the identity verification process approved by the Authority.

Owner 1:

Jonathon Smith, Signature

Date:_____ **Identity Verification Code:**
Month/Day/Year

WRCOG: Executive Director and/or his or her designee**:**

Name *(Please Print)*

WRCOG Signature Date of Execution by WRCOG

CALIFORNIA HERO PROGRAM
ASSESSMENT CONTRACT
(Commercial Property)

This Assessment Contract ("Contract") is made and entered into as of the Effective Date (defined below) by and between the Western Riverside Council of Governments, California, ("Agent"), a joint exercise of powers authority, and **[OWNER(S)]** ("Owner"), the record owner of fee title to the real property identified in the "Description of Property" section of Exhibit A attached hereto and incorporated herein by this reference (the "Property"). The "Effective Date" is defined as the last date entered with the signatures of the parties below.

RECITALS

The Western Riverside Council of Governments (Agent) is a joint exercise of powers authority the members of which include the County of Riverside (the "County") and numerous cities located in the County (each, a "Member Agency").

Agent has established the "California HERO Program" (the "Program") pursuant to Chapter 29 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") to allow for the financing of certain renewable energy, energy efficiency and water efficiency and electric vehicle charging infrastructure improvement products that are permanently affixed to real property ("Eligible Products").

Pursuant to Chapter 29 and the Program, Agent may levy voluntary contractual assessments against developed properties in the jurisdictions of the Associate Members that have authorized Agent to implement and administer the Program within such Associate Members, with the free and willing consent of the owners of the properties on which such assessments are levied, to finance the acquisition and construction on and/or installation in the assessed properties of certain qualifying renewable energy, energy efficiency and/or water efficiency products or electric vehicle charging infrastructure. The purpose and method of administration of the assessments under the Program are described in the California HERO Program Report originally adopted by the Agent Board of Directors on June 3, 2013, as such report has been and may be amended from time to time (the "Program Report") prior to the Effective Date of this Contract.

The Property is located within the jurisdiction of the Associate Member set forth in the "Description of Property" section of Exhibit A hereto and such Associate Member has consented to (i) owners of property within its jurisdiction participating in the Program and (ii) Agent conducting the assessment proceedings under Chapter 29 and issuing bonds pursuant to the Program to finance Eligible Products.

Owner has submitted an application and funding request to participate in the Program (collectively, the "Application"). Agent has approved the Application pursuant to the requirements of the Report. The Application describes, among other things, the particular Eligible Products that have been acquired, constructed on and/or installed in the Property and are to be financed pursuant to the Program. In this Contract, such Eligible Products, together with their acquisition, construction and/or installation on the Property, are referred to as "the Products."

Owner will acquire and construct and/or install the Products on or in the Property or will cause the acquisition and construction and/or installation of the Products on or in the Property and Owner will obtain all necessary permits and/or inspections required pursuant to this Contract and the Program necessary to enable Agent to finance the Products.

Pursuant to Chapter 29 and the Program, Agent and Owner wish to enter into a contract pursuant to which Owner agrees to pay a voluntary contractual assessment in order to finance the Products including the acquisition, construction and/or installation of thereof and Agent agrees to providing financing for such purpose, all on the terms set forth in this Contract.

NOW THEREFORE, in consideration of the foregoing and the mutual material covenants contained herein and other valuable consideration, the receipt and adequacy of which is hereby acknowledged, Owner and Agent formally covenant and agree as follows:

CONTRACT

Purpose The Owner and Agent are entering into this Contract for the purpose of financing the acquisition, construction and/or installation of the Products identified in Exhibit A in or on the Property.

The Property This Contract relates to the Property identified in Exhibit A.

Contract Documents This Contract shall consist of the documents listed in Exhibit B attached hereto and incorporated herein by this reference.

All such documents shall be collectively referred to herein as the "Contract Documents." All of the declarations and warranties of Owner made in the Application are incorporated in this Contract as if fully set forth herein. Owner acknowledges that Owner has received copies of each of the Contract Documents.

OWNER AGREES AND UNDERSTANDS THAT OWNER MUST EXECUTE AND RETURN THIS CONTRACT SO THAT SUCH CONTRACT IS RECEIVED BY Agent OR ITS REPRESENTATIVE ON OR BEFORE THE DEADLINE DATE SET FORTH ON THE SIGNATURE PAGE HEREOF AND THAT ALL SIGNATURES MUST BE NOTARIZED BY A DULY LICENSED NOTARY PUBLIC.

Contract Term The term of this Contract shall be until the Assessment defined below and all accrued interest thereon, together with any applicable penalties, costs, fees, and other charges have been paid in full.

Assessment and Lien

Owner agrees that upon the execution of this Contract by the parties, the Property is subject to a voluntary contractual assessment levied against the Property pursuant to this Contract, Chapter 29 and other applicable law (the "Assessment") together with interest, and consents to levy of the Assessment on and recordation of a lien against the Property. Upon execution of this Contract, Agent will execute and cause to be recorded in the office of the County Recorder of the County within which the Property is located (the "County") (i) a notice of assessment (the "Notice of Assessment") as required pursuant to Chapter 29, together with a copy of this Contract and (ii) a Payment of Contractual Assessment Required as required pursuant to Chapter 29.

The execution of this Contract by the parties constitutes the levy of the Assessment by Agent against the Property without any further action required by the parties.

Upon recordation of the Notice of Assessment in the office of the County Recorder, the Assessment and each installment, together with any interest and penalties that become due on the Assessment, shall constitute a lien upon the Property until paid. Initially, as reflected in the Notice of Assessment, upon recordation of the Notice of Assessment, the Assessment shall be equal to the Disbursement Amount, as defined in Section 6 below.

Failure to pay any installment of the Assessment or any interest thereon, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest accruing on the amounts due. In addition, under those circumstances, Agent has the right to judicially foreclose the lien of the Assessment, as set forth in paragraph 8(g) below.

Disbursement Amount Agent agrees to disburse monies to or on behalf of Owner pursuant to the terms of this Contract in the amount set forth in Exhibit B attached hereto and incorporated herein by this

reference ("Disbursement Amount"). In the event the actual cost of the Products exceeds the Disbursement Amount, Owner shall be solely responsible for the payment of all such costs.

Special Benefit to Property Owner expressly acknowledges that the Products confer a special benefit to the Property in an amount at least equal to the Assessment.

Collection of Assessment and Annual Assessment Administrative Fee on Property Tax Bill; Other Remedies

The annual portion of the principal amount of the Assessment, together with the annual interest on the Assessment and the Annual Assessment Administrative Fee (defined in paragraph f) below) (collectively, the "Annual Assessment Installment"), due and payable each Tax Year (each such Tax Year being the period from July 1st through the following June 30th), shall be collected on the property tax bill pertaining to the Property. The Annual Assessment Installment coming due in any Tax Year shall be payable in the same manner and at the same time and in the same installments as the general taxes of the County on real property are payable, and the Annual Assessment Installments shall be payable and become delinquent at the same times and in the same proportionate amounts and shall bear the same penalties and interest after delinquency, and be subject to the same provisions for redemption and sale, as the general taxes on real property of the County.

Following disbursement of the Disbursement Amount to the Owner, the Annual Assessment Installments shall be placed on the tax roll each Tax Year, commencing with the Tax Year beginning immediately following the date of such disbursement (the "Disbursement Date"). The estimated initial Tax Year is set forth in Exhibit B attached and incorporated by this reference (the "Estimated Initial Tax Year").

The amount of interest accrued on the Assessment from the Disbursement Date through September 1st of the Initial Tax Year ("Capitalized Interest") has been included in the Disbursement Amount and is therefore included in the principal amount of the Assessment.

Interest shall accrue on the unpaid Assessment from the Disbursement Date at a simple interest rate fixed by Agent and set forth on Exhibit B attached hereto and incorporated herein by this reference. Interest shall be computed on the basis of a three hundred sixty (360) day year. If a court of competent jurisdiction determines the interest or other charges provided for herein in connection with the Assessment or the Annual Assessment Administrative Fee exceed the limits permitted by applicable law, then: (i) any such interest or charge shall be reduced by the amount necessary to reduce the interest or charge to such permitted limit; and (ii) any sums already collected which exceed such permitted limit will be refunded by Agent. Agent may make the refund by making a direct payment to Owner or by crediting the refund amount against the next installment or installments of the Assessment**.**

The Estimated Maximum Annual Assessment Installments that may be placed on the tax roll each Tax Year are set forth in Exhibit B. The amounts set forth on Exhibit B are based on the assumption that Agent disburses the Disbursement Amount to or on behalf of Owner on the Estimated Disbursement Date set forth in Exhibit B. Prior to the disbursement of the Disbursement Amount, Agent will adjust the Annual Assessment Installments to reflect the actual Assessment based upon the Disbursement Amount, the actual date of such disbursement and the actual amount of Capitalized Interest.

The lien of the Assessment shall be co-equal to and independent of the lien for general taxes, and, pursuant to Government Code Section 53936, not subject to extinguishment by the sale of the Property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances on or against the Property except (i) the lien for general taxes, special taxes or ad valorem assessments in the nature of and collected as taxes levied by the State of California or any county, city, special district or other local agency, (ii) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment, (iii) easements constituting servitudes upon or burdens to the Property, (iv) water rights, the record title to which is held separately from the title to the Property, and (v) restrictions of record.

In addition to the Assessment, until the Assessment and the interest thereon is paid in full, Owner agrees that the Property is subject to an annual administrative fee to be included in the Annual Assessment Installment pursuant to this Contract, Chapter 29 and applicable law to pay costs incurred by Agent 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 Report, and from the administration of any reserve fund and other related funds (the "Annual Assessment Administrative Fee"). The maximum Annual Assessment Administrative Fee shall not exceed fifty dollars ($50.00) in Tax Year commencing on July 1, 2015 and shall thereafter be adjusted annually commencing on July 1 of each subsequent Tax Year for cost of living based on the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers for applicable to the County of Riverside. Agent shall annually determine the amount of the Annual Assessment Administrative Fee, not to exceed the maximum Annual Assessment Administrative Fee determined in accordance with the preceding sentence.

Owner acknowledges and understands that, no later than October 1 of each year, Agent will determine whether the Property is delinquent in the payment of any Assessment Installments and, if so, will notify Agent Counsel of any such delinquencies. Agent Counsel will commence, or cause to be commenced, judicial foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint not later than December 1 of such year. Failure of such a complaint to be filed by such December 1 shall not, however, invalidate any judicial foreclosure proceedings commenced after such date.

Use of Proceeds Owner shall use the Disbursement Amount for the sole purpose of paying for the reasonable costs and expenses of the Products on the Property, for the Program fees, and capitalized interest.

Disbursement Procedures

Notwithstanding anything to the contrary contained herein, Agent shall have no obligation to disburse funds to Owner unless and until each of the following conditions is satisfied, or any such condition is expressly waived by Agent:

Owner has, as appropriate, executed and delivered to Agent the Contract Documents and such other documents or instruments pertaining to the Disbursement Amount or the Products as Agent may require.

As of the Disbursement Date, Agent shall have determined that the representations of Owner contained in the Contract Documents are true and correct, and no Default (as defined in Section 18 below) shall have occurred and be continuing.

No stop payment or mechanic's lien notice pertaining to the Products has been filed and remains in effect as of the Disbursement Date.

Owner will, within fifteen (15) days of presentation by Agent or the representative thereof, execute any and all documents or instruments required by the Contract Documents in connection with the disbursement of funds to Owner, other than this Contract, which must be executed by the date set forth on the Signature Page below.

Upon satisfaction or waiver of the conditions described in paragraph (a), above, Agent will disburse funds to or on behalf of the Owner.

Prepayment of Assessment Owner may prepay the remaining balance of the Assessment by paying the principal amount or a portion of the Assessment in increments of $5,000 owing on the Assessment, plus the applicable prepayment premium, if any, calculated on the principal amount of the Assessment to be prepaid, processing fee and accrued interest determined by Agent in accordance with this Contract

and the Report, and the amount of any delinquent installments of principal of and interest on the Assessment, together with penalties accrued to the date of prepayment. The processing fee and schedule of prepayment premiums is set forth in Exhibit B hereto.

Interest on the Assessment shall accrue until the next available redemption date for any bond or bonds issued pursuant to a financing relationship contemplated by the Report and which bond or bonds are secured by the Assessment. Such redemption date shall not exceed 180 days from the date of prepayment of the Assessment. Owner shall notify Agent in writing of Owner's determination to prepay the Assessment at least ten (10) business days prior to the date Owner intends to prepay the Assessment.

Representations and Warranties of Owner Owner promises that each representation and warranty set forth below is true, accurate and complete as of the date of this Contract. By accepting the Disbursement Amount, Owner shall be deemed to have reaffirmed each and every representation and warranty made by Owner in this Contract and in the Application, as of the date of disbursement. If Owner is comprised of the trustees of a trust, the following representations shall also pertain to the trustor(s) of the trust.

Formation: If Owner is anything other than a natural person, it has complied with all laws and regulations concerning its organization, existence and the transaction of its business, and is in good standing in each state in which it conducts its business.

Authority: Owner is the owner of the Property and is authorized to execute, deliver and perform its obligations under the Contract Documents, and all other documents and instruments delivered by Owner to Agent in connection therewith. The Contract Documents have, if required, been duly executed and delivered by Owner and are valid and binding upon and enforceable against Owner in accordance with their terms, and no consent or approval of any third party, which has not been previously obtained by Owner, is required for Owner's execution thereof or the performance of its obligations contained therein.

Compliance with Law: Neither Owner nor the Property is in violation of, and the terms nor provisions of the Contract Documents conflict with, any regulation or ordinance, any order of any court or governmental entity, or any building restrictions or governmental requirements affecting the Property.

No Violation: The terms and provisions of the Contract Documents, the execution and delivery of the Contract Documents by Owner, and the performance by Owner of its obligations contained in the Contract, will not and do not conflict with or result in a breach of or a default under any of the terms or provisions of any other agreement, contract, covenant or security instrument by which Owner or the Property is bound.

Other Information: All reports, documents, instruments, information and forms of evidence which have been delivered to Agent related to Owner's application for the Program funding are accurate, correct and sufficiently complete to give Agent true and accurate knowledge of their subject matter.

Lawsuits: There are no lawsuits, tax claims, actions, proceedings, investigations or other disputes pending or threatened against Owner or the Property which may impair Owner's ability to perform its obligations hereunder, or which may impair Agent's ability to levy and collect the Assessment and Annual Assessment Installments.

No Event of Default: There is no event which is, or with notice or lapse of time or both would be, a Default under this Contract.

Accuracy of Declarations: The declarations of Owner contained in the Application are accurate, complete and true.

Owner's Covenants Owner promises:

Installation and Maintenance of Products: Owner shall cause its contractor(s) to install the Products, in a good and workmanlike manner and in accordance with sound construction and installation practices. Owner shall maintain the Products in good condition and repair.

Compliance with Law and Agreements: Owner shall complete all Products, or cause the Products to be completed, in conformity with all applicable laws, including all applicable federal, state, and local occupation, safety and health laws, rules, regulations, standards, and recorded instruments, covenants or agreements affecting the Property. Owner shall comply with and keep in effect all permits, licenses, and approvals required to complete installation of the Products.

Site Visits: Owner grants Agent, its agents and representatives the right to enter and visit the Property at any reasonable time, after giving reasonable notice to Owner, for the purposes of observing the Products. Agent will make reasonable efforts during any site visit to avoid interfering with Owner's use of the Property. Owner shall also allow Agent to examine and copy records and other documents of Owner which relate to the Products. Any site visit, observation or examination by Agent shall be solely for the purposes of protecting Agent's rights under the Contract Documents.

Protection Against Lien Claims: 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 Products. Owner shall have the right to contest in good faith any claim or lien, provided that it does so diligently and without delay in completing the Products.

Notice to Successors in Interest: Owner agrees to provide written notice to any subsequent purchaser of the Property that the Property is subject to a Program assessment lien, and to provide any subsequent purchaser a copy of this Contract.

Insurance: If the Disbursement Amount exceeds $50,000, Owner shall provide, maintain and keep in force at all times until the Products are completed, builder's all risk property damage insurance on the Property, with a policy limit equal to the amount of the Disbursement Amount.

Notices: Owner shall promptly notify Agent in writing of any Default under this Contract, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

Mechanic's Lien and Stop Notices In the event of the filing of a stop notice or the recording of a mechanic's lien pursuant to applicable law of the State of California and relating to the Products, Agent may summarily refuse to disburse any funds to Owner, and in the event Owner fails to furnish Agent a bond causing such notice or lien to be released within ten (10) days of notice from Agent to do so, such failure shall at the option of Agent constitute a Default under the terms of this Contract. Owner shall promptly deliver to Agent copies of all such notices or liens.

Owner Responsibility; Indemnification

Owner acknowledges that Agent has established the Program solely for the purpose of assisting the owners of property in the Agent subregion with the financing of the acquisition, construction, and installation of Eligible Products. The Program is a financing program only. Neither Agent, its officials, agents, employees, attorneys and representatives, are responsible for selection, management or supervision of the Products or of the Products' performance. Owner acknowledges and understands that any issues related to performance of the Products should be discussed with chosen contractors or installers, and the manufacturer or distributor of the Products.

To the extent permitted by law, Owner shall indemnify, defend, protect, and hold harmless Agent and any and all officials, agents, employees, attorneys and representatives of Agent, the purchasers of any bonds issued to finance the installation of the Products 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 attorneys' fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with, (i) the Contract Documents, (ii) disbursement of the Disbursement Amount, (iii) the Products, (iv) any breach or Default by Owner under the Contract Documents, (v) the levy and collection of the Assessment and the Annual Assessment Administrative Fee, (vi) the imposition of the lien of the Assessment, and (vii) any other fact, circumstance or event related to Agent's extension and payment of the Disbursement Amount to or on behalf of Owner or Owner's performance of its obligations under the Contract Documents (collectively, the "Liabilities"), regardless of whether such Liabilities shall accrue or are discovered before or after the Disbursement. If the Property is located in an incorporated area, this indemnity shall extend to officials, agents, employees, attorneys and representatives of the city in which the Property is located. If the Property is located in an unincorporated area, this indemnity shall extend to officials, agents, employees, attorneys and representatives of the County. This indemnity shall also extend to the purchasers of any bonds issued to finance the installation of the Products and such purchasers' officials, agents, employees, attorneys and representatives. Each of the parties to which the indemnifications provided for in this paragraph b) extend shall be referred to as the "Indemnified Parties."

The indemnity obligations described in this Section shall survive the disbursement of funds to Owner, the payment of the Assessment in full, the transfer or sale of the Property by Owner, and the termination of this Contract.

Waivers, including Waiver of Claims

Because this Contract reflects Owner's free and willing consent to enter into this Contract and to pay the Assessment and the Annual Administrative Assessment Fee, Owner hereby waives any otherwise applicable requirements for or right to the preparation of an engineer's report, notice of public hearing, public hearing, protest or opportunity to submit an assessment ballot in support of or in opposition to the Assessment pursuant to Article XIIID of the California Constitution, the Proposition 218 Omnibus Implementation Act (commencing at California Government Code Section 53750) and any other provision of California law.

Owner agrees and acknowledges that the Assessment is not a "tax" as used in Section 1(e) of Article XIIIC of the California Constitution and that if such Assessment is a levy, charge, or exaction of any kind by Agent, it is a charge imposed for a specific benefit conferred or privilege granted to Owner that is not provided to those not charged, and which does not exceed the reasonable costs to Agent of conferring the benefit or granting the privilege to Owner. Owner further knowing and voluntarily waives any otherwise applicable requirements for or rights granted under Article XIIIA or XIIIC pertaining to the Assessment.

Owner hereby waives Owner's right to repeal or reduce the Assessment by initiative or any other action, or to file any lawsuit or other proceeding, at law or in equity, to challenge the validity of the Assessment or the proceedings of Agent, or any portion thereof, undertaken in connection with the establishment of the Program.

For and in consideration of Agent's execution and delivery of this Contract, Owner, for itself and for its successors-in-interest to the Property and for any one claiming by, through, or under Owner, hereby waives the right to recover from and fully and irrevocably releases the Indemnified Parties and each of them from any and all claims, obligations, liabilities, causes of action, or damages, including attorneys' fees and court costs, that Owner may now have or hereafter acquire against any of Indemnified Parties and accruing from or related to (i) the Contract Documents, (ii) the disbursement of the Disbursement Amount, (iii) the levy and collection of the Assessment and the Annual Assessment Administrative Fee, (iv) the imposition of the lien of the Assessment, (v) the issuance and sale of any bonds or other evidences of indebtedness, or other financial arrangements entered into by Agent pursuant to the Program, (vi) the performance of the Products, (vii) the Products, (viii) any damage to or diminution in value of the Property that may result from construction or installation of the Products, (ix) any personal

injury or death that may result from the construction or installation of the Products, (x) the selection of manufacturer(s), dealer(s), supplier(s), contractor(s) and/or installer(s), and their action or inaction with respect to the Products, (xi) the merchantability and fitness for any particular purpose, use or application of the Products, (xii) the amount of energy savings resulting from the Products and the Products, (xiii) the workmanship of any third parties, and (xiv) any other matter with respect to the Program. This release includes claims, obligations, liabilities, causes of action, and damages of which Owner is not presently aware or which Owner does not suspect to exist which, if known by Owner, would materially affect Owner's release of the Indemnified Parties.

OWNER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:

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

BY INITIALING BELOW, OWNER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES. **Owner's Initials:** _____

The waivers and releases by Owner contained in this Section 16 shall survive the disbursement of the Disbursement Amount, the payment of the Assessment in full, the transfer or sale of the Property by Owner, and the termination of this Contract.

Further Assurances Owner shall execute any further documents or instruments consistent with the terms of this Contract, including documents and instruments in recordable form, as Agent shall from time to time find necessary or appropriate to effectuate its purposes in entering into this Contract and disbursing funds to Owner.

Events of Default

Remedies with respect to the nonpayment of the Assessment or other amounts payable by Owner hereunder are governed by the provisions of Section 8 hereof and state law.

The failure of any of Owner's representations or warranties to be correct in all material respects, or the failure or delay by Owner to perform any of its obligations under the terms or provisions of the Contract Documents, other than with respect to the payment of the Assessment, the Annual Assessment Administrative Fee, or other amount payable by Owner shall constitute a non monetary default hereunder ("Default"). Owner must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence, but in any event, within the time set forth in paragraph (c) below.

If a Default occurs, prior to exercising any remedies under the Contract Documents or Chapter 29, Agent shall give Owner notice of such Default. If the Default is reasonably capable of being cured within thirty (30) days, Owner shall have such period to effect a cure prior to exercise of remedies by Agent under the Contract Documents or Chapter 29. If the Default is such that it is reasonably capable of being cured, but not within such thirty (30) day period, and Owner (i) initiates corrective action within such thirty (30) day period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner shall have such additional time as is reasonably necessary to cure the Default prior to

exercise of any remedies by Agent. However, in no event shall Agent be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a Default, or if the Default is not cured within one hundred and twenty (120) days after the first notice of Default is given.

Subject to the provisions of paragraph (c), above, if any Default occurs Agent may exercise any or all of the rights and remedies available to it under applicable law, at equity, or as otherwise provided herein. Upon the election of Agent, if there has been no Disbursement, this Contract shall terminate and, except as otherwise expressly provided herein, the parties shall have no further obligations or rights hereunder.

Except as provided in Section 22, any and all costs and expenses incurred by Agent in pursuing its remedies hereunder shall be additional indebtedness of Owner to Agent.

Except as otherwise expressly stated in this Contract or as otherwise provided by applicable law, the rights and remedies of Agent are cumulative, and the exercise of one or more of such rights or remedies shall not preclude the exercise by Agent, at the same time or different times, of any other rights or remedies for the same Default or any other Default. No failure or delay by Agent in asserting any of its rights and remedies as to any Default shall operate as a waiver of any Default or of any such rights or remedies, or deprive Agent of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Performance of the covenants and conditions imposed upon Owner hereunder with respect to the commencement and completion of the Products shall be excused while and to the extent that, Owner, through no fault or negligence of its own, is prevented from complying therewith by war, riots, strikes, lockouts, action of the elements, accidents, or acts of God beyond the reasonable control of Owner; provided, however, that as soon as the cause or event preventing compliance is removed or ceases to exist the obligations shall be restored to full force and effect and Owner shall immediately resume installation of the Products.

Severability Each and every provision of this Contract is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Contract or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Contract shall be valid and hall be enforced to the extent permitted by law.

Notices All notices and demands shall be given in writing by first class mail, postage prepaid, or by personal delivery (by recognized courier service or otherwise). Notices shall be considered given upon the earlier of (a) personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid. Notices shall be addressed as provided in the "Notice Information" section of Exhibit A attached hereto and incorporated herein by this reference for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice.

Notwithstanding anything set forth above, after disbursement of the Disbursement Amount to Owner, all notices regarding the assessment shall be sent only as provided by state law.

Attorneys' Fees and Costs In the event that any action is instituted to enforce payment or performance under this Contract, the parties agree that the non-prevailing party shall be responsible for and shall pay all costs and all attorneys' fees incurred by the prevailing party in enforcing this Contract.

No Waiver No disbursement of the Disbursement Amount based upon inadequate or incorrect information shall constitute a waiver of the right of Agent to receive a refund thereof from Owner.

Governing Law This Contract shall be governed by the substantive law of the State of California, regardless of any law of conflicts to the contrary in any jurisdiction. Any legal action brought under this Contract must be instituted in the Superior Court of the County of Riverside, State of California.

Assignment by Agent Agent, at its option, may (i) assign any or all of its rights and obligations under this Contract, and (ii) pledge and assign its right to receive the Assessment and the Annual Assessment Administrative Fee, and any other payments due to Agent hereunder, without obtaining the consent of Owner.

Owner Assignment Prohibited In no event shall Owner assign or transfer any portion of this Contract or Owner's obligations under the Contract without the prior express written consent of Agent, which consent may be granted or withheld in the sole and absolute discretion of the Agent. Sale, transfer, or rental of the Property is not an assignment or transfer of this Contract.

Carbon Credits Owner agrees that any carbon credits or renewable energy credits attributable to the Products shall be owned by Agent (on behalf of the Program).

Entire Agreement; Counterparts; Amendment This Contract, together with the other Contract Documents, is the entire agreement between the parties. Any other agreement related to the Products, and any amendment to this Contract, must be signed in writing by both parties. If there is more than one "Owner," the obligations hereunder of all Owners shall be joint and several.

This Contract may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

Further Documents Agent and Owner agree that they shall sign, deliver and if appropriate record any additional documents necessary to effectuate the purposes of this Contract. Upon expiration or termination of this Contract, Agent and Owner agree to shall sign and record any document reasonably necessary to cancel this Contract from the public records as to the Property.

Special Termination Notwithstanding anything to the contrary contained herein, this Contract shall terminate and be of no further force or effect if Owner has submitted to Agent a notice of its decision to cancel this transaction on or prior to the date and time described in the Notice of Right to Cancel which was delivered to Owner upon its execution of this Contract.

No Third Party Beneficiary Rights This Contract is entered into for the sole benefit of Owner and Agent and, subject to the provisions of Sections 13, 14, 15, and 25, no other parties are intended to be direct or incidental beneficiaries of this Contract and no third party shall have any right in, under or to this Contract.

Contract Date The date on which Agent or its representative sends this Contract to the Owner or Owners for execution shall be referred to herein as the "Contract Date."

Recordation of Contract Agent may file this Contract for recordation with the County Recorder of the County either as a separate instrument or as a part of the Notice of Assessment within ten (10) days after the last day entered with the signatures below.

Owner(s) must execute and return this Contract to Agent at the address set forth in the "Notice Information" section of Exhibit A hereto so that it is received by Agent not later than _____, 20__. All signatures of the Owner(s) must be notarized by a duly licensed notary.

IN WITNESS WHEREOF, Owner and Agent have entered into this Contract as of the Effective Date.	
Owner 1:	**Owner 2:**
[OWNER 1 NAME]	[OWNER 2 NAME]

Owner 1 Name (Please Print)		*Owner 2 Name (Please Print)*	
By:		By:	
Owner 1 Signature (Must be Notarized)		*Owner 2 Signature (Must be Notarized)*	
Date of Execution by Owner 1:		Date of Execution by Owner 2:	
, 20		, 20	
Date	*Year*	*Date*	*Year*

Agent: Executive Director and/or his or her designee
Name (Please Print)
By:
Agent Signature (Must be Notarized)
Date of Execution by Agent:

EXHIBIT A

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

Description of Property:

Owner(s) Name(s):

Property Address:

APN:

Associate Member:

Legal Description:

Description of Products:

The Products include the following:

Notice Information:

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

List of Contract Documents:[1]

The Contract shall consist of the following documents:

This Contract and the exhibits hereto;

The Application;

The Funding Request;

The Assessment Cost and Payment Summary;

The Notice of Assessment;

The Payment of Contractual Assessment Required;

The California HERO Program Report and the Commercial HERO Program Handbook; and

California HERO Program website located at www.wrcog.cog.ca.us.

Disbursement:

The Maximum Disbursement Amount is $_____.

The Estimated Disbursement Date will be no later than $_____.

Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments is based upon the following assumptions:

Agent disburses the Maximum Disbursement Amount to Owner.
Accumulated costs of funds until Owner's first payment of $_____ will be added to Owner's Disbursement Amount.
WRCOG disburses to Owner on the Estimated Disbursement Date. If the actual disbursement occurs prior to July 1, 20__, the Initial Tax Year shall be 20__-20__.
The Assessment Interest Rate is _____%.
The Annual Percentage Rate (APR) of Owner's assessment is ____%. If the interest due before Owner's first payment of $_____ was paid in cash at disbursement, Owner's APR would be ____%. APR is the Effective Cost of Credit in consumer loans and real estate loans expressed as a percentage interest rate. The APR is the interest rate the borrower actually pays, including fees required in order to participate in the Program.
The total administrative fees and recording fees added to Owner's assessment is $_____.

[1] The List of Contract Documents may vary depending upon the financing plan being used for a particular parcel. In any event the terms of the Assessment Contract entered into for a particular parcel will govern if there is any conflict between such Assessment Contract and Appendix C.

Tax Year (commencing July 1)	Interest	Principal	Total Principal and Interest	Current Annual Assessment Administrative Fee	Total Annual Assessment Installment
20__ - 20__ *					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					
20__ - 20__					

*The Estimated Initial Tax Year shown on preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date. Please see Section 8 b) and d) of the Assessment Contract.

Prepayment Fee and Prepayment Premium Schedule:

Processing Fee: The fee for processing the prepayment of the Assessment in whole or in part shall be $_____.

Prepayment Premium: The prepayment premium applicable to the principal amount of the Assessment to be prepaid in whole or in part in increments of $5,000 pursuant to Section 11 of the Assessment Contract shall be determined based upon the next interest payment date on the bond issued for the Assessment occurring not less than 90 days after the date of the prepayment (the "Next Bond Interest Payment Date"). The prepayment premium shall be the percentage of the principal amount of the Assessment to be prepaid as follows:

Next Bond Interest Payment Date	Prepayment Premium
September 2, ____ or March 2, ____	5%

Appendix F

NOTICE OF ASSESSMENT

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO
Secretary to Executive Committee
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor. MS1032
Riverside, CA 92501-3609

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

(Recorded Pursuant to California Streets & Highways Code section 5898.32)

NOTICE OF ASSESSMENT

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BONDS
(CALIFORNIA HERO PROGRAM)

The Executive Committee of the Western Riverside Council of Governments ("WRCOG"), County of Riverside, State of California, approved a report (the "Program Report") prepared by the Executive Director, in accordance with Section 5898.22 of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), established the WRCOG California HERO Program (the "Program") to be implemented as provided in the Program Report, confirmed that voluntary contractual assessments may be levied against parcels within the jurisdictions of the member agencies of WRCOG participating in the Program (the "Program Area") within the parameters of the Program Report to finance certain distributed generation renewable energy sources, energy or water efficiency improvements, or electrical vehicle charging infrastructure (the "Improvements").

Pursuant to the requirements of Sections 5898.32 of the Streets and Highways Code, the undersigned Secretary of the Executive Committee of WRCOG, at the direction of such Executive Committee, HEREBY GIVES NOTICE that pursuant to Chapter 29, the Resolution, and the Program Report, as initially approved and as amended to date, WRCOG and the record owner(s) (the "Record Owners") of the real property described on Exhibit "A" to this Notice, attached hereto and incorporated herein by reference (the "Property") have entered into an assessment contract with WRCOG (the "Assessment Contract"), a copy of which is contained in Exhibit "B" to this Notice, attached and incorporated herein by this reference. Pursuant to the Assessment Contract, WRCOG is making a disbursement in the principal amount of $ (the "Disbursement") to the Record Owners of the Property to finance the acquisition and installation and/or construction on the Property of the Improvements identified in the Assessment Contract. Pursuant to the Assessment Contract, the Record Owners agree that the Property is subject to an assessment levied against the Property pursuant to Chapter 29 in the principal amount of the Disbursement, as provided in the Assessment Contract, together with fees and interest thereon, fpr a total Assessment in the amount of $ (the "Assessment") as set forth in the payment schedule on Exhibit "B" to the Assessment Contract. In addition, so long as the Assessment is unpaid, the Record Owners agree that the Property is subject to an annual administrative assessment levied against the Property to pay costs of WRCOG which result from the administration and collection of the Assessment and from the administration or registration of any associated bonds or other financing arrangement, as described in the Program Report, and

from the administration of any reserve fund and other related funds (the "Annual Administrative Assessment"). The Annual Administrative Assessment shall not exceed the amount authorized pursuant to the HERO Residential Program Handbook.

NOTICE IS FURTHER GIVEN that upon the recording of this notice in the office of the County Recorder, the Assessment shall become a lien upon the Property. In addition, the Annual Administrative Assessment shall become a lien upon the Property at the same time as property taxes upon the Property become a lien each year.

Dated:

Western Riverside Council of Governments
Program Administrator

By: _____
Authorized Officer

EXHIBIT "A"

IDENTIFICATION OF PROPERTY OWNERS AND PROPERTY DESCRIPTION

Owner(s) Names:

Address:

APN(s):

County:

Legal Description:

Appendix G

PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

RECORDING REQUESTED BY &
WHEN RECORDED RETURN TO:

Western Riverside Council of Governments
~~4080 Lemon Street, 3RD Floor MS 1032~~
3390 University Avenue, Suite 450
Riverside, CA 92501

File No: _____

PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

Pursuant to the requirements of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, as amended, commencing with Section 5898.10 (the "Act"), including without limitation Section 5898.24(d) of the Act, and in furtherance of Section 1102.6b of the California Civil Code, Western Riverside Council of Governments ("WRCOG") hereby provides notice of the levy and collection by WRCOG of a contractual assessment under the California HERO Program (the "Program"), established and authorized pursuant to the Act. Pursuant to the Act and the Program, WRCOG and the current owner(s) described below (the "Owners") of the real property (the "Property") described herein have entered into that certain assessment contract entitled, "Assessment Contract," dated as of _____, 20__, by and between WRCOG and the Owners (the "Assessment Contract"). Pursuant to the Assessment Contract and the Act, the Owners have requested and voluntarily agreed to WRCOG's imposition of a contractual assessment against the Property (the "Contractual Assessment"), which is generally collected by the County of _____, on behalf of WRCOG, through the consolidated property tax bill.

Current Owner(s): _____.

Legal Description of Property and Assessor's Parcel Number: See Exhibit "A" attached hereto.
Annual Amount of Contractual Assessment: See Exhibit "B" attached hereto.

Expiration of the Contractual Assessment: The date upon which the Contractual Assessment and all accrued interest thereon, together with any applicable penalties, costs, fees and other charges, have been paid

Purpose for Which Funds Will Be Used: The funds from the Contractual Assessment to be paid to WRCOG or its designee and shall 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) which are permanently affixed to the Property and identified in the Assessment Contract (the "Work").

Contact Information: More information regarding the Contractual Assessment may be obtained by contacting WRCOG at 3390 University Avenue, Suite 450 Riverside, CA 92501, tel: (951) 405-6700.

_____ Dated: _____, 20__Program Administrator

SCHEDULE OF ASSESSMENT INSTALLMENTS, INTEREST THEREON, AND THE MAXIMUM ADMINISTRATIVE

Tax Year	Interest	Principal	Total Loan Payment	Maximum Annual Administrative Assessment Expense	Total Maximum Contractual Assessment
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

Appendix H

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 Executive Committee, HEREBY GIVES NOTICE that pursuant to Chapter 29, the Resolution, and the Program Report, as initially approved and as amended to date, that:

1. **Record Owners and Legal Description of Property.** WRCOG and **John Smith,** the record owner(s) (the "Record Owners") of the real property described on Exhibit "A" to this Notice, attached hereto and incorporated herein by reference (the "Property") have entered into an assessment contract with WRCOG (the "Assessment Contract"), a copy of which is

contained in Exhibit "C" to this Notice, attached and incorporated herein by this reference. Pursuant to the Assessment Contract and the Act, the Record Owners have requested and voluntarily agreed to WRCOG's imposition of a contractual assessment against the Property (the "Contractual Assessment"), which is generally collected by the County of _____, on behalf of WRCOG, through the consolidated property tax bill.

2. **Purpose for Which Funds Will Be Used.** The funds from the Contractual Assessment will finance the acquisition and construction and/or installation on the Property of the renewable energy system(s), energy efficiency and/or water efficiency improvement(s) that are permanently affixed to the Property and identified in the Assessment Contract.

3. **Total and Annual Amount of Contractual Assessment.** Pursuant to the Assessment Contract, WRCOG is making a disbursement in the principal amount of $____.__ (the "Disbursement") to the Record Owners of the Property to finance the acquisition and installation and/or construction on the Property of the Improvements identified in the Assessment Contract. Pursuant to the Assessment Contract, the Record Owners agree that the Property is subject to an assessment levied against the Property pursuant to Chapter 29 in the principal amount of the Disbursement, as provided in the Assessment Contract, together with fees and capitalized interest thereon, for a total Contractual Assessment in the amount of $_____.__ as set forth in the payment schedule on Exhibit "B" attached hereto.

4. **Expiration of the Contractual Assessment.** So long as the Assessment is unpaid, the Record Owners agree that the Property is subject to an annual administrative assessment levied against the Property to pay costs of WRCOG which result from the administration and collection of the Assessment and from the administration or registration of any associated bonds or other financing arrangement, as described in the Program Report, and from the administration of any reserve fund and other related funds (the "Annual Administrative Assessment"). The Annual Administrative Assessment shall not exceed the amount authorized pursuant to the HERO Residential Program Handbook.

NOTICE IS FURTHER GIVEN that upon the recording of this notice in the office of the County Recorder, the Assessment shall become a lien upon the Property. In addition, the Annual Administrative Assessment shall become a lien upon the Property at the same time as property taxes upon the Property become a lien each year.

The specific contact information for WRCOG and more information regarding the Contractual Assessment may be obtained from the Program Manager at 3390 University Avenue, Suite 450 Riverside, CA 92501 (address), tel: (951)405-6700.

Date of Assessment:
10/17/2014

Western Riverside Council of Governments Program Administrator

By: _____
Authorized Officer

EXHIBIT “A”

IDENTIFICATION OF PROPERTY OWNERS AND PROPERTY DESCRIPTION

Record Owner(s) Names: John
Smith

Address: 4141 Capital St, San Diego, CA 92115

APN(s): 123123124

County: San Diego

Legal Description:

THE FOLLOWING DESCRIBED REAL PROPERTY IN THE CITY OF SAN DIEGO, COUNTYOF SAN DIEGO, STATE OF CALIFORNIA:LOT 77, PARK VISTA UNIT NO. 2, IN THE COUNTY OF SAN DIEGO, STATE OFCALIFORNIA, ACCORDING TO MAP THEREOF NO. 2900, FILED IN THE OFFICE OFTHE COUNTY RECORDER OF SAID SAN DIEGO COUNTY, AUGUST 20, 1952.

EXHIBIT "B"
SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS, INCLUDING PRINCIPAL, INTEREST AND THE ANNUAL ASSESSMENT ADMINISTRATIVE FEE

Tax Year	Principal	Interest	Total Principal and Interest	Current Annual Assessment Administrative Fee**	Total Annual Assessment Installment
2015-2016					
2016-2017					
2017-2018					
2018-2019					
2019-2020					
2020-2021					
2021-2022					
2022-2023					
2023-2024					
2024-2025					

**Subject to increase pursuant to the Assessment Contract.

EXHIBIT “C”
ASSESSMENT CONTRACT

Item 6.A

PACE Programs Activities Update

Attachment 8

Administration Agreement with Greenworks Lending, LLC

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

WRCOG PROGRAM AND CALIFORNIA PROGRAM

GREENWORKS COMMERCIAL PACE PROGRAM

ADMINISTRATION AGREEMENT

1. PARTIES AND DATE.

This Greenworks Commercial PACE Program Administration Agreement is made and entered into as of January 8, 2018, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and Greenworks Lending LLC, a Delaware limited liability company ("Greenworks"). WRCOG and Greenworks are sometimes individually referred to as a "Party" and collectively as the "Parties." This agreement may be referred to herein as the "Administration Agreement" or the "Agreement."

2. RECITALS.

2.1 The Executive Committee of WRCOG (the "Executive Committee") has established a property assessed clean energy ("PACE") program designated as the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) ("Chapter 29"), the Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as further amended to date (as amended, the "JPA"), and separate Implementation Agreements entered into pursuant to the JPA by and between WRCOG and its member agencies that elected to participate in the WRCOG Program (the "Member Agencies"), to assist owners of commercial properties (the "Commercial Properties") within the jurisdictional boundaries of such Member Agencies to finance the cost of installation of distributed generation renewable energy sources or energy efficiency or water conservation improvements or electric vehicle charging infrastructure (the "Eligible Products") that are permanently fixed to the properties of such owners ("Commercial PACE Project").

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 "WRCOG Program Report") as set forth in Exhibit A hereto and may be subsequently amended, 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, an "Assessment Contract"), a statement of policies of WRCOG concerning such voluntary contractual assessments and a plan for raising a capital amount required to pay for the work performed pursuant to the voluntary contractual assessments.

2.3 As a further part of such proceedings, the Executive Committee provided that one or more series of limited obligation improvement bonds would be issued under the Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State of California (the "1915 Bond Act") or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.4 As a part of such proceedings, the Executive Committee provided that one or more Series of Bonds would be issued under the 1915 Bond Act or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.5 Subsequent to the establishment of the WRCOG Program, the Executive Committee took such actions, adopted such resolutions initially approved and subsequently amended a report prepared pursuant to and addressing all of the matters set forth in the Streets and Highways Code Section 5898.22 and 5989.23 (the "California Program Report" collectively with the WRCOG Program Report, the "Program Report") as set forth on Exhibit A hereto and as such report may be subsequently amended and did establish the California PACE program (the "California Program," collectively with the WRCOG Program, the "Program") and established associate memberships in WRCOG to local jurisdictions that are outside WRCOG's jurisdictional boundaries but within the boundaries of its PACE Program as established and implemented by WRCOG and authorized the execution of Assessment Contracts with the owners of property in the California Program area (the "California Program Area") and the issuance of one or more Series of Bonds pursuant to Chapter 29 and the Bond Act, secured by voluntary contractual assessment levied on Commercial parcels located in the California Program Area.

2.6 Additionally, the Executive Committee WRCOG authorized Greenworks to administer and finance a separate program (the "Greenworks Commercial PACE Program" or the "Greenworks Program") to finance the installation of Eligible Improvements on Commercial Properties within the WRCOG Program Area and the California Program Area (collectively, the "Program Area").

2.7 WRCOG and Greenworks now desire and intend to enter into this agreement pursuant to which Greenworks shall provide administrative services for the Greenworks Program (the "Administration Agreement"), a Master Assignment and Assumption Agreement ("Master AAA") to provide for and establish the terms and conditions pursuant to which WRCOG will assign to Greenworks and Greenworks will re-convey to WRCOG Assessment Contracts to finance the installation of Eligible Improvements on Commercial Properties whose owners have elected to participate in the Greenworks Program, and a Master Bond Purchase Agreement (the "Master BPA") to provide for and establish the terms and conditions pursuant to which WRCOG will sell to Greenworks and Greenworks shall purchase from WRCOG the limited obligation improvement bonds issued by WRCOG (the "Bonds") in exchange for the reconveyance of Assessment Contracts executed to finance the installation of Eligible Improvements on Commercial Properties the owners of which elect to participate in the Greenworks Program.

2.8 The Parties hereto desire that this Administration Agreement, the Master AAA and this Master BPA taken together represent the operating relationship between the Parties pertaining to the Greenworks Program.

3. THE PURPOSE OF THE AGREEMENT.

WRCOG and Greenworks desire to enter into the Agreement to establish the terms and conditions pursuant to which Greenworks shall provide administration services to WRCOG for the Greenworks Program for Commercial Properties participating in such programs (the "Program Administration Services") as set forth in Exhibit B attached hereto and incorporated herein by this reference. In respect to such services, Greenworks desires to perform and assume responsibility for the provision of such Program Administration Services on the terms and conditions set forth in this Agreement. Greenworks 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 assignment of Assessment Contracts and the reconveyance of such assessment contracts and subsequently the exchange of such assignment for the purchase of the limited obligation improvement bonds to be issued by WRCOG to finance the installation of Eligible Products on Commercial Properties located within the Program Areas shall be incorporated in the Master AAA and the Master BPA, respectively, to be entered into between the Parties concurrently with this Agreement.

WRCOG desires to engage Greenworks to render such Program Administration Services as set forth in and pursuant to the terms and conditions of this Agreement.

4. TERMS.

4.1 Scope of Program Administration Services and Term of Agreement.

4.1.1 General Scope of Program Administration Services. Greenworks promises and agrees to provide Program Administration Services and to furnish financing necessary to provide labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately implement the provision of the Program Administration Services. All Program Administration Services shall be subject to, and performed in accordance with, (i) this Agreement, the exhibits attached hereto and incorporated herein by reference, and (ii) 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* any changes to the Program Report subsequent to the date hereof, shall be provided to Greenworks and Greenworks shall expressly acknowledge and agree to any such changes before they shall be deemed to control pursuant to this Section 4.1.1.

4.1.2 Term. The initial term of this Agreement shall commence on January 8, 2018 and shall terminate on December 31, 2019 and shall automatically extend for an additional year at the end of each succeeding year provided Greenworks has at all times performed pursuant

to and is in compliance with the material terms and conditions of this Agreement or, unless earlier terminated as provided herein.

4.2 Responsibilities of Greenworks and WRCOG.

4.2.1 Control and Payment of Subordinates; Independent Contractor and Other Costs. The Program Administration Services shall be performed by Greenworks or one of its affiliates, provided that Greenworks may delegate to a third party services provider its duties and obligations with respect to the Program Administration Services as well as support services upon obtaining the written consent of WRCOG, provided that any such delegation by Greenworks shall not relieve Greenworks of the duties or obligations so delegated. Greenworks will determine the means, methods and details of performing the Program Administration Services subject to the requirements of this Agreement. WRCOG retains Greenworks on an independent contractor basis and not as an employee. Any personnel performing Program Administration Services under this Agreement on behalf of Greenworks shall not be employees of WRCOG and shall at all times be under Greenworks's direction and control or under contract as an independent contractor to provide services to Greenworks. Greenworks shall pay all wages, salaries, if any, and other amounts due such personnel in connection with their performance of Program Administration Services under this Agreement and as required by law. Greenworks shall be responsible for all reports and obligations respecting any of its employees, 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) Greenworks shall market the Greenworks Program to cities within the Program Area only on behalf of WRCOG.

(b) Greenworks hereby acknowledges that WRCOG has appointed and may, in its sole discretion, appoint additional administrators for the Program, however WRCOG shall not appoint additional administrators to the Greenworks Program without the express written consent of Greenworks.

(c) Greenworks represents that it is duly authorized to enter into this Administrative Agreement and entry into this Administrative Agreement does not interfere with its obligations under any other agreement or contract.

(d) Greenworks may provide administrative services to other PACE programs operating outside of the Program Area.

(e) Additionally, Greenworks may enter into agreements to provide administrative services to other PACE programs within the Program Area (each an "Other Issuer"); provided, however, Greenworks must (a) obtain prior written consent of WRCOG and (b) any term of such agreement shall not limit Greenworks's ability to originate Assessment Contracts through the Program.

(f) If a city or county currently part of the Program requests, of its own accord, Greenworks to provide services similar to Program Administration Services for such city or county through an Other Issuer, Greenworks shall have the right, but not the obligation, to perform such services in such city, county or portion thereof for such Other Issuer; provided that (i) Greenworks shall provide WRCOG with prior notice of such a request, (ii) WRCOG shall have the right to meet with such city or county to discuss such request any time within 30 days of such notice and (iii) Greenworks shall use commercially reasonable efforts to facilitate and attend such meetings, provided that such right of WRCOG to have such meeting shall not impair Greenworks's efforts to provide the requested services to a city or county 30 days after notice to WRCOG.

(g) WRCOG shall work with and use its best efforts to add new cities to the Program Area that Greenworks has designated to WRCOG in writing as priority areas.

4.2.3 Schedule of Responsibilities. Greenworks shall perform Program Administration Services and WRCOG shall perform the WRCOG Responsibilities (defined in 4.2.4 below) upon and pursuant to a Schedule of Responsibilities to be agreed upon by the WRCOG Representative (defined in 4.2.7 below) and the Greenworks Representative (defined in 4.2.8 below) which Schedule of Responsibilities shall be executed by both the WRCOG Representative and Greenworks Representative indicating the approval and acceptance of such schedule and the incorporation of such schedule into this Agreement, shall thereafter be attached to this Agreement as Exhibit C hereto and shall thereafter be incorporated herein by this reference. Greenworks represents that it has the professional and technical personnel and financial resources required to perform Program Administration Services in conformance hereto. WRCOG represents that it has the professional personnel and financial resources required to perform the WRCOG Responsibilities in conformance hereto.

4.2.4 WRCOG Responsibilities. In order to facilitate Greenworks's performance of Program Administration Services, WRCOG shall respond to Greenworks's requests and submittals as set forth in the Schedule of Responsibilities, or otherwise in a prompt and timely manner including reviewing, approving, acting upon and/or executing documents listed in the Schedule of Responsibilities.

4.2.5 Compensation for Performance of Program Administration Services. Greenworks shall be compensated for the provision and performance of its Program Administration Services hereunder solely from the funds disbursed or Bond proceeds received to finance the Eligible Improvements and not by payment directly by WRCOG. Greenworks and WRCOG will each be compensated for the Program Administration Services and their administrative costs relating to the Greenworks Commercial PACE Program in accordance with Exhibit D attached hereto.

4.2.6 Conformance to Applicable Requirements. At the beginning of each calendar year, Greenworks shall meet with the WRCOG Representative and other WRCOG representatives to review and approve Greenworks's marketing and customer service plans for the Greenworks Program. To the extent there are subsequent material changes to the marketing and customer service plans, Greenworks shall meet with the WRCOG Representative and other WRCOG representatives to review and approve the revised marketing and customer service

plans. Greenworks and WRCOG shall schedule monthly meetings at Greenwork's offices, a location otherwise mutually agreed to by the Parties or via teleconference, for an update on the Greenworks Program.

4.2.7 The WRCOG Representative. WRCOG hereby designates Rick Bishop, Executive Director, or his or her designee, to act as its representative for the performance of this Agreement (the "WRCOG Representative"). The WRCOG Representative shall have the power to act on behalf of WRCOG for all purposes under this Agreement. Greenworks shall not accept direction or orders from any person on behalf of WRCOG other than the WRCOG Representative or his or her designee. The WRCOG Representative shall provide written notice to Greenworks of the appointment or the rescission of the appointment of any designee of the WRCOG Representative hereunder.

4.2.8 The Greenworks Representative. Greenworks hereby designates Jessica Bailey, CEO, or his or her designee**,** to act as its representative for the performance of this Agreement (the "Greenworks Representative"). The Greenworks Representative shall have full authority to represent and act on behalf of Greenworks for all purposes under this Agreement. The Greenworks 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 Greenworks Representative shall provide written notice to the WRCOG Representative of the appointment or the rescission of the appointment of any designee of the Greenworks Representative hereunder.

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

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

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

4.3 Accounting Records – Maintenance and Inspection.

Greenworks shall maintain complete and accurate records of all Commercial PACE Projects under this Agreement, 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 WRCOG Program. All such records shall be clearly identifiable. Greenworks shall, during Greenworks' standard business hours and upon at least three (3) business days' 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. Greenworks shall, during Greenworks' standard business hours and upon at least three (3) business days' notice, allow inspection of all work, data, documents, proceedings, and activities related to the Agreement. Greenworks 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. The foregoing applies only in relation to a specific Commercial PACE Project for which Greenworks has submitted Approved Application Documents (as defined in Exhibit C attached hereto) and Pending Greenworks Program Assessment Contracts (as defined in Section 4.4.1)and such records or other documents shall exclude any financially or commercial sensitive information of a property owner).

4.4 General Provisions.

4.4.1 Grounds for Termination – At Will. Either WRCOG or Greenworks may, by written notice to the other party, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to such party of such termination, and specifying the effective date thereof, at least ninety (90) days before the effective date of such termination. Notwithstanding the provisions of Section 4.4.1.1 of this Agreement, upon termination by WRCOG, Greenworks shall be compensated only for those services which have been rendered to WRCOG, and Greenworks shall be entitled to no further compensation.

4.4.1.1 Effect of Termination. Upon notification of termination Greenworks shall be required to notify WRCOG of all pending applications for WRCOG Assessment Contracts to fund Commercial PACE Projects originated by Greenworks during the course of Greenworks's provision of Program Administrative Services

hereunder (each, a "Pending Greenworks Program Assessment Contract") and Greenworks shall have the right but not the obligation to close such Pending WRCOG Assessment Contracts subject to the review of the appropriate documentation by WRCOG. Except in the case previously described upon termination, Greenworks 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 provided in accordance with standard industry practices as reasonably determined by WRCOG, and Greenworks shall be entitled to no further compensation. If this Agreement is terminated as provided in this Section 4.4, WRCOG may require Greenworks to provide all finished or unfinished documents and data and other information of any kind prepared by Greenworks in connection with Approved Application Documents or Pending Greenworks Program Assessment Contracts, the performance of services under this Agreement and such finished or unfinished documents will remain subject to Section 4.4.2 of this agreement. Greenworks shall be required to provide such document and other information within fifteen (15) days of the request.

4.4.1.2 Additional Services. In the event this Agreement is terminated in whole or in part as provided in Section 4.4.1, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated upon effectiveness of such termination.

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:

Greenworks:	Greenworks Lending LLC 28 Thorndal Circle, 3rd Floor Darien, CT 06820 Attn: Alexandra Cooley acooley@greenworkslending.com or servicing@greenworkslending.com
WRCOG:	Western Riverside Council of Governments 3390 University Avenue, 4th Floor Riverside, CA 92501 Attn: Executive Director Facsimile: (951) 955-7991
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 received via electronic mail, 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 by either Party to the other Party (including any copies or manuscripts of such information produced by a Party pursuant to this Agreement) or otherwise including any financial structure and financing approach of Greenworks 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 not in violation of this Agreement, shall be deemed confidential. Greenworks shall not use WRCOG's name or insignia in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of WRCOG. Notwithstanding the above, any documents prepared for the Greenworks Program that Greenworks explicitly identifies in writing as 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 Greenworks ("Proprietary Software") in performing the Program Administrative Services is proprietary to Greenworks or one of its affiliates and Greenworks and its affiliates, or its or their 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 Greenworks or its affiliate, or its licensors, will have spent substantial time and effort in collection and compiling data and information (the "Data Compilations") in connection with the Program Administration Services and that such Data Compilations may be used by Greenworks (or such licensors) for their own purposes, including, without limitation, sale or distribution to third parties; provided, however, that Greenworks 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 Greenworks 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, Greenworks 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 Greenworks'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 conducted by the American Arbitration Association ("AAA") in Riverside, California, before a single arbitrator who shall be located in Riverside, California, with at least five (5) years' experience in arbitrating commercial disputes. The Arbitration shall be conducted in accordance with the Commercial Arbitration Rules (the "Rules") of the AAA, 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 neutral arbitrator shall be made in accordance with the provisions of the Rules and administered by the AAA. Greenworks 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. Greenworks 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 or among the Parties in such proportions as the arbitrator(s) may determine. Costs shall be allocated as set forth in the Rules. Greenworks 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 AAA, 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 Greenworks and WRCOG. Accordingly, except as provided for by the Rules and this Agreement, neither Greenworks nor WRCOG will be permitted to pursue court action regarding claims that are subject to arbitration.

(c) *Survival*. 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.

(d) *Availability of Injunctive Relief.* Greenworks and WRCOG agree that either Greenworks or WRCOG may petition a court for provisional relief, including injunctive relief. Greenworks 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 Greenworks 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. However, the Parties acknowledge that the Master AAA and the Master BPA executed between the Parties is dated concurrently herewith and contains related subject matter, which the Parties intend to respect and be bound by.

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 may 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, Greenworks 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, including this Agreement, and confirms all of the representations and warranties of Greenworks hereunder to the extent applicable to such successor or assign. Any attempt to assign, hypothecate, or transfer this Agreement in violation of this Section 4.4.10 shall be null and void, and any assignees, hypothecatees 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 unless otherwise noted. All references to Greenworks include all personnel, employees, agents, and subcontractors of Greenworks, except as otherwise specified in this Agreement. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

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

4.4.15 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.

4.4.16 Prohibited Interests. Greenworks maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Greenworks or independent contractors and consultants engaged by Greenworks 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, Greenworks 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 Greenworks, 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.

4.4.17 Equal Opportunity Employment. Greenworks 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.

4.4.18 Labor Certification. By its signature hereunder, Greenworks 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.

4.4.19 Authority to Enter Agreement. Greenworks has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

4.5 Subcontracting.

4.5.1 Prior Approval Required. Greenworks shall not subcontract any portion of Program Administration Services, provided that Greenworks may delegate to a third party services provider its duties and obligations with respect to the Program Administration Services as well as support services upon obtaining the written consent of WRCOG, provided that any such delegation by Greenworks shall not relieve Greenworks of the duties or obligations so delegated, and (b) Greenworks remain liable for the activities of such affiliate or third party service provider to whom

Greenworks delegates any such duties or obligations, provided further however, in any case, Greenworks may use third party services providers to perform support services. 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. Greenworks 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, Greenworks shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the subcontractor has secured all insurance required under this section.

4.6.2 Minimum Requirements. Greenworks shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by Greenworks, its agents, representatives, employees or subcontractors. Greenworks shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(a) *Minimum Scope of Insurance*. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers Compensation and Employers Liability*: Workers Compensation insurance as required by the State of California and Employers Liability Insurance.

(b) *Minimum Limits of Insurance*. Greenworks 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. Greenworks shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of three (3) years following completion of Program Administration Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than $1,000,000 per claim, and shall be endorsed to include contractual liability.

4.6.4 Privacy/Network Security (Cyber) Liability Coverage. Greenworks shall procure and maintain insurance providing protection against liability for (1) privacy breaches (2) system breach (3) denial or loss of service (4) introduction, implantation, or spread of malicious

software code (5) unauthorized access to or use of computer systems with limits of $2 million. 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 Greenworks 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 Greenworks, 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 Greenworks's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of Greenworks'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 Greenworks or for which Greenworks 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 Greenworks's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of Greenworks's insurance and shall not be called upon to contribute with it in any way.

(c) *Workers Compensation and Employers Liability Coverage*. The insurer shall agree to waive all rights of subrogation against WRCOG, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by Greenworks.

(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 Greenworks) shall provide WRCOG with written notice within thirty (30) days of any suspension, voiding or cancellation of the insurance policy; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to WRCOG, its directors, officials, officers, employees, agents and volunteers.

4.6.6 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its directors, officials, officers, employees, agents and volunteers.

4.6.7 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions in an amount greater than $10,000 must be declared to and approved by the WRCOG. Greenworks shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its directors, officials, officers, employees, agents and volunteers; or (2) Greenworks shall 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. Greenworks shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

4.7 Indemnification.

Greenworks shall defend, indemnify and hold WRCOG, the Trustee (as defined in that certain Master Indenture, dated as of _____, 2018, (the "Master Indenture"), between WRCOG and the Bank of New York Mellon Trust Company, N.A., as trustee) and their respective directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any allegedly negligent or wrongful acts or omissions or willful misconduct of Greenworks, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Greenworks Program or this Agreement, the Master Indenture, the Master Deposit Account Control Agreement and any documents executed in connection therewith, including without limitation, the negligent disclosure of Data Compilations under Section 4.4.3(a) of this Agreement. Such costs, expenses, liability, loss, damage or injury shall include without limitation the payment of attorneys' fees and other related costs and expenses. Greenworks shall defend, at Greenworks'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, the Trustee and/or their respective directors, officials, officers, employees, agents or volunteers. Greenworks shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG, the Trustee and/or their respective directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Greenworks shall reimburse WRCOG, the Trustee and their respective 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. Greenworks's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, the Trustee and/or their respective directors, officials, officers, employees, agents or volunteers.

WRCOG shall defend, indemnify and hold Greenworks, 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 reckless acts or omissions or willful misconduct of WRCOG, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Greenworks Program or this Agreement, including without limitation the payment of 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 Greenworks, its directors, officials, officers, employees, agents or volunteers. WRCOG shall pay and satisfy any judgment, award or decree that may be rendered against Greenworks or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. WRCOG shall reimburse Greenworks 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 the Greenworks, its directors, officials, officers, employees, agents or volunteers.

No third party, other than the Trustee, shall be a direct beneficiary of this Section 4.7.

4.8 Press Release. Greenworks may issue a press release and other publicity in respect of the execution of this Agreement, subject to the prior consent of WRCOG; provided, however, such consent shall not be unreasonably withheld, conditioned or delayed.

[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	GREENWORKS LLC
By:_____ Rick Bishop, Executive Director	By:_____ [_____]

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

Exhibit “A”

WRCOG

ADMINISTRATIVE GUIDELINES

AND

PROGRAM REPORT

EXHIBIT "B"

SCOPE OF PROGRAM ADMINISTRATION SERVICES

Greenworks shall provide the following Program Administrative Services:

Program Design	As part of Program Administration Services, Greenworks shall provide program design services which include: (1) review and edit all policies relating to commercial projects; (2) provide documentation, processes and procedures required for registering contractors, accepting, processing and approving property owner applications, reviewing eligibility of and approving proposed improvements, providing and tracking all financing disclosures and accepting, processing and approving funding requests, obtaining signatures on contractual assessment agreements (property owner and issuer), recording or causing to be recorded lien documents, issuing and executing assignments of the contractual assessments and/or Bond documents, evaluating project disbursement requests and disbursing project funds, drafting Greenworks Program Guidelines, Eligible Improvement Workbook, contractor registration/approval forms, commercial applications, all financing disclosure forms, all forms required to approve improvements, funding request form(s), and contractual assessment agreement and lien recordation documents (unless provided by municipality); (3) design and build the Greenworks Program' website; (4) integration of Greenworks's origination systems with the Greenworks Program website.
Origination	As part of Program Administration Services, Greenworks shall provide origination services (A) prepare a Greenworks Commercial PACE Program Handbook January 2018-Version 1.0 (the "Greenworks Handbook") in accordance with the Program Report and as may be amended with the written consent of WRCOG, which include: (1) process all commercial applications, including accepting applications (online and hard copy), entering hard copy applications into online system, pulling all credit, title, valuation and other reports, reviewing eligibility of proposed property, applicants, equipment and contractors, tracking all financing disclosures, application and authorization forms, contacting applicants, contractors and other parties as needed, providing notifications of approval, denial or incomplete status; (2) providing capital for approved Commercial PACE Projects; (3) obtaining or assisting property owners to obtain consent of the first mortgage holder, if any; (4) process all funding requests for Commercial PACE Projects participating in the Greenworks Program, including accepting funding request forms, reviewing submitted forms and attachments,

providing notification of funding request approval, denial or incomplete status; (5) process and finalize all contractual assessment documentation, including issuance of contractual assessment and financing disclosures; (6) provide telephone and email customer service support; (7) track and report to WRCOG key Greenworks Program statistics, including applications received, approved, assessment contracts issued and signed; (8) periodically assess and/or adjust policies and procedures of the Greenworks Program as needed to resolve any recurring issues.

Marketing of Program: As part of Program Administration Services, Greenworks shall work with WRCOG and its Members jurisdictions to promote the Greenworks Program including notices on appropriate governmental web sites, press interviews and public meetings and announcements. Greenworks shall also publicize the Greenworks Program on its web site as well as through direct contact with property owners. Greenworks shall maintain sufficient resources to answer any questions by potential participants in the Greenworks Program. Greenworks shall also work with WRCOG and Members within the Program Area in order to utilize the Greenworks Program to help bring industry and developments to the areas in which the Greenworks Program are offered.

Documentation: As part of Program Administration Services, Greenworks shall work with WRCOG to develop and produce a standard set of documents suitable to the parties that shall document the legal obligations associated with the contractual assessments, the assignment of contractual assessments, and the issuance of Bonds, and any other legal requirements of the transaction.

Assessment
Tax Roll Management: Greenworks shall work with the Program Assessment Administrator, and the counties within which the Greenworks Program are offered to ensure that the proper contractual assessment installment are placed on the appropriate property owners property tax bills and that the contractual assessment installments shall be collected promptly for the properties subject to such contractual assessments.

Regular reporting
Of complaints, claims
Or legal actions Greenworks shall provide quarterlyreports to WRCOG showing all complaints and claims made by property owners to Greenworks who have applied and/or are participants in the Greenworks Program and any resolution thereto. In addition, Greenworks shall promptly

notify WRCOG of any suits that have been filed against Greenworks relating to the Program Administration Services.

EXHIBIT "C"

SCHEDULE OF RESPONSIBILITIES

Responsibilities of Greenworks

For any owner(s) submitting a Commercial PACE Project for approval in the Greenworks Program (each, a "Owner") of a property that will be subject to a contractual assessment (each, the "Property"), Greenworks will collect all financial, technical, and legal documentation as required in its sole discretion to determine whether such Owner, Property, and Commercial PACE Project meet the requirements of the Program Report and Greenworks Program Handbook. If Greenworks determines that the Owner, Property, and Commercial PACE Project meet all of the requirements of the Program Report, the Greenworks Program Handbook and Chapter 29, the following documents shall be submitted to WRCOG (the "Approved Application Documents").

- Financing Summary Form
- Executed mortgage lender consent
- Engineer letter confirming Eligible Products
- Copy of title report dated within 60 days of the Financing Summary Form
- Disclosure of Risk Form
- Unexecuted Assessment Contract

Such Financing Summary Form will be executed by Greenworks and shall include confirmation that, as of the date of the Financial Summary Form:

- Owner is the property owner(s) of record.
- Greenworks is in receipt of all requisite organizational documents of the Owner to identify the authorized representatives of the Owner that must execute the Assessment Contract.
- Mortgage debt lender(s) have given consent to Program financing.
- Owner is must be current on property taxes and has not had a serious delinquency within three (3) years (or since the purchase of the property, if owned by such property owner(s) less than three (3) years).
- Owner is current on all property debt
- Owner has not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment is not an asset in a bankruptcy proceeding.
- The Property does not have any liens other than lender debt or liens recorded by community facility districts or similar financing districts.
- LTV, per the Greenworks Program Handbook, is under 35%.
- DTV, per the Greenworks Program Handbook is under 95%.
    - 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.
    - The property value exceeds $1,000,000
- Method utilized per the Greenworks Program Handbook to determine property value.

Upon receipt of written confirmation from WRCOG that the Commercial PACE Project in the Approved Application Materials is an Approved Commercial PACE Project, Greenworks will prepare the closing package and send the following documents to the Owner of the Property for signature (the "Assessment Contract Closing Documents"):

Assessment Contract

No less than 10 business days before the effective date of the Assessment Contract, Greenworks shall deliver original copies of the Assessment Contract Closing Documents executed by the Owner to WRCOG for signature.

Upon receipt of verification that all Assessment Contract Closing Documents have been properly executed by the Owner, WRCOG will execute the Assessment Contract, record the Assessment Contract in the applicable land records per the Responsibilities of WRCOG.

Upon written instruction from Greenworks, either i) WRCOG will execute and record an Assignment of the Assessment Contract to Greenworks, or any permitted assignee or designee pursuant to the Master AAA; or ii) Greenworks or any assign, affiliate, subsidiary, or any other person or entity that Greenworks designates will purchase the Bond or Series of Bonds pursuant to the Master AA and Master Bond Purchase Agreement.

Upon receipt of verification that all Greenworks Closing Documents and any other documents under the Master AAA or Master BPA have been properly executed and, if applicable, recorded, Greenworks will disburse funds to the Property Owner.

No less than five (5) business days before the effective date of the Assessment Contract, Greenworks will electronically send the contractual assessment data file for each Assessment Contract executed, along with all Assessment Assignment documents and/or Bond Documents for each Bond or Series of Bonds, to Bond Counsel, the Trustee, David Taussig and Associates, and Public Financial Management for review and set-up.

If Greenworks elects to make Assessment Installments, as defined in the Assessment Contract, on behalf of a property owner from excess financing proceeds, Greenworks shall assume sole liability for any missed or deficient payments to the extent said missed or deficient payments were to be covered by the excess financing proceeds. Greenworks shall make property owner whole if property owner must make any Installment Payments for which Greenworks was responsible for payment without any limitations. This provision is expressly subject to the indemnification provisions set forth in Section 4.7 thereof.

If Greenworks elects to complete the construction of any improvement authorized to be financed pursuant to the Assessment Contract, Greenworks hereby agrees to indemnify the Authority from any and all claims, demands, causes of action, costs, expenses, liabilities, loss, damage or injury to person or any property, without any limitations.

<u>Responsibilities of WRCOG</u>

Upon receipt of the Approved Application Documents and confirmation that the Commercial

PACE Project included in the Approved Application Documents meets all the requirements of the Greenworks Program Handbook and Chapter 29, WRCOG will provide a written confirmation to Greenworks, which confirmation shall not be unreasonably withheld, that such Commercial PACE Project is approved (an "Approved Commercial PACE Project").

Upon receipt of the executed Closing Documents from Greenworks for each Approved Commercial PACE Project, WRCOG will execute on or before the effective date of the Assessment Contract, and then promptly cause recordation of and notification to the financing team electronically of recordation of:

Notice of Assessment and Assessment Contract
Payment of Contractual Assessment Required

WRCOG will send Greenworks copies of the recorded Notice of Assessment and Assessment Contractor and Payment of Contractual Assessment Required within 5 business days of execution by WRCOG.

If WRCOG receives written instruction from Greenworks to assign the Assessment Contract pursuant to the Master Assignment Agreement, immediately after the recordation of the Notice of Assessment and Assessment Contract, WRCOG will cause recordation of and notification to the financing team of the Assignment Instrument as required pursuant to the Master AAA assigning the Assessment Contract to Greenworks or Greenworks' designee. WRCOG will send Greenworks copies of the recorded Assignment Instrument within 5 business days of execution by WRCOG. Additionally, on the Assignment Date WRCOG shall provide or cause to be provided to Greenworks the applicable Assignment-Level Closing Documents as specified in Exhibit F of the Master AAA:

If WRCOG receives instruction from Greenworks to issue a Complying Bond pursuant to the Master Assignment Agreement, WRCOG will promptly execute and deliver all documents as described herein (the "WRCOG Bond Closing Documents") and in Section 7 of the Master BPA to Bond Counsel at the Closing Location or shall cause all such WRCOG Closing Documents to be so executed and delivered, as applicable, on or before the Closing Date, as defined in the Master BPA (e.g. the Issue Date as defined in the Master AAA).

WRCOG WRCOG Bond Closing Documents:

Supplemental Indenture
Improvement Bond
Notice of Assessment
Payment of Contractual Assessment Required
Omnibus Closing Certificate of WRCOG
Certificate of WRCOG for Disbursement from Costs of Issuance Fund
Certificate of WRCOG for Disbursement from Program Fund
Certificate of Trustee
Instructions to Trustee Regarding Disbursement of Proceeds of Bond
Receipt for Bond Proceeds

Compliance Certificate (Program Administrator)
Receipt for Improvement Bond
Opinion of Bond Counsel
Supplemental Opinion of Bond Counsel
Reliance Letter of Bond Counsel
Transfer Letter

WRCOG will execute, by facsimile or original signatures, and deliver the Bond or Series of Bonds to the Trustee for authentication (with electronic copy to remainder of financing team) and delivery to Greenworks.

EXHIBIT “D”

COMPENSATION SCHEDULE

Item 6.A

PACE Programs Activities Update

Attachment 9

Commercial Master Indenture

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MASTER INDENTURE

between

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee

Dated as of January 1, 2018

Relating to:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
GREENWORKS COMMERCIAL PACE PROGRAM
LIMITED OBLIGATION IMPROVEMENT BONDS
(First Commercial Property Tranche)

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MASTER INDENTURE

THIS MASTER INDENTURE (this "**Master Indenture**") is made and entered into as of January 1, 2018, between the **WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS**, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California ("**WRCOG**"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association duly organized and existing under the laws of the United States of America (the "**Trustee**").

BACKGROUND:

WHEREAS, acting under the provisions of Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29"), WRCOG has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential or commercial real property located within the County of Riverside and the cities within the western portion of the County of Riverside that have elected to participate in the WRCOG Program to finance the installation of distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure (the "Authorized Improvements"); and

WHEREAS, acting under Chapter 29, WRCOG has also established the California HERO Program (the "California Program" and, together with the WRCOG Program, the "Programs") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential and commercial real property located within cities and counties located outside of the western portion of the County of Riverside that have elected to become Associate Members of WRCOG and to participate in the California Program to finance the installation of Authorized Improvements; and

WHEREAS, WRCOG is authorized to issue limited obligation improvement bonds pursuant to Section 5898.22 and Section 5898.28 of Chapter 29 and the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code (the "Bond Act"), to finance the installation of Authorized Improvements that are permanently fixed to residential or commercial real property located within cities or counties participating in either of the Programs; and

WHEREAS, the Executive Committee of WRCOG (the "Executive Committee") subsequently determined that it would be in the best interests of both the Programs and the owners of the residential or commercial real property participating in each such program to consolidate and provide for the issuance of limited obligation improvement bonds representing unpaid Assessments levied on such participating parcels located in either the WRCOG Program Area (as defined herein) or the California Program Area (as defined herein and, together with the WRCOG Program Area, the "Program Areas") pursuant to a single Master Indenture and corresponding Supplemental Indentures to facilitate the issuance of such limited obligation improvement bonds, to realize reduced costs of issuance and administration economies of scale and to enhance the marketability of such limited obligation improvement bonds; and

WHEREAS, on January 8, 2018, the Executive Committee adopted Resolution Number __-18, entitled "Resolution of the Western Riverside Council of Governments Authorizing Greenworks Funding LLC to Administer and Finance Eligible Improvements to be Installed on Commercial Properties Located within the Boundaries of Both the WRCOG Energy Efficiency And Water Conservation Program for Western Riverside County and the California Hero Program, and in Connection with such Authorization, Approving Amendments To The Program Report for such Programs and the Forms of a Commercial Handbook, Commercial Application, Assessment Contract, Administration Agreement, Master Assignment and Assumption Agreement, Depositary Agent Agreement, Master Indenture and Bond Purchase Agreement, and Authorizing the Issuance of Bonds Pursuant to such Master Indenture Secured by Assessments Levied on Commercial Properties to Finance the Installation of Authorized Improvements on Such Commercial Properties and Approving Other Actions in Connection Thereto" (the "Resolution of Issuance") to authorize Greenworks Lending LLC ("Greenworks") to implement a commercial property assessed clean energy program to be known as the "Greenworks Commercial PACE Program" under and pursuant to the WRCOG Program and the California Program and within the boundaries of each such program; and

WHEREAS, the Executive Committee did, by the adoption of the Resolution of Issuance, approve the form of this master indenture (the "Master Indenture"), appoint The Bank of New York Mellon Trust Company, N.A., as trustee hereunder (the "Trustee") and authorize WRCOG to issue limited obligation improvement bonds pursuant to this Master Indenture (defined herein as the "Bonds") to finance the installation of Authorized Improvements on commercial properties the owners of which have elected to participate in the Greenworks Commercial PACE Program;

WHEREAS, it is in the public interest and for the benefit of WRCOG and the owners of the Bonds that WRCOG and the Trustee enter into this Master Indenture to provide for the issuance of the Bonds, the disbursement of proceeds of such bonds, the disposition of the assessments securing the Bonds and the administration and payment of the Bonds; and

WHEREAS, WRCOG has determined that all things necessary to cause the Bonds, when authenticated by the Trustee and issued as provided in the Bond Act, the Resolution of Issuance, and this Master Indenture, to be legal, valid and binding limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Master Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Master Indenture. This Master Indenture is entered into under Chapter 29, the Bond Act and the Resolution of Issuance.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 will, for all purposes of this Master Indenture, of any Supplemental Indenture (as herein defined), and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

"Accredited Investor" means an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the United States Securities Act of 1933, as amended.

"***Administrative Expense Account***" means the account of that name established in the Program Fund and designated "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) Administrative Expense Account," established and administered pursuant to Section 4.02. Unless otherwise instructed by WRCOG, such account will be established in the Program Fund for accounting purposes only.

"***Administrative Expenses***" means costs directly related to the administration of the Program, as determined by WRCOG in its sole reasonable discretion, including but not limited to: the actual costs of preparing the annual Assessment installment collection schedules (whether by an employee of WRCOG or a consultant or both) and the actual costs of collecting the Assessment installments (whether by a county or otherwise); and actual fees and costs of the Depositary, in each case as evidenced by written documentation provided to WRCOG or the Program Administrator; the actual costs of remitting the Assessment installments to the Trustee; actual costs of the Trustee (including its legal counsel) in the discharge of its duties under the Indenture; the actual costs of WRCOG or its designee of complying with the disclosure provisions of Chapter 29, the Bond Act, federal securities laws and the Indenture, including those related to public inquiries regarding the Assessments and disclosures to Owners of the Bonds; the actual costs of WRCOG or its designee related to an appeal or challenge of the Assessment; any amounts required to be rebated to the federal government; an allocable share of the salaries of WRCOG staff directly related to the foregoing and a proportionate amount of Authority general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by WRCOG for any administrative purpose relating to the Program, including costs related to prepayments of Assessments and the costs of prosecuting foreclosure of delinquent Assessment installments and actual fees and costs of the Program Administrator (including amounts advanced or incurred by the Program Administrator on behalf of WRCOG in the discharge of the duties of WRCOG under this Master Indenture).

*"**Annual Assessment Administrative Fee**"* means, as to each Participating Parcel, the administrative fee due and payable pursuant to an Assessment Contract that shall be collected on the property tax bill pertaining to such Participating Parcel.

"***Assessment*" *or* "*Assessments***" means the unpaid contractual assessment(s) levied on the Participating Parcel(s) pursuant to an Assessment Contract(s), but excludes Penalties and Interest.

"***Assessment Administrator***" means David Taussig & Associates, and its successors, or any financial consultant or firm of such financial consultants judged by WRCOG to have experience in the administration for and on behalf of public agencies of assessments similar to the Assessments levied by such public agencies in the State of California.

"***Assessment Collection Account***" means the account within the Redemption Fund designated as the "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) Assessment Collection Account," established and administered by the Trustee pursuant to Section 4.01 hereof. Unless otherwise instructed by WRCOG, such account will be established in the Redemption Fund for each Series of Bonds for accounting purposes only.

"***Assessment Contract***" means the contract between WRCOG and the Property Owner pursuant to which the Property Owner agrees to pay the Assessment and WRCOG agrees to finance the installation of Improvements on the Participating Parcel.

"***Auditor***" means the auditor/controller or tax collector of the applicable county in which the Participating Parcel is located, or such other official of the county who is responsible for preparing real property tax bills.

"***Authorized Denominations***" means the entire principal amount of the Outstanding Bonds of a Series.

"***Authorized Representative***" means the Executive Director of WRCOG or his or her designee or designees each of whom is authorized pursuant to a Certificate of WRCOG executed by the Executive Director.

"***Bond***" or "***Bonds***" means the Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) in one or more Series, authorized, executed and delivered under this Master Indenture.

"***Bond Counsel***" means Best Best & Krieger LLP, and its successors, or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the issuance of bonds by states and their political subdivisions, duly admitted to the practice of law before the highest court of the State of California.

"***Bond Act***" means the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (commencing with Section 8500 et seq.), and as it may be amended from time to time, to the extent not in conflict with Chapter 29.

"***Bond Purchase Agreement***" means, as to each Series of Bonds, that Bond Purchase Agreement by and between WRCOG and the Initial Purchaser thereof providing for the sale by WRCOG to and the purchase by the Initial Purchaser of such Series of Bonds.

"***Bond Register***" means the books maintained by the Trustee pursuant to Section 2.07 for the registration and transfer of ownership of the Bonds.

"***Bond Year***" means, with respect to the Bonds, the twelve-month period beginning on September 3 in each year and ending on September 2 in the following year except that (i) the first Bond Year will begin on the date of delivery of the Bonds and end on the next September 2, and (ii) the last Bond Year may end on a prior redemption date.

"***Business Day***" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in California or in the state in which the Trustee has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

"***Capitalized Interest Account***" means the account of that name established in the Redemption Fund and administered under Section 4.01. Such account will be established only as directed in a Supplemental Indenture with respect to a Series of Bonds and unless otherwise instructed by WRCOG, such account will be established for accounting purposes only.

"***Certificate of WRCOG***" means a written certificate of WRCOG signed by an Authorized Representative of WRCOG.

"***Chapter 29***" shall have the meaning given such term in the recitals hereto.

"***Closing Date***" means, as to each Bond or Series of Bonds, the date of issuance of thereof.

"Collateral" shall have the meaning given such term in Section 3.01 hereto.

"***Commercial***" shall have the meaning given such term in the Program Report.

"***Costs of Issuance***" means all items of expense directly or indirectly payable by or reimbursable to WRCOG relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to, printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee; fees, charges and disbursements of Bond Counsel and other attorneys, financing advisors, accounting firms, consultants and other professionals, the Program Administrator's fee, fees and charges for preparation, execution and safekeeping of the Bonds; and any cost, charge or fee in connection with the original issuance of a Series of Bonds.

"Costs of Issuance Account" means the account of that name established in the Program Fund and designated "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) Costs of Issuance Account," established and administered pursuant to Section 4.04 of this Master Indenture. Unless otherwise instructed by WRCOG, such account will be established in the Program Fund for each Series of Bonds for accounting purposes only.

"***County***" has the meaning given to it in the recitals hereto.

"***Covered Jurisdiction***" means, as to the WRCOG Program, each regular member of WRCOG participating in the WRCOG Program and, as to the California Program, each associate member of WRCOG participating in the California Program.

"***Debt Service***" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds of such Series in such Bond Year, assuming that the Outstanding Bonds of such Series are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds of such Series and the Sinking Fund Payments on such Bonds due in such Bond Year.

"Depositary" means The Bank of New York Mellon Trust Company, N.A., as depositary under the Depositary Agent Agreement, and its successors and assigns.

"Depositary Account" means the Depositary Assessment Collection Account established with the Depositary pursuant to the Depositary Agent Agreement administered by the Trustee pursuant to Section 4.06.

"Depositary Agent Agreement" means the Depositary Agent Agreement among WRCOG, Greenworks Lending LLC, and the Depositary, relating to certain indentures entered into by WRCOG and the Trustee from time to time, including this Master Indenture, as it may be amended or supplemented from time in accordance with its terms

"Designated Transferee" means, as to any Series of Bonds, the party identified as the Designated Transferee, if any, in the Bond Purchase Agreement, Supplemental Indenture and/or Certificate of WRCOG with respect to a Series of Bonds providing for the issuance of such Series of Bonds.

"***Electronic Means***" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"***Event of Default***" means any event described as an Event of Default in Section 9.01.

"***Excess Program Account Proceeds***" means the proceeds, if any, from the issuance of a Series of Bonds deposited on the Closing Date in the respective account of the Program Fund for the payment or reimbursement of Improvement Costs for the installation of Improvements on a Participating Parcel that remain on deposit in such account following the payment of all such Improvement Costs.

"***Executive Committee***" means the Executive Committee of WRCOG.

"***Extraordinary Mandatory Redemption Account***" means the account within the Redemption Fund designated as the "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) Extraordinary Mandatory Redemption Account," established by the Trustee pursuant to Section 4.01(A)(3).

"***Federal Securities***" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Trustee:

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the timely payment of principal of and interest on which are, directly or indirectly, fully and unconditionally guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America:

(a) direct obligations of the Export-Import Bank,

(b) certificates of beneficial ownership issued by the Farmers Home Administration,

(c) participation certificates issued by the General Services Administration

(d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association,

(e) project notes issued by the United States Department of Housing and Urban Development, and

(f) public housing notes and bonds guaranteed by the United States of America.

"***Improvement Costs***" means the costs of installing the Improvements on Participating Parcels in accordance with the Program Report, the Program Handbook and the related Assessment Contract or Assessment Contracts.

"***Improvements***" means the distributed generation renewable energy, energy efficiency, water efficiency and electric vehicle charging infrastructure improvements to be installed on the Participating Parcel(s) pursuant to the Assessment Contacts.

"***Indenture***" means collectively this Master Indenture, as it may be amended, modified or supplemented from time to time, together with any Supplemental Indenture executed pursuant to the provisions of this Master Indenture.

"***Initial Assessment***" has the meaning given that term in the Assessment Contract(s).

"Initial Purchaser" means the party designated as the Initial Purchaser pursuant to each Bond Purchase Agreement, Supplemental Indenture and/or Certificate of WRCOG with respect to a Series of Bonds.

"***Interest Payment Dates***" means, as to any Series of Bonds, March 2 and September 2 of each year, commencing on the Interest Payment Date specified in the Supplemental Indenture pursuant to which such Series of Bonds have been issued.

"Joint Exercise of Powers Agreement" means that Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as amended and to date and as it may be amended or supplemented from time in accordance with its terms.

"Master Indenture" means this Master Indenture, dated as of January 1, 2018, by and between WRCOG and the Trustee, as it may be amended, modified or supplemented from time to time pursuant to the provisions of this Master Indenture.

"***Outstanding***" when used as of any particular time with reference to the Bonds, means, subject to the provisions of Section 8.03, all Bonds except:

(i) Bonds canceled by the Trustee or surrendered to the Trustee for cancellation;

(ii) Bonds paid or deemed to have been paid within the meaning of Article X;

(iii) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by WRCOG pursuant to the Indenture.

"***Owner***" or "***Bond Owner***" means the registered owner of any Outstanding Bond as shown on the Bond Register of the Trustee under Section 2.07.

"***Participating Parcel(s)***" means the parcel(s) within a Program Area that is (are) subject to the lien of an Assessment pursuant to an Assessment Contract or Assessment Contracts securing a Series of Bonds; a list of the Participating Parcel(s) is set forth on Exhibit A.

"***Penalties and Interest***" means any (i) penalties on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract and (ii) interest on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract in excess of the interest rate of the related Series of Bonds, in both cases pursuant to Section 5898.30 of Chapter 29.

"***Penalties and Interest Account***" means the account within the Redemption Fund and designated "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche), Penalties and Interest Account," established and administered under Section 4.01 hereof.

"***Permitted Investments***" means any of the following:

(a) Federal Securities.

(b) Federal Housing Administration debentures.

(c) Unsecured certificates of deposit, time deposits, demand deposits, overnight bank deposits, trust funds, trust accounts, interest-bearing deposits, interest-bearing money market accounts, other deposit products, and bankers' acceptances (having maturities of not more than 30 days) of any bank (including those of the Trustee and its affiliates) the short-term obligations of which are rated "A-1" or better by S&P.

(d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million (including those of the Trustee and its affiliates).

(e) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(f) State Obligations, which means

(i) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(ii) Direct, general short-term obligations of any state agency or subdivision described in (i) above and rated "A-1+" by S&P and "Prime-1" by Moody's.

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(g) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all

principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a United States Treasury Obligation will be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(vi) the cash or the United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(h) Investments in a money market mutual fund rated AAAm or AAAm-G or better by S&P and having a rating in the highest investment category granted thereby from Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, or custodian or subcustodian, or otherwise, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives and retains fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(i) Repurchase and reverse repurchase agreements collateralized with securities described in (a) and (b) above, including those of the Trustee or any of its affiliates.

(j) California's Local Agency Investment Fund ("LAIF").

"***Prepayment Account***" means the account within the Redemption Fund and designated "Western Riverside Council of Governments Limited Obligation Improvement Bonds Series 20__ (First Commercial Property Tranche) Prepayment Account," established and administered under Section 4.01 hereof. [Unless otherwise instructed by WRCOG, such account will be established in the Redemption Fund for each Series of Bonds for accounting purposes only.]

"***Prepayments***" means prepayments of Assessments received by WRCOG or the Trustee, less any administrative fees or penalties collected as part of any such prepayment of Assessments.

"***Principal Office***" means the corporate trust office of the Trustee in Los Angeles, California, located at such address as will be specified in a written notice by the Trustee to WRCOG under Section 10.06 hereof or such other office of the Trustee designated for payment, transfer or exchange of the Bonds.

"***Program***" means the Greenworks Commerical PACE Program established pursuant to the Resolution of Issuance.

"***Program Account***" means the respective account within the Program Fund and designated "Western Riverside Council of Governments Limited Obligation Improvement Bonds (First Commercial Property Tranche) Program Account," established and administered under Section 4.01 hereof. [Unless otherwise instructed by WRCOG, such account will be established in the Program Fund for each Series of Bonds for accounting purposes only.]

"***Program Administrator***" means Greenworks Lending LLC, acting in its capacity as the administrator of the Program pursuant to the Resolution of Issuance and the Greenworks Commercial PACE Program Administration Agreement, dated as of January 8, 2018, by and between WRCOG and Greenworks Lending LLC, as such agreement may be amended or supplemented from time to time.

"***Program Area***" has the meaning given to it in the recitals hereto.

"***Program Fund***" means the fund designated "Western Riverside Council of Governments Limited Obligation Improvement Bonds Program Fund" established and administered under Section 4.02.

"***Program Handbook***" means the "Greenworks Commercial PACE Program Handbook" as approved by WRCOG, as such handbook may be amended or supplemented from time to time with the approval of WRCOG.

"***Program Manager***" means the official of WRCOG designated as the program manager of the Program from time to time.

"***Program Report***" has the meaning given to it in the recitals hereto.

"***Property Owner***" means the owner of the Participating Parcel(s).

"Qualified Institutional Buyer" means a "qualified institutional buyer" as such term is defined in Rule 144A promulgated under the Securities Act of 1933, as amended.

"***Record Date***" means the 15th day of the calendar month immediately preceding the applicable Interest Payment Date, and any date established by the Trustee as a Record Date for the payment of defaulted interest on the Bonds, if any.

"***Redemption Fund***" means the fund designated "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche), Redemption Fund," established and administered under Section 4.01.

"***Redemption Premium,***" when used in reference to a Series of Bonds, the redemption premium set forth in the Related Supplemental Indenture.

"***Related,***" when used in reference to a Series of Bonds, Assessments, Collateral, Improvements or Assessment Contract, means the Series of Bonds that financed or refinanced the installation of the Improvements in respect of which the property owner agreed to pay the Assessment, the Assessment that relates to the Series of Bonds that financed or refinanced the installation of the Improvements in respect of which the Assessment was made and agreed to or the Collateral that includes those Assessments; the Improvements in respect of which the property owner agreed to pay the Assessment the installation of which are financed or refinanced from a Series of Bonds or the Assessment Contract pursuant to which the Assessment was levied that relates to the Series of Bonds that financed or refinanced the installation of the Improvements. "***Related,***" when used in reference to a Supplemental Indenture and a Series of Bonds, the Supplemental Indenture that supplements this Master Indenture to establish the terms and conditions set forth in such Supplemental Indenture related to the issuance of such Series of Bonds.

"***Reserve Fund***" means, as to any Series of Bonds, a debt service reserve fund established by the Trustee pursuant to the Related Supplemental Indenture.

"***Resolution of Issuance***" shall have the meaning given such term in the recitals hereto.

"Series" means each Series of Bonds issued pursuant to this Master Indenture and the Related Supplemental Indenture. A "Series" may, as provided in such Related Supplemental Indenture, be a single Bond.

"***Sinking Account Payments***" means amounts to be paid by WRCOG with respect to any Term Bonds.

"***Supplemental Indenture***" means an agreement which is amendatory of and/or supplemental to this Master Indenture substantially in the form set forth in Exhibit A hereto executed and delivered in connection with the issuance of a Series of Bonds pursuant to this Master Indenture.

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

"***Term Bonds***" means a Series of Bonds which are payable on or before their specified maturity dates from Sinking Account Payments established pursuant to the Related Supplemental Indenture for that purpose and calculated to retire such Series of Bonds on or before their specified maturity dates.

"***Trustee***" means The Bank of New York Mellon Trust Company, N.A., its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01 hereof.

"***WRCOG***" means the Western Riverside Council of Governments, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California.

"***WRCOG Counsel***" means the general counsel of WRCOG or designated counsel to WRCOG with respect to the Bonds.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.04. Indenture Constitutes Contract. In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract among WRCOG, the Trustee and the Owners of the Bonds. The pledge made in the Indenture and the provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of WRCOG shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by the Indenture.

ARTICLE II

THE BONDS

Section 2.01. Bonds Authorized.

(A) Authorized Bonds. WRCOG hereby authorizes the issuance of the Bonds in Authorized Denominations under and subject to the terms of the Resolution of Issuance, the Indenture, Chapter 29 and the Bond Act. Pursuant to the Resolution of Issuance, the Authorized Representatives of WRCOG are authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of Chapter 29, the Bond Act, the Resolution of Issuance, this Master Indenture and any applicable Supplemental Indentures.

(B) Procedures for the Issuance of Bonds. WRCOG may at any time issue Bonds in Authorized Denominations payable from Assessments and secured by first priority perfected liens upon such Assessments on the Participating Parcels and the other Collateral pledged hereunder for the payment of the Bonds, subject to the following specific conditions, which are hereby made conditions precedent to the issuance of such Bonds:

(i) All the requirements of Section 3.04 have been met.

(ii) The issuance of such Bonds has been duly authorized pursuant to the Bond Act and all applicable laws, and the issuance of the Bonds has been provided for by a Supplemental Indenture, in substantially the form attached hereto as Exhibit A, duly executed by WRCOG and the Trustee.

WRCOG acknowledges and agrees that the Initial Purchaser or its Designated Transferee (if applicable) may acquire the Bonds issued hereunder through, or through the account maintained with, a registered broker dealer.

(C) Proceeds of the Bonds. Upon the receipt of payment for each Series of Bonds on the Closing Date thereof, the Trustee will apply the proceeds of sale thereof in the amounts and to the funds and accounts as provided for in the Related Supplemental Indenture.

Section 2.02. Payment of Principal of and Interest on the Bonds.

(A) Payment of Interest. Interest on each Bond will be computed on the basis of a 360-day year of twelve 30-day calendar months, and will be payable on each Interest Payment Date, pursuant to Debt Service Schedule set forth on Attachment A to the Related Bond. The Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless they are authenticated on a day during the period from the sixteenth day of the month next preceding an Interest Payment Date to such Interest Payment Date, both days inclusive, in which event they will bear interest from such Interest Payment Date; or unless they are authenticated on a day on or before the fifteenth day of the month next preceding the first Interest Payment Date, in which event they will bear interest from the date of delivery of such Bonds. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication

thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Bonds shall bear interest at the rate per annum, and mature on the date, shown thereon.

(B) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America. As to each Series of Bonds, the Trustee shall pay interest on such Series of Bonds when due by wire transfer in immediately available funds to the person whose name appears on the Bond Register as the Owner thereof on the Record Date preceding such Interest Payment Date in accordance with such wire transfer instructions as shall be filed by such Owner with the Trustee from time to time prior to such Record Date.

The principal of any Bond and any premium on such Bond are payable in lawful money of the United States of America by the Trustee to the person whose name appears on the Bond Register as the Owner thereof on the Record Date immediately preceding the applicable Interest Payment Date upon surrender of the Bonds at the Principal Office of the Trustee. As to each Series of Bonds, payments of principal of such Series of Bonds shall, except on the final maturity thereof, be made without the requirement for presentation and surrender of such Series of Bonds at the Principal Office of the Trustee, and the Trustee shall pay such principal of such Series of Bonds when due by wire transfer in immediately available funds to the Initial Purchaser in accordance with such wire transfer instructions as shall be filed by the Owner of such Series of Bonds with the Trustee from time to time prior to such Record Date. All Bonds paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Notwithstanding anything contained herein to the contrary, the Initial Purchaser and any Designated Transferee shall not be required to present and surrender the Bond for any principal payment, mandatory redemption payment for the redemption of such Bond in part, or mandatory sinking fund payment other than the final principal payment at maturity.

Section 2.03. Redemption.

(A) General. The Supplemental Indenture with respect to any Bond or Series of Bonds may provide that all or a portion of such Bond is or such Series of Bonds are subject to optional or mandatory redemption prior to maturity pursuant to the terms thereof.

All Bonds will be subject to mandatory redemption from amounts received by WRCOG as Prepayments as provided in the applicable Supplemental Indenture and subject to the provisions of Part 11.1 of the Bond Act. WRCOG shall advise the Trustee of such provisions to the extent not specified herein.

Whenever less than all of the Outstanding Bonds issued as a Series of Bonds are called for redemption, the Trustee will select Bonds for redemption among maturities in such a way that the ratio of Outstanding Bonds to issued Bonds will be approximately the same in each maturity insofar as possible, and such that the remaining Assessments will be sufficient on a timely basis to pay the aggregate Debt Service on the Bonds. Within each maturity of such a Series, the Trustee will select Bonds for retirement by lot from all Bonds not previously called for redemption;

provided that the Trustee shall have not less than 72 hours before such selection in which to make the selection.

(B) Refundings. The provisions of Part 11.1 of the Bond Act are applicable to the advance payment of Assessments and to the refunding and redemption of any Series of the Bonds. WRCOG will advise the Trustee of such provisions to the extent not specified herein.

(C) Partial Redemption. Whenever less than all of the Outstanding Bond or Bonds of a Series are called for redemption, the Trustee will select Bonds for redemption in accordance with written direction from WRCOG among maturities in such a way that the remaining Related Assessments will be sufficient on a timely basis to pay debt service on such Series of Bonds. Within each maturity, the Trustee will select Bonds of such Series for retirement by lot. Payment of principal of any Bond selected for redemption in part and accrued interest and premium, if any, on such Bond shall be payable without surrender of such Bond at the Principal Office of the Trustee.

The payment of the principal of, premium, if any, and accrued interest on a Bond upon redemption in part shall be payable without the surrender of such Bond to the Trustee.

(D) Notice to Trustee. WRCOG will give the Trustee written notice of the aggregate amount of Bonds to be redeemed not less than 60 days prior to the applicable redemption date.

(E) Redemption Procedure by Trustee.

(i) Mailing of Notice. If any Bonds are designated for redemption pursuant to the related Supplemental Indenture, the Trustee will cause notice of any redemption to be mailed by first class mail to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Bond Register in the Principal Office of the Trustee, at least 30 days but no more than 60 days before the date designated for redemption.

Any failure of any person or entity to receive any such redemption notice if mailed in compliance with the previous paragraph, or any defect in any notice of redemption, will not affect the validity of the proceedings for the redemption of such Bonds.

(ii) Contents of Notice. Such notice will state the following:

(1) the redemption date;

(2) the redemption price;

(3) the date of issue of the Series of the Bonds;

(4) if less than all of the then Outstanding Bonds of a Series are to be called for redemption, the Bond numbers of the Bonds to be redeemed (by designating the Bond number of each Bond to be redeemed or by stating that all Bonds between two designated Bond numbers, both inclusive, are to be redeemed) or that all of the Bonds of one or more maturities have been called for redemption;

(5) as to any Bond called in part, the principal amount thereof to be redeemed;

(6) that such Bonds must be then surrendered at the Principal Office of the Trustee for redemption at the redemption price; provided that the Initial Purchaser and any Designated Transferee shall not be required to present and surrender the Bond for any principal payment, mandatory redemption payment, or mandatory sinking fund other than the final principal payment at maturity; and

(7) that further interest on the Bonds (or portion thereof) called for redemption will not accrue from and after the redemption date.

(iii) Rescission of Redemption. WRCOG may provide conditional notice of optional redemption and it may rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason adequate funds are not on deposit in the Redemption Fund on the redemption date, and such cancellation will not constitute an Event of Default hereunder. The Trustee will mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(iv) Identification of Bonds Redeemed. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(F) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds, Series of Bonds, or portion of Bonds so called for redemption have been deposited in the Redemption Fund on the date fixed for redemption, then such Bonds, Series of Bonds, or portion of Bonds so called for redemption will become due and payable at the redemption price specified in the redemption notice, and such Bonds, Series of Bonds or portion of Bonds will be defeased and will cease to be entitled to any benefit or security under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed by the Trustee pursuant to this Section 2.03 and the related Supplemental Indenture will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Section 2.04. Execution of Bonds. The Bonds will be executed on behalf of WRCOG by the manual or facsimile signature of the Treasurer and attested by the manual or facsimile signature of the Secretary. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature will nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of WRCOG by such persons who, as of the actual date of the execution of such Bond will be the proper officers of WRCOG although at the nominal date of such Bond any such person will not have been such officer of WRCOG.

Only such Bonds as bear thereon a certificate of authentication in substantially the form set forth in the applicable Supplemental Indenture, manually executed and dated by the Trustee, will be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of authentication of the Trustee will be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.05. Transfer of Bonds.

(A) General. Any Bond may, in accordance with its terms and subject to paragraph (B) of this Section, be transferred, upon the Bond Register under Section 2.07 hereof by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Trustee. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such transfer will be paid by WRCOG. The Trustee will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond is or Bonds are surrendered for transfer, WRCOG will execute and the Trustee will authenticate and deliver a new Bond or Bonds of the same Series, for like aggregate principal amounts, maturities, and interest rates in the denominations herein authorized. Neither WRCOG nor the Trustee will be required to make such transfer of Bonds on or after a Record Date and before the next ensuing Interest Payment Date.

(B) Transfer Restriction Applicable to Bonds. With respect to any Bond registered in the name of an entity, unless the Trustee shall have been otherwise directed in an Certificate of WRCOG accompanied by an opinion of Bond Counsel to the effect that such transfer is consistent with federal securities law, the Bond may only be transferred in an Authorized Denomination to (a) WRCOG (or the Trustee at the direction of WRCOG) or (b) an Accredited Investor or a Qualified Institutional Buyer who delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to this Master Indenture.

Section 2.06. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and of the same maturity. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such exchange will be paid by WRCOG. The Trustee will collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

Neither WRCOG nor the Trustee will be required to make such exchange of Bonds after a Record Date and before the next ensuing Interest Payment Date.

Section 2.07. Bond Register. The Trustee will keep, or cause to be kept, at its Principal Office the Bond Register for the registration and transfer of the Bonds. The Bond Register will show the Series number, date, maturity amount, rate of interest and last registered Owner of each Bond and will at all times be open to inspection by WRCOG during regular business hours on any Business Day, upon reasonable notice; and, upon presentation for such purpose, the Trustee will,

under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

Section 2.08. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, will be of such authorized denominations as may be determined by WRCOG, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by WRCOG and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If WRCOG issues temporary Bonds it will execute and furnish definitive Bonds without delay, but in no event more than 15 days from the date temporary Bonds are issued, and thereupon the temporary Bonds will be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Trustee or at such other location as the Trustee will designate, and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds will be entitled to the same benefits under the Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated, WRCOG, at the expense of the Owner of that Bond, will execute, and the Trustee will authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee will be canceled by it and destroyed by the Trustee who will, upon request of WRCOG, deliver a certificate of destruction thereof to WRCOG.

If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee will be given, WRCOG, at the expense of the Owner, will execute, and the Trustee will authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. WRCOG may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section 2.09 and of the expenses that may be incurred by WRCOG and the Trustee for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of WRCOG whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and will be equally and proportionately entitled to the benefits of the Indenture with all other Bonds issued under the Indenture.

ARTICLE III

SECURITY; ISSUANCE OF BONDS

Section 3.01. Security for the Bonds; Pledge of Assessments and Funds. Each Series of Bonds will be secured by a first pledge (which pledge will be effected in the manner and to the extent herein provided) of all of the (i) the Related Assessment or Assessments together with all revenues, moneys, accounts receivable, contractual rights to payment, recoveries and other rights to payment of whatever kind with respect to such Related Assessment or Assessments or Related Assessment Contract or Assessment Contracts (except amounts required hereunder to be deposited into the Administrative Expense Account of the Program Fund) that are or may be owed to, or collected or received by, WRCOG or any other entity acting on WRCOG's behalf, including, without limitation, any amounts relating to the Related Assessment or Assessments or the Related Assessment Contract or Assessment Contras that may be held in the Depositary Account, the Related Assessment Installments, Related Prepayments, the foreclosure on a Participating Parcel on which an Assessment has been levied, or any other payment or recovery with respect to an Assessment from any other source but excluding Assessment Administrative Fees, and (ii) the Redemption Fund and all monies, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited in, the Redemption Fund, or owed to, or collected, recovered, received or held by, any other person that is required to credit to or deposit such monies or securities in the Redemption Fund by Chapter 29, the Bond Act or the terms of this Master Indenture attributable to proceeds of such Series of Bonds, such Related Assessment or Assessments and such Related Assessment Contract or Assessment Contracts, in each case, derived from the Related Assessment Installments, Related Prepayments, penalties and interest with respect to any delinquent Related Assessment Installment, the foreclosure on a Participating Parcel on which a Related Assessment has been levied, or payments pursuant to a Teeter Plan with respect to Related Assessments, if applicable, including any amounts relating thereto that may be held in the Depositary Account (the foregoing items in (i) and (ii) above collectively referred to as the "Collateral").

So long as any of the Bonds are Outstanding, the Collateral shall not be used for any other purpose except as provided in this Master Indenture. The security interest with respect to a Series of Bonds shall constitute a lien on the Related Collateral of such Series of Bonds and shall attach and be effective, binding and enforceable against WRCOG and all others asserting rights therein from and after delivery by the Trustee of such Series of Bonds, irrespective of whether those parties have notice thereof and without any physical delivery thereof or further act.

Section 3.02. Limited Obligation. All obligations of WRCOG under the Indenture and each Series of Bonds are not general obligations of WRCOG, but are limited obligations, payable solely from the Related Assessments and the funds pledged therefor hereunder. The faith and credit of WRCOG, any Covered Jurisdiction or the State of California, or any political subdivision thereof, is not pledged to the payment of the Bonds.

Each Series of Bonds are "Limited Obligation Improvement Bonds" under section 8769 of the Bond Act and each Series of Bonds is payable solely from and secured solely by the Related Assessments and the amounts in the Redemption Fund attributable to Related Assessments. Notwithstanding any other provision of the Indenture, WRCOG is not obligated to advance

available surplus funds from WRCOG treasury to cure any deficiency in the Redemption Fund; provided, however, WRCOG is not prevented, in its sole discretion, from so advancing funds.

Section 3.03. No Parity Debt. WRCOG may not issue additional Bonds payable from the Assessments other than refunding bonds pursuant to Section 3.05 below.

Section 3.04. Requirements for Issuance of Bonds. Each Bond or Bond or a Series issued under a Supplemental Indenture will constitute a Bond hereunder and will be secured by a first priority perfected security interest on the Assessment or Assessments securing the payment of such Bond and the other Collateral purported to be pledged and assigned for the payment of such Bond or Series of Bonds hereunder. WRCOG may issue a Bond or Series of Bonds only if the following specific conditions precedent have been met:

(a) Due Authorization. WRCOG shall have reviewed all proceedings heretofore taken relative to the authorization of such Bond or Series of Bonds and shall conclude, as a result of such review, and find and determine that all things, conditions, and acts required by law to exist, happen and be performed precedent to and in the issuance of such Bond or Series of Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that WRCOG shall be authorized under Chapter 29, the Bond Act and each and every requirement of law, to issue such Bond or Series of Bonds in the manner and form provided in the Indenture.

(b) Compliance. WRCOG shall be in compliance with all covenants set forth in this Master Indenture, and issuance of such Bond or Series of Bonds will not cause WRCOG to exceed the bonded indebtedness limit established for the Program or the maximum Bond authorization set forth in the Resolution of Issuance or as such maximum authorization may be amended by a resolution of the Executive Committee of WRCOG. Neither WRCOG nor anyone acting on its behalf shall have taken, or will take, any action that would subject the issuance or sale of the Bonds to the registration requirements set forth in the Securities Act of 1933, as amended, or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction, and the Bonds issued hereunder shall be subject to a valid exemption from all such registration requirements.

(c) Value. For each Participating Parcel, the value of such parcel (including the value of the Related Improvements financed from the proceeds of the Bond issued for such parcel) shall not be less than the minimum required value as determined at the time of the execution of the Related Assessment Contract by WRCOG pursuant to the requirements set forth in the Program Handbook.

(d) Coverage. The aggregate Assessment Installments payable under each Related Assessment Contract or Assessment Contracts specified in the Related Supplemental Indenture shall be at least 100% of the cumulative Debt Service on the Bond or Series of Bonds to be secured by the Related Assessment or Related Assessments levied pursuant to such Assessment Contract or Assessment Contracts, as applicable, through the final maturity date of such Bond or Series of Bonds and the Annual Assessment Administrative Fee or aggregate Annual Assessment Administrative Fees payable pursuant to an Assessment Contract or Assessment Contracts, as applicable, shall be sufficient to pay the total anticipated Administrative Expenses through the final maturity date of such Bond or Series of Bonds.

In addition, the scheduled Assessment Installments payable pursuant to the applicable Assessment Contract or Assessment Contracts in every Bond Year with respect to a Bond secured by an Assessment or Assessments levied pursuant to such Assessment Contract or Assessment Contracts, as applicable, shall be at least 100% of the annual Debt Service on such Bond through its final maturity date and the scheduled Annual Assessment Administrative Fees levied pursuant to the Assessment Contract or Assessment Contracts in every Bond Year shall be sufficient to pay the anticipated Administrative Expenses for such Bond Year.

(e) Notice of Assessment. A notice of assessment shall have been duly recorded against each Participating Parcel pursuant to Chapter 29 and the Bond Act and there shall have been created a perfected first priority security interest in and to the Assessment levied against each such Participating Parcel and the other Collateral pledged for the payment of each Bond pursuant to the applicable Assessment Contract, the Bond Act, Chapter 29 and this Master Indenture.

(f) Opinion of Bond Counsel. On the Closing Date of each Bond or Series of Bonds, WRCOG will deliver an opinion or opinions of Bond Counsel addressed to WRCOG and the Trustee in form and substance mutually agreed upon by Bond Counsel and the Initial Purchaser (and accepted by the Trustee). Bond Counsel shall either address each such opinion to the Initial Purchaser and the Designated Transferee (if applicable) or shall, on the Closing Date, provide a reliance letter addressed to the Initial Purchaser and the Designated Transferee (if applicable) indicating to the Initial Purchaser and the Designated Transferee (if applicable) that Bond Counsel has delivered such opinion or opinions to WRCOG and the Trustee on such date and that the Initial Purchaser may rely upon such opinions as if they had been addressed to the Initial Purchaser and the Designated Transferee (if applicable). In such opinion Bond Counsel shall opine that the issuance of the Bond or Series of Bonds has been duly authorized pursuant to the Bond Act and all other applicable laws and the issuance of the Bond or Series of Bonds has been provided for by the Related Supplemental Indenture.

Notwithstanding the foregoing, WRCOG may issue a Series of Bonds as refunding Bonds without the need to satisfy the requirements of paragraphs (c) or (d) above.

Section 3.05. No Acceleration. The principal of the Bonds will not be subject to acceleration hereunder. Nothing in this Section 3.04 will in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of the Indenture under Article X hereof.

Section 3.06. Refunding of Bonds. The Bonds may be refunded by WRCOG pursuant to Divisions 11 or 11.5 of the California Streets and Highways Code upon the conditions as set forth in appropriate proceedings therefor. This Section will not apply to or in any manner limit advancement of the maturity of any of the Bonds as provided in Parts 8, 9, 11, or 11.1 of the Bond Act, nor will this Section apply to or in any manner limit the redemption and payment of any Bond pursuant to subsequent proceedings providing for the payment of amounts to eliminate previously imposed fixed lien assessments, including the Assessments. Nothing in this Section 3.05 affects WRCOG's obligation to comply with Section 2.03 hereof in connection with a redemption of the Bonds.

Section 3.07. Agreement for Benefit of Bond Owners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of WRCOG will be for the equal benefit, protection and security of the registered Owners of the Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Redemption Fund.

(A) Establishment of Redemption Fund. The Redemption Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made as required by Section 5.01(A), and any other amounts required to be deposited therein by the Indenture or the Bond Act. Moneys in the Redemption Fund, exclusive of those in the Penalties and Interest Account therein, will be held by the Trustee for the benefit of WRCOG and Owners of the related Series of Bonds and disbursed for the payment of the principal of (including Sinking Account Payments), and interest and any redemption premium on, the related Series of Bonds as provided below. The moneys held in the Penalties and Interest Account of the Redemption Fund will be held by the Trustee for the benefit of the Owners of the Related Series of Bonds and disbursed at the times and for the purposes set forth in Section 4.01(B).

(1) Within the Redemption Fund there is hereby established a Prepayment Account for each Series of Bonds, which will be used exclusively for the administration of any Related Prepayments pursuant to Section 8767 of the Bond Act and paragraph (C) of Section 2.03 and the provisions of the Related Supplemental Indenture to assure the timely redemption of the Related Series of Bonds. If all of the Related Assessments securing such Series of Bonds are paid in full WRCOG shall deliver a Certificate of WRCOG directing the Trustee to close such Prepayment Account.

Within the Redemption Fund there is also hereby established:

(i) the Capitalized Interest Account, to the credit of which a deposit will be made from the proceeds of the related Series of Bonds pursuant to Section 2.01;

(ii) the Extraordinary Mandatory Redemption Account which will be used exclusively for administration of any Excess Program Account Proceeds;

(iii) the Penalties and Interest Account, to the credit of which any Penalties and Interest will be deposited; and

(iv) the Assessment Collection Account to the credit of which deposits will be made as described below.

Unless otherwise instructed by WRCOG, each such account will be established in the Redemption Fund for accounting purposes only.

(2) Assessment Collection Account. Except for Prepayments which shall be deposited in the Prepayment Account, Excess Program Account Proceeds which shall be deposited into the Extraordinary Mandatory Redemption Account, Penalties and Interest which shall be deposited in the Penalties and Interest Account, or as otherwise provided in this paragraph (b), the Trustee shall deposit into the Assessment Collection Account all proceeds and payments with respect to each Assessment, including, without limitation:

(i) Assessment Installments;

(ii) any amounts transferred to the Assessment Collection Account from the debt service reserve fund, if any, established pursuant to the Related Supplemental Indenture for the Related Series of Bonds;

(iii) any proceeds from the collection of delinquent Assessment Installments as a result of a foreclosure proceeding conducted pursuant to Section 5.02 against the Participating Parcel on which the applicable Assessment has been levied or otherwise (excluding (A) amounts identified as representing attorney's fees and costs incurred by WRCOG or such other person in prosecuting such foreclosure proceeding and (B) amounts required to be transferred hereunder to replenish the debt service reserve fund, if any, established for the related Series of Bonds);

(iv) any amounts received pursuant to the County's Teeter Plan with respect to the Assessments securing the Related Series of Bonds; and

(v) any amount transferred to the Assessment Collection Account from the respective Program Account pursuant to an Certificate of WRCOG delivered to the Trustee.

All amounts in the Assessment Collection Account shall be used and withdrawn by the Trustee solely for the purpose of:

(i) paying the Debt Service on the Related Series of Bonds on a Bond Payment Date;

(ii) the payment of remaining principal with respect to the Related Series of Bonds on the respective maturity date thereof;

(iii) the payment of the principal of and the accrued but unpaid interest and premium, if any, on any Bond upon the redemption thereof as provided in a Supplemental Indenture (excluding mandatory redemptions occurring as a result of a Prepayment or application of Excess Program Account Proceeds); or

(iv) reimbursing WRCOG or a third party from the proceeds of payments representing the redemption of delinquent Assessment Installments for which advances were made by WRCOG or such third party.

All amounts in the Assessment Collection Account, including any earnings on the amounts held in the Assessment Collection Account, shall be held in trust for the benefit of the Bond Owners.

(3) Extraordinary Mandatory Redemption Account. The Trustee shall, upon receipt of an Certificate of WRCOG directing the Trustee to transfer Excess Program Account Proceeds to the Extraordinary Mandatory Redemption Account from the Program Account, deposit such proceeds in such account. Amounts deposited in the Extraordinary Mandatory Redemption Account shall be credited to the Bond specified in such Certificate of WRCOG and used and

withdrawn by the Trustee solely for the purpose of redeeming such Bond, in whole or in part, on any Interest Payment. The principal amount of the Bond to be redeemed shall equal the amount of the Excess Program Account Proceeds plus the amount, if any, as specified in such Certificate of WRCOG that is then on deposit in the Assessment Collection Account and to be credited to the payment of principal amount of such Bond; provided, however, such principal amount shall be decreased if and to the extent that the amount on deposit in the Assessment Collection Account and/or the Capitalized Interest Account is insufficient to pay the accrued interest on such Bond to the date of redemption. The redemption price for such Bond shall be equal to the amount of the Excess Program Account Proceeds, plus the amount, if any, on deposit in the Assessment Collection Account to be credited to the payment of principal amount of such Bond, plus interest to the date of redemption to be paid from the Assessment Collection Account and/or the Capitalized Interest Account, without premium. Interest shall cease to accrue on such Bond, or the principal amount of such Bond that is subject to redemption, from and after the date of redemption. All amounts in the Extraordinary Mandatory Redemption Account, including any earnings on the amounts held therein, shall be held in trust for the benefit of the applicable Bond Owners.

(B) Disbursements. On or before each Interest Payment Date set forth in the table set forth in each Bond pursuant to the Related Supplemental Indenture with respect to each Series of Bonds, the Trustee will withdraw from the applicable accounts in the Redemption Fund and pay to the Owners of the Bonds the principal of (including Sinking Account Payments, if any), and interest and any redemption premium then due and payable on, the Related Series of Bonds. WRCOG shall cause the Assessment Administrator to provide to the Trustee written information, upon which the Trustee may conclusively rely, as to amounts in the applicable accounts in the Redemption Fund that are for the credit of each Bond for purposes of making such payments pursuant to the Indenture. Funds on deposit in the Redemption Fund (and any account established thereunder) and credited to a Bond shall not be used to pay the principal of, or interest or any premium on, any other Bond.

If there are insufficient funds in the Redemption Fund to pay to the Owners of the Related Series of Bonds the principal of (including Sinking Account Payments), and interest and any redemption premium then due and payable on, the Related Series of Bonds, the Trustee will apply the available funds first to the payment of interest on the Related Series of Bonds, then to the payment of principal due on the Related Series of Bonds (including Sinking Account Payments), and then to payment of interest to the date of redemption and principal and any redemption premium due on the Related Series of Bonds by reason of Related Series of Bonds called for optional redemption or mandatory prepayment redemption.

On each September 2, the Trustee will use any amounts remaining in the Redemption Fund after payment of interest on the Related Series of Bonds through such September 2 and the payment of principal due on the Related Series of Bonds through such September 2, but excluding any amounts remaining in the Prepayment Account or the Penalties and Interest Account, to reduce the installments of the Related Assessments that are levied in the current or succeeding Bond Year upon the Participating Parcel(s) to pay the principal of and interest on the Related Series of Bonds.

On or before each Interest Payment Date, the Trustee will withdraw from the Penalties and Interest Account and pay to the Owners of the Related Series of Bonds any amounts on deposit therein as additional interest on the Related Series of Bonds.

(C) Investment. Moneys in the Redemption Fund (and the accounts therein) will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit will be retained in the Redemption Fund and the accounts therein, as applicable.

(D) Transfers from Reserve Fund. Amounts transferred to the Redemption Fund from a debt service reserve fund, if any, established pursuant to the Related Supplemental Indenture for a Series of Bonds will be used in accordance with Part 16 of the Bond Act as directed in an appropriate Certificate of WRCOG.

Section 4.02. Program Fund.

(A) Establishment of Program Fund and the Accounts Therein. The Program Fund is hereby established as a separate fund to be held by the Trustee and within such fund the following accounts: (i) the Program Account, (ii) the Cost of Issuance Account and (ii) the Administrative Expense Account.

(B) Deposits to the Accounts within the Program Fund. The Trustee shall, pursuant to the Supplemental Indenture for the Related Series of Bonds, establish the foregoing accounts with respect to such Related Series of the Bonds, to the credit of which deposits will be made from the proceeds of the Related Series of Bonds as specified in such Supplemental Indenture.

(C) Disbursements. Moneys in the accounts of the Program Fund will be held by the Trustee and will be disbursed as provided in this paragraph (B).

(i) Disbursements from Program Accounts. Amounts in each Program Account will be disbursed from time to time to pay for the costs of installing the Related Improvements in accordance with the Related Assessment Contract, as set forth in written instructions of the Program Administrator delivered to the Trustee containing the amounts to be paid to the designated payees. Such written instructions will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

The Trustee will maintain funds on deposit in the Program Account established for a Series of Bonds until receipt the Trustee of a Certificate of WRCOG: (a) notifying the Trustee that all Improvement Costs to be paid from such account pursuant to a Related Assessment Contracts have been paid and directing the Trustee to transfer the Excess Program Fund Proceeds remaining on deposit in such Program Account as follows: (i) transfer such Excess Program Fund Proceeds in the amount of $500 or more as specified in such Certificate of WRCOG to the Extraordinary Mandatory Redemption Account of the Redemption Fund to be applied to the redemption pursuant to paragraph (D) of Section 2.03 of the Related Series of Bonds, in whole or in part, specified in such Certificate of WRCOG, or (ii) directing the Trustee to transfer any moneys remaining on deposit in such

account, including any investment earnings thereon, to the Assessment Collection Account of the Redemption Fund for the credit of such Series of Bond(s).

Funds on deposit in a Program Account and credited to a Bond shall be used solely to pay or reimburse the Improvement Costs associated with the Participating Parcel that has been levied an Assessment that secures such Bond, and shall not be used to pay the Improvement Costs associated with any other Participating Parcel underlying any other Bond of the same Series or otherwise.

(ii) Disbursements from the Cost of Issuance Accounts. Moneys in each Costs of Issuance Account will be held in trust by the Trustee and will be disbursed as provided in this paragraph (ii) for the payment or reimbursement of Costs of Issuance for the Related Series of Bonds.

Amounts in the Costs of Issuance Account for a Related Series of Bonds will be disbursed from time to time to pay Costs of Issuance for such Related Series of Bonds, as set forth in a Certificate of WRCOG containing respective amounts to be paid to the designated payees and delivered to the Trustee concurrently with the delivery of the Related Series of Bonds, or in any future requisition submitted by WRCOG to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Costs of Issuance after receipt of the Certificate of WRCOG, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of WRCOG requesting payment of Costs of Issuance. The Trustee will maintain the Costs of Issuance Account for a period of 120 days from the final date of delivery of the Related Series of Bonds and then will transfer any moneys remaining therein, including any investment earnings thereon, to the Administrative Expense Account for such Relates Series of Bonds.

(iii) Disbursements from the Administrative Expense Accounts. Amounts in each Administrative Expense Account shall be used by WRCOG to pay Administrative Expenses for the Related Series of Bonds. Amounts in the Administrative Expense Account for a Related Series of Bonds will be disbursed from time to time to pay Administrative Expenses for such Related Series of Bonds, as set forth in a Certificate of WRCOG containing respective amounts to be paid to the designated payees and delivered to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Administrative Expenses after receipt of the Certificate of WRCOG, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of WRCOG requesting payment of Administrative Expenses.

(D) Closure of the Program Fund and the Accounts Therein.

(i) Closure of the Program Fund. The Trustee will maintain the Program Fund until all amounts in the Program Fund and the accounts therein are expended or until WRCOG directs the Trustee to close the fund and all accounts therein, and then the Trustee

will transfer any moneys remaining therein, including any investment earnings thereon, to the Redemption Fund to pay the redemption price for as many Bonds as possible on the first possible redemption date pursuant to Section 2.03(A), including accrued interest to the redemption date and the applicable redemption premium, or to make payments on the Bonds as they come due, as directed by WRCOG.

(ii) Closure of the Cost of Issuance Accounts. The Trustee will maintain the funds on deposit the Cost of Issuance Account for each Series of Bonds until all such funds are expended or until as directed by a Certificate of WRCOG directing the Trustee to close such account and to transfer any money remaining on deposit in such account to the Administrative Expense Account for such Series of Bonds.

(iii) Closure of the Administrative Expense Accounts. The Trustee shall maintain the Administrative Expense Account for each Series of Bonds until (a) the payment of all Bonds included in such Series and the surrender of such Bonds to the Trustee for cancellation and payment of all outstanding Administrative Expenses due and payable hereunder and (b) the receipt by the Trustee of a Certificate of WRCOG declaring that all obligations of WRCOG with respect to such Series of Bonds have been satisfied. Upon satisfaction of such conditions the Trustee shall deliver all amounts then remaining in such account to WRCOG and any outstanding Administrative Expenses shall be payable solely from WRCOG. All such amounts delivered to WRCOG and not required to pay Administrative Expenses for such Series of Bonds may be used for any lawful purpose of WRCOG.

(E) Investment. Moneys in the Program Fund and the accounts therein will be invested and deposited in accordance with Section 6.01. Earnings and profits resulting from said investment will be retained by the Trustee in the applicable account of the Program Fund to be used for the purposes of such account.

Section 4.03. Reserve Fund. As to any Series of Bonds, the Trustee may be directed pursuant to the Related Supplemental Indenture to establish and maintain a debt service reserve fund in trust separate and distinct from the other funds and accounts for such Series of Bonds established under the Indenture. The failure to maintain an amount in a debt service reserve fund which may be established for a Series of Bonds shall not be a default or an Event of Default hereunder.

Section 4.04. Depositary Assessment Collection Account and Depositary Agent Agreement. A Depositary Assessment Collection Account has established with the Depositary pursuant to the Depositary Agent Agreement for the purpose of depositing certain funds including Assessment Installments, delinquent Assessment Installments and penalties and interest thereon, Annual Assessment Administrative Fees, Related Prepayments of Assessments, funds advanced to cover delinquent Assessment Installments and, from time to time, miscellaneous funds from other parties as permitted pursuant to this Master Indenture. WRCOG and the Trustee covenant and agree to comply in all respects with the Depositary Agent Agreement and to make such amendments thereto that are reasonably necessary to carry out the provisions and purposes of this Master Indenture. The Trustee shall conclusively rely on information received by it from the Assessment Administrator and the Program Administrator and pursuant to the provisions of the

Depositary Agent Agreement as to the proper allocation of all funds on deposit under the Depositary Agent Agreement and the Trustee shall not have any responsibility or liability for allocating or segregating any moneys other than for following the instructions received pursuant to such Depositary Agent Agreement and as otherwise set forth herein. All costs and expenses incurred in establishing and maintaining the Depositary Assessment Collection Account under the Depositary Agent Agreement shall be considered an Administrative Expense payable under paragraph (iii) of Section 4.02(C) hereof.

Section 4.05. Establishment of Subaccounts. The Trustee may establish subaccounts within any of the funds or accounts established under this Master Indenture or any Supplemental Indenture at the written request of WRCOG or if the Trustee determines in its sole discretion that such subaccounts are beneficial for the administration of the Bonds or for record-keeping purposes.

ARTICLE V

COVENANTS OF WRCOG

Section 5.01. Collection of Assessments. WRCOG will comply with all requirements of Chapter 29, the Bond Act and the Indenture to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent Assessments. To that end, the following will apply:

(A) The Assessments, together with the interest thereon, will be payable in the installments specified in the Assessment Contracts. Each Assessment installment will be payable in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and become delinquent at the same times and bear the same proportionate Penalties and Interest after delinquency as do the general taxes on real property. All sums received from the collection of the Assessments will be transferred initially directly from the County to the Depositary Agent for deposit into the Depositary Assessment Collection Account pursuant to the Depositary Agent Agreement. All sums received from the collection of any Penalties and Interest will be transferred to the Trustee for deposit into the Penalties and Interest Account of the Redemption Fund.

(B) WRCOG will, before the final date on which the Auditor will accept the transmission of the Assessment installments for the Participating Parcels for inclusion on the next tax roll, prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the installments of the Assessments on the next secured tax roll. WRCOG is hereby authorized to employ consultants to assist in computing the installments of the Assessments hereunder.

(C) In the event that a County files a petition under Chapter 9 or is otherwise unable or unwilling to include the Assessment Installments and the Assessment Administrative Fees on the tax roll and to collect such amounts on the property tax bill for any Fiscal Year, WRCOG covenants to:

(i) take such action as shall be necessary to enforce the statutory and contractual obligations of such County to include the Assessment Installments and the Assessment Administrative Fees on the tax roll each Fiscal Year and to collect such amounts on the property tax bills of the Participating Parcels for any Fiscal Year, and

(ii) exercise its best efforts to collect such Assessment Installments and Assessment Administrative Fees by directly billing the owners of the Participating Parcels for their respective Assessment Installments and Assessment Administrative Fees.

WRCOG makes no representation or warranty regarding its ability to collect such Assessment Installments and Assessment Administrative Fees by such direct billing pursuant to paragraph (C)(ii) above or its ability or legal authority to enforce the payment of Assessment Installments and Assessment Administrative Fees directly billed by WRCOG to the owners of Participating Parcels through a judicial foreclosure action in the event of the delinquency in the payment of any such Assessment Installments and Assessment Administrative Fees.

If WRCOG is unable to enforce the statutory and contractual obligations of the County to include the Assessment Installments and the Assessment Administrative Fees on the tax roll each Fiscal Year or to collect, or cause any other person acting on its or the County's behalf to collect, the Assessment Installments, the Assessment Administrative Fees or any other amounts with respect to the Assessments, which is absolute and unconditional, to pay the interest and redemption premium (if any) on and principal of the related Series of Bonds to the respective Owners of the related Series of Bonds when due and all Administrative Expenses (including indemnity), as herein provided, out of the Related Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, then the Trustee may, on behalf of such Owners, institute suit to enforce such payment by virtue of the contract embodied in the respective Series of Bonds and in the Indenture. Nothing in this Section 5.01 shall limit in any way the rights of the Owners to declare an Event of Default pursuant to Section 9.01 hereof or to pursue all rights and remedies available to such Owners under this Master Indenture and applicable law.

Section 5.02. Foreclosure. WRCOG hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive, of the Bond Act and the conditions specified in this Section 5.02.

No later than October 1 each year, WRCOG will determine whether any single Participating Parcel is delinquent in the payment of two or more semiannual installments (or as long as there is a single Owner, of any semi-annual installments of Assessment payments, including any payment of principal, interest, redemption premium (if any) and Penalties and Interest, and, if so, will notify WRCOG Counsel, and the Owner of the related Series of Bonds as long as there is a single Owner, of any such delinquencies. WRCOG Counsel will commence, or cause to be commenced, the foreclosure proceedings against each such delinquent Participating Parcel, including collection actions preparatory to the filing of any complaint, but will file the complaint by the immediately succeeding December 1. WRCOG Counsel is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel (including a charge for staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

However, notwithstanding the foregoing, WRCOG may elect, in its sole discretion, to defer foreclosure proceedings on any Participating Parcel if WRCOG has received funds equal to the delinquent Related Assessments from any other source, and those funds are available to contribute toward (i) Administrative Expenses and (ii) the payment of the principal of (including Sinking Account Payments) interest, redemption premium (if any) and Penalties and Interest on the Related Series of Bonds when due (including without limitation funds from the sale of the receivables associated with delinquent Related Assessments).

Further notwithstanding the foregoing, as to each Series of Bonds, as long as there is a single Owner of such Bond or Bonds, WRCOG will not initiate foreclosure proceedings unless directed in writing to do so within the time period contemplated by the Section 8834 of the Bond Act by the Owner of such Bond or Bonds, which written direction must be delivered to WRCOG along with an amount reasonably determined by WRCOG to be sufficient to pay its costs of prosecuting the foreclosure. Nothing in this paragraph is intended to limit any obligation imposed

on WRCOG by the Revenue & Taxation Code with respect to tax defaulted properties. If the Owner of the Bond or Bonds pays the costs of prosecuting the foreclosure, it shall be entitled to recover such costs in the foreclosure proceedings to the extent permitted by law.

Penalties and Interest are payable to the Owner of the Bonds as set forth in Section 4.01(B).

Section 5.03. Punctual Payment. WRCOG will punctually pay or cause to be paid the principal of (including Sinking Account Payments), and interest and any redemption premium on, the Bonds when and as due in strict conformity with the terms of the Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds.

Section 5.04. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, WRCOG will not, directly or indirectly, extend or consent to the extension of the time for the payment of any interest on any of the Bonds and will not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding any claims for interest on any of the Bonds, or in any other manner.

Section 5.05. Against Encumbrance. WRCOG will not encumber, pledge or place any charge or lien upon any of the Assessments or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Resolution of Issuance, the Indenture, Chapter 29 and the Bond Act and with the written consent of the Owners.

Section 5.06. Books and Accounts. WRCOG will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of WRCOG, in which complete and correct entries will be made of all transactions relating to the Assessments and the application of amounts disbursed from the funds and accounts held by WRCOG hereunder, which records will be subject to inspection by the Trustee upon reasonable prior notice on any Business Day.

Section 5.07. Protection of Security and Rights of Owners. WRCOG will preserve and protect the security of the Bonds and the rights of the Owners thereto, and will warrant and defend their rights to such security against all claims and demands of all persons. From and after the delivery of any of the Bonds by WRCOG, the Bonds will be incontestable by WRCOG. WRCOG will take all commercially reasonable measures to enforce the provisions of the Assessment Contract.

Section 5.08. Compliance with Law; Completion of Improvements. WRCOG will comply with all applicable provisions of Chapter 29 and the Bond Act in providing financing for the Improvements, but WRCOG will have no obligation to advance any funds to complete Related Improvements in excess of the proceeds of the Bonds available therefor.

Section 5.09. Further Assurances. WRCOG will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

ARTICLE VI

INVESTMENTS; LIABILITY OF WRCOG

Section 6.01. Deposit and Investment of Moneys in Funds. The following will apply to the investment of funds held by the Trustee:

(i) Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed pursuant to an Certificate of WRCOG filed with the Trustee at least two Business Days in advance of the making of such investments. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. In the absence of any such Certificate of WRCOG, the Trustee shall hold funds uninvested.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

(ii) The Trustee may act as principal or agent in the acquisition or disposition of any investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including investment maintenance fees. The Trustee will incur no liability for losses arising from any investments made pursuant to this Section. The Trustee will be entitled to rely upon any investment directions from WRCOG as conclusive a certification to the Trustee that the investments described therein are so authorized under the laws of the State of California.

The Trustee will not invest any cash held by it hereunder in the absence of timely and specific written direction from WRCOG. In no event will the Trustee be liable for the selection of investments.

(iii) Investments in any and all funds and accounts may at the discretion of the Trustee be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee hereunder, provided that the Trustee will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

(iv) The Trustee will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited. The Trustee will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

(v) Although WRCOG recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, WRCOG hereby agrees that confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 6.02. Limited Liability of WRCOG. WRCOG will not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than as specifically provided herein.

Section 6.03. Employment of Agents by WRCOG. In order to perform its duties and obligations hereunder, WRCOG may employ such persons or entities as it deems necessary or advisable. WRCOG will not be liable for any of the acts or omissions of such persons or entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities. Nothing in this Section 6.03 shall be interpreted to prevent the Owner of the Bonds from seeking remedies for an Event of Default as set forth in Section 9.02.

ARTICLE VII

THE TRUSTEE

Section 7.01. Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A., is hereby appointed trustee and paying agent for the Bonds. The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture, and no implied covenants or obligations will be read into the Indenture against the Trustee. With respect to the appointment of the Trustee, the following will apply:

(A) Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this Section 7.01) will be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Trustee will give WRCOG written notice of any such succession hereunder.

(B) WRCOG may, upon not less than 60 days' prior written notice, remove the Trustee initially appointed and any successor thereto, and may appoint a successor thereto, but any Trustee will be a national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least $75,000,000 and subject to supervision or examination by federal or state authority. If such national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(C) The Trustee may at any time resign by giving written notice to WRCOG and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, WRCOG will promptly appoint a successor Trustee, satisfying the requirements of Section 7.01(B) above, by an instrument in writing. Any resignation or removal of the Trustee will become effective upon acceptance of appointment by the successor Trustee.

(D) If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, WRCOG will promptly appoint a successor Trustee by an instrument in writing.

(E) If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section within 45 days after the Trustee has given to WRCOG written notice or after a vacancy in the office of the Trustee has occurred by reason of its inability to act, the Trustee or any Bond Owner may apply, at the expense of WRCOG, to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Section 7.02. Liability of Trustee. With respect to the liability of the Trustee, the following will apply:

(A) The recitals of facts, covenants and agreements herein and in the Bonds contained will be taken as statements, covenants and agreements of WRCOG, and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of the Indenture or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee assumes no responsibility or liability for any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(B) The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture on their face.

Except as provided above in this paragraph, Trustee will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Indenture, and the Trustee will not be under any duty to make any investigation or inquiry as to-any statements contained or matters referred to in any such instrument.

(C) The Trustee will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(D) No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(E) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of WRCOG or any of the Owners pursuant to the Indenture unless such Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. The permissive right of the Trustee to do things enumerated in this Master Indenture shall not be construed as a duty.

(F) The Trustee may become the owner of the Bonds with the same rights it would have if it were not the Trustee.

(G) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without

its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee.

(H) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Master Indenture and delivered using Electronic Means; provided, however, that WRCOG shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions and containing specimen signatures of such Authorized Representatives, which incumbency certificate shall be amended by WRCOG whenever a person is to be added or deleted from the listing. If WRCOG elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. WRCOG understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative. WRCOG shall be responsible for ensuring that only Authorized Representatives transmit such Instructions to the Trustee and that WRCOG and all Authorized Representatives are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Corporation. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. WRCOG agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by WRCOG; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(I) The Trustee will have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(J) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee will not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

(K) The Trustee shall not be accountable for the use or application by WRCOG of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Master Indenture or any Supplemental Indenture or for the use and application of money received by any paying agent.

Section 7.03. Information; Books and Accounts. The Trustee will provide to WRCOG such information relating to the Bonds and the funds and accounts maintained by the Trustee hereunder as WRCOG may reasonably request, including but not limited to quarterly statements reporting funds held and transactions by the Trustee.

The Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Trustee, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts disbursed from the Redemption Fund and the accounts therein. Such books of record and accounts will, upon reasonable notice, at all times during business hours on any Business Day be subject to the inspection of WRCOG and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 7.04. Notice to Trustee. The Trustee may conclusively rely, without undertaking any investigation or inquiry, and will be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or proper parties.

The Trustee may consult with counsel, who may be counsel to WRCOG, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee will not be bound to recognize any person as the Owner of a Bond unless and until such person is the registered Owner of such Bond and such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Representative of WRCOG, and such certificate will be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation; Indemnification. WRCOG will pay to the Trustee from time to time reasonable compensation for all services rendered as Trustee under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the

Trustee's in house or other attorneys and agents, incurred in and about the performance of their powers and duties under the Indenture.

WRCOG further agrees, to the extent permitted by applicable law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including without limitation legal fees and expenses) which are not due to its negligence or willful misconduct. As security for the performance of the obligations WRCOG under this section pertaining to exercise and performance of the powers and duties of the Trustee hereunder related to any Bond or Series of Bonds, the Trustee shall have a lien prior to such Bond or Series of Bodns upon all property and funds held or collected by the Trustee as such pertaining to such Bond or Series of Bonds, except funds held in trust for the payment of principal of or interest or premiums on such Bond or Series of Bonds.

The obligation of WRCOG under this Section will survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

Section 7.06. Trustee as Owner. In the event the Trustee wishes to purchase the Bonds, the Trustee may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Trustee.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 8.01. Conditions for Amendment.

(A) Amendment with Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture with the written consent of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, or, alternatively, if such amendment or modification affects only one or more Series of Bonds, with the written consent of the Owners of at least a majority in aggregate principal amount of such Series (which may include Series to be issued contemporaneously with the amendment or modification), in each case exclusive of Bonds disqualified as provided in Section 8.03.

No such modification or amendment may:

(i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of WRCOG to pay the principal of, and the interest, any redemption premium or Penalties and Interest on, any Bond, without the express consent of the Owner of such Bond, or

(ii) permit the creation by WRCOG of any pledge or lien upon the Assessments pledged to any Series of Bonds superior to or on a parity with the pledges and liens created for the benefit of such Series of Bonds, without the express written consent of the Owners of all Outstanding Bonds of such Series, or

(iii) reduce the percentage of Bonds required for the amendment hereof, or

(iv) amend this Section 8.01.

Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(B) Amendment without Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) Additions. To add to the covenants and agreements of WRCOG contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon WRCOG, so long as such addition, limitation or surrender does not adversely affect any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(ii) Not Materially Adversely Affecting Bonds. To make modifications not adversely affecting any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(iii) Corrections. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as WRCOG may deem necessary or desirable and not inconsistent with the Indenture, and which will not materially adversely affect the rights of the Owners of the Bonds as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(iv) Issuance of Bonds. To issue Bonds in accordance with the Indenture.

(v) Credit Enhancements. To provide for the delivery of credit enhancements for one or more Bonds or Series of Bonds.

Section 8.02. Procedure for Amendment with Written Consent of Owners. WRCOG and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of the Indenture, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. With respect to such Supplemental Indenture under this Section, the following will apply:

(A) A copy of such Supplemental Indenture, together with a request to respective Owners for their consent thereto, will be mailed by first class mail, by the Trustee to each Owner of respective Bonds Outstanding, but failure to mail copies of such Supplemental Indenture and request will not affect the validity of the Supplemental Indenture when assented to as provided in this Section.

(B) Such Supplemental Indenture will not become effective unless there has been filed with the Trustee the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding or, if such amendment or modification affects only one or more Series of Bonds, with the written consent of the Owners of at least a majority in aggregate principal amount of such Series as applicable (exclusive of Bonds disqualified as provided in Section 8.03) and a notice has been mailed as described in subsection (A) above. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by Section 10.04.

Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(C) After the Owners of the required percentage of Bonds have filed their consents to the Supplemental Indenture, the Trustee will mail a notice to the Owners in the manner described in subsection (A) above for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section; provided, however, that failure to mail copies of this notice will not affect the validity of the Supplemental Indenture or consents thereto.

Proof of the mailing of such notice will be filed with the Trustee. A record, consisting of the papers required by this Section 8.02 to be filed with the Trustee, will be proof of the matters therein stated until the contrary is proved.

The Supplemental Indenture will become effective upon the filing with the Trustee of (a) the proof of the required notice, and (b) an approving opinion of Bond Counsel to the effect that the Supplemental Indenture complies with this Section 8.02. The Supplemental Indenture will be deemed conclusively binding (except as otherwise specifically provided in this Article) upon WRCOG and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 8.03. Disqualified Bonds. Bonds owned or held for the account of WRCOG, excepting any pension or retirement fund, will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and will not be entitled to consent to, or take any other action provided for in this Article VIII; except that in determining whether the Trustee will be protected in relying upon any such approval or consent of an Owner, only Bonds which a responsible officer of the Trustee having direct responsibility for the administration of the Indenture actually knows to be owned by or held for the account of WRCOG (excepting any pension or retirement fund) will be disregarded unless all Bonds are so owned, in which case such Bonds will be considered Outstanding for the purpose of such determination.

Upon request of the Trustee, WRCOG will specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 8.04. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VIII, the Indenture will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Indenture of WRCOG and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 8.05. Endorsement or Replacement of Bonds Issued After Amendment. WRCOG may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII will bear a notation, by endorsement or otherwise, in form approved by WRCOG, as to such action. In that case, upon request of the Owner of any Bond Outstanding at such effective date and presentation of his or her Bond for that purpose at the Principal Office of the Trustee or at such other office as WRCOG may select and designate for that purpose, a suitable notation will be made on such Bond.

WRCOG may determine that new Bonds, so modified as in the opinion of WRCOG is necessary to conform to such Owners' action, will be prepared, executed and delivered. In that case, upon request of the Owner of any Bonds then Outstanding, such new Bonds will be

exchanged at the Principal Office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.06. Amendatory Endorsement of Bonds. The provisions of this Article VIII will not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.07. Execution of Supplemental Indenture. Prior to executing any Supplemental Indenture hereunder, the Trustee will be entitled to receive an opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized and permitted by the Indenture and that all conditions precedent to the execution of such Supplemental Indenture have been met.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

Section 9.01. Events of Default. Any one or more of the following events will constitute an "Event of Default":

(A) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same will become due and payable, whether at maturity as therein expressed or from mandatory redemption;

(B) Default in the due and punctual payment of the interest on any Bond when and as the same will become due and payable; or

(C) Default by WRCOG in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after WRCOG has been given notice in writing of such default by the Trustee or any Owner; *provided, however,* if in the reasonable opinion of WRCOG the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by WRCOG within such thirty (30) day period and WRCOG shall thereafter diligently and in good faith cure such failure within a reasonable period of time, such period of time not to exceed one hundred eighty (180) days after such default notice is delivered to WRCOG .

Section 9.02. Remedies of Owners. Following the occurrence of an Event of Default, any Owner will have the right (and the right to instruct the Trustee, subject to the Trustee's rights under Section 7.02(E) hereof) for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit or proceeding at law or in equity to enforce its, his or her rights against WRCOG and any of the members, officers and employees of WRCOG, and to compel WRCOG or any such members, officers or employees to perform and carry out their duties under Chapter 29 or the Bond Act and their agreements with the Owners as provided in the Indenture; or

(B) By suit in equity to enjoin any actions or things that are unlawful or violate the rights of the Owners.

(C) To exercise every power and remedy available to it under Chapter 29 or the Bond Act.

Nothing in this article or in any other provisions of the Indenture or in the Bonds will affect or impair the obligation of WRCOG, which is absolute and unconditional, to pay the interest, redemption premium (if any), and Penalties and Interest on and principal of the Bonds to the respective owners of the Bonds when due, as herein provided, out of the Related Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver by any Owner of any default or breach of duty or contract will not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power and it will not be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by Chapter 29 or the Bond Act or by this article may be enforced and exercised from time to time and as often as will be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, WRCOG and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by Chapter 29, the Bond Act or any other law. In any suit, action or proceeding to enforce the provisions of this Master Indenture, the prevailing party shall be entitled to receive reasonable attorney's fees. In no event will the Trustee have any responsibility to cure or cause WRCOG or any other person or entity to cure an Event of Default hereunder.

Section 9.03. Application of Funds After Default. If an Event of Default shall occur and be continuing with respect to a Series of Bonds, all monies held or thereafter received by the Trustee with respect to such Series of Bonds, and any other funds then held or thereafter received by the Trustee with respect to such Series of Bonds under any of the provisions of this Master Indenture shall be applied in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of such Series of Bonds and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its accountants and counsel) incurred with respect to such Series of Bonds in and about the performance of its powers and duties under the Indenture;

(b) To the payment of Administrative Expenses of such Series of Bonds;

(c) To the payment of the principal of and interest then due on such Series of Bonds, in accordance with the provisions of this Master Indenture, in the following order of priority:

(i) First: To the payment to the persons entitled thereto of all installments of interest then due on such Series of Bonds, as applicable, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

(ii) Second: To the payment to the persons entitled thereto of all installments of unpaid principal of such Series of Bonds, as applicable, which shall have become due, whether at maturity or redemption, and, if the amount available shall not be sufficient to pay in full all of such Series of Bonds together with such interest, then to the payment thereof ratably, according to the amounts

of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

(iii) Third: If there shall exist any remainder after the foregoing payments, such remainder shall be paid to WRCOG as directed in a Certificate of WRCOG.

ARTICLE X

MISCELLANEOUS

Section 10.01. Discharge of Indenture. Subject to the provisions of Section 2.03 hereof regarding redemption, if WRCOG pays and discharges the entire indebtedness on all or a portion of any Bonds or Series of Bonds Outstanding in any one or more of the following ways:

(A) by paying or causing to be paid the principal of (including any Sinking Account Payments) and interest and any redemption premium on, all Bonds or Series of Bonds Outstanding, as and when the same become due and payable;

(B) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Section 4.01, is fully sufficient to pay such Bonds or Series of Bonds Outstanding, including all principal (including Sinking Account Payments), interest and any applicable redemption premiums with respect to such Bond or Series of Bonds being discharged or defeased; or

(C) by irrevocably depositing with the Trustee, in trust, cash and Federal Securities in such amount as WRCOG may determine, as confirmed by an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Section 4.01, be fully sufficient to pay and discharge the indebtedness on such Bonds or Series of Bonds, including all principal, Sinking Account Payments, interest and any applicable redemption premiums with respect to the Bond or Series of Bonds being discharged or defeased, at or before their respective maturity dates;

and if such Bonds or Series of Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as required by the Indenture (or provision satisfactory to the Trustee has been made for the giving of such notice), then, at the election of WRCOG, and notwithstanding that any Bonds or Series of Bonds have not been surrendered for payment, the pledge of the Assessments and other funds provided for in the Indenture and all other obligations of WRCOG under the Indenture with respect to all Bonds or Series of Bonds Outstanding will cease and terminate, except only: (i) the obligation of WRCOG to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and (ii) the obligation of WRCOG to pay or cause to be paid all amounts owing to the Trustee pursuant to Section 7.05 hereof.

If all Bonds or Series of Bonds outstanding are discharged pursuant to this Section, thereafter the Related Assessments will not be payable to the Trustee. Notice of election to discharge the Indenture with respect to such Bond or Series of Bonds will be filed with the Trustee.

Any funds thereafter held by the Trustee upon payment of all fees and expenses of the Trustee, which are not required for said purpose, will be paid over to WRCOG to be used by WRCOG as provided in Chapter 29 and the Bond Act.

Section 10.02. Benefits of Agreement Limited to Parties. Nothing in the Indenture, expressed or implied, is intended to give to any person other than WRCOG, the Trustee and the Owners, any right, remedy or claim under or by reason of the Indenture. Any covenants,

stipulations, promises or agreements in the Indenture contained by and on behalf of WRCOG will be for the sole and exclusive benefit of the Owners and the Trustee.

Section 10.03. Successor is Deemed Included in All Reference to Predecessor. Whenever in the Indenture or any Supplemental Indenture either WRCOG or the Trustee is named or referred to, such reference will be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of WRCOG or the Trustee will bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of registered Bonds and the amount, maturity, number and date of holding the same will be proved by the registry books.

Any consent, request, declaration or other instrument or writing of the then registered Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by WRCOG or the Trustee in good faith and in accordance therewith.

Section 10.05. Waiver of Personal Liability. No member, officer, agent or employee of WRCOG will be individually or personally liable for the payment of the principal of, or interest or any redemption premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.06. Notices to and Demand on Authority and Trustee. All notices or communications herein required or permitted to be given to WRCOG or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to WRCOG: Western Riverside Council of Governments
3390 University Avenue, 4th Floor
Riverside, CA 92501
Attention: Executive Director

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.

400 South Hope Street, Suite 500, Los Angeles, CA 90071

Attention: Corporate Trust – Public Finance

Section 10.07. Partial Invalidity. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. WRCOG hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 10.08. Unclaimed Moneys. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to WRCOG (without liability for interest) free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to WRCOG and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to WRCOG as aforesaid, the Trustee may (at the cost of WRCOG) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to WRCOG of the moneys held for the payment thereof.

Section 10.09. Applicable Law. The Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 10.10. Content of Certificates. Every certificate with respect to compliance with a condition or covenant provided for in this Master Indenture shall include (a) a statement that the person or persons making or giving such certificate have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion

as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate made or given by an officer of WRCOG may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters, on information with respect to which is in the possession of WRCOG, or upon the certificate or opinion of or representations by an officer or officers of WRCOG, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

Section 10.11. Conclusive Evidence of Regularity. The issuance of each Series of Bonds pursuant to the Indenture will constitute conclusive evidence of the regularity of all proceedings under Chapter 29 and the Bond Act relative to their issuance and the levy of the Related Assessments.

Section 10.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal, including Sinking Account Payments, (and redemption premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Indenture is other than a Business Day, the payment of interest or principal, including Sinking Account Payments, (and any redemption premium) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no additional interest will accrue from such Interest Payment Date until such Business Day.

Section 10.13. Counterparts. This Master Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as WRCOG and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

****

IN WITNESS WHEREOF, WRCOG and the Trustee have caused this Master Indenture to be executed, all as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By Treasurer

By:_____
Authorized Signatory

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By:_____
Authorized Representative

MASTER INDENTURE

EXHIBIT A

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE NO. [_]

between the

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

As Trustee

Dated as of [ ], 20__

Relating to

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
GREENWORKS COMMERCIAL PACE PROGRAM
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES 20___
(First Commercial Property Tranche)

(Supplemental to the MASTER INDENTURE, dated as of January 1, 2018)

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SUPPLEMENTAL INDENTURE NO. [__]

THIS SUPPLEMENTAL INDENTURE NO. [__], dated as of [ ], 20__ (this "**Supplemental Indenture")**, is made by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the "**WRCOG**"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America (the "**Trustee**");

B A C K G R O U N D:

WHEREAS, WRCOG and the Trustee have executed and delivered a MASTER INDENTURE, dated as of January 1, 2018 (the "**Master Indenture**"), to provide for the terms and conditions of the issuance by WRCOG of one or more Series of Bonds (as defined in the Master Indenture) from time to time;

WHEREAS, in order to provide for the authentication and delivery of the Series ___ Bonds, to establish and declare the terms and conditions upon which the Series ___ Bonds are to be issued, to secure the Series ___ Bonds by a lien and charge upon (i) the Assessment or Assessments (as defined in the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto, the "Assessment" herein) together with all revenues, moneys, accounts receivable, contractual rights to payment, recoveries and other rights to payment of whatever kind with respect to such Assessment or Assessments or the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto (except amounts required hereunder to be deposited into the Administrative Expense Account of the Program Fund) that are or may be owed to, or collected or received by, WRCOG or any other entity acting on WRCOG's behalf, including, without limitation, any amounts relating thereto that may be held in the Depositary Account, the Assessment Installments, a Prepayment of the Assessment, the foreclosure on a Participating Parcel(s) set forth on Exhibit A hereto on which an Assessment has been levied, or any other payment or recovery with respect to an Assessment from any other source but excluding Assessment Administrative Fees, and (ii) the Redemption Fund and all monies, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited in, the Redemption Fund, or owed to, or collected, recovered, received or held by, any other person that is required to credit to or deposit such monies or securities in the Redemption Fund by Chapter 29, the Bond Act or the terms of the Indenture attributable to proceeds of the Series ___ Bonds, such Assessment or Assessments and such Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto, in each case, derived from the Assessment Installments, a Prepayment of the Assessment, penalties and interest with respect to any delinquent Assessment Installment, the foreclosure on a Participating Parcel(s) set forth on Exhibit A hereto on which an Assessment has been levied, or payments pursuant to a Teeter Plan with respect to Assessments, if applicable, including any amounts relating thereto that may be held in the Depositary Account (the foregoing items in (i) and (ii) above collectively referred to as the "Series ___ Bond Collateral"), the Executive Committee has authorized the execution and delivery of this Supplemental Indenture;

WHEREAS, all acts and proceedings required by law and the Master Indenture necessary to make the Series ___ Bonds, when executed by WRCOG and authenticated and delivered by the

Trustee, the duly issued, valid, binding and legal special obligations of WRCOG, and to constitute this Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Supplemental Indenture have been in all respects duly authorized; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS; AUTHORIZATION AND PURPOSE OF SERIES ___ BONDS; EQUAL SECURITY; COVENANTS

Section 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined in this Supplemental Indenture, the capitalized terms in this Supplemental Indenture will have the respective meanings that such terms have in the Master Indenture.

"***Closing Date***" means the date of initial issuance and delivery of the Series ___ Bonds hereunder.

"***Interest Payment Dates***" means March 2 and September 2 of each year, commencing as of the date indicated in Appendix 1.

Optional: Only applies if a Reserve Fund is established for the Series of Bonds.

[*"**Series ___ Bond Reserve Requirement**"* means, initially, $_____.]

*"**Series ___ Bonds**"* means the Western Riverside Council of Governments Greenworks Commercial Pace Program Limited Obligation Improvement Bonds, Series 20__ (First Commercial Property Tranche) issued pursuant to this Supplemental Indenture.

Section 1.02. Interpretation. Section 1.03 of the Master Indenture shall govern interpretation of this Supplemental Indenture.

Section 1.03. Authorization. Each of the parties represents and warrants that it has full legal authority and is duly empowered to enter into this Supplemental Indenture and has taken all actions necessary to authorize the execution of this Supplemental Indenture by the officers and persons signing it.

Section 1.04. Representations of WRCOG. WRCOG hereby warrants and represents on the date hereof as follows:

(A) WRCOG is a joint powers authority duly organized, duly constituted and validly existing under the laws of the State of California, and has the full legal right, authority and power to enter into and carry out the terms and conditions of this Supplemental Indenture.

(B) No approval of, or consent from, any governmental authority (other than WRCOG's governing body) is required for the execution, delivery or performance by WRCOG of this Supplemental Indenture.

(C) The Indenture, when executed and delivered by WRCOG, shall be duly and validly authorized, executed and delivered by WRCOG.

(D) The execution, delivery and performance by WRCOG of this Supplemental Indenture and the performance by WRCOG of its obligations under the Indenture and the transactions contemplated hereby and thereby:

(i) do not contravene any provisions of law applicable to WRCOG, and

(ii) do not conflict with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which WRCOG is a party, by which WRCOG may be bound or to which WRCOG or its property may be subject.

(E) The Indenture constitutes the legal, valid and binding obligation of WRCOG, enforceable against WRCOG in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and by applicable laws and judicial decisions which may affect the remedies provided in the Indenture.

(F) WRCOG has complied with Section 3.04 of the Master Indenture in connection with the issuance of the Series ___ Bonds, and the aggregate initial principal amount of Bonds issued under the Master Indenture, after giving effect to the Series ___ Bonds, will be as indicated in Section 2.01(a) of Appendix 1.

(G) Each of the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto was executed and delivered by WRCOG in compliance with the requirements of the Act, the Program Report, all relevant and applicable laws and regulations of the federal government and the State of California and all relevant and applicable resolutions of WRCOG.

(H) Based on the information provided to WRCOG by, and representations of, the Property Owners (as defined in the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto), the transactions represented by the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto, such Participating Parcels and such Property Owners satisfy all eligibility criteria under and underwriting requirements of the Act, the Program Report and all other relevant and applicable laws and regulations of the federal government and the State of California, and all relevant and applicable resolutions of WRCOG necessary to participate in the Program.

(I) The Series __ Bonds are limited obligation improvement bonds governed by the provisions of the Indenture, the Act and the Bond Law and have been issued in accordance with and in satisfaction of all applicable terms and underwriting criteria for such bonds set forth in the Indenture, the Act, the Bond Law and all other relevant and applicable laws and regulations of the federal government and the State of California, the Program Report and all relevant and applicable resolutions of WRCOG.

(J) Without limiting Section 5.01(C) of the Master Indenture, WRCOG, either directly or through the Program Administrator or its other agents, has taken and shall continue to take all commercially reasonable steps necessary to ensure that all amounts owed under any and all Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto are accurately and timely entered on the tax roll of the applicable County.

ARTICLE II
ISSUANCE OF SERIES ___ BONDS

Section 2.01. Terms of Series ___ Bonds.

(A) The Series ___ Bonds authorized to be issued by WRCOG under and subject to the Bond Law and the terms of the Master Indenture, as supplemented and amended, and this Supplemental Indenture will be designated the Western Riverside Council of Governments Greenworks Commercial Pace Program Limited Obligation Improvement Bonds, Seroes 20__-(First Commercial Property Tranche)", and will be issued in the original principal amount as indicated in Appendix 1.

The Series ___ Bonds shall be issued as fully registered Bonds without coupons.

(B) The Series ___ Bonds will be dated the Closing Date and will be payable on the Payment Dates and in the principal amounts, and will bear interest at the rate per annum (with accrued and unpaid interest payable on each Payment Date in accordance with Sections 2.02(B) and (C) of the Master Indenture), set forth in the schedule indicated in Appendix 1.

Section 2.02. Redemption of Series ___ Bonds.

(A) The Series __ Bonds are subject to mandatory redemption from Prepayments and optional redemption from amounts on deposit in the Redemption Fund, in each case as set forth in Appendix 1 hereto, but are not otherwise subject to optional redemption prior to maturity.

(B) Except as otherwise set forth in this Section 2.02 and in Appendix 1 hereto, Section 2.03 of the Master Indenture will govern redemption of the Series ___ Bonds.

Section 2.03. Form of Series ___ Bonds. The Series ___ Bonds, the Trustee's certificate of authentication, and the assignment to appear thereon, will be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Supplemental Indenture, the Resolution of Issuance and the Bond Law.

Section 2.04. Validity of Bonds. The validity of the authorization and issuance of the Series ___ Bonds will not be dependent upon the installation or operation of the Improvements (as defined in the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto) or upon the performance by any person of such person's obligation with respect to the Improvements.

Section 2.05. Registration of Series ___ Bonds. The Series __ Bonds shall be registered in the name of the Initial Purchaser indicated in Appendix 1.

ARTICLE III
USE OF PROCEEDS

Section 3.01. Issuance of Series ___ Bonds. Upon the execution and delivery of this Supplemental Indenture and satisfaction of the requirements for issuance of a Series of Bonds under Section 3.04 of the Master Indenture, WRCOG will execute and deliver the Series ___ Bonds in the aggregate principal amount as indicated in Appendix 1 to the Trustee for authentication and delivery to the Initial Purchaser thereof as indicated in Appendix 1.

Section 3.02. Application of Proceeds of Sale of Series ___ Bonds. Upon the receipt of payment for the Series ___ Bonds on the Closing Date, the Trustee will apply the proceeds of sale thereof (being an amount equal to the principal amount of the Series ___ Bonds) as indicated in Appendix 1.

ARTICLE IV
ADDITIONAL PROVISIONS

Section 4.01. Applicable Law. This Supplemental Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 4.02. Conflict with Bond Law. In the event of a conflict between any provision of this Supplemental Indenture with any provision of the Bond Law as in effect on the Closing Date, the provision of the Bond Law will prevail over the conflicting provision of this Supplemental Indenture.

Section 4.03. Conclusive Evidence of Regularity. Series ___ Bonds issued pursuant to this Supplemental Indenture will constitute conclusive evidence of the regularity of all proceedings under the Bond Law relative to their issuance and the levy of the Assessment (as defined in the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto).

Section 4.04. Confirmation of Master Indenture; Conflict With Master Indenture. All representations, covenants, warranties and other provisions of the Master Indenture, as previously amended and supplemented, unless specifically amended, modified or supplemented by this Supplemental Indenture, are hereby confirmed as applicable to this Supplemental Indenture. In the event of any conflict between the provisions of this Supplemental Indenture and the Master Indenture, the provisions of this Supplemental Indenture will govern.

Section 4.05. Counterparts. This Supplemental Indenture may be executed in counterparts, each of which will be deemed an original.

IN WITNESS WHEREOF, WRCOG and the Trustee have caused this Supplemental Indenture to be executed, all as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Representative

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

APPENDIX 1
BOND SPECIFICS

Article I

Section 1.01 Definitions

Interest Payment Dates: Interest on the Series __ Bonds is due and payable on March 2 and September 2 of each year, commencing on [DATE].

Principal of the Series __ Bonds is due on September 2 in the years identified below.

Article II

Section 2.01. Terms of Series ___ Bonds.

(a) Original principal amount of the Series ___ Bonds is $_____ and the aggregate principal amount of all Bonds issued under the Master Indenture, after giving effect to the Series ___ Bonds, is $_____.

(b) Interest Rate _____ is: _____%] [The Series ___ Bonds shall be payable at the rates , and will be payable on each Interest Payment Date, pursuant to Debt Service Schedule set forth on Attachment A to the Series ___ Bond and as set forth in the following schedule:

Payment Date	Interest	Principal	Total
	*		

* Represents amounts payable from Capitalized Interest Account, as provided in Section 4.01(B) of the Master Indenture.

Section 2.02. Redemption of Series ___ Bonds.

(a) *Mandatory Prepayment Redemption*. The Series ___ Bonds will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by WRCOG as a Prepayment of the Assessment, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Series ___ Bonds to be prepaid, and

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ___%.

Upon redemption of the Series ___ Bonds as set forth in this subsection, WRCOG shall cause the Initial Assessment to be reduced in an amount equal to the principal amount of the Series ___ Bonds redeemed.

(b) *Optional Redemption*. The Series ___ Bonds are subject to optional redemption, as a whole or in part, on any Interest Payment Date from funds derived by WRCOG from any source other than Related Prepayments, at a price equal to:

(i) 100% of the principal amount of the Series ___ Bonds to be prepaid, and

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act and

(iii) a redemption premium equal to ___%.

(c) *Extraordinary Mandatory Redemption from Excess Program Account Proceeds*. The Series ___ Bonds will be redeemed, as whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Excess Program Account Proceeds relating to this Bond and the Related Assessment Contract, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Series ___ Bonds to be prepaid, and

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act, and

(iii) a redemption premium equal to ____%.

(d) *Mandatory Sinking Account Redemption*. All the Series ___ Bonds constitute Term Bonds, which will be subject to mandatory redemption in part by lot, from Sinking Account Payments made by WRCOG from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as shown in Attachment A.

However, if the Series ___ Bonds have been redeemed pursuant to an optional redemption or a mandatory prepayment redemption, the total amount of all future Sinking Account Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Account Payments on a pro rata basis in Authorized Denominations as determined by the Trustee, notice of which determination will be given by the Trustee to WRCOG.

Section 2.05. Registration of Series ___ Bonds.

The name of the Initial Purchaser is _____.

Article III

Section 3.02. Application of Proceeds of Sale of Series ___ Bonds.

(a) $_____ to the Capitalized Interest Account for the Series ___ Bonds within the Redemption Fund representing capitalized interest on the Series ___ Bonds.

(b) $_____ to the Costs of Issuance Account for the Series ___ Bonds within the Program Fund established pursuant to the Master Indenture.

(c) $_____ to the Program Account for the Series ___ Bonds within the Program Fund established pursuant to the Master Indenture.

(d) $_____ to the Administrative Expense Account of the Program Fund established pursuant to the Master Indenture.

[Unless otherwise instructed by WRCOG, each such account will be established for accounting purposes only.]

Optional: Utilized only if Reserve Fund established for the Series ___ Bonds.

[(e) $_____ to the Series Bond Reserve Fund established pursuant to this Supplemental Indenture.]

Optional: Utilized only if Reserve Fund established for the Series ___ Bonds.

[Article IV

Section 4.03 Series Bond Reserve Fund

(A) General. The Trustee shall establish and maintain the Series Bond Reserve Fund in trust separate and distinct from the other funds and accounts established hereunder. Except as provided below, all moneys in the Series Bond Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or the principal of the Series __ Bonds in the event that insufficient moneys are available in the Assessment Collection Account for the Series ___ Bonds within the Redemption Fund for such purpose or for the redemption or payment of Series ___ Bonds under subparagraph (E) below.

(B) Investment; Maintenance of Funds in the Series ___ Bond Reserve Fund. Moneys in the Series ___ Bond Reserve Fund shall be invested in Permitted Investments with a maturity of not greater than five years as directed in a Certificate of WRCOG; in the absence of direction, the Trustee shall invest such funds in a Permitted Investment described in clause (h) of the definition. The Trustee shall retain in the Series ___ Bond Reserve Fund all earnings on amounts on deposit in the Series ___ Bond Reserve Fund until the amount on deposit in the Series ___ Bond Reserve Fund exceeds the Series ___ Bond Reserve Requirement, then the amount in excess of the Series ___ Bond Reserve Requirement shall be transferred to the Assessment Collection Account for the Series ___ Bonds within the Redemption Fund.

Notwithstanding any other provision hereof, the failure to maintain an amount in the Series ___ Bond Reserve Fund equal to the Series ___ Bond Reserve Requirement shall not be a default or an Event of Default under the Master Indenture.

(C) Redemption as a Result of Principal Prepayments. In the event of a Prepayment (other than as a result of transfers made pursuant to subparagraph (E) below) of a Series __ Bond, WRCOG shall transfer a proportionate amount in the Reserve Fund to the [Assessment Collection Account for the Series ___ Bonds within the Redemption Fund] Redemption Fund. The proportionate amount shall be determined by multiplying (i) the fraction equal to the principal amount of Outstanding Series __ Bonds to be redeemed pursuant to Section 2.03(C) of the Master Indenture over the total principal amount of the Outstanding Series __ Bonds by (ii) the amounts on deposit in the Series __ Bond Reserve Fund, but in any event not in excess of the amount that will leave the balance in the Series __ Bond Reserve Fund equal to the Series __ Bond Reserve Requirement for the Series __ Bonds that will remain Outstanding following the redemption pursuant to Section 2.03(C) of the Master Indenture. Upon receipt of a Written Request from WRCOG, the Trustee shall transfer the proportionate amounts from the Series __ Bond Reserve Fund to the [Assessment Collection Account for the Series ___ Bonds within the Redemption Fund] in the amounts set forth in the Written Request.

(D) Use for Final Assessment Installment. WRCOG may, but is not obligated to, use a proportionate amount in the Series ___ Bond Reserve Fund to pay the final fiscal year's Assessment Installments to be levied on a Participating Parcel(s) set forth on Exhibit A hereto that is not delinquent in the payment of Assessment Installments. The proportionate amount shall be determined on the basis of (i) the principal amount of Outstanding Series __ Bonds attributable to the Participating Parcel(s) set forth on Exhibit A hereto and the total principal amount of the Outstanding Series __ Bonds and (ii) the amounts on deposit in the Series ___ Bond Reserve Fund, but in any event not in excess of the amount that will leave the balance in the Series ___ Bond Reserve Fund equal to the Series ___ Bond Reserve Requirement for all Outstanding Series __ Bonds for which principal will not be paid with the Assessment installments to be paid by the Participating Parcel(s) set forth on Exhibit A hereto in the next fiscal year. Upon receipt of a Written Request from WRCOG, the Trustee shall transfer the proportionate amounts from the Series ___ Bond Reserve Fund to the Assessment Collection Account for the Series ___ Bonds within the Redemption Fund in the amounts set forth in the Written Request.

(E) Additional Use of Series ___ Bond Reserve Fund; Reduction in Series ___ Bond Reserve Requirement. Pursuant to the terms of the Assessment Contracts related to the Series ___ Bond, if certain conditions are met, the Property Owner may request that the amount in the

Series ___ Bond Reserve Fund be utilized to prepay Assessments and redeem Series __ Bonds hereunder. Upon receipt of a Written Request from WRCOG, the Trustee will transfer all amounts in the Series ___ Bond Reserve Fund to the Prepayment Account for the Series ___ Bonds within the Redemption Fund to redeem Series __ Bonds under Section 2.03(C) of the Master Indenture. After such transfer, the Series ___ Bond Reserve Requirement thereafter will be zero and the Trustee will close the Series ___ Bond Reserve Fund.]

SUPPLEMENTAL INDENTURE

EXHIBIT A
LIST OF PARTICIPATING PARCELS

EXHIBIT B

FORM OF SERIES 20___ BOND

SUPPLEMENTAL INDENTURE

EXHIBIT B

FORM OF BOND

**** WHILE THE BONDS ARE OWNED BY AN ACCREDITED INVESTOR OR A QUALIFIED INSTITUTIONAL BUYER, THE BONDS ARE SUBJECT TO TRANSFER RESTRICTIONS PURSUANT TO SECTION 2.05 OF THE MASTER INDENTURE****

Number 20__-1 *** $_____ ***

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
Greenworks Commercial PACE Program
Limited Obligation Improvement Bonds, Series 20__
(First Commercial Property Tranche)

STATED INTEREST RATE	MATURITY DATE	DATED DATE
_____%	September 2, 20__	_____, 20__

REGISTERED OWNER:

PRINCIPAL AMOUNT: *** _____ DOLLARS***

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the California Streets and Highways Code (the "Bond Act"), the Western Riverside Council of Governments ("WRCOG"), will, out of the Redemption Fund established pursuant to a Master Indenture, dated as of January 1, 2018 (the "Master Indenture"), as amended or supplemented by Supplemental Indenture No. [__], dated as of _____, 20__ (the Master Indenture as supplemented, the "Indenture") relating to Series 20__ Bonds (the "Bonds"), each by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), pay to the registered owner named above, or registered assigns, the principal amount set forth above, and interest on such principal amount, at the times and in the amounts set forth in Attachment A in lawful money of the United States of America; in addition, the Bond shall accrue additional interest as set forth in Section 4.01(B) of the Indenture. In the event of the redemption of this Bond in part prior to maturity the principal amount and the interest on such principal amount if this Bond set forth in Attachment A will be subject to amendment without amending Attachment A and the Trustee shall have no obligation to revise Attachment A hereto to reflect such amendment.

Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Indenture.

This Bond bears interest from the Interest Payment Date next preceding its date of authentication and registration unless it is authenticated and registered (i) prior to an Interest Payment Date and after the close of business of the 15th day of the calendar month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii)

prior to the close of business on the 15th day of the calendar month preceding the first Interest Payment Date above, in which event it will bear interest from its date of delivery, until payment of such principal sum has been discharged.

Interest (excluding the final interest payment due upon maturity or earlier redemption) on and principal (excluding the final principal payment upon maturity or earlier redemption) of this Bond are payable in lawful money of the United States of America by the Trustee to the person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date preceding the Bond Payment Date by wire transfer of immediately available funds made on such Bond Payment Date upon the written instructions by such Owner delivered to the Trustee at least five (5) Business Days prior to the applicable Record Date.

Payment of principal of this Bond and accrued interest and premium, if any, on this Bond upon final maturity or redemption in whole shall be payable in lawful money of the United States of America by the Trustee of immediately available funds, to the person whose name appears on the Bond Register as the Owner thereof, upon surrender of this Bond at the Corporate Trust Office of the Trustee.

Payment of principal of this Bond on any Interest Date and in the amount set forth in Attachment "A" hereto and accrued interest and premium, if any, on this Bond upon redemption in part shall be payable in lawful money of the United States of America by the Trustee to the person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date preceding the applicable Interest Payment Date, without surrender of this at the Corporate Trust Office of the Trustee, by wire transfer of immediately available funds made on such Interest Payment Date upon the written instructions by such Owner delivered to the Trustee at least five (5) Business Days prior to the applicable Record Date.

This Bond will continue to bear interest after maturity at the rate above stated if this Bond is presented at maturity and payment hereof is refused upon the sole ground that there are not sufficient moneys in the Redemption Fund with which to pay same. If this Bond is not presented at maturity, interest hereon will run only until maturity.

This Bond will not be entitled to any benefit under the Bond Act or the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon are dated and signed by the Trustee.

This Bond is issued by WRCOG under the Bond Act and the Indenture for the purpose of providing means for paying for the Improvements described in the Indenture. It is secured by the moneys in the Redemption Fund, the unpaid portion of Related Assessments made for the payment of those Related Improvements and any Penalties and Interest (as defined in the Indenture) received by WRCOG relating to the Related Assessments. Principal, interest and redemption premium, if any, is payable exclusively out of the Redemption Fund. This Bond and any other Bonds issued under the Indenture are referred to as the "Bonds."

This Bond is transferable by the registered Owner hereof, in person or by the Owner's attorney duly authorized in writing, at the office of the Trustee, subject to the terms and conditions provided in the Resolution of Issuance and the Indenture, including the payment of certain charges,

if any, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds, of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This Bond may only be transferred in an Authorized Denomination to (i) an Accredited Investor or Qualified Institutional Buyer who delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to the Indenture or (ii) WRCOG (or the Trustee at the direction of WRCOG).

Bonds will be registered only in the name of an individual (including joint owners), a corporation, a partnership or limited liability company, or a trust.

Neither WRCOG nor the Trustee will be required to make such exchange or registration of transfer of Bonds during the 15 days of the calendar month immediately preceding any Interest Payment Date.

WRCOG and the Trustee may treat the registered Owner hereof as the absolute owner for all purposes, and WRCOG and the Trustee will not be affected by any notice to the contrary.

Optional Redemption. The Bonds are subject to optional redemption, as a whole or in part, on any Interest Payment Date from funds derived by WRCOG from any source other than Related Prepayments, at a price equal to:

(i) 100% of the principal amount of the Bonds to be prepaid, and

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act and

(iii) a redemption premium equal to ___%.

Mandatory Sinking Account Redemption. All the Bonds constitute Term Bonds, which will be subject to mandatory redemption in part by lot, from Sinking Account Payments made by WRCOG from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as shown in Attachment A.

However, if the Bonds have been redeemed pursuant to an optional redemption or a mandatory prepayment redemption, the total amount of all future Sinking Account Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Account Payments on a pro rata basis in Authorized Denominations as determined by the Trustee, notice of which determination will be given by the Trustee to WRCOG.

Mandatory Prepayment Redemption. The Bonds will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Related Prepayments, on any Interest Payment Date, at a price equal to:

(iv) 100% of the principal amount of the Bonds to be prepaid, and

(v) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act and

(vi) a redemption premium equal to ___%.

Upon redemption of the Bonds as set forth in this subsection, WRCOG shall cause the Initial Assessment to be reduced in an amount equal to the principal amount of the Bonds redeemed.

Extraordinary Mandatory Redemption from Excess Program Account Proceeds. The Bonds will be redeemed, as whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Excess Program Account Proceeds relating to this Bond and the Related Assessment Contract, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Bonds to be prepaid, and

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act, and

(iii) a redemption premium equal to ____%.

This Bond is a Limited Obligation Improvement Bond because, under the Indenture, WRCOG is not obligated to advance funds from WRCOG treasury to cover any deficiency that may occur in the related accounts of the Redemption Fund for the Bonds.

IN WITNESS WHEREOF, WRCOG has caused this Series 20__ Bond to be executed in its name and on its behalf by the facsimile signatures of its Treasurer and Secretary all as of the Original Issue Date identified above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By:_____
Treasurer

Attest:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Series 20__ Bonds described in the within mentioned Indenture.

Dated: _____, 20___

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:_____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within mentioned Bond and hereby irrevocably constitute(s) and appoint(s):

_____

_____ attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

NOTICE: The signature(s) on this assignment must correspond with the name(s) as written on the face of the registered Bond in every particular without alteration or enlargement or any change whatsoever.

ATTACHMENT A
DEBT SERVICE SCHEDULE

Interest Payment Date	Principal	Interest	Total

MASTER INDENTURE

EXHIBIT "B"

FORM OF TRANSFER LETTER

Western Riverside Council of Governments
Riverside, CA

The Bank of New York Mellon Trust Company, N.A.
_____, ___

Re: Western Riverside Council of Governments
Greenworks Commercial PACE Program
Limited Obligation Improvement Bonds Series 20__
(First Commercial Property Tranche)

Ladies and Gentlemen:

The Western Riverside Council of Governments (the "Issuer") has issued the above-referenced Bonds (the "Bonds"), Capitalized terms used in this letter but not defined have the meaning given them in the Master Indenture, dated as _____, 20__ (the "Master Indenture"), as amended or supplemented by Supplemental Indentures No. [__], dated as of ___, 20__ (the Master Indenture as supplemented, the "Indenture") relating to the Bonds.

In connection with our purchase on the date hereof of the Bonds, the undersigned (the "Bond Purchaser") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D, or a "Qualified Institutional Buyer" as defined in Rule 144A, promulgated under the Securities Act of 1933, as amended.

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal Bonds similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Bonds for not more than one account for investment purposes and not with a view to distributing the Purchased Bonds, to the extent not permitted under the applicable securities laws.

(d) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(e) The Bond Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the Bonds, (ii) has had an opportunity to ask questions of and receive answers from WRCOG about the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided by WRCOG with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds.

(f) The Bond Purchaser (i) is not relying upon WRCOG, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(g) The Bond Purchaser understands and acknowledges (i) that the offering of the Bonds is not subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, and (ii) that WRCOG has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds and has not undertaken to provide to or for the benefit of holders of the Bonds financial or operating data or any other information with respect to the Bonds on an ongoing basis.

(h) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bonds.

(i) In the event that the Bond Purchaser wishes to sell the Bonds in the future, the Bond Purchaser agrees and acknowledges that the Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

(j) Bond Purchaser agrees to defend, indemnify and hold harmless WRCOG from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against WRCOG in any way relating to or arising out of a transfer by the Bond Purchaser of the Bonds to which this letter relates in violation of the restrictions contained in Section 2.05(B) of the Indenture.

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Item 6.A

PACE Programs Activities Update

Attachment 10

Greenworks Bond Purchase Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
GREENWORKS COMMERCIAL PACE PROGAM
Limited Obligation Improvement Bonds
(«TRANCHE»)
Series «AllSeries»

BOND PURCHASE AGREEMENT

«Funding_date»

1. PARTIES AND DATE.

THIS BOND PURCHASE AGREEMENT, dated as of _____, 20__ (the "Bond Purchase Agreement"), is entered into by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a California public agency ("WRCOG") and [PURCHASER], a _____ corporation ("[PURCHASER]") to arrange for the sale by WRCOG and the purchase by [PURCHASER] or its designee of all of the Series __ Bonds described below, which are being issued by WRCOG. Terms capitalized herein but not defined shall have the meaning prescribed to such term in the Master Indenture (as defined herein).

2. RECITALS.

2.1 The Executive Committee of WRCOG (the "Executive Committee") has undertaken proceedings to establish and did thereby establish a voluntary contractual assessment program designated as the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) ("Chapter 29"), the Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as further amended to date (as amended, the "JPA"), and separate Implementation Agreements entered into pursuant to the JPA by and between WRCOG and its member agencies that elected to participate in the WRCOG Program (the "Member Agencies"), to assist owners of properties within the jurisdictional boundaries such Member Agencies to finance the cost of installation of distributed generation renewable energy sources or energy efficiency or water conservation improvements or electric vehicle charging infrastructure (the "Eligible Products") that are permanently fixed to the properties of such owners.

2.2 As a part of such proceedings, the Executive Committee did, by the adoption of Resolution No. 09-10 on March 1, 2010 (the "WRCOG Program Resolution of Intention"), provide that one or more series of bonds would be issued under the Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State of California (the "1915 Bond Act") (the "Bonds" or "Series of Bonds") or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.3 As a further part of such proceedings, the Executive Committee initially approved on June 7, 2010, by the adoption of Resolution Number 13-10 the "WRCOG

Program Resolution Confirming Program Report"), and has subsequently amended a report prepared pursuant to and addressing all of the matters set forth in Streets and Highways Code Section 5898.22 and 5898.23 (as amended, the "WRCOG Program Report"), including a map showing the boundaries of the territory within which the voluntary contractual assessments may be offered (the "WRCOG Program Area"), a form of contract specifying the terms and conditions that would be agreed to by an owner of property within such boundaries and WRCOG (each, a "WRCOG Program Assessment Contract"), a statement of policies of WRCOG concerning such voluntary contractual assessments and a plan for raising a capital amount required to pay for the work performed pursuant to the voluntary contractual assessments.

2.4 On January 12, 2011, the Executive Committee did, by the adoption of Resolution No. 08-11, (the "WRCOG Program Resolution of Issuance" and collectively with the WRCOG Program Resolution of Intention, the "Resolution of Intentions"), in part, authorize the issuance of bonds (Energy Efficiency and Water Conservation Program for Western Riverside County) (First Commercial Property Tranche) (the "Bonds") in one or more series pursuant to Chapter 29, the 1915 Bond Act, and the use of the proceeds of such bonds to finance the installation of Eligible Products (also referred to in the Resolution of Issuance as "Authorized Improvements") on parcels that are participating in one of the WRCOG Programs and Resolution Number 07-12, entitled "A Resolution of the Western Riverside Council of Governments Amending Resolutions No. 03-11 and 04-11 to Approve Amended Forms of Master Indentures and Supplemental Indentures and Approving Other Actions in Connection Thereto" (such resolutions collectively, the "WRCOG Program Resolutions of Issuance"), pursuant to which, the Executive Committee, among other actions, authorized the issuance of one or more series of limited obligation improvement bonds pursuant to Chapter 29 and the Bond Act to represent unpaid Assessments levied on Commercial properties located within the WRCOG Program Area to finance the installation of Improvements on such parcels.

2.5 Subsequent to the establishment of the WRCOG Program, the Joint Exercise of Powers Agreement was amended on October 23, 2013 by that certain Amendment to the Joint Powers Agreement of the Western Riverside Council of Governments to Permit the Provision of PACE Services (the "PACE Amendment") to empower WRCOG to establish and operate one or more Property Assessed Clean Energy ("PACE") programs pursuant to Chapter 29, and to enter into one or more agreements to fulfill such programs both within and outside the jurisdictional boundaries of WRCOG.

2.6 The Amendment further empowered WRCOG to establish an "Associate Member" status that provides membership in WRCOG to local jurisdictions that are outside WRCOG's jurisdictional boundaries but within the boundaries of a PACE program that will be established and implemented by WRCOG; and

2.7 WRCOG has, pursuant to the PACE Amendment, entered into amendments to the Joint Exercise of Powers Agreement to add certain cities and counties as "Associate Members" of WRCOG to enable WRCOG to undertake proceedings pursuant to Chapter 29 to establish the California Program (defined below) to make

contractual assessment financing available to eligible property owners within the jurisdictions of such cities and counties.

2.8 On May 6, 2013, the Executive Committee adopted Resolution Number 04-13, entitled "Resolution of the Western Riverside Council of Governments Declaring Its Intention to Finance Distributed Generation Renewable Energy Sources and Energy Efficiency and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure Through the Use of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and Setting a Public Hearing Thereon" (the "California Program Resolution of Intention"), to initiate proceedings under Chapter 29 to establish the California Program (the "California Program" and, together with the WRCOG Program, the "Program"), pursuant to which WRCOG will enter into contractual assessments with the owners of real property located in jurisdictions of WRCOG Associate Members (the "California Program Area" and, together with the WRCOG Program Areas, the "Program Areas") to finance the installation of Improvements on real property located within the California Program Area.

2.9 By the adoption of the California Program Resolution of Intention, the Executive Committee provided that one or more series of bonds would be issued or other financing relationships would be entered into under the Bond Act for the purpose of financing the installation of such Improvements within the California Program Area.

2.10 On June 3, 2013, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed California Program or any of its particulars, the Executive Committee adopted Resolution Number 10-13, entitled "Resolution of the Western Riverside Council of Governments Confirming the Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources and Energy Efficiency and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving and Ordering Other Related Matters," (the "California Program Resolution Confirming Program Report" and collectively with the WRCOG Program Resolution Confirming Program Report, the "Resolutions Confirming Program Report"), pursuant to which the Executive Committee, among other things, (i) confirmed and approved a report (as originally approved and subsequently amended, the "California Program Report" and, together with the WRCOG Program Report, the "Program Reports") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29, including, but not limited to: (i) (a) identification of the types of Improvements that may be financed through the use of contractual assessments (the "Improvements") and (b) a plan for raising the capital amount required to pay for work performed pursuant to voluntary contractual assessments; (ii) establishment of the California Program; and (iii) authorization for the execution of Assessment Contracts with the owners of property in the California Program Area to provide for the levy of contractual assessments to finance installation of Improvements on such properties.

2.11 On June 3, 2013, the Executive Committee adopted its Resolution Number 08-13, entitled "A Resolution of the Western Riverside Council of Governments Authorizing Issuance of Limited Obligation Improvement Bonds Pertaining to the California

HERO Program, Approving and Directing the Execution of Related Documents and Approving Related Actions" (the "California Program Resolution of Issuance" and collectively with the "WRCOG Program Resolution of Issuance, the "Resolutions of Issuance"), pursuant to which, the Executive Committee, among other actions, authorized the issuance of one or more series of limited obligation improvement bonds pursuant to Chapter 29 and the Bond Act, secured by voluntary contractual assessments levied on Commercial (as such term is defined in the California Program Report) parcels located in the California Program Area.

2.12 The Executive Committee has determined that it would be in the best interests of each of the Programs and the owners of the real property participating in each of the Programs to consolidate and provide for the issuance of limited obligation improvement bonds secured by unpaid Assessments levied on Commercial properties located in both the WRCOG Program Area and the California Program Area pursuant to a single master indenture and corresponding supplemental indentures to such master indenture to facilitate the issuance of such limited obligation improvement bonds, to realize reduced costs of issuance and administration economies of scale and to enhance the marketability of such limited obligation improvement bonds; and

2.13 On December 2, 2013, the Executive Committee adopted Resolution Number 24-13, entitled "Resolution of the Western Riverside Council of Governments Authorizing for the Issuance of the Western Riverside Council of Governments Limited Obligation Improvement Bonds (WRCOG HERO Program and California HERO Program), Approving and Directing the Execution of Related Documents and Approving Related Actions" (the "Programs Resolution of Issuance") pursuant to which the Executive Committee, among other actions, authorized the issuance of one or more series of limited obligation improvement bonds pursuant to Chapter 29 and the Bond Act, secured by voluntary contractual assessments levied on Commercial (as defined in both the WRCOG Program Report and the California Program Report) parcels located in both the WRCOG Program Area and the California Program Area.

2.14 [reserved for reso re seismic improvements]

2.15 On January 8, 2018, the Executive Committee did, by the adoption of Resolution No. ____ authorize the issuance of the Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) (the "Bonds") providing that each such Bond shall be issued pursuant to a Master Indenture (the "Master Indenture"), by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), the form of which was approved by the Resolution of Issuance, to be supplemented by a Supplemental Indenture, the form of which was approved by the Resolution of Issuance, applicable to the Bond or Bonds identified in such Supplemental Indenture, dated as of the Closing Date (as defined in the Master Indenture) of such Bond or Bonds, entered into by and between WRCOG and the Trustee (each, a "Supplemental Indenture").

2.16 WRCOG and [PURCHASER] desire and intend to enter into this Bond Purchase Agreement to provide for and establish the terms and conditions pursuant to

which WRCOG will sell to [PURCHASER] and [PURCHASER] shall purchase from WRCOG the Series __ Bonds issued by WRCOG.

3. Purchase and Sale of PACE Bonds; Description of PACE Bonds. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, Greenworks Lending LLC (the "Purchaser") hereby agrees to purchase from WRCOG, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the "Issuer"), and the Issuer hereby agrees to sell to the Purchaser all (and not less than all) the [$_____ aggregate principal amount of Western Riverside County Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series _____ (First Commercial Property Tranche) (the "PACE Bonds"), at their respective par amounts (the "Purchase Prices"). The PACE Bonds are subject to the terms and conditions of the Master Indenture, as supplemented by Supplemental Indenture No. «AllSeries» thereto, each dated as of «Funding_date», by and between the Issuer and the Trustee (the "Supplemental Indenture" and, together with the Indenture, the "Indenture Documents"). Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture Documents.

The PACE Bonds will be issued pursuant to (i) the Indenture Documents, (ii) Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code (collectively, the "Bond Law"), (iii) the Original Resolutions of Issuance and (iv) the Resolution of Issuance.

The PACE Bonds will be payable from and secured by a pledge of the Assessments (except as set forth in the Indenture Documents) and amounts in certain funds and accounts established under the Indenture Documents and the Depositary Agent Agreement, dated as of _____, 2018 (the "Depository Agent Agreement") by and among the Issuer, Greeworks Lending, LLC, and The Bank of New York Mellon Trust Company, N.A., as the depositary thereunder, relating to the PACE Bonds. The Assessments are payable pursuant to Assessment Contracts between the Issuer and the owners of Participating Parcels.

The Issuer received the following default judgments in the following judicial validation actions filed by the Issuer pursuant to Code of Civil Procedure Section 860 et seq. (the "Validation Statute"):

On February 18, 2011, WRCOG filed a judicial validation proceeding pursuant to the provisions of Section 860 et seq. of the California Code of Civil Procedure (the "Validation Statute") in the Superior Court of the County of Riverside (the "Superior Court") entitled Western Riverside Council of Governments v. All Persons Interested, et al., Case No. RIC 1103280 (the "Validation Action I") to validate the WRCOG HERO Program and all proceedings relating to or leading up to the WRCOG HERO Program, the contractual assessments to be levied by WRCOG and the issuance and sale of limited obligation improvement bonds related thereto. On July 1, 2011, a default judgment was entered in the Validation Action I (the "Validation Action I Judgment") in which the Superior Court ordered, judged and decreed, in part, that all proceedings by and for WRCOG in connection with the WRCOG HERO Program, the contractual assessment agreements,

and all proceedings related to or leading up to the issuance of such limited obligation improvement bonds, and all matters related thereto, and the execution and delivery of such limited obligation improvement bonds were and are, legal and binding obligations in accordance with their terms and were and are in conformity with all applicable provisions of all laws and enactments at any time in force or controlling upon such proceedings, whether imposed by law, constitution, statute or ordinance, and whether federal, state or local. On July 30, 2013, WRCOG filed a judicial validation proceeding pursuant to the provisions of the Validation Statute in the Superior Court entitled Western Riverside Council of Governments v. All Persons Interested, et al., Case No. RIC 1308636 (the "Validation Action II") to validate the California HERO Program and all proceedings relating to or leading up to the California HERO Program, the contractual assessments to be levied by WRCOG and the issuance and sale of limited obligation improvement bonds related thereto. On December 12, 2013, a default judgment was entered in the Validation Action II (the "Initial Validation Action II Judgment") in which the Superior Court ordered, judged and decreed, in part, that all proceedings by and for WRCOG in connection with the California HERO Program, the contractual assessment agreements, and all proceedings related to or leading up to the issuance of such limited obligation improvement bonds, and all matters related thereto, and the execution and delivery of such limited obligation improvement bonds were and are, legal and binding obligations in accordance with their terms and were and are in conformity with all applicable provisions of all laws and enactments at any time in force or controlling upon such proceedings, whether imposed by law, constitution, statute or ordinance, and whether federal, state or local. Subsequent to the entry of the Initial Validation Action II Judgment, WRCOG petitioned the Superior Court to amend such judgment and the first amended judgment was entered on April 22, 2014 (the "First Amended Judgment"), the second amended judgment was entered on July 1, 2014 (the "Second Amended Judgment"), the third amended judgment was entered on November 14, 2014 (the "Third Amended Judgment") the fourth amended judgment was entered on March 24, 2015 (the "Fourth Amended Judgment"), the fifth amended judgment was entered on June 10, 2015 (the "Fifth Amended Judgment"), the sixth amended judgment was entered on September 15, 2015 (the "Sixth Amended Judgment"), the seventh amended judgment was entered on December 2, 2015 (the "Seventh Amended Judgment"), the eighth amended judgment was entered on April 13, 2016 (the "Eighth Amended Judgment"), the ninth amended judgment was entered on August 22, 2016 (the "Ninth Amended Judgment"), the tenth amended judgment was entered on February 10, 2017 (the "Tenth Amended Judgment") and the eleventh amended judgment was entered on October 13, 2017 (the "Eleventh Amended Judgment") (together with the Initial Validation Action II Judgment and the First Amended Judgment, the Second Amended Judgment, the Third Amended Judgment, the Fourth Amended Judgment, the Fifth Amended Judgment, the Sixth Amended Judgment, the Seventh Amended Judgment, the Eighth Amended Judgment, the Ninth Amended Judgment, the Tenth Amended Judgment and the Eleventh Amended Judgment, the "Validation Action II Judgments") (Validation Action I and Validation Action II shall be collectively referred to as the "Validation Actions" and the Validation Action I Judgment and the Validation Action II Judgment entered for the Validation Actions shall be collectively referred to as the "Default Judgments.")

The offering and sale of the PACE Bonds by the Issuer are exempt from Rule 15c2-12(b)(5) of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule") pursuant to Section (d) of the Rule, and that neither the Issuer, nor the Program Administrator (as defined in Section 5 below) nor any other person has

undertaken pursuant to the Rule, to provide information with respect to the Series ____ Bonds on an ongoing basis.

4. Representations and Warranties of the Issuer. The Issuer represents and warrants to the Purchaser as follows:

a. The Issuer is a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the "Enabling Legislation").

b. The Issuer has all requisite legal right, power and authority to: (i) adopt the Resolutions of Intention, the Resolution Confirming Program Report, as amended, the Resolutions of Issuance and perform its obligations thereunder, (ii) execute and deliver the Indenture Documents, the Depositary Agent Agreement, the Assessment Contracts and this Bond Purchase Agreement and perform its obligations thereunder and hereunder, (iii) execute, issue, sell and deliver the PACE Bonds and (iv) consummate the transactions to which the Issuer is or is to be a party as contemplated by the Resolutions, the Assessment Contracts, the Indenture Documents, the Depositary Agent Agreement and this Bond Purchase Agreement.

c. The Issuer has duly authorized by all necessary actions: (i) the execution and delivery of the Indenture Documents, the Depositary Agent Agreement, the Assessment Contracts, this Bond Purchase Agreement and performance of its obligations thereunder and hereunder, (ii) the execution, issuance, sale and delivery of the PACE Bonds and (iii) the consummation of the transactions to which the Issuer is or is to be a party as contemplated by the Resolutions, the Indenture Documents, the Depositary Agent Agreement, the Assessment Contracts, this Bond Purchase Agreement and the PACE Bonds and such authorized acts do not and will not in any material respect conflict with, or constitute on the part of the Issuer a breach of or default under, any agreement or other instrument to which the Issuer is a party or any existing law, administrative regulation, judgment, order, decree or ruling by which the Issuer is bound or to which it is subject.

d. The Indenture Documents, the Depositary Agent Agreement, the Assessment Contracts and this Bond Purchase Agreement constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms and the PACE Bonds, when delivered to and paid for by the Purchaser at the Closing in accordance with the provisions of Section 4 hereof, will constitute legal, valid and binding limited obligations of the Issuer, enforceable in accordance with their terms and in conformity with, and entitled to the benefits of the provisions of, the Bond Law, the Indenture Documents, the Depositary Agent Agreement, and the Resolutions.

e. All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which could reasonably materially adversely affect the due performance by the Issuer of its obligations in connection with the execution, issuance, delivery or sale (as applicable) of the PACE Bonds, the Assessment Contracts, the Indenture Documents, the Depositary Agent Agreement and this Bond Purchase Agreement have been duly obtained (including any approvals of the State of California) and are in full force and effect.

f. Except as otherwise disclosed in writing to the Purchaser, as of the Closing Date the Issuer is not now in default under, and the execution and delivery of this Bond Purchase Agreement, the Indenture Documents, the Depositary Agent Agreement, the Assessment Contracts and the PACE Bonds will not conflict with or constitute a breach of, any agreement or other instrument to which it is a party or any existing administrative regulation, judgment, order, decree, ruling or other law by which it is bound or subject, which breach or default is material to the transactions contemplated hereby and by the Resolutions, the Indenture Documents, the Depositary Agent Agreement, the Assessment Contracts and the PACE Bonds and no event has occurred that with the passage of time or the giving of notice, or both, would constitute, under any such instrument or law, such a breach or default material to the transactions.

g. As of the Closing Date, to WRCOG's best knowledge, no litigation, action, suit, proceeding, investigation, right of rescission, setoff, counterclaim or defense, at law or in equity, before or by any court or governmental agency or body, is pending or, to the best knowledge of the Issuer, threatened against or affecting the Issuer to restrain or enjoin the execution, issuance, sale or delivery of the PACE Bonds or, as applicable, with respect to their related underlying Assessments and/or Assessment Contracts or the proceedings or authority under which the PACE Bonds are to be issued, or contesting the legal existence of the Issuer, the title of any of its members or officers to their respective offices or, wherein an unfavorable decision, ruling or finding would, in any way, adversely affect (i) the transactions contemplated hereby and by the Resolutions, the Indenture Documents, the Depositary Agent Agreement and the PACE Bonds and their related underlying Assessments and/or Assessment Contracts or (ii) the validity of the Resolutions, the Indenture Documents, the Depositary Agent Agreement, this Bond Purchase Agreement, the PACE Bonds and their related underlying Assessments and/or Assessment Contracts or any agreement or instrument to which the Issuer is a party and which is used or is contemplated for use in the consummation of the transactions contemplated hereby and by the Resolutions, the Indenture Documents, the Depositary Agent Agreement and the PACE Bonds and their related underlying Assessments and/or Assessment Contracts.

h. The representations and warranties of the Issuer pursuant to the Indenture Documents are true and correct.

i. The Bond Law establishes the lien priority of the Assessments.

j. With respect to the Validation Actions and Default Judgments:

i. The Validation Actions were duly filed and the Default Judgments duly entered in accordance with all applicable laws, rules and regulations of the State of California.

ii. Notice of the Validation Actions were duly made in accordance with the Validation Statute and the order of the Superior Court.

iii. The Default Judgments are final and in full force and effect. Pursuant to their terms and California Code of Civil Procedure Section 870, the Default Judgments are binding and conclusive as to all matters therein adjudicated or which at that time could have been adjudicated, against the Issuer and against all other persons, and the Default Judgments permanently enjoin the institution by any person of any action

or proceeding raising any issue as to which the Default Judgments are binding and conclusive.

5. Agreements of the Issuer.

a. [Prior to the Closing Date, the Issuer will not, without the prior written consent of the Purchaser, offer or issue any of the PACE Bonds under the Resolutions and Indenture Documents to any person other than the Purchaser.]

b. In connection with the sale and issuance of the PACE Bonds, (i) the Purchaser is acting solely as a principal and not as an advisor or fiduciary of the Issuer, (ii) the Purchaser has not assumed any advisory or fiduciary responsibility to the Issuer, (iii) the Purchaser has financial and other interests that differ from those of the Issuer, (iv) the Purchaser has not assumed any obligation to the Issuer in connection with the sale and issuance of the PACE Bonds other than the obligations expressly set forth in this Bond Purchase Agreement and (v) the Issuer has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent that it has deemed appropriate provided that an affiliate of the Purchaser has acted as "Program Administrator" of the Greenworks Commercial PACE Program pursuant to that certain Administration Agreement between the Issuer and Greenworks Lending LLC, dated as of _____.

6. Closing. On «Funding_date» or on such other date as may be agreed upon by the Issuer and the Purchaser (such date as finally determined is referred to herein as the "Closing Date"), the Issuer will deliver or cause to be delivered to the Purchaser, the PACE Bonds, in definitive form, duly executed and authenticated, by depositing the PACE Bonds with Trust and Investment Services for The Bank of New York Mellon Trust Company, N.A., Attention _____ (the "Custodial Account").

The Purchaser will accept such PACE Bonds in the Custodial Account and pay the Purchase Prices (minus the credit(s) shown in the attached Schedule I, which represent amounts that the Purchaser paid, prior to the Closing Date, to the owners of Participating Parcels (or their contractors) in connection with Assessments that are to be financed from the proceeds of such PACE Bonds) by the delivery to Issuer of a federal (immediately available) funds deposit to the order of the Issuer in an aggregate amount equal to such Purchase Prices. The deliveries of such PACE Bonds and such funds is referred to herein as the "Closing." The PACE Bonds shall be made available to the Purchaser for purposes of inspection, at any time not more than two (2) business days nor less than one (1) business day prior to the Closing Date at any place in New York, New York, agreed upon by the Issuer and the Purchaser.

7. Conditions of Closing and Termination of Purchaser's Obligation. The obligation of the Purchaser to purchase and pay for the PACE Bonds at the Closing shall be subject to the performance by the Issuer, prior to or concurrently with the Closing, of its obligations to be performed under this Bond Purchase Agreement and to the accuracy of the representations and warranties of the Issuer contained in this Bond Purchase Agreement as of the date hereof and as of the Closing Date, as if made on and as of the Closing Date, and shall also be subject to the following additional conditions:

a. (i) Each of the Assessment Contracts, the Indenture Documents and the Depositary Agent Agreement, the Master Assignment and Assumption Agreement ane each Assignment Instrument thereunder relating to the Assessments (together, the "Assignment Agreement"), and this Bond Purchase Agreement shall have been duly authorized, executed and delivered, and each of the foregoing shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Purchaser, (ii) the Issuer shall have duly adopted and there shall be in full force and effect such additional resolutions or agreements as shall be necessary in connection with the transactions contemplated hereby and (iii) the Issuer shall perform or have performed all of its obligations, and satisfied all conditions, required under or specified in the Resolutions, Indenture Documents and the Depositary Agent Agreement, the Assessment Contracts and this Bond Purchase Agreement to be performed at or prior to the Closing.

b. The Purchaser shall receive or have received the following documents, in each case satisfactory in form and substance to them:

i. A reliance letter, with respect to the opinion letter from Bond Counsel to the Issuer pursuant to and described in Section _____ of the Indenture (the "Indenture Opinion") on the related Closing Date addressed to (x) the Purchaser and (y) Natixis Global Asset Management (the "Lender"), indicating that Bond Counsel has delivered the Indenture Opinion to the Issuer on that date and the Purchaser may rely on the Indenture Opinion as if it had been addressed to the Purchaser and Lender.

ii. All other documents required to be delivered to the Purchaser pursuant to the Indenture Documents.

8. Expenses. The Purchaser shall be under no obligation to pay any expenses incident to the performance of the Issuer's obligations hereunder, including, without limitation, (i) all costs of preparing the definitive PACE Bonds and (ii) all fees and disbursements of counsel of the Issuer and any other experts or consultants retained by the Issuer.

The Purchaser shall pay: (i) the fees and expenses of its counsel; (ii) fees, if any, payable to the California Debt and Investment Advisory Commission in connection with the issuance of the PACE Bonds; and (iii) all other expenses incurred by the Purchaser in connection with the offering of the PACE Bonds.

9. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Issuer as follows:

a. The Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

b. The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the PACE Bonds, to be capable of evaluating the merits and risks of an investment in the PACE Bonds, and the Purchaser is able to bear the economic risks of such an investment.

c. The Purchaser is purchasing the PACE Bonds, pursuant to an exemption from registration under the Securities Act, for not more than one account for investment purposes and not with a view to distributing the purchased Bonds.

d. The Purchaser recognizes that an investment in the PACE Bonds involves significant risks, that there is no established market for the PACE Bonds and that none is likely to develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the PACE Bonds for an indefinite period of time.

e. The Purchaser understands and acknowledges that, subject to satisfaction of certain conditions set forth in the Indenture, the Issuer may issue subsequent series of bonds secured by Assessments on a parity with the PACE Bonds.

f. The Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the PACE Bonds, (ii) has had an opportunity to ask questions of and receive answers from the Issuer regarding the PACE Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided by the Issuer with all documents and information regarding the PACE Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the Purchaser has been provided with information sufficient to allow the Purchaser to make an informed decision to purchase the PACE Bonds.

g. The Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the PACE Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

h. The Purchaser understands and acknowledges (i) that the offering of the PACE Bonds is neither subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, nor being registered under the Securities Act or any state securities laws, and (ii) that the Issuer has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the PACE Bonds.

i. The Purchaser is able to bear the economic risk of the investment represented by its purchase of the PACE Bonds.

j. In the event that the Purchaser wishes to sell the PACE Bonds in the future, the Purchaser agrees and acknowledges that the PACE Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of Exhibit A, and the Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

k. The Purchaser acknowledges that Best Best & Krieger LLP ("Bond Counsel") is acting as bond counsel to the Issuer, that Bond Counsel has no attorney-client relationship with the Purchaser, and that the Purchaser has sought legal advice from its own counsel to the extent it concluded legal advice was necessary.

10. Conditions of Closing to be Performed by Purchaser. The obligation of the Issuer to issue the PACE Bonds and deliver them on the Closing Date shall be subject to the following conditions to be satisfied by the Purchaser:

a. Purchaser shall have executed and delivered a letter in the form and substance of Exhibit A.

b. Purchaser shall have paid the Purchase Prices as described above.

c. Purchaser shall have executed and delivered to Issuer a receipt in which it acknowledges receipt of the PACE Bonds and satisfaction of the conditions set forth in this Bond Purchase Agreement.

11. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing at 3390 University Avenue, Suite 450, Riverside, CA 92501, and any notice or other communication to be given to the Purchaser under this Bond Purchase Agreement may be given by delivering the same in writing (which shall include electronic forms thereof) to _____.

12. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement is made solely for the benefit of the Issuer and the Purchaser and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties and agreements made by the Issuer in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Purchaser, (b) the delivery of and payment for the PACE Bonds hereunder or (c) any termination of this Bond Purchase Agreement.

13. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

14. Governing Law. This Bond Purchase Agreement shall be construed in accordance with and governed by the laws of the State of California, without regard to any conflicts of law principles thereof that would call for the application of the laws of any other jurisdiction. Any legal action brought under this Bond Purchase Agreement must be instituted in the Superior Court of the County of Riverside, State of California.

15. Execution by Counterparts. This Bond Purchase Agreement and any amendment or supplement hereto or any waiver granted in connection herewith may be executed in any number of counterparts (including .pdf counterparts) and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

16. Miscellaneous.

a. If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular

case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy or any other reasons, such circumstances shall not have the effect of rendering any provision or provisions of this Bond Purchase Agreement, invalid or inoperative or unenforceable to any extent whatsoever.

b. This Bond Purchase Agreement shall not be amended nor shall either party hereof waive any provision hereto without the prior written consent of the Issuer and the Purchaser.

[Signature Page to Follow]

Very truly yours,

[PURCHASER]

By: _____
Authorized Signatory

The foregoing is hereby agreed and acknowledged
as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Signatory

SCHEDULE I

CREDITS FOR AMOUNTS PAID BY PURCHASER PRIOR TO CLOSING DATE

PACE Bonds	Credit
Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series «series1»	$0.00
Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series «SERIES2»	$0.00
Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series «SERIES3»	$0.00
Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series «SERIES4»	$0.00
Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series «SERIES5»	$0.00
Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series «SERIES5»	$0.00

EXHIBIT A

FORM OF PURCHASER LETTER

[CLOSING DATE]

Western Riverside Council of Governments
3390 University Avenue, Suite 450
Riverside, CA 92501

The Bank of New York Mellon Trust Company, N.A.
_____
_____

Re: Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series [_____]

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series [_____]

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series [_____]

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series [_____]

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Property Tranche) Series [_____]

Ladies and Gentlemen:

The Western Riverside Council of Governments ('WRCOG" or "**Issuer**") has issued the above-referenced bonds (the "**Series __ Bonds**"). Capitalized terms used in this letter but not defined have the meaning given them in the Master Indenture, dated as of January 1, 2018 (the "**Master Indenture**"), as amended or supplemented by Supplemental Indenture No. [__], dated as of ___, 20__ (the Master Indenture as supplemented, the "**Indenture**") relating to the Series __ Bonds.

In connection with our purchase on the date hereof of $____ aggregate principal amount of the Series __ Bonds, the undersigned (the "**Bond Purchaser**") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D [or/a "Qualified Institutional Buyer" as such term is defined in Rule 144A] promulgated under the Securities Act of 1933, as amended (the "**Securities Act**").

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Series __ Bonds, to be capable of evaluating the merits and risks of an investment in the Series __ Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Series __ Bonds, pursuant to an exemption from registration under the Securities Act, for not more than one account for investment purposes and not with a view to distributing the purchased Bonds.

(d) The Bond Purchaser recognizes that an investment in the Series __ Bonds involves significant risks, that there is no established market for the Series __ Bonds and that none is likely to develop and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Series __ Bonds for an indefinite period of time.

(e) The Bond Purchaser understands and acknowledges that, subject to satisfaction of certain conditions set forth in the Indenture, the Issuer may issue subsequent series of bonds secured by Assessments on a parity with the Series __ Bonds.

(f) The Bond Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the Series __ Bonds, (ii) has had an opportunity to ask questions of and receive answers from the Issuer regarding the Series __ Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided by the Issuer with all documents and information regarding the Series __ Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Series __ Bonds.

(g) The Bond Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Series __ Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(h) The Bond Purchaser understands and acknowledges (i) that the offering of the Series __ Bonds is neither subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, nor being registered under the Securities Act or any state securities laws, and (ii) that the Issuer has not prepared or

caused to be prepared, and is not delivering, a deemed final official statement with respect to the Series __ Bonds.

(i) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Series __ Bonds.

(j) The Bond Purchaser understands that the offering and sale of the Series ___ Bonds by the Issuer are exempt from Rule 15c2-12(b)(5) of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule") pursuant to Section (d) of the Rule, and that neither the Issuer, nor the Program Administrator nor any other person has undertaken pursuant to the Rule, to provide information with respect to the Series ____ Bonds on an ongoing basis.

(k) In the event that the Bond Purchaser wishes to sell the Series __ Bonds in the future, the Bond Purchaser agrees and acknowledges that the Series __ Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

(l) Bond Purchaser agrees to defend, indemnify and hold harmless the Issuer and the Program Administrator from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against the Issuer or the Program Administrator in any way relating to or arising out of a transfer of the Series __ Bonds to which this letter relates in violation of the restrictions contained in Section 2.05(B) of the Master Indenture and/or any securities laws relating to registration, disclosure or otherwise.

Terms capitalized herein but not defined shall have the meaning prescribed to such term in the Indenture.

[PURCHASER]

By: _____
Authorized Signatory

EXHIBIT B

FORM OF OPINION OF BOND COUNSEL

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Item 6.A

PACE Programs Activities Update

Attachment 11

Greenworks Master Assignment and Assumption Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

WRCOG PROGRAM AND CALIFORNIA PROGRAM

GREENWORKS COMMERCIAL PACE PROGRAM

MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT

This MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT (this "***Agreement***") is made and entered into effective as of January __, 2018 (the "***Effective Date***") by and between Western Riverside Council of Governments, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California ("***Transferor***" or "***WRCOG***"), and Greenworks Lending LLC, a Delaware limited liability company ("***Greenworks***"), and any permitted subsidiary ("***Permitted Subsidiary***") subject to the meaning set forth in Section 1 of this Agreement (each a "***Transferee***").

RECITALS

WHEREAS, Transferor is authorized to act under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "***Act***") pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California; and

WHEREAS, the Executive Committee of Transferor (the "***Executive Committee***") previously adopted Resolution No. 09-10 adopted March 1, 2010 for the County of Riverside (the "***County***"), and cities in the County, listed at the WRCOG Program Report as defined below (the "***Covered Jurisdictions***" and each, a "***Covered Jurisdiction***") entitled "Resolution of the Western Riverside Council of Governments Declaring its Intention to Finance Distributed Generation Renewable Energy Sources and Energy Efficiency Improvements through the use of Contractual Assessments Pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and setting a public hearing thereon" (collectively, the "***WRCOG Resolution of Intention***"), to initiate proceedings under the Act in and for the territory within each Covered Jurisdiction (the "***WRCOG Program Area***") to establish the Energy Efficiency and Water Conservation Program for Western Riverside County (the "***WRCOG Program***"), pursuant to which the Authority would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolution of Intention; and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program's particulars, the Executive Committee adopted Resolution No. 13-10 adopted June 7, 2010 entitled "Resolution of Western Riverside Council of Governments Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters," as subsequently amended, (the "***WRCOG Resolution Confirming Program Report***"), pursuant to which the Executive Committee, among other things, (i) confirmed and approved a report (the "***WRCOG Program Report***") addressing all the matters required by the Act, including a draft agreement between the Authority and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program,

and (iii) Authorized Officers (as defined herein) to execute agreements with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements; and

WHEREAS, under the Act and the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the "***Bond Law***"), the Executive Committee adopted Resolution No. 03-12 on July 29, 2011, as subsequently amended, entitled "A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions" (the "***WRCOG Resolution of Issuance***"), which among other matters, authorized the issuance of one or more series of improvement bonds of the Authority upon the security of assessments levied on the participating parcels within the Program Area under the Act and the Bond Law, and provided that the issuance of improvement bonds would be in accordance with the Bond Law and a Master Indenture and authorized the execution thereof; and

WHEREAS, Subsequent to the establishment of the WRCOG Program, the Joint Exercise of Powers Agreement was amended on October 23, 2013 by that certain Amendment to the Joint Powers Agreement of the Western Riverside Council of Governments to Permit the Provision of PACE Services (the "***PACE Amendment***") to empower WRCOG to establish and operate one or more Property Assessed Clean Energy ("***PACE***") programs pursuant to Chapter 29, and to enter into one or more agreements to fulfill such programs both within and outside the jurisdictional boundaries of WRCOG; and

WHEREAS the PACE Amendment further empowered WRCOG to establish an "Associate Member" status that provides membership in WRCOG to local jurisdictions that are outside WRCOG's jurisdictional boundaries but within the boundaries of a PACE program that will be established and implemented by WRCOG; and

WHEREAS, on May 6, 2013, the Executive Committee adopted Resolution Number 04-13, entitled "Resolution of the Western Riverside Council of Governments Declaring Its Intention to Finance Distributed Generation Renewable Energy Sources and Energy Efficiency and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure Through the Use of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and Setting a Public Hearing Thereon" (the "***California Program Resolution of Intention***"), to initiate proceedings under Chapter 29 to establish the California Program (the "***California Program***" and, together with the WRCOG Program, the "***Program***"), pursuant to which WRCOG will enter into contractual assessments with the owners of real property located in jurisdictions of WRCOG Associate Members (the "***California Program Area***" and, together with the WRCOG Program Areas, the "***Program Areas***") to finance the installation of Improvements on real property located within the California Program Area; and

WHEREAS, by the adoption of the California Program Resolution of Intention, the Executive Committee provided that one or more series of bonds would be issued or other financing relationships would be entered into under the Bond Act for the purpose of financing the installation of such Improvements within the California Program Area; and

WHEREAS, on June 3, 2013, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed California Program or any of its particulars, the Executive Committee adopted Resolution Number 10-13, entitled "Resolution of the Western Riverside Council of Governments Confirming the Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources and Energy Efficiency and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving and Ordering Other Related Matters," (the "***California Program Resolution Confirming Program Report***" together with the WRCOG Resolution Confirming Program Report, the "***Resolutions Confirming Program Reports***"), pursuant to which the Executive Committee, among other things, (i) confirmed and approved a report (as originally approved and subsequently amended, the "***California Program Report***" and, together with the WRCOG Program Report,

the "***Program Reports***") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29, including, but not limited to: (i) (a) identification of the types of Improvements that may be financed through the use of contractual assessments (the "***Improvements***") and (b) a plan for raising the capital amount required to pay for work performed pursuant to voluntary contractual assessments; (ii) establishment of the California Program; and (iii) authorization for the execution of Assessment Contracts with the owners of property in the California Program Area to provide for the levy of contractual assessments to finance installation of Improvements on such properties; and

WHEREAS, on June 3, 2013, the Executive Committee adopted its Resolution Number 08-13, entitled "A Resolution of the Western Riverside Council of Governments Authorizing Issuance of Limited Obligation Improvement Bonds Pertaining to the California HERO Program, Approving and Directing the Execution of Related Documents and Approving Related Actions" (the "***California Program Resolution of Issuance***"), pursuant to which, the Executive Committee, among other actions, authorized the issuance of one or more series of limited obligation improvement bonds pursuant to Chapter 29 and the Bond Act, secured by voluntary contractual assessments levied on Commercial (as such term is defined in the California Program Report) parcels located in the California Program Area; and

WHEREAS, WRCOG has, pursuant to the PACE Amendment, entered into amendments to the Joint Exercise of Powers Agreement to add certain cities and counties as "Associate Members" of WRCOG to enable WRCOG to undertake proceedings pursuant to Chapter 29 to establish the California Program (defined below) to make contractual assessment financing available to eligible property owners within the jurisdictions of such cities and counties; and

WHEREAS, on December 2, 2013, the Executive Committee adopted Resolution Number 24-13, entitled "Resolution of the Western Riverside Council of Governments Authorizing for the Issuance of the Western Riverside Council of Governments Limited Obligation Improvement Bonds (WRCOG HERO Program and California Program), Approving and Directing the Execution of Related Documents and Approving Related Actions" (the together with the WRCOG Resolution of Issuance and the California Resolution of Issuance, the "***Resolutions of Issuance***") pursuant to which the Executive Committee, among other actions, authorized the issuance of one or more series of limited obligation improvement bonds pursuant to Chapter 29 and the Bond Act, secured by voluntary contractual assessments levied on Commercial (as defined in both the WRCOG Program Report and the California Program Report) parcels located in both the WRCOG Program Area and the California Program Area.

WHEREAS, with respect to the WRCOG Program, Transferor obtained the default judgment rendered on December 12, 2013, by the Superior Court of the County of Riverside in the validation action entitled Superior Court of the County of Riverside as *Western Riverside Council of Governments v. All Persons Interested, et al.*¸ Case No. RIC 1308639; and

WHEREAS, [reserved for reso re seismic improvements]; and

WHEREAS, on January __, 2018 Transferor and Greenworks entered into that certain Greenworks Commercial PACE Program Administration Agreement dated as of January __, 2018, (as amended, supplemented or otherwise modified from time to time, the "***Administrative Agreement***") to provide Program Administrative Services (as defined in the Administrative Agreement) for Commercial PACE Projects participating in the Greenworks Commercial PACE Program (as defined in the Administrative Agreement) and wherein Transferor agreed to the WRCOG Responsibilities as set forth in the Administrative Agreement.

WHEREAS, on January 8, 2018, the Executive Committee did, by the adoption of Resolution No. ____ authorize the issuance of the Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (_____ Commercial Property Tranche) (the "***Bonds***") providing that each such Bond shall be issued pursuant to one or more Master Indentures (each

a "***Master Indenture***"), by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), the form of which was approved by the Resolution of Issuance; and

WHEREAS, Section 5898.28(b) of the Act (i) authorizes Transferor to transfer its right, title, and interest in and to any voluntary contractual assessments, if bonds have not been issued, (ii) authorizes Transferor and any Transferee to enter into an agreement that, among other things, identifies the specific period of time during which the transfer of voluntary contractual assessments will be operative, not to exceed three years and (iii) provides that a transfer of any voluntary contractual assessments under this provision shall be treated as a true and absolute transfer of the asset so transferred for the period of the transfer and not as a pledge or grant of a security interest by the public agency for any borrowing; and

WHEREAS, in anticipation of the issuance of limited improvement bonds under the Act to provide long-term financing for the installation of authorized improvements, Transferor wishes to establish an interim financing mechanism as set forth in this Agreement.

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Definitions.

(a) "***Accredited Investor***" has the meaning given to it in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended.

(b) "***Assessment Contract***" means an Agreement to Pay Assessment and Finance Improvements by a Property Owner and the Transferor entered into as contemplated by the Act substantially in the form attached hereto as Exhibit B.

(c) "***Assignment Date***" means, for a particular Transferred Interest, the "date of transfer" indicated in an Assignment Instrument executed by Transferor and Transferee.

(d) "***Assignment Instrument***" means an Assignment Instrument in the form attached hereto as Exhibit A that specifies, among other things, the Assessment Contract(s) being assigned on such date and the consideration payable on such date by the Transferee.

(e) "***Assignment Term***" means with respect to any Transferred Interest, the period beginning on (and including) the applicable Assignment Date and ending on (but excluding) the applicable Assignment Termination Date.

(f) "***Assignment Termination Date***" means, with respect to a Transferred Interest, the earlier of (i) the third (3rd) anniversary of the Assignment Date of such Transferred Interest (in accordance with Section 5898.28(b) of the Act), or (ii) the re-conveyance of the Transferred Interest from Transferee to Transferor in exchange for a PACE Bond or cash, as applicable.

(g) "***Business Day***" means any day other than a Saturday, a Sunday, or a day on which banks in the state of California are authorized or permitted to close.

(h) "***Collection Account***" means that certain deposit account no. _____ held by the Depositary Agent subject to the Depositary Agent Agreement.

(i) "***Complying PACE Bonds***" means with respect to any Transferred Interests as of any date of determination, PACE Bonds having the PACE Bond Parameters with respect to such Transferred Interests.

(j) "***Depositary Agent***" means The Bank of New York Mellon Trust Company, N.A. or its successor, acting in such capacity under the Depositary Agent Agreement.

(k) "***Depositary Agent Agreement***" means the Depositary Agent Agreement dated as of the date hereof, among the Transferor, each Transferee and the Depositary Agent, governing the receipt of the Assessments by the Depositary Agent and remittance of a portion of the Assessments by the Depositary Agent to (a) Transferee for the payments due hereunder and (b) to Transferor for payment of administrative expenses.

(l) "***Exchanged Transferred Interests***" has the meaning set forth in Section 5(b) hereof.

(m) ""***Issue Date***" has the meaning set forth in Section 5(b) hereof.

(n) ***Master Indenture***" means a bond indenture substantially in the form attached hereto as Exhibit C.

(o) "***PACE Bond***" means a bond issued by the Transferor under a Master Indenture secured by Transferor's right to receive payment pursuant to one or more Assessment Contracts.

(p) "***PACE Bond Parameters***" means, as of any date of determination, with respect to any PACE Bonds issued under this Agreement on such date of determination in exchange for the reassignment of one or more Transferred Interests on such date of determination, and/or in connection with Transferred Interests whose Assignment Terms are expiring on such date of determination, one or more PACE Bonds,

(i) the principal amount, maturity date(s), amortization schedules and interest rates of which, in the aggregate, produce cash flows that replicate the remaining scheduled principal and interest components of the contractual assessment installments under the Assessment Contract(s) relating to such Transferred Interest(s) after such date of determination;

(ii) any ongoing annual administrative fees that replicate the annual assessment administrative fee components of the contractual assessment installments under the Assessment Contract(s) relating to such Transferred Interest(s) after such date of determination;

(iii) any additional interest or penalties due under the Assessment Contract(s) relating to such Transferred Interest(s) at the date of determination;

(iv) any prepayment penalty and related processing fee due under the Assessment Contract(s) relating to such Transferred Interest(s) at the date of determination;

(v) that complies or comply with the Authority's bond issuance policies as of the applicable Assignment Date;

(vi) any purchaser of which must be an Accredited Investor or Qualified Institutional Buyer; such purchaser shall execute and deliver to Transferor an investor letter in substantially the form and substance of Exhibit B to the form of Indenture attached hereto as Exhibit C; and

(vii) with respect to which bond counsel to Transferor shall have issued an unqualified bond counsel opinion addressed to Transferor, a reliance letter addressed to the purchaser and its assigns and a supplemental opinion addressed to the trustee under the Indenture and the purchaser.

To the extent there are any delinquent amounts under the Assessment Contracts relating to the Transferred Interest(s) referred to above as of such date of determination, for purposes of determining the applicable PACE Bond Parameters with respect to such Transferred Interest(s), such delinquent payments will be treated as being scheduled to be due and payable on such date of determination.

(p) "***Permitted Subsidiary***" means any wholly owned subsidiary of Greenworks Lending LLC that is an Accredited Investor or Qualified Institutional Buyer and has been approved by WRCOG, whose approval will not be unreasonably withheld.

(q) "***Program Guidelines***" means, collectively, the WRCOG Program Report, the Statewide Program Report and the Program Handbook, each as amended from time to time.

(r) "***Program Handbook***" means the Program Handbook established by Greenworks Lending LLC, as may be amended from time to time with the written consent of the Transferor.

(s) "***Property Owner***" means an owner of non-residential real property, including four or more units of residential real property, that is a party to an Assessment Contract.

(t) "***Qualified Institutional Buyer***" has the meaning given to it by the Securities and Exchange Commission Rule 144A (17 CFR §230.144A).

(u) "***Re-Conveyance Instrument***" means an assignment instrument substantially in the form attached hereto as Exhibit D.

(v) "***SPE***" has the meaning set forth in Section 5(f) hereof.

(w) "***Tax Collector***" means each applicable taxing authority responsible for the collection of amounts paid by Property Owners in connection with Assessment Contracts.

(x) "***Transferred Interest"*** means, all right, title and interest to the Assessment Contract for which Transferor and a Transferee have executed an Assignment Instrument; provided, however, that in no event shall such Transferee or any other entity other than Transferor be permitted to initiate or prosecute any foreclosure action with respect to any Assessment Contract associated with a Transferred Interest. For an avoidance of a doubt and notwithstanding anything in the applicable Assessment Contract to the contrary, all principal, interest, delinquent interest, penalties, and prepayments shall accrue to the benefit of the Transferee from the date the Transferred Interest is assigned to Transferee pursuant to the terms of this Agreement; provided further that the Transferred

Interest shall not include the Additional Administrative Expenses (as defined in the Assessment Contract).

2. Assignment by Transferor.

(a) As of each applicable Assignment Date, Transferor hereby agrees to sell, assign and transfer to the Transferee identified in the Assignment Instrument, and such Transferee agrees to purchase from Transferor, for the Assignment Term, all of Transferor's right, title, and interest in, to, and under each Transferred Interest specified in the Assignment Instrument executed on such Assignment Date in exchange for the (i) the consideration specified with respect to such Transferred Interest in such Assignment Instrument and (ii) Transferor's undertakings in Section 5 hereof. Each Transferee hereby acknowledges and agrees that each assignment made pursuant to this Agreement and an Assignment Instrument is solely of a Transferred Interest, and in no event shall such Transferee or any other entity other than Transferor be permitted to initiate or prosecute any foreclosure action with respect to any Assessment Contract associated with a Transferred Interest. Each Transferee also acknowledges and agrees that, as of the effective date of this Agreement, Transferor has no legal authority to initiate or prosecute any foreclosure action with respect to any Assessment Contract unless i) an event of default has occurred under Section 14 of the Assessment Contract; or ii) until PACE Bonds have been issued with respect to such Assessment Contract.

(b) Transferee hereby agrees to fund the Assessment Contract in an amount equal to the Financed Amount (as defined in the Assessment Contract) to finance the Project Cost and Initial Administrative Expenses (as defined in the Assessment Contract) identified in the Assessment Contract by making such funds available to the PACE Program Administrator (the "Project Funds), to be disbursed by the PACE Program Administrator, on behalf of WRCOG, pursuant to the provisions of the Assessment Contract.

(c) On each Assignment Date, Transferor shall deliver to Transferee the deliverables listed in Section C of Exhibit F.

3. Continuing Assignment. Pursuant to Section 5898(b) of the Act, the assignment of a Transferred Interest pursuant to this Agreement and an Assignment Instrument shall constitute a true and absolute transfer of such Transferred Interest for the period of the transfer and not a pledge or grant of a security interest by the Transferor for any borrowing, and such assignment shall remain in full force and effect until the Assignment Termination Date applicable to such Transferred Interest, notwithstanding any obligation of the Transferor contained in Section 5 of this Agreement. Without in any way limiting the preceding sentence, for the protection of the Transferee, in the event that (a) the transfer is held not to be a true and absolute conveyance, or (b) an Assignment Termination Date occurs under clause (i) of the definition thereof with respect to a Transferred Interest before a Complying PACE Bond is issued with respect to such Transferred Interest, Transferor shall, immediately upon the event in clause (a) occurs or 60 days prior to the date on which an event in clause (b) occurs, (x) issue a Complying PACE Bond or (y) execute a new three-year Assignment Instrument for the benefit of Transferee if authorized by law, with the choice of (x) or (y) to be in Transferor's sole and absolute discretion.

The covenants on the part of Transferor in the previous paragraph are duties imposed by law and it is the duty of each and every public official of Transferor to take such action and do such things as are required by law in the performance of the official duty of such officials to enable Transferor to carry out and perform such covenants. The parties intend for Transferor's covenants in the previous paragraph to be enforceable by a writ of mandamus issued pursuant to California Civil Code Section 1084 et seq. In the

event the Transferee obtains such a writ of mandamus from a court of applicable jurisdiction, Transferor shall pay Transferee's reasonable attorneys fees and costs.

4. Representations and Warranties.

(a) Each party represents and warrants to the other (i) that it has full power and authority to enter into this Agreement and to perform its obligations hereunder in accordance with the provisions hereof, (ii) that this Agreement has been duly authorized, executed and delivered by such party and (iii) that this Agreement constitutes a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity.

(b) Each party represents and warrants to the other that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (i) will not conflict with any law or order applicable to such party or any of its properties or assets and (ii) requires no consent from any party not already obtained.

(c) Each Transferee represents and warrants, as of the date hereof, (i) no applicable law would prevent or make unlawful its holding of any Transferred Interest, and (ii) no applicable law would prevent or make unlawful its holding of a PACE Bond to otherwise be conveyed to it pursuant to the terms hereof.

(d) Each Transferee represents and warrants:

(i) it is an Accredited Investor or Qualified Institutional Buyer;

(ii) it has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other obligations similar to the Transferred Interests, to be capable of evaluating the merits and risks of an investment in the Transferred Interests, and such Transferee is able to bear the economic risks of such an investment;

(iii) it is purchasing the Transferred Interest for not more than one account for investment purposes and not with a view to distributing the Transferred Interests except in compliance with Section 5(f) hereof;

(iv) it recognizes that an investment in the Transferred Interests involves significant risks, that there is no established market for the Transferred Interests and that none is likely to develop and, accordingly, that such Transferee must bear the economic risk of an investment in the Transferred Interests for an indefinite period of time;

(v) it (A) has conducted its own independent inquiry, examination, and analysis with respect to the Transferred Interests, (B) has had the opportunity to ask questions of and receive answers from the Transferor regarding the Transferred Interests and the matters, transactions, and documents relating to the foregoing; (C) has been provided by the Transferor with all documents and information regarding the Transferred Interests and the matters, transactions, and documents relating to the foregoing that it has requested, and (D) has been provided with information sufficient to allow it to make an informed decision to purchase the Transferred Interests;

(vi) it (A) is not relying upon the Transferor, or any of its affiliates, officers, employees, or agents, for advice as to the merits and risks of investment in the Transferred Interests, and (B) has sought such accounting, legal, and tax advice as it has considered necessary to make an informed investment decision;

(vii) it understands and acknowledges (A) that the transaction contemplated hereby is not subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and (B) that the Transferor has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Transferred Interests and has not undertaken to provide to or for the benefit of such Transferee financial or operating data or any other information with respect to the Transferred Interests on an ongoing basis; and

(viii) it is able to bear the economic risk of the investment represented by its purchase of the Transferred Interests.

(e) Transferor represents and warrants that it is the legal and beneficial owner of the Transferred Interest, free and clear of any liens, claims or encumbrances.

(f) Each Transferee acknowledges that except for the representation in paragraph (g), (A) Transferor shall not be responsible to any Transferee for (i) the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of any Assessment Contract, (ii) any representations, warranties, recitals or statements made therein or in connection with any Assessment Contract and the transactions contemplated thereby or (iii) the financial condition of any Property Owner, and (B) Transferor is under no obligation to such Transferee to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of Assessment Contract or as to the use of the proceeds of the financing evidenced by the Assessment Contract.

(g) Transferor represents and warrants that each Assessment Contract and each Assignment Instrument will be duly authorized, executed and delivered by Transferor as of the Assignment Date and that each Assessment Contract and each Assignment Instrument will constitute as of the Assignment Date the legal, valid and binding obligation of Transferor enforceable against Transferor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity.

(h) Transferor represents and warrants that to its actual current knowledge there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending with respect to which the Transferor has been served with process or threatened, in which any such Action (i) in any way questions the corporate existence of the Transferor or the titles of the officers of the Transferor to their respective offices, (ii) in any way questions the establishment of the Program, (iii) affects, contests or seeks to prohibit, restrain or enjoin the execution of any Assessment Contract or Assignment or the payment or collection of any amount pledged or to be pledged to pay the principal of and interest on each Assessment Contract or Assignment, or in any way contests or affects the validity of the Assessment Contract or Assignment or the consummation of the transactions on the part of the Transferor contemplated thereby, or contests the powers of the Transferor, or its authority to levy contractual assessments, and (iv) may result in any material adverse change relating to the financial condition of the Transferor; and as of the time of acceptance hereof, to the knowledge of the Transferor, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

(i) Transferor represents and warrants that each Initial Assessment and Assignment constituting the security for the Assessment Contract has been duly and lawfully authorized and levied under the provisions of the Bond Law and the applicable laws of the State of California, and, pursuant to the provisions of the Bond Law, such Initial Assessment, when levied, will constitute a valid and legally binding lien on the Property upon which it has been levied.

5. Covenants.

(a) Transferor hereby agrees to direct all applicable Tax Collectors to make all payments received in connection with any Transferred Interest during the related Assignment Term to the Collection Account; provided, however, that each Transferee acknowledges and agrees that the Tax Collectors may not agree to make such payments to the Collection Account and that Transferor may continue to receive the payments. To the extent Transferor receives any such payment, Transferor agrees to promptly deposit such amount in the Collection Account.

(b) In accordance with the procedures set forth below, Transferor (i) shall, within four weeks of receipt of instructions by the Transferee or such later other as the Transferor or the Transferee may mutually agree as to any particular request and solely on a Business Day issue one or more Complying PACE Bonds and sell them to Transferee or its designee in exchange for one or more Transferred Interests and (ii) shall, no later than the Assignment Termination Date of any Transferred Interest, use good faith efforts to issue a Complying PACE Bond with respect to such Transferred Interest. In furtherance of the foregoing, Transferor shall, no later than four weeks before the date Transferor elects (in the case of clause (i)) or is required (in the case of clause (ii) to use good faith efforts) to issue Complying PACE Bonds, deliver to Transferee a notice specifying (1) the Business Day on which the Complying PACE Bonds will be issued, which may be no later than the applicable Assignment Termination Date (the "***Issue Date***"), (2) the applicable Transferred Interests that will be exchanged for such Complying PACE Bonds (the "***Exchanged Transferred Interests***"), (3) the number of Complying PACE Bonds that will be issued, (4) the principal amount, maturity date, interest rate and debt service schedule of each Complying PACE Bond and (5) a reconciliation of the scheduled debt service on such Complying PACE Bonds and the remaining scheduled principal and interest components of the applicable Transferred Interests (including any adjustments for overdue assessments, delinquent interest, penalties, or partial prepayments) to enable Transferee to verify that such Complying PACE Bonds meet the applicable PACE Bond Parameters (and such verification shall occur, and be notified to the Transferor, at least five Business Days prior to the scheduled Issue Date).

On each Issue Date, Transferor shall use reasonable efforts to issue the applicable Complying PACE Bond(s) to Transferee or its designee, Transferee will, as full consideration for the issuance of such bond(s), re-convey any Exchanged Transferred Interests to Transferor or its designee pursuant to a Re-Conveyance Instrument, the applicable Transferee shall execute and deliver any documents required to be executed and delivered by a purchaser of the PACE Bonds under the applicable Indenture, and Transferor and such Transferee shall execute and deliver such instructions to the Depositary Agent and/or the applicable Tax Collector(s) as are necessary to ensure that all future payments under the applicable Assessment Contracts are paid into the account required by the applicable Indenture; provided that to the extent any of Transferee's representations in Section 4(c)(ii), (d) or (f) is untrue as of the applicable Issue Date as determined by the Transferor in its sole discretion, Transferor shall have no obligation to convey such PACE Bond to the applicable Transferee or its designee. If Transferor makes such a determination, Transferor shall provide notice to the Transferee of the determination and allow Transferee to cure any untrue representations. If within ten (10) days following the transmittal of such notice the Transferee has cured the untrue statement, Transferor may, in its sole discretion, issue Complying PACE Bonds. All PACE Bonds issued to Transferee hereunder shall be issued under a Master Indenture substantially in the form of Exhibit C hereto. Nothing in this

Agreement shall obligate Transferor to sell Complying PACE Bond(s) to more than 35 investors to the extent necessary for Transferor and the Complying PACE Bond(s) to comply with Securities and Exchange Executive Committee Rule 15c2-12 (17 CFR 240.15c2-12).

(c) Transferor may, with the prior written consent of the applicable Transferee and in Transferor's sole discretion, in lieu of issuing Complying PACE Bonds secured by one or more Assessment Contracts with respect to which applicable Transferee has acquired a Transferred Interest and selling them to Transferee pursuant to Section 5(b), issue Complying PACE Bonds and sell them to a third-party. If such Transferee consents to any such sale, Transferee, in exchange for the payment to such Transferee of the proceeds received by Transferor from such issuance, shall re-convey, pursuant to Re-conveyance Instrument, any remaining Transferred Interest in such Assessment Contracts on the date of the issuance of such PACE Bonds. In addition, Transferor and such Transferee shall execute and deliver such instructions to the Depositary and/or any applicable Tax Collector(s) as may be necessary to ensure that all future payments under the applicable Assessment Contracts are paid into the account required by the applicable Indenture.

(d) If, during the Assignment Term of a particular Transferred Interest, (i) the Property is delinquent in the payment of any Assessment Installment or any accrued interest and penalties thereon, (ii) Transferor is expressly permitted by applicable laws or the applicable Assessment Contract to pursue foreclosure proceedings against an applicable Property Owner, and (iii) such Transferee agrees in writing to advance all estimated costs and expenses of any required proceedings (as determined in the sole judgment of the Transferor), Transferor will pursue foreclosure proceedings against delinquent Property Owner(s) and direct proceeds recovered in connection therewith to the Collection Account, with any penalties and interest to constitute additional interest for the benefit of such Transferee. In the event Transferor initiates a foreclosure action and incurs the costs and expenses thereof, at the direction of such Transferee but Transferee fails to advance such costs and expenses, Transferor may, in its sole and absolute discretion, either (y) halt all efforts to prosecute the foreclosure action or (z) pay the necessary costs and expenses, in which case the Transferor shall be entitled to recover all such costs and expenses from the foreclosure award before any amounts are deposited into the Collection Account.

(e) Transferor agrees that it shall not issue or convey any PACE Bond secured in whole or in part by any Assessment Contract with respect to which any Transferee has acquired a Transferred Interest and sell such PACE Bonds to any party other than such Transferee without the prior written consent of such Transferee.

(f) Each Transferee hereby covenants and agrees that it shall hold each Transferred Interest acquired hereunder throughout the applicable Assignment Term or until such date as such Transferred Interest is required to be re-conveyed under this Section 5 and shall not transfer any Transferred Interest to any party other than Transferor; provided however, that notwithstanding the foregoing, a Transferee may convey a Transferred Interest to (i) a wholly owned subsidiary, a parent company, or other affiliated entity; or (ii) a third party, where (A) the third party and such Transferee execute an assignment and assumption agreement that is in substantially similar form to the Assignment and Assumption Agreement attached hereto as Exhibit I, (B) the third party satisfies the representations set forth in Sections 4(a) through (d) and (f) hereof as of the date of transfer from such Transferee, and (C) the third party executes an investor letter in substantially the form of Exhibit B to the Indenture attached as Exhibit C to this Agreement.

(g) Each Transferee hereby covenants and agrees that it shall not incur, create, assume, or suffer to exist any liens or encumbrances upon any property or buildings upon which an assessment has been levied pursuant to an Assessment Contract.

(h) If, at any time of an Assignment Termination Date, the actions under Section 3 of this Agreement have not occurred with respect to a Transferred Interest with no Complying PACE Bond having been issued with respect thereto, Transferor agrees that it will either (A) execute a new three-year Assignment Instrument for the benefit of the applicable Transferee, as provided by law, (B) issue a Complying PACE Bond in accordance with the terms and conditions set forth herein with the choice of (A) or (B) to be in Transferor's sole and absolute discretion.

(i) Each Transferee may at any time request that Transferor issue Complying PACE Bonds with respect to any Transferred Interests and Transferor agrees to use good faith efforts to issue such bonds as soon as practicable after such request, subject to applicable law.

6. Deliverables. On or before the execution and delivery of this Agreement, Transferor shall deliver to each Transferee the deliverables set forth in Exhibit F along with copies of (a) the resolutions listed on Exhibits I, J, K and L of this Agreement and (b) the default judgments listed on Exhibit M of this Agreement.

7. Entirety of Agreement. This Agreement sets forth the entire understanding of the parties with respect to the transactions contemplated hereby, and merges and supersedes all prior and contemporaneous understandings, representations and warranties with respect to such transactions. Except as expressly set forth in this Agreement, none of the parties hereto or thereto makes any representation or warranty to any other party.

8. Notices. Any notice or other communication to be given hereunder shall be in writing and shall be delivered by hand (including, without limitation, by express courier against written receipt) or sent by registered prepaid first class mail or by facsimile copy to the persons or addresses specified below:

Transferor:

Western Riverside Council of Governments
3390 University Ave, 4th Floor
Riverside, CA 92501
Attention: Executive Director

Transferee:

Greenworks Lending LLC
28 Thorndal Circle, 3rd Floor
Darien, CT 06820
Attention: Alexandra Cooley
acooley@greenworkslending.com

9. Indemnity. Each Transferee agrees to defend, indemnify and hold harmless Transferor from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against the Transferor in any way relating to or arising out of the transfer of any Transferred Interest in violation of Section 5(f).

10. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such term or provision shall be enforced

to the maximum extent permitted by law and, in any event, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

11. Amendment. This Agreement may be amended, waived or terminated only by a written instrument referencing this Agreement and signed by the parties to this Agreement.

12. Counterparts; Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures may be delivered by electronic means which shall have the same force and effect as the delivery of original signature pages.

13. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of California, and venue shall be in Riverside County, California.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT as of the Effective Date.

TRANSFEROR:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

_____

By:

TRANSFEREE:

GREENWORKS LENDING LLC

_____

By:

Title:

Date: _____, 20___

EXHIBIT A

ASSIGNMENT INSTRUMENT NO. ____

As of [DATE]

Reference is made to that certain Master Assignment and Assumption Agreement, dated as of _____, 20___, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, as "***Transferor***" and Greenworks Lending LLC (the "***Master Assignment Agreement***"). _____, a _____ limited liability company is hereby designated as the transferee under this Assignment Instrument No. _____ (the "Transferee"). Capitalized terms used but not defined herein shall have the meaning given to such term in the Master Assignment Agreement.

As evidenced by the signature of each party hereto, pursuant to Section 2 of the Master Assignment Agreement, Transferor hereby sells, assigns and transfers to Transferee, and Transferee purchases from Transferor, as of the dates set forth on the attached Attachment 1 and for the Assignment Term, all of Transferor's right, title, and interest in, to, and under each Transferred Interest specified on the attached Attachment 1 in exchange for the (i) the consideration specified on the attached Attachment 1 with respect to such Transferred Interest, and (ii) Transferor's undertakings in Section 5 of the Master Assignment Agreement.

Each of the parties hereto acknowledges and agrees that the terms of Master Assignment Agreement are incorporated by reference hereto and shall apply as though the same were included in this assignment instrument. Each of the parties hereby represents and warrants that the representations and warranties made by such party in the Master Assignment Agreement are true and correct in all material respects as of the date hereof.

This assignment instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This assignment instrument shall be governed by, and construed in accordance with, the law of the State of California.

In the event of a prepayment under an Assessment Contract related to the Transferred Interest, the proceeds of the prepayment shall be applied for the following purposes in the following order of priority: (i) the Transferee shall be entitled to receive the prepayment premium paid by the Property Owner (as defined in the Assessment Contract), (ii) payment of accrued interest on the unpaid Initial Assessment to the extent of such prepayment as of the date of the prepayment and (iii) reduction of the unpaid Initial Assessment.

[*signature page follows*]

Acknowledged and Accepted as of [_____]:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

_____

By:

< NAME >

_____

By:

Attachment 1

Property Owner	**APN**	**Address**	**Date of Transfer**	**Principal Amount**	**Consideration***	**Date of Assessment Contract**

_____

* The consideration amount is net of fees payable to bond counsel and Transferor on the Issue Date in connection with the issuance by Transferor of Complying PACE Bonds in exchange for reconveyance of the Transferred Interest, for which Transferee will be responsible. The fees shall be described in a memorandum regarding _____.

EXHIBIT B

FORM OF ASSESSMENT CONTRACT

[*see attached*]

EXHIBIT C

FORM OF INDENTURE

[*see attached*]

EXHIBIT D

RE-CONVEYANCE INSTRUMENT

(ASSIGNMENT INSTRUMENT NO. ___)

As of [DATE]

Reference is made to that certain Master Assignment and Assumption Agreement, dated as of _____, 20____, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("***WRCOG***", or the "***Re-Conveyance Transferee***"), and Greenworks Lending LLC (the "***Master Assignment Agreement***"). _____ is designated as the transferee pursuant to Assignment Instrument No. _____ (the "***Re-conveyance Transferor***"). Further reference is made to that certain Assignment Instrument No. ___, dated as of [_____], by and between WRCOG, as Transferor, and _____ a Delaware Limited Partnership, as Transferee. Capitalized terms used but not defined herein shall have the meaning given to such term in the Master Assignment Agreement.

As evidenced by the signature of each party hereto, pursuant to Section 5(b) of the Master Assignment Agreement, in exchange for the cash or bond consideration indicated below, Re-Conveyance Transferor hereby assigns and transfers to Re-Conveyance Transferee, and Re-Conveyance Transferee assumes from Re-Conveyance Transferor, all of Re-Conveyance Transferor's right, title, and interest in, to, and under each Exchanged Transferred Interest specified on the attached Attachment 1.

Each of the parties hereto acknowledges and agrees that the terms of Master Assignment Agreement are incorporated by reference hereto and shall apply as though the same were included in this assignment instrument. Re-Conveyance Transferor hereby reaffirms the representations in Section 4(c) and 4(d) of the Master Assignment Agreement as of the date hereof.

This re-conveyance instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This re-conveyance instrument shall be governed by, and construed in accordance with, the law of the State of California.

[*signature page follows*]

Acknowledged and Accepted as of [_____]:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

_____

By:

[transferee]

_____

By:

Attachment 1

Property Owner	**APN**	**Address**	**Date of Transfer**	**Principal Amount**	**Date of Assessment Contract**

EXHIBIT E

DEPOSITORY AGENT AGREEMENT

EXHIBIT F

LIST OF ASSIGNMENT DELIVERABLES

MASTER ASSIGNMENT LEVEL CLOSING DOCUMENTS

1. Joint Powers Agreement, dated as of April 1, 1991, as amended.
2. Resolution Number ___-18 adopted by the Executive Committee of WRCOG on January 8, 20__ and entitled "A Resolution Of The Executive Committee Of The Western Riverside Council Of Governments Authorizing Greenworks Lending Llc, To Administer And Finance Authorized Improvements To Be Installed On Commercial Properties, And In Connection With Such Authorization, Approving Amendments To The Program Report For Both The WRCOG Energy Efficiency And Water Conservation Program For Western Riverside County And The California Hero Program And The Forms Of A Commercial Handbook, Assessment Contract, Administration Agreement, Master Assignment And Assumption Agreement, Depositary Agent Agreement, Master Bond Purchase Agreement And Master Indenture And Authorizing The Issuance Of Bonds Pursuant To Such Master Indenture Secured By Assessments Levied On Commercial Properties To Finance The Installation Of Authorized Improvements On Such Commercial Properties And Approving Other Actions In Connection Thereto"
3. Master Assignment and Assumption Agreement, dated as of January __, 2018.
4. Depositary Agent Agreement, dated as of January __, 2018.
5 Opinion of Counsel to Transferor as to due authorization, execution, delivery and enforceability of Agreement (substantially as set forth in Exhibit G) with a reliance letter in favor of Transferee.
6. Opinion of Counsel to Depositary as to due authorization, execution, delivery and enforceability of Depositary Agent Agreement.

ASSIGNMENT LEVEL CLOSING DOCUMENTS

A. LOCAL JURISDICTION DOCUMENTS

A.1. Resolution of applicable jurisdiction authorizing WRCOG to implement the Greenworks Commercial PACE Program

B. PROPERTY-SPECIFIC DOCUMENTS [THIS SECTION MAY BE REPEATED FOR MULTIPLE PROPERTIES] ***(This list is being reviewed by Greenworks)***

B.1. Agreement to Pay Assessment and Finance Improvements

B.2. Payment of Contractual Assessment Required/Notice of Assessment (recorded in real property records), along with confirmation of recording in real property records of applicable county.

C. ASSIGNMENT-LEVEL CLOSING DOCUMENTS

C.1. Assignment Instrument

C.2. Written Confirmation of Approved Commercial PACE Project (as defined in the Administration Agreement)

EXHIBIT G

FORM OF OPINION -- EXECUTION OF AGREEMENT

1. The Authority is a joint exercise of power agency, duly organized and validly existing under the laws of the State of California, with the power to adopt the [Program formation resolutions and the resolution authorizing the Master Assignment/Depositary Agreement (the "Resolutions")], to enter into the Master Assignment/Depositary Agreements, and to perform the agreements on its part contained therein.

2. The Master Assignment/Depositary Agreements have been duly approved by the Authority pursuant to the Resolutions, and each constitutes a valid and binding obligation of the Authority enforceable upon the Authority, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

EXHIBIT H

FORM OF OPINION - EXECUTION OF ASSIGNMENT INTEREST

1. The Assessments levied on the Participating Parcels (as those terms are defined in the Master Assignment) are valid assessments under California law; each Assessment constitutes a lien on the applicable Participating Parcel; and the lien of the Assessments is (i) coequal to and independent of the lien for general taxes and, except as provided in Government Code Section 53936, not subject to extinguishment by the sale of the property on account of the nonpayment of any taxes, and (ii) prior and superior to all liens, claims and encumbrances except (a) the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency; (b) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment related to a Participating Parcel; (c) easements constituting servitudes upon or burdens to the applicable Participating Parcel; (d) water rights, the record title to which is held separately from the title to the applicable Participating Parcel; and (e) restrictions of record. The lien of each Assessment has the same priority as the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency, if any, within which the applicable Participating Parcel is located.

2. Bring-down of opinions listed in Exhibit G.

EXHIBIT I

FORM OF ASSUMPTION AND ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is dated this ___ day of _____, 20__ (the "Effective Date"), between **GREENWORKS LENDING LLC**, a Delaware limited liability company (the "Assignor"), and _____, a [state] [limited liability company] (the "Assignee").

WHEREAS, Western Riverside Council of Governments ("WRCOG") is authorized to act under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Act") pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California; and

WHEREAS, the Executive Committee of WRCOG (the "Executive Committee") previously adopted Resolution No. 09-10 adopted March 1, 2010 for the County of Riverside (the "County"), and cities in the County, listed at the WRCOG Program Report as defined below (the "Covered Jurisdictions" and each, a "Covered Jurisdiction") entitled "Resolution of the Western Riverside Council of Governments Declaring its Intention to Finance Distributed Generation Renewable Energy Sources and Energy Efficiency Improvements through the use of Contractual Assessments Pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and setting a public hearing thereon" (collectively, the "WRCOG Resolution of Intention"), to initiate proceedings under the Act in and for the territory within each Covered Jurisdiction (the "WRCOG Program Area") to establish the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program"), pursuant to which WRCOG would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolution of Intention; and

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program's particulars, the Executive Committee adopted Resolution No. 13-10 adopted June 7, 2010 entitled "Resolution of Western Riverside Council of Governments Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources, Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters," as subsequently amended, (the "WRCOG Resolution Confirming Program Report"), pursuant to which the Executive Committee, among other things, (i) confirmed and approved a report (the "WRCOG Program Report") addressing all the matters required by the Act, including a draft agreement between WRCOG and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) Authorized Officers (as defined herein) to execute agreements with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements; and

WHEREAS, under the Act and the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the "Bond Law"), the Executive Committee adopted Resolution No. 03-12 on July 29, 2011, as subsequently amended, entitled "A Resolution Authorizing Issuance of Limited Obligation Improvement Bonds, Approving and Directing the Execution of Related Documents and Approving Related Documents and Actions" (the "WRCOG Resolution of Issuance"), which among other matters, authorized the issuance of one or more series of improvement bonds of WRCOG upon the security of assessments levied on the participating parcels within the Program Area under the Act and the Bond Law, and provided that the issuance of improvement bonds would be in accordance with the Bond Law and an indenture and authorized the execution thereof; and

WHEREAS, Subsequent to the establishment of the WRCOG Program, the Joint Exercise of Powers Agreement was amended on October 23, 2013 by that certain Amendment to the Joint Powers Agreement of the Western Riverside Council of Governments to Permit the Provision of PACE Services (the "PACE Amendment") to empower WRCOG to establish and operate one or more Property Assessed Clean Energy ("PACE") programs pursuant to Chapter 29, and to enter into one or more agreements to fulfill such programs both within and outside the jurisdictional boundaries of WRCOG; and

WHEREAS the PACE Amendment further empowered WRCOG to establish an "Associate Member" status that provides membership in WRCOG to local jurisdictions that are outside WRCOG's jurisdictional boundaries but within the boundaries of a PACE program that will be established and implemented by WRCOG; and

WHEREAS, on May 6, 2013, the Executive Committee adopted Resolution Number 04-13, entitled "Resolution of the Western Riverside Council of Governments Declaring Its Intention to Finance Distributed Generation Renewable Energy Sources and Energy Efficiency and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure Through the Use of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and Setting a Public Hearing Thereon" (the "California Program Resolution of Intention"), to initiate proceedings under Chapter 29 to establish the California Program (the "California Program" and, together with the WRCOG Program, the "Program"), pursuant to which WRCOG will enter into contractual assessments with the owners of real property located in jurisdictions of WRCOG Associate Members (the "California Program Area" and, together with the WRCOG Program Areas, the "Program Areas") to finance the installation of Improvements on real property located within the California Program Area; and

WHEREAS, by the adoption of the California Program Resolution of Intention, the Executive Committee provided that one or more series of bonds would be issued or other financing relationships would be entered into under the Bond Act for the purpose of financing the installation of such Improvements within the California Program Area; and

WHEREAS, on June 3, 2013, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed California Program or any of its particulars, the Executive Committee adopted Resolution Number 10-13, entitled "Resolution of the Western Riverside Council of Governments Confirming the Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources and Energy Efficiency and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving and Ordering Other Related Matters," (the "California Program Resolution Confirming Program Report" together with the WRCOG Resolution Confirming Program Report, the "Resolutions Confirming Program Reports"), pursuant to which the Executive Committee, among other things, (i) confirmed and approved a report (as originally approved and subsequently amended, the "California Program Report" and, together with the WRCOG Program Report, the "Program Reports") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29, including, but not limited to: (i) (a) identification of the types of Improvements that may be financed through the use of contractual assessments (the "Improvements") and (b) a plan for raising the capital amount required to pay for work performed pursuant to voluntary contractual assessments; (ii) establishment of the California Program; and (iii) authorization for the execution of Assessment Contracts with the owners of property in the California Program Area to provide for the levy of contractual assessments to finance installation of Improvements on such properties; and

WHEREAS, on June 3, 2013, the Executive Committee adopted its Resolution Number 08-13, entitled "A Resolution of the Western Riverside Council of Governments Authorizing Issuance of Limited Obligation Improvement Bonds Pertaining to the California HERO Program, Approving and Directing the Execution of Related Documents and Approving Related Actions" (the "California Program Resolution of

Issuance"), pursuant to which, the Executive Committee, among other actions, authorized the issuance of one or more series of limited obligation improvement bonds pursuant to Chapter 29 and the Bond Act, secured by voluntary contractual assessments levied on Commercial (as such term is defined in the California Program Report) parcels located in the California Program Area; and

WHEREAS, WRCOG has, pursuant to the PACE Amendment, entered into amendments to the Joint Exercise of Powers Agreement to add certain cities and counties as "Associate Members" of WRCOG to enable WRCOG to undertake proceedings pursuant to Chapter 29 to establish the California Program (defined below) to make contractual assessment financing available to eligible property owners within the jurisdictions of such cities and counties; and

WHEREAS, on December 2, 2013, the Executive Committee adopted Resolution Number 24-13, entitled "Resolution of the Western Riverside Council of Governments Authorizing for the Issuance of the Western Riverside Council of Governments Limited Obligation Improvement Bonds (WRCOG HERO Program and California Program), Approving and Directing the Execution of Related Documents and Approving Related Actions" (the together with the WRCOG Resolution of Issuance and the California Resolution of Issuance, the "Resolutions of Issuance") pursuant to which the Executive Committee, among other actions, authorized the issuance of one or more series of limited obligation improvement bonds pursuant to Chapter 29 and the Bond Act, secured by voluntary contractual assessments levied on Commercial (as defined in both the WRCOG Program Report and the California Program Report) parcels located in both the WRCOG Program Area and the California Program Area.

WHEREAS, with respect to the WRCOG Program, WRCOG obtained the default judgment rendered on December 12, 2013, by the Superior Court of the County of Riverside in the validation action entitled Superior Court of the County of Riverside as *Western Riverside Council of Governments v. All Persons Interested, et al.*¸ Case No. RIC 1308639; and

WHEREAS, WRCOG has entered into that certain Greenworks Commercial PACE Program Administration Agreement with Greenworks Lending LLC dated as of January 8, 2018, (as amended, supplemented or otherwise modified from time to time, the "Administrative Agreement") to provide Program Administrative Services (as defined in the Administrative Agreement) for Commercial PACE Projects participating in the Greenworks Program (as defined in the Administrative Agreement) and wherein WRCOG agreed to the WRCOG Responsibilities as set forth in the Administrative Agreement; and

WHEREAS, on January 8, 2018, the Executive Committee did, by the adoption of Resolution No. 02-18 authorize the issuance of the WRCOG Limited Obligation Improvement Bonds (Greenworks Commercial PACE Program) (_____ Commercial Property Tranche) (the "Bonds") providing that each such Bond shall be issued pursuant to one or more Indentures and/or supplemental indentures (each an "Indenture"), by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), the forms of which was approved by the Resolution of Issuance; and

WHEREAS, prior to the issuance of the Bonds, WRCOG desires to transfer its right, title and interest in certain voluntary assessment contracts entered into in connection with the Greenworks Program; and

WHEREAS, Section 5898.28(b) of the Act (i) authorizes WRCOG to transfer its right, title, and interest in and to any voluntary contractual assessments, if bonds have not been issued, (ii) authorizes WRCOG and any Transferee to enter into an agreement that, among other things, identifies the specific period of time during which the transfer of voluntary contractual assessments will be operative, not to exceed three years and (iii) provides that a transfer of any voluntary contractual assessments under this

provision shall be treated as a true and absolute transfer of the asset so transferred for the period of the transfer and not as a pledge or grant of a security interest by the public agency for any borrowing; and

WHEREAS, WRCOG has entered into that certain Master Assignment and Assumption Agreement ("Master Assignment Agreement") with Greenworks Lending LLC dated as of _____, 2018, whereby (A) WRCOG agrees to sell, assign and transfer to Greenworks Lending LLC and Greenworks Lending LLC agrees to purchase from WRCOG, for the Assignment Term (as defined in the Master Assignment Agreement), all of WRCOG's right, title, and interest in, to and under each Transferred Interest specified in the Assignment Instrument (each, as defined in the Master Assignment Agreement in exchange for the (i) the consideration specified with respect to such Transferred Interest in such Assignment Instrument and (ii) WRCOG's undertakings in Section 5 of the Master Assignment Agreement; and (B) Greenworks Lending LLC agrees that it will subsequently assign a Transferred Interest only to (i) a wholly owned subsidiary, a parent company, or other affiliated entity; or (ii) a third party, where (1) the third party and Greenworks Lending LLC execute this Agreement, (2) the third party satisfies the representations set forth in Sections 4(a) through (d) and (f) of the Master Assignment Agreement as of the date of assignment, and (3) the third party executes an investor letter in substantially the form of Exhibit B to this Agreement; and

WHEREAS, in connection with the Greenworks Program WRCOG has entered into an Assessment Contract dated _____, 20__ (the "Assessment Contract")for an Approved Commercial PACE Project (as defined in the Administration Agreement) with [Property OWNER LEGAL NAME], a California [OWNER ENTITY TYPE] (the "Borrower"), for the financing of the installation of certain eligible improvements to be located at the Borrower's facility in [PROPERTY ADDRESS], California (as more specifically described in the attached Exhibit A), WRCOG and the Borrower entered into (i) in the amount of $_____. A notice of assessment was recorded in the Office of the Recorder of Deeds for _____ County, California (the "Recorder's Office") on _____, 20__, as Instrument No. _____, in Book _____, Page _____ in connection with the execution of the Assessment Contract; and

WHEREAS, in connection with the Assessment Contract, WRCOG and the Assignor executed an Assignment Instrument dated _____, 20__ (the "Instrument") which was recorded in the Recorder's Office on _____, 20__ as Instrument No. _____, in Book _____, Page _____); and

WHEREAS, the Master Assignment Agreement, the Assessment Contract and the Instrument, as described above, are herein referred to, collectively, as the "Assessment Documents"; and

WHEREAS, the Assignor desires to assign and is transferring to the Assignee Assignor's rights under the Assessment Documents to the Assignee and the Assignee desires to assume the duties and obligations of the Assignor under the Assessment Documents, effective as of the Effective Date, and to take certain other actions required in relation thereto, subject in all respects to the provisions of this Agreement.

NOW, THEREFORE, in consideration of the transfer of the rights under the Assessment Documents, the assumption of the obligations and duties under the Assessment Documents, the foregoing premises and the mutual promises, covenants and agreements set forth herein 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:

Recitals. The recitals set forth herein are true and accurate and are incorporated herein by reference.

Assignment of Rights of Assignor. The Assignor hereby grants, bargains, conveys, assigns and sets over to the Assignee, its successors and assigns, all of the Assignor's rights and benefits in, to and under the Assessment Documents, without recourse, representation or warranty, express or implied, except as may be set forth herein.

Assumption of Obligations by Assignee/Indemnification. The Assignee acknowledges and accepts the terms of each of the Assessment Documents. The Assignee hereby assumes, from and after the Effective Date, the Assignor's obligations, rights, responsibilities and liabilities as "Transferee" set forth in the Assessment Documents in accordance with their terms, subject to the limitations on recourse set forth therein, if any. Further, the Assignee agrees (subject to any limitation on recourse set forth in the Assessment Documents), from and after the Effective Date, to observe and perform each and every term, covenant, provision and condition required to be observed or performed by the Assignor as Transferee under each of the Assessment Documents, and further agrees, from and after the Effective Date, to perform all of the obligations and duties of the Assignor as Transferee under each of the Assessment Documents as though said documents had been originally executed by the Assignee. The Assignee assumes no obligations pursuant to this Agreement under any other document not listed on **Exhibit C** hereto. Notwithstanding the foregoing, the Assignee does not assume, and is hereby released from, any and all liabilities or obligations arising under the Assessment Documents on or prior to the Effective Date.

Release of Assignor. From and after the Effective Date, the Assignor (its members and the owners thereof), and its successors and assigns (other than the Assignee and its successors and assigns) are hereby released from any obligation or liability under the Assessment Documents in its capacity as Transferee; provided, however, that the Assignor is not released from any liability arising in connection with any violations of the Assessment Documents occurring on or prior to the Effective Date.

Representations of Assignee. The Assignee represents and covenants to the Assignor that:

The Assignee is a [state] [limited liability company], in good standing in its state of organization and qualified to do business in the State of California.

Representations of Assignor. The Assignor represents to the Assignee:

The Assignor is not in default under any of its obligations under the Assessment Documents as of the date hereof;

Exhibit C contains a true, correct and complete list of all documents that to the Assignor's knowledge, after due inquiry, are currently in effect relating exclusively to the Assessment Documents;

To the Assignor's knowledge, there has been no amendment to or other modification of the Assessment Documents, other than as described in the recitals or **Exhibit C**; and

The Assignor is a Delaware limited liability company in good standing in Delaware and authorized to do business in the State of California.

Representations of Parties. Each of the parties hereto severally represents, each with respect only to itself, as of the date hereof, as follows:

It is duly organized and existing under the laws of the jurisdiction of its organization, with full power and authority to execute and deliver this Agreement, to enter into the transactions contemplated hereby and to perform all the duties and obligations to be performed by it hereunder;

It has duly authorized this Agreement and the transactions contemplated hereby and the performance of all the duties and obligations to be performed hereunder by all necessary governmental, corporate and/or partnership action;

It has duly executed and delivered this Agreement and this Agreement constitutes its valid, legal and binding obligation enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization or similar laws or equitable principles relating to or limiting creditors' rights generally; and

The execution and delivery of this Agreement and the performance of the transactions contemplated hereby will not violate any agreement by which it is bound or to which it or any of its assets are affected, or its organizational documents or any statute, regulation, rule, order or judgment applicable to it.

Notices. The parties hereto hereby agree that the address for notices to the Transferee under the Assessment Documents is and shall be as follows:

[Assignee]
_____
_____
Attention: _____
Telephone: (___) _____
Email: _____

With a copy to:

_____
_____
_____
_____

and that the address for notices to the "Assignor" is and shall be as follows:

Greenworks Lending LLC
28 Thorndal Circle, Third Floor
Darien, Connecticut 06820
Attn: Alexandra Cooley, Chief Investment Officer
Email: Acooley@greenworkslending.com
Servicing@greenworkslending.com

Assumption of Fees, Costs, Etc. The Assignee acknowledges that from and after the Effective Date, the Assignee will be responsible for all fees, costs or payments due, if any, in accordance with the Instrument and assumed hereunder.

Miscellaneous.

Modifications and Amendments. This Agreement may only be modified, altered or amended by an agreement in writing executed by all the parties hereto.

Validity of Provisions. Any provision of this Agreement which may prove unenforceable under law shall not affect the validity of the other provisions hereof.

Construction. This Agreement shall be construed in accordance with the laws of the State of [[California]] without regard to the principles of conflicts of laws.

Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Merger. This Agreement constitutes the entire agreement among the parties with respect to the subject matter and merges with and supersedes all prior and contemporaneous agreements and understandings among the parties hereto.

Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement.

Recording. This Agreement shall be recorded in the Recorder's Office.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives all as of the date and year first above written.

GREENWORKS LENDING LLC,
a Delaware limited liability company, as Assignor

By: _____
Name: Jessica Bailey
Title: Chief Executive Officer

ACKNOWLEDGMENT

STATE OF _____)
) SS.
COUNTY OF _____)

BE IT REMEMBERED that on this __ day of _____, 20__, before me, _____, a Notary Public, personally appeared Jessica Bailey, Chief Executive Officer of **Greenworks Lending LLC**, a Delaware limited liability company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity on behalf of said company, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, the day and year last above written.

_____
Notary Public

My Commission Expires:

[Assignee],
a [state] [limited liability company], as Assignee

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF _____)
) SS.
COUNTY OF _____)

BE IT REMEMBERED that on this ___ day of _____, 20__, before me, _____, a Notary Public, personally appeared _____, [President] _____, a _____ limited liability company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity on behalf of said company, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal, the day and year last above written.

_____
Notary Public

My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION

Real property lying and being situated in _____ County, California, more particularly described as follows:

[legal description]

EXHIBIT B

INVESTOR LETTER

EXHIBIT C

ASSESSMENT DOCUMENTS

Assessment Contract dated _____, 20__, between the Borrower and WRCOG (recorded with the Recorder's Office as set forth above).

Master Assignment Agreement dated _____, 2018, between WRCOG and Greenworks Lending LLC.

Assignment Instrument dated _____, 20__, between WRCOG and Greenworks Lending LLC.

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Item 6.A

PACE Programs Activities Update

Attachment 12

Greenworks/ WRCOG Depositary Agent Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

GREENWORKS COMMERICAL PACE PROGRAM

DEPOSITARY AGENT AGREEMENT

This Depositary Agent Agreement (this "Agreement"), dated as of January ___ , 2018, is made by and among the **WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS** ("WRCOG"), **GREENWORKS LENDING LLC**, a Delaware limited liability company (the "Capital Provider"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the "Depositary"). In consideration of the mutual promises and covenants and subject to the terms, conditions, and covenants hereinafter recited, WRCOG hereby appoints the Depositary, and the Depositary hereby accepts such appointment, as depositary for financings (collectively, the "Financings" and separately, each a "Financing") to be provided by WRCOG to property owners in the State of California (each an "Owner") participating in WRCOG's Greenworks Commercial PACE Program, from funds advanced on behalf of WRCOG by the Capital Provider.

Section 1. The Depositary hereby accepts all duties and responsibilities required or permitted to be performed by the Depositary as provided herein and in Resolution _____ adopted by the Executive Committee of WRCOG on January 8th, 2018 (the "Resolution"), authorizing the execution and delivery of this Agreement (and certain other related financing documents) and the approval of the Financings, which Financings will be each be evidenced by an Agreement to Pay Assessment and Finance Improvements (each an "Assessment Contract"), between WRCOG and the respective Owner, and shall be subject to the provisions and limitations thereof. Such Resolution and each Assessment Contract are incorporated herein by reference and capitalized terms used but not otherwise defined herein shall have the respective meanings as set forth in the form of Assessment Contract approved by the Resolution.

(a) The Depositary shall have no liability or responsibility for any statement made by WRCOG or any other person in connection with the entering into of the Assessment Contracts, the Financings provided pursuant to such Assessment Contracts or the levy of Assessments (as defined in the Assessment Contracts) pursuant to the Assessment Contracts to provide for the repayment of the Financings, or for the use or application of any money received by WRCOG not otherwise remitted to the Depositary in connection with the Financings.

(b) The Depositary may rely upon any instructions provided to it by WRCOG or the Capital Provider, or upon any advice or instructions provided to it by its counsel in connection with its duties and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with such instructions or advice. The Depositary shall be entitled to rely upon, and shall be protected in acting upon, any notice, request, consent, certificate, order, affidavit, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

(c) The Depositary may consult with counsel, and the written advice of such counsel or any written opinion of counsel shall be full and complete authorization with

respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon, subject to subsection (f).

(d) The Depositary may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Depositary.

(e) The Depositary shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement.

(f) The Depositary shall use its best efforts to perform its obligations hereunder, including the timely taking of action as required hereunder; provided, however, that the Depositary shall not be liable for its failure to meet such deadlines, except such failure as shall result from its own negligence or willful misconduct.

(g) The Depositary shall not be liable for any loss or damage, including reasonable counsel fees and expenses, resulting from its actions or omissions to act hereunder, except for any loss or damage arising out of its own negligence or willful misconduct. In no event shall the Depositary be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Depositary has been advised of the likelihood of such loss or damage and regardless of the form of action.

(h) No provision of this Agreement shall require the Depositary to risk or expend its own funds.

(i) WRCOG and the Capital Provider shall, jointly and severally, indemnify and hold harmless the Depositary and its officers, directors, agents and employees from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance of its duties hereunder or arising from the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the willful misconduct or negligence of the Depositary, and such indemnification shall survive the resignation or removal of the Depositary, or the termination of this Agreement.

Section 2. The Depositary understands and acknowledges that, by reason of the execution hereof, it has assumed a role of agent with respect to the disbursements of funds received from, or on behalf of, WRCOG for the purpose of paying the principal of, penalties, if any, and interest due on the Assessments pursuant to the Assessment Contracts. The Depositary shall receive and disburse such funds solely in accordance with the terms and provisions hereof.

Section 3. The Depositary shall establish a schedule for the Assessment Contracts (the "Schedule," to be attached hereto as **Exhibit A**) and thereafter maintain such Schedule in accordance with prudent corporate trust industry practices. Further, on an annual basis (each August 1), the Depositary shall update the Schedule based on written information provided by WRCOG or the Capital Provider, to include a list of all Assessment Contracts (which list shall include the Assessment Contract identification number and the property address for the Owner(s) who are parties to each Assessment Contract) for which annual Assessment Installments (as defined in the Assessment Contracts) are being deposited (or are expected to be deposited) in the

Assessment Collection Account (defined below). WRCOG and the Capital Provider shall be permitted to review the Schedule at any time during the regular business hours of the Depositary. Upon expiration or other termination of this Agreement, the Depositary shall promptly deliver a copy of the then-current Schedule to WRCOG and the Capital Provider.

Section 4.

(a) There has been created by the Depositary, in accordance with the provisions hereof and of the Assessment Contracts, a special account to be known as the "Commercial PACE Program Assessment Collection Account" (the "Assessment Collection Account") whereby the payments of the Assessment Installments for the Assessments , in accordance with the terms hereof, are to be held in trust, disbursed and retained by the Depositary for the purposes stated herein. The Depositary may establish subaccounts within the Assessment Collection Account and/or any of the funds or accounts established under this Agreement, including to comport with the Master Indenture, dated as of January 1, 2018 (the "Master Indenture"), by and between WRCOG and The Bank of New York Mellon, N.A., as trustee, or any Supplemental Indenture (each as defined in the Master Indenture), at the written request of WRCOG or if the Depositary determines in its sole discretion that such subaccounts are beneficial for the administration of the Assessments or for record-keeping purposes.

(b) Each county tax collector of the county in which the applicable Property is located (the "County Tax Collector") has been instructed by WRCOG to pay over and distribute to the Depositary all Assessment Installments that the County Tax Collector receives related to each applicable Property, to be deposited thereafter by the Depositary in the Assessment Collection Account.

(c) WRCOG shall promptly pay over and distribute to the Depositary the Assessment installments or the prepayment of Assessments, if any, that WRCOG receives related to a Property, to be deposited thereafter by the Depositary in the Assessment Collection Account.

(d) The Depositary shall make payments of principal, penalties, Annual Assessment Administrative Fees (as defined in the Assessment Contracts), if any, and interest on the Assessments to one or more accounts, as specified in writing by the Capital Provider (and pursuant to the wire instructions therefor), every Friday by no later than 3:00 p.m. eastern standard time (each a "Payment Date"). In the event that a Payment Date falls on a holiday then the related payment shall be made on the following Payment Date. The Depositary shall keep Assessment Installments separate from moneys derived from any other source; provided, however, that the Assessment Collection Account will contain Assessment funds received by the Depositary on behalf of all Owners wherein the Capital Provider has provided the project funding. The Depositary shall have no duty to make any payments to the Capital Provider prior to any Payment Date. Further, the Depositary shall not be required to advance its own funds for any payments in connection with the payment of the Assessments.

(e) The Depositary agrees to provide WRCOG, the Capital Provider and the administrator of the Assessments retained for and on behalf of WRCOG with online, password-protected, read-only access to view account balances and transactions occurring pursuant to this Agreement and in accordance with the Depositary's customary practices and procedures.

(f) As and when Bonds (as defined in the Master Indenture) or a Series of Bonds (as defined in the Master Indenture) secured by an Assessment or Assessments are issued under the Master Indenture, the Depositary shall transfer to the Trustee directly all related payments of principal, penalties, Annual Assessment Administrative Fees (as defined in the Assessment Contracts), if any, and interest on the Related Assessments (as defined in the Master Indenture and the respective Supplemental Indenture), deposit to one or more accounts, as specified in writing WRCOG.]

Section 5.

(a) WRCOG and the Capital Provider hereby direct the Depositary to invest and reinvest funds in the Assessment Collection Account in The Bank of New York Mellon N.A. Cash Reserve fund (the "BNY Fund"). WRCOG and the Capital Provider may direct the Depositary and, in the event the BNY Fund becomes unavailable, shall direct the Depositary to invest such funds in Permitted Investments (as defined in Section 1.02 of the Master Indenture) specified in paragraph (h) of the definition of Permitted Investments.

(b) WRCOG recognizes and agrees that the Depositary will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Assessment Collection Account or the purchase, sale, retention or other disposition of any Permitted Investment. Earnings on Permitted Investments shall be added to the Assessment Collection Account. The Depositary shall be under no obligation to invest moneys in the Assessment Collection Account other than as directed by WRCOG. Any loss or expense incurred as a result of an investment will be borne by the Assessment Collection Account. In no event shall the Depositary be liable for the selection of investments or for investment losses incurred thereon.

(c) The Depositary is hereby authorized to trade with itself and any affiliated entity in the purchase and sale of securities for investment, and is authorized to execute purchases and sales of Permitted Investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Depositary shall send statements to WRCOG and the Capital Provider on a monthly basis reflecting activity in the Assessment Collection Account for the preceding month. Although WRCOG recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, WRCOG hereby agrees that confirmations of Permitted Investments are not required to be issued by the Depositary for each month in which a monthly statement is rendered.

(d) The Capital Provider acknowledges and agrees that the delivery of the funds held hereunder is subject to the sale and final settlement of Permitted Investments. Proceeds of a sale of Permitted Investments will be delivered on the Payment Date on which the appropriate instructions are delivered to the Depositary if received prior to the deadline for same day sale of such Permitted Investments. If such instructions are received after the applicable deadline, proceeds will be delivered on the next Payment Date.

Section 6. The Depositary shall be entitled to payments from WRCOG of its fees and reasonable expenses for acting as depositary, in accordance with the fee schedule attached hereto as **Exhibit B**.

Section 7. The Depositary may resign at any time, with or without cause, by giving sixty (60) days written notice to WRCOG and the Capital Provider; and such resignation shall take effect upon the appointment of a successor depositary by WRCOG. The fees of any successor depositary shall be paid solely from the Assessments. The Depositary may be removed at any time, with or without cause by WRCOG's giving of sixty (60) days written notice to the Depositary and the Capital Provider, and the removal shall take effect upon the appointment of a successor depositary by WRCOG. WRCOG shall give written notice to the Capital Provider of the appointment of a successor depositary. If a successor shall not have been appointed within sixty (60) days after the date of notice of such resignation or removal, the Depositary, at WRCOG's expense, may apply to a court of competent jurisdiction for the appointment of a successor.

If the position of depositary becomes vacant for any reason, or if any bankruptcy, insolvency or similar proceeding shall be commenced by or against the Depositary, WRCOG shall promptly appoint a successor depositary. If no appointment of a successor depositary is made pursuant to the foregoing provisions of this Section within 60 days after the Depositary has given to WRCOG written notice or after a vacancy in the office of the Depositary has occurred by reason of its inability to act, the Depositary, the Capital Provider, or any Bond Owner (as defined in the Master Indenture) may apply, at the expense of WRCOG, to any court of competent jurisdiction to appoint a successor Depositary. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor depositary.

Upon the resignation or removal of the Depositary, the Depositary shall promptly pay over, deliver and assign any moneys held by it pursuant to this Agreement to its successor (upon the naming of such successor depositary by WRCOG).

Section 8. This Agreement shall terminate upon delivery of the final statement herein or upon removal of the Depositary, as depositary.

Section 9. The terms and conditions of this Agreement may be amended only by written agreement among WRCOG, the Capital Provider and the Depositary adopted in the same manner as this Agreement. Upon the written request of the Depositary, WRCOG shall file with the Depositary certified copies of all future amendments to the Resolution, the Assessment Contracts, or any documents pertaining to the loans secured by the Property after the date of this Agreement.

Section 10. Any company or national banking association into which the Depositary may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Depositary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible, shall be successor to the Depositary, as depositary hereunder, without the execution of filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 11. The Depositary shall have no rights to, or liens on, any funds or obligations held by it, upon receipt of such funds or obligations from WRCOG.

Section 12. The Depositary represents and warrants to WRCOG that the Depositary has full legal right, power and authority to undertake, and the Depositary has duly authorized, the

execution, delivery and performance of this Agreement, and that the provisions of this Agreement applicable to the Depositary constitute legal and valid obligations of the Depositary, binding and enforceable in accordance with their terms, subject to any applicable bankruptcy, receivership, insolvency, reorganization, moratorium or similar laws affecting creditor's rights or remedies and to general principles of equity, and are not in contravention, in any material respect, of the terms of the Depositary's organization certificate and bylaws or other organizational documents or, to the best of its knowledge and without undertaking any independent investigation, any material agreement or obligation to which the Depositary is now a party or by which it is bound. Further, notwithstanding any claims, interests or obligations of the Depositary, its parent companies, subsidiaries or affiliates, jointly or severally, related to or arising out of the financing, refinancing or operation of any Approved Project (as defined in the related Assessment Contract), the Depositary, its parent companies, subsidiaries and affiliates, expressly disclaim any rights the Depositary, its parent companies, subsidiaries or affiliates, may have, jointly or severally, to offset against or seize any amounts on deposit in the Assessment Collection Account (except for the payment of the Depositary's fees set forth in Section 6).

Section 13.

(a) WRCOG represents and warrants to the Depositary that: WRCOG has full legal right, power and authority to undertake, and WRCOG has duly authorized and approved, the execution and delivery of this Agreement and the performance of its obligations contained herein; no further authorization or approval is required for the execution, delivery or performance of this Agreement by WRCOG; the provisions of this Agreement applicable to WRCOG constitute legal, valid and binding obligations of WRCOG, enforceable in accordance with their terms; and the execution and delivery of this Agreement by WRCOG and the fulfillment of the terms and conditions of this Agreement are not in contravention of the terms of any law, administrative regulation, decree, order agreement, indenture, mortgage, lease or other instrument to which WRCOG is subject or by which it is bound.

(b) The Capital Provider represents and warrants to the Depositary that: the Capital Provider has full legal right, power and authority to undertake, and the Capital Provider has duly authorized and approved, the execution and delivery of this Agreement and the performance of its obligations contained herein; no further authorization or approval is required for the execution, delivery or performance of this Agreement by the Capital Provider; the provisions of this Agreement applicable to the Capital Provider constitute legal, valid and binding obligations of the Capital Provider, enforceable in accordance with their terms; and the execution and delivery of this Agreement by the Capital Provider and the fulfillment of the terms and conditions of this Agreement are not in contravention of the terms of any law, decree, order agreement, indenture, mortgage, lease or other instrument to which the Capital Provider is subject or by which it is bound.

Section 14. The Capital Provider shall have the right to enforce the provisions hereof in the event that WRCOG fails or refuses to exercise its rights hereunder.

Section 15. The Depositary shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means (defined below); provided, however, that WRCOG and the Capital Provider shall each provide to the Depositary an incumbency certificate listing officers

with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificates shall be amended by WRCOG and the Capital Provider whenever a person is to be added or deleted from the applicable listing. If WRCOG and the Capital Provider elect to give the Depositary Instructions using Electronic Means and the Depositary in its discretion elects to act upon such Instructions, the Depositary's understanding of such Instructions shall be deemed controlling. WRCOG and the Capital Provider understand and agree that the Depositary cannot determine the identity of the actual sender of such Instructions and that the Depositary shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Depositary have been sent by such Authorized Officer. WRCOG and the Capital Provider shall each be responsible for ensuring that only Authorized Officers transmit such Instructions to the Depositary and that WRCOG, the Capital Provider and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by WRCOG and the Capital Provider. The Depositary shall not be liable for any losses, costs or expenses arising directly or indirectly from the Depositary's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. WRCOG and the Capital Provider each agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Depositary, including without limitation the risk of the Depositary acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Depositary and that there may be more secure methods of transmitting Instructions than the method(s) selected by WRCOG; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Depositary immediately upon learning of any compromise or unauthorized use of the security procedures.

"Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Depositary, or another method or system specified by the Depositary as available for use in connection with its services hereunder.

Section 16. This Agreement is executed in California and shall be construed and enforced in accordance with the laws of California.

Section 17. This Agreement shall be dated as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By _____
_____, President

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By _____
Authorized Signatory

GREENWORKS LENDING LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

to

DEPOSITARY AGREEMENT

(Schedule of Loans governed by this Depositary Agent Agreement)

Loan ID Number	Address

EXHIBIT B

to

DEPOSITARY AGREEMENT

(Attach Depositary Fee Schedule)

Item 6.A

PACE Programs Activities Update

Attachment 13

Greenworks Commercial Assessment Contract

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Agreement to Pay Assessment and Finance Improvements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
WRCOG PACE PROGRAM AND CALIFORNIA PACE PROGRAM
(Greenworks Commercial PACE Program)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____ day of _____**, 20**___, (the "Effective Date") by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**") and acknowledged and accepted by Greenworks Lending LLC ("Greenworks" or the "PACE Program Administrator"), in its role as the Program Administrator.

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

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

WHEREAS, the purpose and method of administration of the assessments under the Program are described in the WRCOG Program Report dated June 7, 2010, as such report has been amended from time to time and the California Program Report originally adopted by the WRCOG Executive Committee on June 3, 2013, as such report has been and may be amended from time to time (collectively, the "**Program Report**") prior to the Effective Date of this Contract.

WHEREAS, the Authority executed an Administration Agreement with Greenworks to provide program administrative services to owners of commercial properties participating in the Greenworks Commercial PACE Program (the "**Greenworks Program**") of the Program, including but not limited to reviewing and approving application materials subject to the Program Report ("**Approved Project**"), processing all disbursement requests, including accepting disbursement request forms, reviewing submitted forms and attachments, and providing for the disbursement of funds for the Authorized Improvements.

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

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the _____ (the "**City/County**"); and

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

WHEREAS, Property Owner has submitted application materials including a description of the Authorized Improvements that will be acquired, constructed on and/or installed on the Property and are to be financed pursuant to the Greenworks Program and the PACE Program Administrator has determined it is an Approved Project; and

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

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

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property.

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

Section 3. Assessment and Lien.

(a) Pursuant to the terms of this Agreement, the Authority shall disburse funds, or cause funds to be disbursed, to or on behalf of the Property Owner in a principal amount not to exceed $[ ] (the "Financed Amount"), of which $[ ] shall be for the actual cost of the design, approval, acquisition, construction, financing, and/or installation of the Improvements, (the "Project Cost"), and of which $[ ] shall be for Authority and PACE Program Administrator fees and expenses ("Initial Administrative Expenses"). If the actual cost of the Improvements exceeds the Project Cost, the Property Owner shall be solely responsible for the payment of such excess costs.

(b) Interest shall accrue on a simple interest basis on the Financed Amount from the Effective Date at [insert rate] per annum until all outstanding obligations are paid in full. Interest shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year for the actual number of days during which the principal balance of the Assessment

outstanding. Property Owner acknowledges and agrees that the calculation of interest on the basis described in the immediately preceding sentence may result in the accrual and payment of interest in amounts greater than those which would be payable if interest were calculated on the basis of a three hundred sixty-five (365) day year.

(c) Property Owner agrees that upon the execution of this Agreement by the parties, the Property is subject to a voluntary contractual assessment levied against the Property pursuant to this Agreement, Chapter 29 and other applicable law in an amount equal to the Financed Amount plus any administration fees, accrued interest and penalties thereon (the "Assessment"). Upon execution of this Agreement, the Authority will execute and cause to be recorded in the office of the County Recorder of the County within which the Property is located (the "County") a notice of assessment and payment of contractual assessment required (collectively, the "Notice of Assessment") as required pursuant to Chapter 29, together with a copy of this Agreement. The recordation of the Notice of Assessment will create a lien against the Property.

(d) The execution of this Agreement by the parties constitutes the levy of the Assessment by the Authority against the Property without any further action required by the parties.

(e) The Property Owner hereby promises to pay the Assessment for a period of [__] years annually, in two installments ("Installments") as permitted by the County tax collector, together with annual assessment administrative fees ("Annual Assessment Administrative Fees") as defined in paragraph (e) below, (collectively, "Assessment Installment") on the due dates set forth in Exhibit C (the "Assessment Schedule"). Owner agrees to pay each Assessment Installment by its due date in order to avoid delinquencies and related penalties.

(f) The Property Owner hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to an Installment each year in order to pay for the costs of collecting and administering the Assessment (the "Annual Assessment Administrative Fees"). The maximum Annual Assessment Administrative Fee shall not exceed [$] in tax year commencing on [insert year]. The Annual Assessment Administrative Fee shall thereafter be adjusted annually commencing on [insert date] of each subsequent tax year for cost of living based on the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers applicable to the County of [COUNTY]. The PACE Program Administrator shall annually determine the amount of the Annual Assessment Administrative Fee, not to exceed the maximum Annual Assessment Administrative Fee determined in accordance with the preceding sentence.

(g) The Assessment, together with any interest and penalties incurred thereon, shall constitute a lien upon the Property until paid. Failure to pay any Assessment Installment or any interest thereon, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest accruing on the amounts due. In addition, under those circumstances, the Authority has the right to judicially foreclose the lien of the Assessment, as set forth in paragraph 8(g) below.

Section 4. Collection of Assessment; Other Remedies.

(a) The Assessment Installment shall be collected on the property tax bill pertaining to the Property. The Assessment Installment shall be payable in the same manner and at the same time as the general taxes of the County on real property are payable, and Assessment Installments shall be payable and become delinquent at the same times and shall bear the same penalties and interest after delinquency, and be subject to the same provisions for redemption and sale, as the general taxes on real property of the County.

(b) The Assessment Installments shall commence on the due dates set forth in the Assessment Schedule (Exhibit C).

(c) The lien of the Assessment (the "Assessment Lien") shall be co-equal to and independent of the lien for general taxes, and, pursuant to Government Code Section 53936, not subject to extinguishment by the sale of the Property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances on or against the Property except: (i) the lien for general taxes, special taxes or ad valorem assessments in the nature of and collected as taxes levied by the State of California or any county, city, special district or other local agency; (ii) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment; (iii) easements constituting servitudes upon or burdens the Property; (iv) water rights, the record title to which is held separately from the title to the Property; and (v) restrictions of record.

(d) Property Owner acknowledges and understands that, no later than October 1st of each year, if the Property is delinquent in the payment of any Assessment Installment or any accrued interest and penalties thereon, the Property will be subject to the commencement of foreclosure proceedings. The Authority will commence, or cause to be commenced, judicial foreclosure proceedings against the Property, including collection actions preparatory to the filing of any complaint, but will file the complaint not later than sixty (60) days following the determination that the property is delinquent in the payment of such Assessment Installments. Failure of such a complaint to be filed by such date shall not, however, invalidate any judicial foreclosure proceedings commenced after such date. The Property Owner acknowledges that the Authority shall have the delinquent Assessment Installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the Property for the payment of the delinquent Assessment Installments, associated penalties and interest, and all costs of suit, including attorneys' fees. The Property Owner acknowledges that, if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of such bonds, to exercise its foreclosure rights with respect to delinquent Assessment installments under specified circumstances. Additionally, if no action is taken by the Authority and you remain delinquent on the payment of any Assessment Installment for a period of five (5) years, the County in which the Property is located may commence foreclosure proceedings.

Section 5. Financing of the Improvements; Installation of the Improvements.

(a) The Authority hereby approves the disbursement of funds against the Financed Amount subject to the provisions of this Section. The funds will be disbursed by the PACE Program Administrator on behalf of the Authority, pursuant to the terms of this Agreement and applied by Property Owner to pay for the Improvements.

(b) Notwithstanding anything to the contrary contained herein, the PACE Program Administrator's obligation to disburse any of the Project Cost to Property Owner or their contractor ("Contractor") shall be subject to satisfaction of the following conditions precedent, in the PACE Program Administrator's sole discretion, or any such condition precedent is expressly waived in writing by the PACE Program Administrator:

i) the construction contract between the Property Owner and the Contractor, together with all major subcontracts thereunder (collectively, the "Construction Contract") shall have been approved in all respects by the PACE Program Administrator;

ii) the Property Owner shall have provided copies of all permits required by law to the PACE Program Administrator;

iii) the Property Owner shall have provided to the PACE Program Administrator the written consent of its existing mortgage lender to the Assessment;

iv) the PACE Program Administrator shall have received confirmation from the applicable County Recorder that the Notice of Assessment, together with a copy of this Agreement has been recorded in the relevant land records;

v) the Property Owner shall have provided to the PACE Program Administrator evidence acceptable to the PACE Program Administrator of incentive awards related to the Improvements, if applicable;

vi) Property Owner has provided the PACE Program Administrator original, executed copies of this Agreement and any related certificates.

vii) The PACE Program Administrator shall have determined that the representations of Property Owner contained in this Agreement are true and correct, and no Default (as defined in Section 14 below) shall have occurred and be continuing hereunder.

viii) No order or notice shall have been given by any governmental agency stopping construction or stating that the work or construction is in violation of any law, ordinance, code or regulation, unless such order or notice has been rescinded and a copy of such rescission has been delivered to and shall be satisfactory to the PACE Program Administrator in its sole discretion. No stop payment or mechanic's lien notice pertaining to the Products has been filed and remains in effect as of the Effective Date.

ix) the Property Owner shall have submitted to the Authority and the PACE Program Administrator a request for the disbursement in the form of the certification attached hereto as Exhibit [_]

x) the Property Owner shall have furnished to the PACE Program Administrator partial waivers and releases of liens (for labor, services or materials which have been performed and paid for or such lien waiver will be subject to payment) from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements in the form attached hereto as Schedule 2 to Exhibit [__];

xi) the Property Owner shall have provided a list of authorized representatives on whose instructions and directions the PACE Program Administrator may rely until such time as an updated list has been provided, as set forth on Exhibit [__] attached hereto; and

xii) the Property Owner has provided to the PACE Program Administrator evidence satisfactory to the PACE Program Administrator of current insurance policies on the Property and has provided evidence satisfactory to the PACE Program Administrator that such insurance shall be maintained in force during the term of the Assessment.

(c) Upon satisfaction or waiver of the conditions described in paragraph (a), above, the PACE Program Administrator will disburse funds to or on behalf of the Owner.

(d) The PACE Program Administrator's obligation to authorize the final disbursement shall be subject to the satisfaction of the following conditions precedent in the PACE Program Administrator's sole discretion:

i) Satisfaction of all conditions set forth in this Section;

ii) Full completion of construction of the Improvements in accordance with the Construction Contract, as evidenced through a receipt by the PACE Program Administrator of the executed Completion Certificates in the forms attached hereto as Exhibit [___]

iii) If applicable, receipt by the PACE Program Administrator of the final unconditional Certificate of Occupancy for the Improvements or a conditional Certificate of Occupancy which conditions are punch-list items only;

iv) Receipt by the PACE Program Administrator of final waivers and releases of liens from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements, substantially in the form of the waiver and release attached hereto as Exhibit [____]; and

v) No stop payment or mechanic's lien notice pertaining to the Improvements has been served upon Property Owner, the PACE Program Administrator, or the Authority or recorded against the Property and which remains in effect.

(e) Amount and Frequency of Disbursements.

i) Each disbursement shall either (x) reimburse the Property Owner for costs of the Improvements already incurred by the Property Owner, or (y) be disbursed directly to the Contractor and/or suppliers retained for the Improvements, for construction costs incurred by the Property Owner in accordance with the approved budget. The Property Owner may apply any savings or under-budget line item cost in the approved budget to increase the amount of any other line item in the approved budget, subject in each instance to the PACE Program Administrator's review and approval, which approval shall not be unreasonably withheld.

ii) Disbursements shall be made upon the Property Owner's compliance with the terms hereof in such proportion of the total cost of that part of the work completed to the PACE Program Administrator's satisfaction in its sole discretion, so that at all times

the undisbursed portion of the Project Cost shall be sufficient, in the PACE Program Administrator's sole discretion, to complete the Improvements (including, without limitation, to pay all non-construction costs associated with the Improvements). The PACE Program Administrator shall have the right to make the final determination in its sole discretion as to the amount of each disbursement. The PACE Program Administrator may, in its sole discretion, determine the number and frequency of each disbursement, which will not exceed one hundred percent (100%) of the cost of the work then completed and in place less the standard retainage of five percent (5%) for all construction costs (unless a higher retainage is specified in any contract). Such retainage will be disbursed to the Property Owner at the date on which the Completion Certificate has been executed.

iii) The final disbursement will be made upon full completion of the Improvements in accordance with the Construction Contract and satisfaction of the conditions precedent set forth in Section 5 (c).

iv) No disbursement shall be made for materials not yet installed or incorporated into the Improvements, except that the PACE Program Administrator may agree, in its sole discretion, to authorize a disbursement for such materials.

v) In no event shall the amount of any disbursement exceed an amount equal to (x) the cost of the construction work in place at the Property, subject to the retainage provisions set forth in Section 5(e)(ii), plus the amount of non-construction costs paid or payable by the Property Owner pursuant to the approved budget as of the date of the requested advance, less (y) all disbursements previously disbursed.

vi) In no event shall the aggregate amount of all disbursements exceed the Project Cost.

vii) In no event shall any disbursement be made to the Property Owner from and after the date on which the final disbursement shall have been paid in accordance with Section 5 (c).

(f) Unused Proceeds. In the event Property Owner draws less than eighty-five percent (85%) of the Assessment, upon PACE Program Administrator making the final disbursement in accordance with Section 5(d) of this Agreement, the Property Owner shall pay to PACE Program Administrator an unused Assessment fee in an amount equal to ___% of the difference derived by subtracting (i) the total amount disbursed by PACE Program Administrator of the Assessment including such final disbursement, from (ii) the maximum principal amount of the Assessment authorized pursuant to the terms hereof. In the event Property Owner prepays the Assessment in accordance with Section 6 hereof, this Section shall only apply if Property Owner draws less than eighty-five percent (85%) of the amount equal to the difference derived by subtracting (i) the total amount Property Owner has prepaid in accordance with Section 6 hereof, from (ii) the Assessment amount. .

Section 6. Prepayment of the Assessment.

The outstanding principal balance of the Financed Amount may be prepaid, in whole or in any amount of at least $5,000, at any time upon the payment of a premium in an amount equal to a percentage of the amount of the principal to be prepaid as calculated pursuant to the processing fee and schedule of prepayment premiums is set forth in Exhibit _____hereto. In addition, prepayment costs may also include any applicable trustee fees, bond interest (if bonds have been issued), and other related charges.

Section 7. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment of the Assessment. Following such expiration, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of the Assessment.

(b) This Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) Property Owner shall not, without the express written consent of the Authority and the PACE Program Administrator, in their sole discretion, by act or omission impair the integrity of the Property as a single, separate, subdivided and zoned lot separate apart from all other property which is owned by Property Owner, or not. Property Owner hereby acknowledges that, in the event of a subdivision of the Property is approved by the Authority and PACE Program Administrator, no subdivision of the Property subject to this Agreement shall be valid unless an amendment to this Agreement divides the Assessment between the newly subdivided parcels pro rata to the special benefit realized by each subdivided parcel.

Section 8. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property.

Section 9. Representations and Warranties of Property Owner. Property Owner represents and warrants to the Authority and PACE Program Administrator as follows, which representations and warranties shall be true and correct as of the date of this Agreement and at all times thereafter until the Assessment has been repaid in full:

(a) Corporate Existence; Qualification. Property Owner is duly organized, validly existing and in good standing in the state of its organization and with authority to do business under the laws of the State of California

.

(b) Authorization; Enforceable Obligations.

i. Property Owner has all necessary power and authority to own the Property and to conduct its business and enter into the transactions contemplated hereby. Property Owner has the right to enter into and perform this Agreement and all other documents executed in connection therewith have been duly authorized, executed and delivered and constitute valid and binding obligations of Property Owner, each enforceable in accordance with its respective terms.

ii. No consent or authorization of, filing with, notice to or other act by or in respect of any governmental authority (Federal, State or Local) or any other person is required to be obtained by the Property Owner in connection with (1) the financing hereunder, (2) the execution, delivery, validity or enforceability of this Agreement or any related documents, or (3) the performance of this Agreement, except, in each case, for routine consents, authorizations, filings and notices required to be made in the ordinary course of business.

iii. The Property Owner has secured all necessary approvals or consents required with respect to this transaction by any mortgagor, creditor, or other party having any financial interest in the Property Owner or the Property.

(c) No Legal Bar. The execution, delivery and performance of this Agreement or any related documents by the Property Owner, the financing hereunder and the use of the proceeds thereof will not violate any applicable law, the Property Owner 's organizational documents or any material agreement of the Property Owner.

(d) Financial Statements. All financial statements delivered to the Authority and the PACE Program Administrator are true and correct, have been prepared in accordance with generally accepted accounting principles (or such alternate accounting method acceptable to the Authority) consistently applied, fairly represent the financial condition of Property Owner as of the date thereof, and no material adverse change has occurred in the financial condition presented therein since such date.

(e) No Litigation. There are no actions, suits, claims or proceedings pending, or to the knowledge of Property Owner threatened, against or affecting it or the Property which could materially adversely affect Property Owner, its financial condition, any of its properties (including the Property), or the construction of the Improvements or Property Owner 's ability to satisfy its obligations under this Agreement.

(f) Title. Property Owner has good, marketable and insurable title to the Property subject only to real property taxes, pari passu assessment liens of record, and the permitted encumbrances approved by the Authority and the PACE Program Administrator and set forth in Exhibit G attached hereto ("Permitted Encumbrances").

(g) Compliance with Laws. Property Owner has complied with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Property and construction of the Improvements. All permits, consents, approvals and authorizations required to be issued by any governmental body (collectively, the "Permits") necessary for (a) the installation and construction of the Improvements in accordance with the plans and specifications submitted by Property Owner; (b) the construction, connection and operation of all utilities necessary to service the Improvements; and (c) the construction and use of all roadways, driveways, curb cuts and other vehicular or other access to and egress from the Property, either (i) have been obtained, are valid, are in full force and effect and have been complied with by the Property Owner in all respects; or (ii) will be obtained, will be valid, will be in full force and effect prior to the initiation of construction, and Property Owner will be in compliance therewith in all respects prior to the PACE Program Administrator's disbursing any of the funds. Construction and installation of the Improvements will comply with applicable zoning, use, building or other applicable codes, laws, regulations and ordinances and any restrictive covenants affecting the Property.

(h) Marijuana and Environmental Matters. Property Owner does not and will not engage (nor will it allow any tenants of the Property to engage) in operations that involve the growth, testing, production or distribution of marijuana, nor the generation, manufacture, refining, transportation, treatment, storage or handling of hazardous materials or hazardous wastes, pursuant to applicable state law, or any other federal, state or local environmental laws or regulations, and, to the best of Property Owner's knowledge, after due inquiry, neither the Property nor any other of its buildings thereon has been so used previously, except as previously disclosed in writing to and approved by the Authority and the PACE Program Administrator. There are no underground storage tanks located on the Property. There is no present and to the best of Property Owner 's knowledge there has been no past, non-compliance with environmental laws, or with permits issued pursuant thereto, in connection with the Property, which has not been fully remediated in accordance with environmental laws.

(i) No Default. No Default (as defined herein) has occurred hereunder, and no event has or shall have occurred and be continuing, which, with the lapse of time or the giving of notice, or both, would constitute a Default. No foreclosure action is currently threatened or has been commenced with respect to the Property. Property Owner is not currently in default on any mortgage or deed of trust loan(s) secured by the Property.

(j) No Misrepresentation or Material Nondisclosure. Property Owner has not made and will not make to the Authority or to the PACE Program Administrator, in this Agreement or otherwise, any untrue statement of a material fact, nor has it omitted and nor will it omit to state a material fact necessary to make any statement made not misleading. All information provided by Property Owner to the Authority or to the PACE Program Administrator in writing or in electronic form is complete, true and correct in all material respects.

(k) Insurance. Property Owner has provided to the Authority and the PACE Program Administrator satisfactory evidence of the current insurance policies on the Property and has provided evidence that such insurance shall be maintained in force during the term of the Assessment. Such policies must be issued in form and content reasonably acceptable to the Authority and the PACE Program Administrator. Required insurance hereunder includes property insurance and, where and when applicable, builder's risk or inland marine insurance and flood insurance. Property insurance shall be in an amount equal to the lesser of, as determined by the Authority and the PACE Program Administrator in their reasonable discretion: (i) the full replacement cost of the Property; (ii) the full value of the buildings located on the Property as determined by the Authority and PACE Program Administrator in their sole discretion; (iii) or the principal amount of the Assessment divided by 0.35. Property Owner must obtain flood insurance if the Property is or is deemed to be located in a Special Flood Hazard Area as determined by the U.S. Flood Emergency Management Agency. The insurance policies shall also be subject to the following requirements:

i. Each policy must provide for ten (10) days' prior notice to the Authority and the PACE Program Administrator in the event of cancellation or nonrenewal;

ii. The PACE Program Administrator must be named as an additional insured (mortgagee/loss payee) on all insurance policies required hereunder (and in the certificate holder box list "Greenworks Lending LLC ISAOA, ATIMA"). The Property Owner hereby agrees to, upon request by the PACE Program Administrator, provide the PACE Program Administrator with updated certificates of insurance which endorse the required insurance policies and further agrees to, upon request by the PACE Program Administrator, add the

PACE Program Administrator's assignees or successors in interest as loss payees and additional insureds; and

iii. Should Property Owner fail to acquire and/or maintain the required insurance policies, the Authority shall have the right, but not the obligation, to obtain such policies in amounts and limits sufficient to protect the Authority. Property Owner shall be obligated to pay the Authority for the cost of such insurance.

(l) Approval of Plans and Budgets. The plans and specifications submitted by the Property Owner to the Authority and the PACE Program Administrator and approved thereby (the **"Plans"**) will be a true and accurate reflection of the Improvements (when completed) and have been approved as required by all governmental bodies or agencies having jurisdiction or will be approved prior to the first disbursement request. The budget for construction of the Improvements (the "**Budget**") submitted by the Property Owner to the Authority and the PACE Program Administrator is an accurate current estimate of all costs necessary to construct the Improvements in accordance with the Plans and the cost of construction of the Improvements on any portion thereof is not expected to exceed the cost therefor set forth in the Budget.

(m) Commercial Purpose. Property Owner will use the proceeds from the disbursements of funds for the Authorized Improvements only for the purposes specified in the Recitals to this Agreement. The primary purpose of the funds disbursed pursuant to this Agreement is for a commercial and business purpose, and said funds will not be used primarily for personal, family or household purposes.

(n) Improvements. The proposed Improvements are consistent with the purpose of the Program.

(o) Incorporation of Representations and Warranties. The request by Property Owner for a disbursement shall constitute a certification by Property Owner that the representations and warranties contained herein are true and correct as of the date of such request.

(p) Insolvency Event. No Insolvency Event shall have occurred or is continuing with respect to the Property Owner. Property Owner is not aware of any circumstances or conditions with respect to the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien that could reasonably be expected to materially and adversely affect any of the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien. For purposes hereunder, "**Insolvency Event**" shall mean the Property Owner has (i) consented to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceeding or of relating to the Property Owner or relating to all or substantially all of such Property Owner 's property, (ii) failed to pay its debts as they become due and such failure has not been cured within thirty (30) days of the event; (iii) admitted in writing its inability to pay its debts as they become due, (iv) filed a petition to take advantage of any applicable insolvency or reorganization statute, (v) made an assignment for the benefit of its creditors, (vi) had filed against it a petition for involuntary bankruptcy or some other involuntary insolvency proceeding which is not dismissed within thirty (30) days, or (vii) or voluntarily suspended payment of its obligations.

(q) Fraud. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the Property or Improvements has taken place on the part of the Property Owner or any other person, including, without limitation, to the best of Property Owner 's knowledge, any appraiser, title company, closing or settlement agent, realtor, builder or developer or any other

party involved in the Property or Improvements, that would impair in any way the rights of the Authority in the Property or Improvements or that violated applicable law

(r) No Damage/Condemnation. The Property is undamaged by waste, vandalism, fire, hurricane, earthquake or earth movement, windstorm, flood, tornado or other casualty adversely affecting the value of a Property or the use for which the Property was intended and the Property is in substantially the same condition it was at the time the most recent appraisal was obtained. There is no proceeding pending or, to the knowledge of the Property Owner, threatened for the total or partial condemnation of the Property.

(t) Legally Occupied. With respect to the Property lawfully occupied as of the date hereof, all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities.

Section 10. COVENANTS OF PROPERTY OWNER.

The Property Owner covenants and agrees as follows:

(a) Completion and Maintenance of the Improvements. The Property Owner shall commence construction of the Improvements and shall diligently proceed with construction in accordance with the approved Plans and Budget in a good, substantial and workmanlike manner in accordance with all applicable laws, ordinances, codes, rules and regulations. Construction of the Improvements shall be completed on or prior to the completion date set forth in the Construction Contract. If, in the Authority's opinion, after thirty (30) days' written notice to Property Owner, the construction is not proceeding with reasonable dispatch, the Authority may (i) request that Property Owner remove and replace the general contractor with a general contractor acceptable to the Authority, the failure of which by Property Owner shall be a default under this Agreement, (ii) utilize funds and continue construction of the Improvements and such funds shall be considered disbursements of the Financed Amount, or (iii) deny any disbursements of the Financed Amount until such time as the construction resumes proceeding with reasonable dispatch.

(b) Changes to Construction Contract. There shall be no material revision to the Construction Contract, Plans or Budget without the prior written approval of the Authority and the PACE Program Administrator, whose consent shall not be unreasonably withheld. If the cost of construction of the Improvements or any portion thereof exceeds the cost therefor set forth in the approved budget, the Property Owner shall immediately deposit with the Authority the deficiency between such budgeted cost and the actual cost.

(c) Payment of the Financing. The Property Owner shall pay punctually the Assessment Installments on this Agreement on each due date according to its terms and conditions and shall pay punctually any other amounts that may become due and payable to the Authority under or pursuant to the terms of this Agreement, regardless of whether or not the Assessment Installments appear on the Property Owner 's property tax bill.

(d) Payment of All Charges. The Property Owner shall pay when due all taxes, assessments, water charges, sewer charges, liens for taxes past due with respect to the Property, carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens and all other

charges levied on or against the Property, and upon written request, submit to the Authority evidence of such payments.

(e) Compliance with Law and Agreements. In commencing and completing the Improvements, Property Owner shall comply with all existing laws, regulations, orders, building restrictions and requirements of, and all agreements with and commitments to, all governmental, judicial and legal authorities having jurisdiction over the Property or the Improvements and which are applicable to the Improvements, and with all recorded instruments, agreements, and covenants and restrictions affecting the Property.

(f) Permits, Licenses and Approvals. Property Owner shall properly obtain, comply with and keep in effect all permits, licenses and approvals which are required to be obtained from any governmental authority in order to commence and complete the Improvements. Property Owner, upon the request of the Authority or the PACE Program Administrator, shall deliver within fifteen (15) days, copies of all such permits, licenses and approvals to the Authority or the PACE Program Administrator.

(g) Site Visits. Property Owner grants the Authority and the PACE Program Administrator, their agents and representatives the right to enter and visit the Property at any reasonable time, after giving reasonable notice to Property Owner, for the purposes of observing the Improvements. The Authority and the PACE Program Administrator, their agents and representatives will make reasonable efforts during any site visit to avoid interfering with Property Owner 's use of the Property. Property Owner shall also allow Authority or the PACE Program Administrator to examine and copy records and other documents of Property Owner which relate to the Improvements. The Authority and the PACE Program Administrator are under no duty to visit the Property, or observe any aspects of the Improvements, or examine any records, and the Authority and the PACE Program Administrator shall not incur any obligation or liability by reason of not making any such visit or examination. Any site visit, observation or examination by the Authority or the PACE Program Administrator shall be solely for the purposes of protecting the PACE Program Administrator and the Authority's rights under the Agreement.

(h) Protection against Lien Claims. The Property Owner shall promptly pay and discharge all claims for labor performed and material and services furnished in connection with construction of the Improvements, and take all other steps necessary to prevent the assertion of claims or liens either against the Property or the Improvements, other than (i) the claims and lien provided herein, (ii) all liens, encumbrances and other matters expressly set forth in Exhibit G, (iii) liens, if any, for taxes imposed by any governmental authority not yet due or delinquent, and (iv) such other title and survey exceptions as Lender has approved or may approve in writing in Lender's sole discretion.

(i) Notice of Claims; Adverse Matters. Property Owner shall promptly notify the Authority and the PACE Program Administrator in writing of any potential Insolvency Event and all pending or threatened litigation or other matters that may materially and adversely affect the Property or Property Owner 's ability to meet its obligations under this Agreement or otherwise with respect to the Improvements.

(j) Damage or Destruction. Property Owner shall promptly notify the Authority and the PACE Program Administrator if the Property is damaged or destroyed by fire, casualty, injury or any other cause (each such occurrence, a "Casualty"). The PACE Program Administrator shall have no obligation to make additional disbursements upon the occurrence of a Casualty. Upon the occurrence of such Casualty, the insurance proceeds will be applied to repayment of the total

outstanding principal due and owing under this Agreement plus any applicable fees, unless the Authority and the PACE Program Administrator agree in their commercially reasonable discretion to the application of the insurance proceeds to the restoration of the Improvements. In the event restoration of the Improvements is permitted, Property Owner shall immediately proceed with the restoration thereof in accordance with the Construction Contract and Plans. If, in the Authority and PACE Program Administrator's commercially reasonable judgment, said insurance proceeds are insufficient to complete the restoration, Property Owner shall deposit with the PACE Program Administrator an amount necessary, in the Authority and PACE Program Administrator's sole judgment, to complete the restoration in accordance with the Plans and Construction Contract.

(k) Notice of Default. Property Owner shall notify in writing the Authority and the PACE Program Administrator within fifteen (15) days of any Default under this Agreement, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

(l) Changes to Ownership. Property Owner shall, prior to completing construction of the Improvements, preserve and keep in full force and effect its existence and retain title to the Property. After completion of the Improvements, Property Owner shall not transfer ownership of the Property without (a) prior written notice to the Authority and the PACE Program Administrator, and (b) execution by the purchaser of the Property of an assignment of this Agreement in the form of Exhibit X..

(m) Insurance. Property Owner shall maintain in force, and provide evidence thereof when requested by the Authority and the PACE Program Administrator, the insurance required by Section 9(k) of this Agreement throughout the term of the Assessment.

(n) Condemnation. If the Improvements or the Property or any part thereof are taken temporarily or permanently by any governmental authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof (a "**Condemnation**"), or are subject to an imminent threat of Condemnation, the PACE Program Administrator's obligation to make further disbursements hereunder shall immediately terminate unless, in the Authority and the PACE Program Administrator's sole judgment, the Property and the Improvements can be replaced and restored in a manner which will enable the Improvements to be functionally and economically utilized and occupied as originally intended. If the Authority and the PACE Program Administrator so decide that the Improvements can be so restored, then the rights and obligations of the PACE Program Administrator, the Authority and the Property Owner subsequent to a taking by Condemnation or imminent threat thereof and the disbursement of any Condemnation proceeds actually paid to the Authority and undisbursed funds hereunder, shall be the same as described in the Section 10(j) hereof with regard to insurance proceeds

(o) Indemnification.

i. Without limitation of any other obligation or liability of the Property Owner or any right or remedy of the Authority contained herein, the Property Owner agrees to indemnify and hold harmless the Authority and PACE Program Administrator, as well as each of the respective directors, officers, employees, agents, subsidiaries and affiliates, and the successors and assigns of the foregoing (each, a "Person"), from and against all damages, losses, settlement payments, obligations, liabilities, claims, suits, penalties, fines, assessments, citations, directives, demands, judgments, actions or causes of action, whether statutorily created or under the common law, including all costs and

expenses (including, without limitation, reasonable fees and disbursements of attorneys, engineers and consultants) and all other liabilities whatsoever (including, without limitation, liabilities under any applicable environmental laws, regulations or rules) which shall at any time or times be incurred, suffered, sustained or required to be paid by any such indemnified Person (except any of the foregoing to the extent it results from the gross negligence or willful misconduct of the indemnified Person) (collectively, the "Indemnified Amounts") on account of or in relation to or in any way in connection with (i) any of the arrangements or transactions contemplated by, associated with or ancillary to this Agreement, or any other documents executed or delivered in connection herewith or therewith, all as the same as may be amended from time to time, or any action taken or omitted to be taken by any Person in connection with or under any of the foregoing, whether or not all or part of the transactions contemplated by, associated with or ancillary to this Agreement or any such other documents are ultimately consummated, (ii) any violation or alleged violation of, non-compliance with or liability under any requirements of law or regulation, (iii) ownership of, liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (iv) any taxes attributable to the execution, delivery, filing or recording of any this Agreement, or any other documents executed or delivered in connection herewith or therewith or any memorandum of any of the foregoing, (v) any lien or claim arising on or against the Property under any requirements of law or any liability asserted against any Person with respect thereto, (vi) (1) a past, present or future violation or alleged violation of any environmental laws in connection with the Property by any person or other source, whether related or unrelated to Property Owner, (2) any presence of any hazardous, toxic or harmful substances, materials, wastes, pollutants or contaminants defined as such in or regulated under any environmental law ("Materials of Environmental Concern") in, on, within, above, under, near, affecting or emanating from the Property, (3) the failure to timely perform any investigation, inspection, site monitoring, containment, clean–up, removal, response, corrective action, mitigation, restoration or other remedial work of any kind or nature because of, or in connection with, the current or future presence, suspected presence, Release (defined below) or threatened Release in or about the air, soil, ground water, surface water or soil vapor at, on, about, under or within all or any portion of the Property of any Materials of Environmental Concern, including any action to comply with any applicable environmental laws or directives of any governmental authority with regard to any environmental Laws, (4) any past, present or future activity by any person or other source, whether related or unrelated to Property Owner in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting the Property, (5) any past, present or future actual generation, treatment, use, storage, transportation, manufacture, refinement, handling, production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of the Property (a "Release") (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting the Property by any person or other source, whether related or unrelated to Property Owner , (6) the imposition, recording or filing or the threatened imposition, recording or filing of any lien on the Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any environmental law, or (7) any misrepresentation or failure to perform any obligations pursuant this Agreement, or any other documents executed or delivered in connection herewith or therewith to environmental matters in any way, or (vii) Property Owner's conduct, activities, actions

and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 10(o), that, in each case, results from any conduct, act or failure to act by the Property Owner or its affiliates or related parties or the use or intended use of the proceeds of any disbursements made pursuant to this Agreement. To the extent that the undertaking to indemnify and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Property Owner shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all liabilities set forth in the preceding sentence incurred by any Person. In the case of an investigation, litigation or other proceeding to which the indemnification in this Section 10.(o) applies, such indemnification shall be effective whether or not such investigation, litigation or proceeding is brought by Property Owner, a Person or any other person or any Person is otherwise a party thereto and whether or not any transactions contemplated by this Agreement are entered into. In any investigation, proceeding or litigation, or the preparation therefor, the Authority shall select its own counsel and, in addition to the foregoing indemnity, the Property Owner agrees to pay promptly the reasonable fees and expenses of such counsel. In the event of the commencement of any such proceeding or litigation, the Property Owner shall be entitled to participate in such proceeding or litigation with counsel of its choice at its own expense, provided that such counsel shall be reasonably satisfactory to the Authority. This section shall survive the execution, delivery, performance and repayment of this Agreement, and the extinguishment of any Assessment Lien.

ii. If for any reason the indemnification provided in this Section 10.(o) is unavailable to any Person or is insufficient to hold a Person harmless, even though such Person is entitled to indemnification under the express terms thereof, the Property Owner shall contribute to the amount paid or payable by such Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Person on the one hand and Property Owner on the other hand, the relative fault of such Person, and any other relevant equitable considerations.

iii. A Person may at any time send Property Owner a notice showing in reasonable detail the basis for and calculation of Indemnified Amounts, and Property Owner shall pay such Indemnified Amounts to such Indemnified Person within fifteen (15) days after Property Owner receives such notice. The obligations of Property Owner under this Section 10(o) shall apply to assignees and survive the termination of this Agreement.

iv. Neither the Authority nor the PACE Program Administrator shall have any liability to the Property Owner or any other person on account of (i) the Property Owner engaging a contractor from the list of contractors submitted by the Authority or the PACE Program Administrator to the Property Owner, (ii) the services performed by the Contractor, or (iii) any neglect or failure on the part of the Contractor to perform or properly perform its services. Neither the Authority nor the PACE Program Administrator assumes any obligation of the Property Owner concerning Contractor, the quality of construction of the Improvements or the absence therefrom of defects. The authorization by the Authority of a disbursement shall not constitute the Authority's approval or acceptance of the construction theretofore completed. The Authority's inspection and approval of the budget, the construction work, the Improvements comprising the Improvements, or the workmanship and materials used therein, shall impose no liability of any kind on the Authority, the sole obligation of the Authority as the result of such inspection and approval being to authorize the disbursements if, and to the extent, required by this Agreement. Any disbursement authorized by the Authority without the Authority having received each

of the items to which it is entitled under this Agreement shall not constitute breach or modification of this Agreement, nor shall any written amendment to this Agreement be required as a result thereof.

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

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

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

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

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

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____ _____ _____

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Agreement.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 13. Greenworks Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in all information submitted to the Authority and/or the PACE Program Administrator in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in such information with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Events of Default and Remedies

a) Remedies with respect to the nonpayment of the Assessment or other amounts payable by Property Owner hereunder are governed by the provisions of Section 4 hereof and state law.

b) The occurrence of any of the following events shall constitute a "**Default**" hereunder:

(i) Any of Property Owner's representations, disclosures or warranties made to the Authority or the PACE Program Administrator shall have been false or misleading in any material respect as of the date when made, or the failure or delay by Property Owner to perform any of its obligations under the terms or provisions of this Agreement, other than with respect to the payment of the Assessment, the Annual Assessment Administrative FeeAnnual Assessment Administrative Fees, or other amount payable by Property Owner.

(ii) An Insolvency Event occurred with respect to the Property Owner or the Property Owner becomes insolvent or unable to pay its debts as they mature and such has not been cured within thirty (30) days of the event;

(iii) There occurs any event which in the Authority's sole discretion materially and adversely affects: (x) the ability of the Property Owner to perform any of its obligations hereunder; (y) the business or financial condition of the Property Owner; or (z) the timely repayment of the Assessment authorized by this Agreement, which Property Owner has not cured within thirty (30) days of receiving notice from the Authority of such breach;

(iv) Any encumbrance on any portion of the Property is created, other than current liens for real estate property taxes or special assessments, which encumbrance purports to have priority over the Assessment Lien;

(v) The existence of any liens for taxes past due with respect to the Property, or carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens which have not been dismissed, escrowed (subject to the Authority's sole approval) or bonded for thirty (30) days after the filing or recording thereof;

(vi) Any material deviation in the Improvements from the Plans without the prior written consent of Lender, or the appearance of defective workmanship or materials, in

Lender's sole discretion, which has not been cured for a period exceeding thirty (30) days; and

(vii) Any general contractor or any other contractor defaults under any construction contract, in a manner which the Lender deems to be material, and unless otherwise agreed in writing by the Lender, the Obligor fails to exercise its rights and remedies under the construction contract, as applicable with respect to such default and such failure to exercise its rights has not been cured within thirty (30) days of when such right first arose.

c) Upon the occurrence of a Default, the Authority may in addition to any other remedies which it may have, at its option and without prior demand or notice, take any of the following actions:

(i) The Authority may, in addition to any other remedies which it may have, at its option and without prior demand or notice, immediately cause the cancellation of any pending disbursement (and the PACE Program Administrator shall have no obligation to make further disbursements) and from time to time apply all or any part of any undisbursed funds to payment of amounts owing on the Assessment and/or to any other obligations of the Property Owner hereunder. The Authority has authorized the Program Administrator at its option and without prior demand or notice, to enter the Property and complete construction of the Improvements in accordance with the Plans and the Construction Contract with such changes therein as the Program Administrator may from time to time and in its judgment deem appropriate, all at the risk and expense of the Property Owner.

(ii) Exercise any other rights and remedies available to it hereunder or at law or in equity

(iii) Except as otherwise expressly provided in this Agreement, no remedy provided for by this Agreement shall be exclusive of any other remedy, each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of a Default.

(iv) Property Owner agrees to pay all costs of collection when actually incurred, by the Authority, including but not limited to reasonable attorneys' fees and all related costs. If any suit or action is instituted to enforce this Agreement, Property Owner promises to pay, in addition to the costs and disbursements otherwise allowed by law, such sum as the court may adjudge reasonable attorneys' fees and costs in such suit or action to the Authority as the prevailing party

Section 15. Amendment. This Agreement may be modified only by the written agreement of the Authority and the Property Owner. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

Section 16. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

(a) The Authority has the right to assign any or all or any of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the

Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment or any installment thereof against the Property. Any assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Authority hereunder to the extent that such rights and obligations have been assigned by the Authority pursuant to the assignment documentation between the Authority and the assignee. The Authority may furnish any information concerning the Property Owner in its possession from time to time to prospective assignees.

(b) In no event shall Property Owner assign or transfer any portion of this Agreement or Property Owner's obligations under the Agreement without the prior express written consent of the Authority, which consent may be granted or withheld in the sole and absolute discretion of the Authority. Sale, transfer, or rental of the Property or any parcel thereof is not an assignment or transfer of this Agreement.

Section 17. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 18. Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Contract or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

Section 19. Notices All. notices and demands shall be given in writing by first class mail, postage prepaid, by personal delivery (by recognized courier service or otherwise), or via electronic mail. Notices shall be considered given upon the earlier of (a) receipt of electronic mail or personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid. Notices shall be addressed as provided below and incorporated herein by this reference for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice. Notwithstanding anything set forth above, after disbursement of the Disbursement Amount to Owner, all notices regarding the assessment shall be sent only as provided by state law.

If to Authority: Western Riverside Council of Governments
3390 University Avenue, 4th Floor
Riverside, CA 92501
Attention: Executive Director

If to Program Administrator:	Greenworks Lending LLC 28 Thorndal Circle, 3rd Floor Darien, CT 06820 Attn: Alexandra Cooley acooley@greenworkslending.com and servicing@greenworkslending.com
If to Property Owner:	[Name] [Address] [Phone] [Email]

Section 20. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 21. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Riverside, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 23. No Waiver; Amendments. No waiver of any default or breach by Property Owner hereunder shall be implied from any failure by the PACE Program Administrator or the Authority to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by Property Owner and the Authority. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonable be required in order to carry out the expressed intention of this Agreement

Section 24. Waiver of Jury Trial and Class Action. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Its: _____

ACKNOWLEDGED AND ACCEPTED BY:

GREENWORKS LENDING LLC

By: _____

Its: _____

The following are the authorized signatories of the Property Owner:

Name:_____ By:_____ Its:_____	Name:_____ By:_____ Its:_____
Name:_____ By:_____ Its:_____	Name:_____ By:_____ Its:_____

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

EXHIBIT B

IMPROVEMENTS

IMPROVEMENT	**AMOUNT**
	$
TOTAL PROJECT AMOUNT TO BE FINANCED	$

EXHIBIT C

ASSESSMENT SCHEDULE

Tax Year	Principal (a)	Interest (b)	Administrative Expenses (c)*	Total (a) + (b) + (c)
2017 – 2018	$	$	$	$
2018 – 2019				
2019 – 2020				
2020 – 2021				
2021 – 2022				
2022 – 2023				
2023 – 2024				
2024 – 2025				
2025 – 2026				
2026 – 2027				
2027 – 2028				
2028 – 2029				
2029 – 2030				
2030 – 2031				
2031 – 2032				
2032 – 2033				
2033 – 2034				
2034 – 2035				
2035 – 2036				
2036 – 2037				
Total Assessment:	**0**		**Total Payment**	**0**

*Subject to increase pursuant to Section 3(f) of the Agreement.

[Attach notary pages]

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Item 6.A

PACE Programs Activities Update

Attachment 14

David Taussig & Associates
Professional Services Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT
(GREENWORKS)

1. PARTIES AND DATE.

This Agreement is made and entered into this ___ day of _____, ____, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and David Taussig and Associates, Inc., a California corporation ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing services for the formation and annual administration of an assessment district and micro-bond sales to fund authorized PACE program facilities, is licensed in the State of California, and is familiar with the plans of WRCOG.

2.2 Project.

WRCOG desires to engage Consultant to render such professional services for Assessment Administration for the WRCOG California Statewide PACE Program and the California HERO Program administered by Greenworks Lending LLC ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the services necessary for the formation and annual administration of an assessment district and micro-bond sales to fund authorized PACE program facilities for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and which are stated in the proposal to WRCOG and approved by WRCOG's Executive Committee. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from the date first hereinabove written and shall end three (3) year later, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other

established schedules and deadlines. The term of this Agreement may be extended by written agreement between the Consultant and the Executive Director of WRCOG.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, to ensure timely implementation of the Project. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of WRCOG.

3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of WRCOG. In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key personnel for performance of this Agreement are as follows: Andrea Roess.

3.2.5 WRCOG's Representative. WRCOG hereby designates Barbara Spoonhour, Program Manager, or her designee, to act as its representative for the performance of this Agreement ("WRCOG's Representative"). WRCOG's Representative shall have the power to act on behalf of WRCOG for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than WRCOG's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Andrea Roess, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with WRCOG staff in the performance of Services and shall be available to WRCOG's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its subcontractors who is determined by WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to WRCOG, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the WRCOG, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold WRCOG, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to WRCOG that it has secured all insurance required under this section. In addition, Consultant shall not allow any

subcontractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the subcontractor has secured all insurance required under this section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability:* $1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability:* $1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of $1,000,000 per accident for bodily injury or disease.

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than $1,000,000 per claim.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the Services or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) WRCOG, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against WRCOG, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be canceled except after thirty (30) days prior written notice, except ten (10) days notice for non-payment cancellation, has been given to WRCOG; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to WRCOG, its directors, officials, officers, employees, agents and volunteers.

3.2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its directors, officials, officers, employees, agents and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its directors, officials, officers, employees, agents and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to WRCOG.

3.2.10.8 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.12 Accuracy of Information Obtained by Consultant. WRCOG, public agencies, landowners, consultants, and other parties dealing with WRCOG or involved in the Project shall furnish to Consultant various data, reports, studies, computer printouts and other information and representations as to the facts involved in the Project which WRCOG understands Consultant shall be using and relying upon in preparing the reports, studies, computer printouts, and other work products required as part of the Services. Consultant shall not be obligated to establish or verify the accuracy of the information furnished by or on behalf of WRCOG, nor shall Consultant be responsible for the impact or effort on its work products of the information furnished by or on behalf of WRCOG, in the event that such information is in error and therefore introduces error into Consultant's work products.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference. Extra Work may be authorized, as described below; and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within forty-five (45) days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by WRCOG.

3.3.4 Extra Work. At any time during the term of this Agreement, WRCOG may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by WRCOG to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from WRCOG's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the WRCOG, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and for which Consultant has not been previously compensated, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, WRCOG may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: David Taussig & Associates, Inc.
5000 Birch Street, Suite 6000
Newport Beach, CA 92660
Attn: Andrea Roess
Facsimile: (949) 955-1590

WRCOG: Western Riverside Council of Governments
3390 University Avenue, 4th Floor
Riverside, CA 92501
Attn: Executive Director
Facsimile: (951) 787-7991

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that WRCOG is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG's sole risk.

Notwithstanding the previous paragraph, all computer software (including without limitation financial models, compilations of formulas and spreadsheet models), inventions, designs, programs, improvements, processes and methods (collectively, the "Proprietary Models") used or development by Consultant in performing its work is proprietary and shall remain property owned solely by, or licensed by a third party to the Consultant. WRCOG acknowledges that any Proprietary Model that Consultant uses to generate reports pursuant to the Services is owned by, or is duly licensed from a third party to Consultant and is not being provided to WRCOG hereunder.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of WRCOG.

Notwithstanding the previous paragraph, WRCOG acknowledges and agrees that Consultant has the right to use reports and analyses that Consultant authors pursuant to this Agreement as base works or templates for reports and analyses that Consultant authors for Consultant's other clients, provided, however, that Consultant shall not use any confidential information provided by Consultant in such future reports and analyses. In addition, WRCOG acknowledges and agrees that Consultant has spent substantial time and effort in collecting and compiling data and information (the "Data Compilations") in connection with the Services and that such Data Compilations may be used by Consultant for its own purposes, including, without limitation, sale or distribution to third parties; provided, however, that Consultant shall not sell or distribute any of WRCOG's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify and hold the WRCOG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent or wrongful acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors and subcontractors, arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against WRCOG, its directors, officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against

WRCOG or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, employees, agents or volunteers. No third party shall be a direct beneficiary of this Section 3.5.6. The covenants contained in this Section 3.5.6 shall survive the termination of this Agreement.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

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

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

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves right to employ other consultants in connection with this Project.

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

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

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

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit,

privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

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

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of any WRCOG's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written

approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	DAVID TAUSSIG AND ASSOCIATES, INC.
By: _____ Rick Bishop Executive Director	By: _____ Name: _____ Title: _____

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

EXHIBIT "A"

SCOPE OF WORK

Consultant's Consulting Services in connection with the Program may include (i) database setup, (ii) enrollment of assessment installment payments, (iii) tracking and reporting of assessment installment payments, (iv) assessment payoff calculations and coordination on bond redemptions, (v) responses to property owner inquiries, and (vi) program reports. The tasks associated with the Consulting Services as described below.

A. DATABASE SETUP AND REVIEW OF BOND CLOSING DATA

Following each bond closing, Consultant will review and process the electronic data file to be provided by Greenworks Lending LLC and set up the assessment and bond data in Consultant's assessment administration software. The data file is anticipated to contain the following:

- Assessment Lien Information which may include Assessor's Parcel Number, lien amount, lien recordation date, assessment contract ID, and bond ID;
- Assessment Collection Information which may include a breakdown of the annual administrative collection charge; and
- Bond Information which may include bond closing date, bond ID, uses of proceeds (i.e., project amount, capitalized interest, reserve amount(s), issuance costs), payment schedule, coupon rate(s), redemption premium, and minimum principal redemption increments.

B. ENROLL ASSESSMENT INSTALLMENT PAYMENTS

1. Fund Number Requests

As necessary and subject to the limitations imposed by each county, Consultant will prepare requests for fund numbers and coordinate the submittal of fund number request packages to the applicable counties.

2. Prepare and Submit Enrollment Packages

Consultant will prepare and submit annual assessment installment enrollment packages in accordance with each county's direct assessment enrollment procedures. The enrollment packages will typically include a transmittal memorandum, Proposition 218 compliance agreement or form, billing agreement, and certified resolutions and/or ordinances authorizing the levy and collection of assessment installments.

Consultant will submit enrollment packages on or about August 10, or such other date specified by the applicable county. Following submittal of the enrollment packages, Consultant will prepare and transmit to Greenworks Lending LLC a summary administration report in Excel format indicating the total number of parcels and amount of assessment installments enrolled, grouped by fund number and bond. Unless otherwise specified by mutual agreement, Greenworks Lending LLC and Consultant agree that

assessment installments will be enrolled for all assessments for which the bond closing occurs as of the June 30 preceding the fiscal year in which the assessments installments are to be enrolled.

3. Research and Resubmit Rejected Parcels

Consultant will review and research rejections, if any, and resubmit as necessary. This process involves manually validating parcel status and parcel change information.

C. ASSESSMENT INSTALLMENT COLLECTIONS

1. Assessment Installment Payment Monitoring and Reporting

Consultant will process county parcel payment status data and prepare parcel level payment status reports following each non-advance apportionment of assessments. Parcel payment data may be reported program-wide or grouped by fund number and/or by bond. In addition, county source data may be supplemented, as available and as needed, with property tax payment status data posted on the applicable county Treasurer-Tax Collector's website.

2. Assessment Installment Distribution Reconciliation

Consultant will reconcile non-advance assessment installment distributions which are made lump sum by fund number with parcel level assessment installment payment status to segregate actual distributions for each fund number by bond. The accuracy of such breakdown is subject to the availability of sufficient information to reconcile the transaction dates of distributions and payments.

3. Delinquency Notices

Consultant and Greenworks Lending LLC will cooperatively develop the form of the delinquency notice to be mailed to property owners that are delinquent in the payment of assessment installments. Unless otherwise specified by mutual agreement, Consultant will mail notices of delinquency following each property tax installment due date and at fiscal year-end.

4. Pre-Foreclosure Assistance

As directed by foreclosure counsel, Consultant will coordinate the removal of delinquent assessment installments from the property tax roll and record the notice evidencing the removal of such assessment installments.

D. ASSESSMENT PAYOFFS AND BOND REDEMPTIONS

Upon request, Consultant will prepare and provide to property owners payoff calculations and instructions for remitting prepayments. In the event of a partial prepayment, Consultant will prepare a revised bond schedule to be reviewed by the trustee and/or Greenworks Lending LLC. Consultant will provide the trustee and/or Greenworks Lending LLC a

monthly report of property owners that have requested payoff quotes. Following notification by trustee of the receipt of prepayment funds, Consultant will confirm amount of prepayment and prepare and record the notice of discharge.

Consultant will also coordinate with the trustee and Greenworks Lending LLC to establish and/or document prepayment and bond redemption procedures, including but not limited to, deadlines for property owners to remit prepayments, internal team notification of the receipt of prepayment funds and the provision of copies of notices for redemption, and batch recording of notices of discharge.

E. PUBLIC INFORMATION

Consultant will respond via telephone or email to property owner inquiries concerning assessment balance, assessment installments, etc. If applicable, Consultant will also prepare and provide the notice of assessment for resale properties pursuant to Section 53754 of the Government Code.

F. PROGRAM REPORTS

As described above, Consultant will provide an annual assessment installment enrollment report, periodic collection reports, and periodic reports of requests for assessment payoffs. In addition and as applicable, Consultant will annually prepare and file the report required pursuant to Revenue and Taxation Code Section 163 indicating the following for each parcel subject to an assessment:

- The assessment lien amount at the time the lien was created;
- In the case in which a lien has been completely satisfied, the date and amount of the payment in satisfaction of the lien, and the identity of the party that made that payment; and
- The principal balance of the assessment lien.

EXHIBIT "B"

FEE SCHEDULE

Consultant's compensation, including expenses, for completion of the tasks under the Scope of Work is set forth in Table 1 below:

TABLE 1
FEE SCHEDULE

TASK	FEE
A. Database Setup and Review of Bond Closing Data	0.0052 of Principal Amount of Each Bond Issue[1]
B. Enroll Assessment Installment Payments C. Assessment Installment Collections E. Public Information F. Program Reports	$1,750 Fixed Annual Fee Per County Plus $10.00 Fixed Annual Per Parcel Fee
D. Assessment Payoffs and Bond Redemptions	$100 Fixed Fee Per Calculation[2]

One-time fee paid at bond closing.
To be paid by Greenworks Lending LLC.

General Terms and Conditions

Fees for Task B shall be paid at closing. Fees and expenses for Task A and E shall be invoiced on or about the first two weeks of each month. Fees and expenses for Tasks C, D, F, and G shall be invoiced on or about the first two weeks of September. All such invoices shall be paid within thirty (30) days of the date of each invoice. A 1.2% per month charge may be imposed against accounts that are not paid within 30 days of the date of each invoice.

Limitations

Any consulting services not included within the Scope of Work shall be charged on a time and materials basis. Additional tasks may include, but are not limited to, the following:

- Consulting services after the removal of assessment installments from the property tax roll pertaining to the collection of delinquent assessment installments and/or assistance with foreclosure actions/proceedings; and
- Consulting services and/or database setup/updates pertaining to bond refundings, securitizations, exchanges, and/or restructurings.

Item 6.A

PACE Programs Activities Update

Attachment 15

Greenworks Commercial Handbook

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Greenworks Commercial PACE Program Handbook

January 2018 – Version 1.0

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1 Program Introduction

1.1 Program Overview

In 2008, California passed legislation that provides access for owners of commercial property in the state to a new form of financing for energy efficiency and on-site renewable energy (EE/RE) upgrades to their buildings. PACE financing can allow building owners to increase the value of their buildings and meet important energy policy goals of the state and its municipalities.

The Western Riverside Council of Governments (WRCOG) is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California. WRCOG has established the WRCOG Energy Efficiency and Water Conservation Program and the California Program and authorized Greenworks Lending LLC ("the "Program Administrator") to administer for commercial properties (the "Program") pursuant to Chapter 29 of Division 7 of the Streets & Highways Code of the State of California ("PACE Act") to allow for the financing of certain renewable energy and energy efficiency and water efficiency and electric vehicle charging infrastructure improvement products ("Eligible Improvements") that are permanently affixed to real property. Pursuant to Chapter 29, WRCOG may levy voluntary contractual assessments against properties in the jurisdictions that have authorized WRCOG to implement and administer PACE programs (each, a "Participating Entity") with the free and willing consent of the owners of the properties (the "Property Owners") on which such assessments are levied, to finance the acquisition and construction on and/or installation in the assessed properties of Eligible Improvements. Such financing will be secured by an assessment lien levied against the property until paid in full. Annual assessments will be added to the Property Owner's tax bill for the property.

1.2 Program Benefits

The Program helps move the market for energy-efficient and renewable energy building improvements which has the social benefit of helping the environment and sustainability of limited natural resources. Additionally, the Program creates local jobs, stimulates local economies and creates an affordable financing vehicle for Property Owners by spreading payments over the useful life of the product.

1.3 Purpose of Handbook

The purpose of the Program Handbook is to help Property Owners apply for and receive financing for Eligible Improvements and other products approved under the PACE Act. The Program Handbook is a reference document for Program participants such as Property Owners, Contractors, etc. and it discusses the process necessary to apply for, complete and fund Eligible Improvements under the Program. For definitions of capitalized terms used in this Program Handbook, please see **Appendix A** – Glossary of Terms. All Program participants are encouraged to read this Program Handbook, including the Additional Requirements and Terms in **Appendix B**.

2 Program Contact Information

2.1 Program Website

The Program website provides information on how the Program works, eligibility requirements to qualify for financing, and an application form for Property Owners to apply for financing. The Program website address is www.greenworkslending.com/California.

2.2 Program Contact Information and Other Useful Resources

Program Contacts		
Greenworks Lending LLC	**Program Call Center Number:** (203) 883-6116 **Program Fax Number:** (203) 547-7774 **Program Email:** CACPACE@greenworkslending.com	**28 Thorndal Circle, Third Floor** **Darien, CT 06820**

Other Useful Information	
State and Local Rebates	Contact your local utility company for more information.

3 Future Program Changes

WRCOG reserves the right to change the Program and its terms at any time; however, any such change will not affect a Property Owner's existing obligation to pay the assessment agreed to in an executed Assessment Contract.

A Property Owner's participation in the Program will be subject to the regulations and terms set forth in this Program Handbook and the other documents that constitute the full agreement between WRCOG and the Property Owner. If any provision of this Program Handbook is determined to be unlawful, void, or for any reason unenforceable, then that provision shall be deemed severable from the Program Handbook and shall not affect the validity and enforceability of any remaining provisions.

4 Program Eligibility Requirements

Potential applicants should carefully review this section in order to determine whether they, their property, and the desired project are eligible for the Program before submitting an application. Program eligibility requirements fall into the following categories: property requirements, Property Owner requirements, assessment amount requirements, product requirements, cost requirements, eligible terms, eligible rebates and tax credits, and eligible number of assessments.

The Program Administrator will have discretion to perform a comprehensive review of a proposed project and make a determination as to the project's eligibility. In some cases, the Program Administrator may offer flexibility in one or more of the underwriting criteria based on the overall financial strength of the property, project, and applicant.

4.1 Eligible Properties

To be eligible, the property must have a tax parcel identification number assigned to it. Non-residential properties are generally eligible, including commercial, industrial, agricultural, multifamily properties with more than 4 units, and certain non-profit-owned properties, with the following limitations as set forth below:

4.1.1 Property Type Exclusions

The following property types are exluded from the eligible properties list:

- Properties owned by governmental entities (e.g. public schools, municipal buildings)
- Residential condominium buildings
- Dry cleaners
- Gas stations
- Waste/Transfer-Related Properties

Special use properties including the property types below may be subject to additional financial requirements:

- Houses of worship
- Golf courses and Country Clubs
- Hospitals
- Heavy Manufacturing
- Sports Complexes
- Parking Garages
- Not-for-Profits
- Civic Properties (Library, Museum, etc.)
- Marinas
- Auto Repair (with environmental review)
- Self Storage
- Nursing Homes
- Low Income Housing
- Theme Parks
- Farms / Agriculture

Project approval will be made by the Program Administrator in its sole discretion, subject to applicable California law including the PACE Act.

4.1.2 Property Location

Property must be located within the boundaries of a city, county, town, village or other municipality that has adopted a resolution to join WRCOG.

4.1.3 Property Financials

The Program Administrator will review past and projected property financial and operating statements to evaluate property value, property cash flow and the ability of the property to service the proposed assessment amount and any existing mortgage obligations. The Program Administrator may require appraisals, environmental reports, or other documents attesting to the property's value and condition.

Property Value

- PACE Loan / Property Value (LTV) must be under 35%. For special use properties this is limited to 20%.
- Total Debt-to-Value (DTV) - (PACE Loan + Total Debt Secured by the Property) / Property Value must be under 95%.
- Property Value may be determined by a recent appraisal (within one year), desktop appraisal, or in many cases the tax assessed value.
- Property Value must exceed $1,000,000

- 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.

Property Cash Flow

- Net Operating Income (NOI), including energy savings, must be greater than the PACE payments plus the payments on any secured debt (Debt Service Coverage Ratio > 1.0x), at a minimum.
- Property Owners must be current on taxes with no delinquencies, as defined by the Program Administrator, in the last three years.

4.1.4 Documentation Requirements

Property Owners must provide:

- Minimum of 2 years of financial statements (audited or reviewed) or tax returns for the legal Property Owner corporate entity. Properties where there is a single or majority tenant (occupies > 50% square feet) must provide the anchor business's audited financial statements as well.
- Proof of Property Valuation. Greenworks reserves the right to require a desktop or full appraisal on a deal-by-deal basis.Property value may include the value of the Eligible Improvement measures

Depending on property type, location, and environmental condition, additional documentation may be required by the Program Administrator.

4.1.5 Liens on Property

Only properties that are free from encumbrances of unresolved federal or state income tax liens, judgment liens, mechanic's liens, or additional involuntary liens shall qualify for the Program. However, Properties with the foregoing liens may still be considered for Program approval at the sole discretion of the Program Administrator. Prohibited liens do not include current special taxes, assessments or other financing district liens placed on all properties in that particular financing district. The property must be current on all property-secured debt and property taxes, and it must not currently be an asset in a bankruptcy proceeding.

4.1.6 Lender Consent

If there is an existing mortgage or loan secured by the property, the Property Owner must obtain the written consent of any existing lender(s) utilizing the lender consent form attached hereto as **Appendix D**. Such written consent must be received prior to final approval and issuance of the Financing Documents.

4.1.7 Environmental Risk

At its discretion, the Program Administrator will evaluate the risk of environmental contamination at the property. Depending on the current and past uses of the property and adjacent parcels and environmental risk factors identified in database searches, an environmental assessment prepared by a professional environmental consultant may be required.

4.2 Eligible Property Owners

In addition to the property eligibility requirements, commercial Property Owners must meet specific criteria in order to be eligible to participate in the Program. The eligibility criteria for commercial Property Owners are set forth below.

4.2.1 Must be Owner of Record

Only Property Owner(s) who is/(are) the owner(s) of record for the respective property shall be considered for Program approval. Ground leases are only eligible under the Program subject to Program Administrator approval.In the event that the lessee of property subject to a ground lease applies for financing pursuant to the Program, the legal owner of the property will be required to be a party to the Assessment Contract.

4.2.2 All Property Owners on Record Must Participate

All Property Owners of record for the property must sign and execute all related Financing and Program Documents. To be considered for Program approval, properties held in Trust or Business Entity Ownership must furnish to the Program relevant documentation providing clear authority to enter into the Program and to place an encumbrance upon the property. Individuals, for-profit entities and non-profit entities are eligible. Governmental entities are excluded from eligibility.

- **Trust Ownership of the Property**

If the property is owned by a Trust, the property is eligible for Program participation if adequate documentation of the Trust and the applicants' authority under the Trust is provided with the application. All Trustees must meet underwriting requirements and sign all Financing Documents, including the Assessment Contract.

- **Business Entity Ownership of the Property**

Most business entity ownership types are eligible for participation in the Program. Adequate documentation of the nature and existence of the business entity and the applicant's authorization to act on behalf of the entity must be provided with the application. The documentation required depends on the type of entity that owns the property. Underwriter verification that the business is still active is required. This can be done through the applicable secretary of state website (or the delivery of a recent certificate of good standing (issued within the last 60 days)).

- **Ownership by a Corporation**

Applicant must provide documentation to show that they have the authority to sign for financing on the corporation's behalf and provide the following:

a. Articles of Incorporation;
b. Bylaws; and
c. Corporate resolution or consent signed by the necessary persons or entities.

- **Ownership by a LLC**

Applicant must provide documentation showing that they have the authority to sign for financing on the company's behalf and provide the following:

a. Articles of Organization;
b. Operating Agreement; and
c. Resolution or consent document signed by members or managers, as applicable, naming the authorized individuals to sign contract on behalf of LLC.

4.2.3 Current on Property Taxes

Only Property Owners who are current on their property taxes for the applicable property shall be considered for Program approval. The Program Administrator will review the previous three years property tax and any assessment bills to evaluate the Property Owner's history of paying property tax and any required assessments. The property cannot have had a serious tax delinquencies within the past 3 years. However, prior tax delinquencies will be reviewed and may be allowed by the Program Administrator in their sole discretion.

4.2.4 No Recent Bankruptcies

Property owner(s) have not been involved in a bankruptcy proceeding during the past seven (7) years and the property proposed to be subject to the contractual assessment must not currently be an asset in a bankruptcy proceeding. Property Owners must be current on all subject property-secured debt at the time of application and there must be no current notices of default or foreclosure filed against the property.

4.2.5 No Property Owner Authority Restrictions

Property title cannot be subject to power of attorney, easements or subordination agreements restricting authority of the Property Owner(s) to a PACE lien.

4.3 Eligible Assessment Amounts

The minimum Assessment amount is $25,000. Assessments over $3.5M are subject to additional financial due diligence.

4.4 Eligible Improvements

The Program offers financing for various categories of improvements allowable under California law ("Eligible Improvements") including:

- Water Conservation/Efficiency Eligible Products
- Energy Efficiency Eligible Products
- Renewable Energy Systems
- Seismic Strengthening Products
- Approved Custom Eligible Products

Eligible Improvements installed under the Program must be appear in the Eligible Improvement Workbook or be approved by the Program Administrator based on a project analysis prepared by the Contractor or a third party and submitted with the Program application. The following criteria must also be met.

4.4.1 Eligible Improvements Must Be Permanently Affixed

Only permanently affixed Eligible Improvements can be financed by the Program. The following are not eligible for Program financing:

- Remanufactured, refurbished, slightly used, or new equipment transferred from a previous location;
- Previously installed products; and
- Products that are not permanently affixed, including appliances, light bulbs and other non-fixtures.

4.4.2 Proposed Products Must Meet Minimum Eligibility Requirements

Eligible Improvements must meet the minimum efficiency specifications of the PACE Act and the Program. Minimum energy efficiency specifications are set at EnergyStar, California Title 24 and Title 20, and WaterSense standardsor other new standards or other new standards as may be appropriate and as agreed upon by WRCOG. Any Solar PV system must be eligible for CSI or an equivalent utility rebate program unless the property is not connected to the electricity grid or such utility rebate program is not available.

Property Owners and their Contractors must submit supporting documentation to the Program Administrator to summarize their proposed project and to demonstrate that the proposed Eligible

Improvements meet the minimum efficiency specfications. The supporting documentation will be reviewed by the Program Administrator to ensure the installation of the product(s) is designed to meet the minimum energy efficiency specifications listed above.

4.4.3 Project Supporting Documentation

Program Administrator will require supporting documentation in the form of cut sheets, a professional energy efficiency audit, project analysis, and/or a renewable energy feasibility study. Costs incurred to conduct audits or feasibility studies can be included in the financing.

4.5 Eligible Costs

Eligible costs that may be financed under the Program include both the materials costs of the Eligible Improvement and the installation costs for such Eligible Improvement. Installation costs may include, but are not limited to, feasibility studies, appraisals, labor, design, drafting, engineering, permit fees, and inspection charges. The installation must be completed by a Contractor of the Property Owner's choice, who has satisfied all registration requirements of the Program.

The cost of installing the Eligible Improvements must be reasonable and accomplished within industry cost guidelines. The Program shall have the right to refuse to finance any portion of costs that exceeds such guidelines, and/or to request additional documentation or other information to determine the reasonableness of the amount indicated in the application.

4.6 Eligible Contractors

Only Contractors who have registered with the Program may undertake Program-financed installation work. Contractors must register with the Program Administrator. The Contractor registration form and insurance requirements are incorporated here as **Appendix E**.

PROPERTY OWNERS ARE SOLELY RESPONSIBLE FOR AND MUST INDEPENDENTLY CHOOSE AND CONTRACT WITH THE CONTRACTORS TO WORK ON THE INSTALLATION OF THEIR ELIGIBLE IMPROVEMENT. THE PROGRAM, WRCOG, GREENWORKS LENDING LLC, AND EACH OF THE PARTICIPATING ENTITIES, THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENTS AND ASSIGNS NEITHER ENDORSE NOR RECOMMEND CONTRACTORS WHO REGISTER WITH THE PROGRAM, NOR DO THEY GUARANTEE, WARRANTY OR OTHERWISE ENSURE THE COMPLETION OF THE INSTALLATION OF THE ELIGIBLE IMPROVEMENTS OR THE OPERATION OF THE ELIGIBLE IMPROVEMENT, ANY OTHER PERSON INVOLVED WITH THE INSTALLED IMPROVEMENTS, OR THE DESIGN OF SUCH IMPROVEMENTS, OR WARRANT THE ECONOMIC VALUE, ENERGY SAVINGS, SAFETY, DURABILITY OR RELIABILITY OF THE ELIGIBLE IMPROVEMENTS.

4.7 Eligible Assessment Terms

Assessment Contracts may include financing with a term up to 30 years, but the financing term may not exceed the "useful life" of the installed Eligible Improvements. The Program may approve a different assessment term than that requested by a Property Owner based on the useful life of the Eligible Improvements to be installed. When installing multiple Eligible Improvements, the maximum financing term available is based on the weighted average of the useful lives of the installed improvements.

4.8 Eligible Rebate Programs and Tax Credits

For energy efficiency and renewable energy products, various federal tax credits, state and local rebates, and incentive programs may exist.

Not all Eligible Improvements will qualify for available federal tax credits and/or state or local utility rebates. For example, some of the federal tax credit specifications require a higher energy efficiency standard than those required by the Program.

Neither WRCOG, Greenworks Lending LLC, the Participating Entities nor their respective officers, employees, agents and assigns make any representation or warranty whatsoever that any Eligible Improvements will qualify for or be granted any tax credits, rebates or other incentives.

All available up front federal, state, or utility rebates that are assignable to the Contractor should be deducted from the assessment amount at the time of financing. The Property Owner and the Contractor will be responsible for notifying the Program of the qualification, award or grant of the Eligible Improvements for any such assignable rebates. **The Property Owner and the Contractor will be responsible for notifying WRCOG and the Program Administrator of the qualification for or award or grant of any such assignable rebates for the Eligible Improvements installed or to be installed on such Property Owner's property.**

4.8.1 Solar Rebates and Program Participation

Property Owners who plan to install solar photovoltaic ("solar PV") or solar systems should participate in applicable rebate programs. Most solar installers can assist Property Owners with applying for these rebates.

5 Program Requirements

5.1 Registered Contractor Application and Registration

All Contractors who install Program-financed Eligible Improvements must apply to become registered with the Program Administrator (see **Appendix E**) and must also agree to all of the Program terms and conditions.

5.2 Building Permits and Inspection

Property Owners are responsible for obtaining, or ensuring that their Contractors obtain any required building permits for Eligible Improvements.

Property Owners should speak with their Contractor(s) to determine if their Eligible Improvements will require a permit and/or inspection.

Program staff may also schedule an on-site validation visit to confirm that the approved Eligible Improvements were fully and permanently installed before approving a submitted Completion Certificate.

5.3 Fraudulent Activity

Any misrepresentations made to the Program Administrator in the application, the Contractor's bid or any other document may cause the Property Owner and/or the Contractor to be terminated from the Program and may result in legal action. For example, such misrepresentation may, in the sole discretion of the Program Administrator, result in a denial of an application, a notification that any installed Eligible Improvements will be ineligible to be financed by the Program, or a legal proceeding, civil or criminal, to

recover any fraudulently obtained funds.

6 Financial Terms

6.1 Costs to Apply

There are no costs to apply. The Property Owner will be responsible for bearing the cost of any third-party diligence reports required to fully evaluate a project application, including but not limited to environmental assessments, appraisal, energy audit, and title reports. Such diligence costs may be financed under the Program and added to the assessment amount. Any required diligence reports will be identified to the Property Owner after an application has been submitted.

6.2 Assessment Costs

Below are the costs to use Program financing for the installation of Eligible Improvements. All rates and fees are set when the Financing Documents are issued and will be identified in the Financing Documents.

6.2.1 Program Financing Fee

A Program Financing Fee is a one-time fee that can be financed or paid up front by the Property Owner. The Program Financing Fee covers the cost of the Program Administrator and WRCOG to finance the installation of Eligible Improvements and the costs to approve and fund installation of such Eligible Improvements. The amount of the Program Financing Fee is identified in the Financing Documents.

6.2.2 Interest Rate

The interest rate on the assessment will be based on market rates and the requested financing term. The final interest rate will be set at the time the Financing Documents are issued and sent to the Property Owners and will be identified in the Financing Documents.

6.2.3 Recording Fees

Property Owners will pay for all fees that are charged to record the Assessment Contract on the property. These fees are added to the assessment amount or paid upfront by the Property Owner at closing. The recording fee is identified in the Financing Documents.

6.2.4 Annual Assessment Administrative Fee

Each tax year an annual assessment administrative fee will be added to the assessment installment. This fee covers the annual costs to administer collection and disbursement of the assessment payments. The annual assessment administrative fee will be identified in the Financing Documents (defined as the Additional Administrative Expense in the Assessment Contract).

6.3 Scheduled Payments

Property Owners will repay principal and interest over an approved term of up to 25 years. Payments will be billed in substantially equal intervals and paid through the Property Owner's tax bill. The assessment payment schedule will be attached to the Assessment Contract that the Property Owners sign, which sets forth the payments due during the assessment term. Failure to pay the assessment payments and the Additional Administrative Expenses when due will result in the accrual of additional interest and penalties and may result in judicial foreclosure on and the sale of the property of the delinquent Property Owner.

6.4 Prepayments

Property Owners may choose to pay off their assessment amount at any time. If the Property Owner chooses to pay off their assessment prior to the maturity date, the Property Owner will be liable for any prepayment penalty listed in the Financing Documents. In order to prepay, the Property Owner will need to contact the Program Administrator to initiate the prepayment process.

7 Program Process

This Program Process section describes the entire process for commercial Property Owners, Contractors, and the Program Administrator from before the project begins, through all steps of the financing process.

7.1 Step 1: Apply

7.1.1 Initial Application

Each Property Owner will need to complete an application. The Program application can be downloaded from the Program website at: www.greenworkslending/California.

Any submitted applications are subject to approval at the discretion of the Program Administrator. If a Property Owner proceeds with ordering or the installation of any Eligible Improvements prior to approval of the application and entering into an Assessment Contract with WRCOG, the Property Owner risks becoming ineligible for Program financing. Furthermore, if a Property Owner is approved for financing but then installs products that are not eligible, those products will not be funded.

7.1.2 Initial Review

Applicants will receive official notification of the status of their applications by email once the application is initially reviewed. The notification will provide an initial evaluation of project eligibility and specify any further documentation required by the Program Administrator to fully evaluate the project. Additional documentation will include property and owner financial information, an analysis of the proposed project, and other information related to the project or property.

7.2 Step 2: Approval

7.2.1 Underwriting

Once the Program Administrator has received the required documentation, it will commence a full underwriting of the project. During this evaluation, the Program Administrator will review the property valuation, owner and/or property financials, public records searches for liens or bankruptcies, and project cost and projected energy savings.

7.2.2 Term Sheet

The Program Administrator will issue a term sheet summarizing the primary terms and conditions for closing on financing. The Property Owner must execute the term sheet before the Program Administrator will complete its underwriting and final approval of the project. As a condition under the term sheet, the Program Administrator may require additional third-party reports to be obtained at the Property Owner's expense. Requirements for any additional reports will be detailed to the Property Owner in writing.

7.2.3 Lender Consent

All applicants must receive consent of any existing mortgage holder before being approved for financing. A lender consent form will be provided to the Property Owner by the Program Administrator. The form must be executed by the mortgage holder and submitted to the Program prior to receiving final approval for financing. The Program Administrator will assist the applicant in obtaining lender consent, but responsibility for obtaining consent rests with the Property Owner.

7.2.4 Final Approval

Once a term sheet is signed by the Property Owner, all required information has been provided and reviewed, and lender consent, if applicable, has been received, the Program Administrator will notify the Property Owner of the application approval .

7.3 Step 3: Sign Financing Documents

After the application is approved, the Program Administrator will send the Property Owner the Financing Documents, which must be signed and received by the Program Administrator by the date stated on the signature page of the Assessment Contract. Instructions for signature and submittal, including any requirements for notarization, will be included with the Financing Documents. The Property Owner must also submit to the Program Administrator an executed Construction Contract between the Property Owner and the Contractor, including a schedule of anticipated disbursement dates for the project financing commensurate with construction milestones. The Construction Contract and schedule are subject to approval by the Program Administrator.

The Property Owner will also receive an email which informs the Property Owner and Contractor of the next steps to request disbursement.

7.4 Step 4: Record Lien on Property

WRCOG, in coordination with the Program Administrator, will record the Assessment Contract as an attachment to the Notice of Contractual Assessment after execution of the Assessment Contract and related Financing Documents.

If the lien is recorded before June 30, the assessment will appear on the next tax bill. For liens recorded on or after June 30, the assessment will not appear on the tax bill until the following tax year following the lien recordation date.

7.5 Step 5: Payment Issued and Install Eligible Improvements

A Property Owner and WRCOG must enter into an Assessment Contract and the Property Owner must sign all Financing Documents (see Step 4 above).

Installation may only be completed by a Contractor who has registered with the Program. Eligible Contractors may register with the Program if they have met all the requirements and sign an agreement to comply with all Program terms and conditions. **See Section 4, Eligibility Requirements.**

Please see section 4.6 regarding Property Owner responsibility for selecting and working with Contractor(s).

7.5.1 Building Permit Requirements

Property Owners are responsible for ensuring that applicable building permits are obtained and required inspections are completed, including final inspection sign-off by the appropriate city or county or other municipality Building Department. Property Owners are also responsible for ensuring that their Eligible

Improvements have met all other applicable federal, state and local laws and regulations. Property Owners should speak with their Contractors to determine if their Eligible Improvements require a building permit and/or inspection and what requirements must be met.

7.5.2 Disbursement Request issued

At each construction milestone, the Property Owner will submit to the Program Administrator a request for disbursement and any other items required by WRCOG and Program Administrator to obtain project financing. All disbursements shall be subject to satisfaction of the conditions precedent contained in the Financing Documents.

7.5.3 Final Disbursement

The Program Administrator's obligation to make the final disbursement shall be subject to the satisfaction of the conditions precedent in the Financing Documents.

If an on-site validation visit is required before approval or the Completion Certificate is incomplete, Program representatives will notify the Property Owner by email or mail of the next steps.

7.5.4 Right to Validate Products

The Program Administrator reserves the right to perform independent on-site validation(s) of any Eligible Improvements financed by the Program even if permit inspections have already been completed. If a validation visit is required, the Program Administrator staff will schedule any such on-site validation visit with the Property Owner, at any reasonable time and with reasonable notice. In addition, the Program Administrator reserves the right to perform online or remote monitoring of any installed renewable energy systems' generation data, if applicable, as well the tracking of energy consumption impacts and utility usage for any installed/financed product via property utility bill data.

7.6 Step 6: Add Assessment to Property

For all Property Owners who sign Financing Documents, WRCOG will submit or cause to be submitted to the relevant county a tax roll that identifies the assessment lien and the amount of the assessment installments due, including the annual assessment administrative fee discussed in Section 6.2.4. The assessment installment amounts will be added to the Property Owner's property tax bill until paid in full. As with other property taxes, failure to timely pay the assessment will result in the accrual of penalties and interest on the delinquent assessment, and, eventually, foreclosure of the property or tax sale of the property by the applicable county or WRCOG.

WRCOG shall determine whether any annual assessment installment is not paid when due and shall have the right to order that any such delinquent payment, penalties, interest, and associated costs be collected by an action to foreclose the lien of such delinquent assessment installment in the manner provided and to the extent permitted by applicable law.

The assessment amounts and any associated ongoing annual assessment administrative fees will be based on the installation costs, Program financing fees, ongoing costs of administering the Assessment Contract and collecting and administering the assessment and the effective interest rate of the Program. Amounts will be specified in the Financing Documents, specifically in the Schedule of Financing Terms attached to the Assessment Contract.

8 Dispute Resolution

The parties who have signed an Assessment Contract for the Program shall attempt in good faith to promptly resolve any dispute arising out of or relating to said Assessment Contract by negotiations between WRCOG or its designated representative and the Property Owner. Property Owners who wish

to dispute decision(s) made by WRCOG may contact the California Commercial PACE Program at 28 Thorndal Circle, 3rd Floor, Darien, CT 06820. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), the section in the Program Handbook that the issue(s) pertain(s) to, and a timeline of events. Within thirty (30) calendar days after delivery of the notice, WRCOG and/or the Program Administrator will contact the Property Owner to resolve the dispute.

9 Additional Requirements and Terms

Additional requirements and terms for the Program are set forth in **Appendix B** to this Program Handbook. **ALL PROGRAM APPLICANTS, PROPERTY OWNERS, AND CONTRACTORS ARE SUBJECT TO THESE ADDITIONAL REQUIREMENTS AND TERMS AS APPLICABLE AND ARE RESPONSIBLE FOR REVIEWING AND UNDERSTANDING THESE ADDITIONAL REQUIREMENTS AND TERMS. APPLICANTS, PROPEETY OWNERS AND CONTRACTORS ARE RESPONSIBLE FOR CONTACTING THE PROGRAM STAFF FOR CLARIFICATION OF ANY ADDITIONAL REQUIREMENT OR TERM THAT IS NOT UNDERSTOOD AND/OR SEEKING ADVICE FROM THEIR OWN ATTORNEY REGARDING ANY SUCH ADDITIONAL REQUIREMENT OR TERM.**

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10 Appendices

Appendix A: Glossary of Terms

Assessment Contract: A contract entered into between a Property Owner or Property Owners and WRCOG to provide financing for the installation of Eligible Improvements on property of such owner or owners under the California Commercial PACE Program.

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

Commercial: Commercial entities are defined as all non-residential properties and include apartment buildings of more than three units, industrial properties, and agricultural properties.

Completion Certificate: A document signed by the Property Owner and Contractor upon completion of the project.

Construction Contract: A document signed by the Property Owner and the Contractor including the full list of Eligible Improvements the Contractor has agreed to intall using project financing. The Construction Contract must include a schedule of anticipated disbursements of project financing to fulfill construction milestones.

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

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

Financing Documents: The Financing Documents are all the documents which the Property Owner must sign as set forth in the application, Completion Certificate and Assessment Contract.

PACE: Property Assessed Clean Energy (PACE) is financing for energy efficiency and renewable energy projects that can be paid back over time as a voluntary tax assessment and is part of property taxes.

Program: The California Commercial PACE Program.

Program Administrator: Greenworks Lending LLC, a Delaware limited liability company.

Real Property: A property in a city, county, town, village or other municipality that is participating in the Program that is subject to a real property tax.

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

Residential: Single family home, four (4) or fewer residential units.

Appendix B: Additional Requirements and Terms

In addition to the Program eligibility criteria and requirements described above in the Program Handbook, the following additional terms are required of Property Owners who participate in the Program.

Property Owner Agrees to All Program Terms

By execution of the Assessment Contract documents, each executing Property Owner certifies that they have read, understood and agreed to the terms of the Program as outlined in the Program Handbook in addition to the terms of the Assessment Contract. Property Owner also thereby certifies that the Property Owner(s), the property, and the products meet all Program eligibility requirements.

Program Disclosures and Disclaimers

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. A full understanding of any item listed below can be gained only by reviewing the relevant laws, policy statements, and/or the contractual documents related to the Program. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or if you need copies of any document related to the Program.

No Endorsement by WRCOG or the Program Administrator. The Property Owner(s) understand, acknowledge and agree that review of the proposed products, the determination that such products are Eligible Improvements and authorization for Program funding of the installation of such products by WRCOG and the Program Administrator shall not be construed as a confirmation or endorsement of the qualifications, efficiency or performance of such products, the Contractors that installed such products, the manufacturer of or any other person involved with the products; or the design of the products; or a warranty or guaranty the performance, economic value, energy savings, safety, durability or reliability of such products.

Property Owner Is Responsible for Products, Permits and Inspections. The Property Owner is solely responsible for all products installed on his or her property, including the selection of any Contractor(s), energy auditor(s), or equipment, including manufacturers. Any performance related issues are the responsibility of the Property Owner and the Property Owner's Contractor(s). Neither WRCOG nor its agents are responsible for the performance of the products. **WRCOG, THE PROGRAM ADMINISTRATOR, EACH OF THE PARTICIPATING ENTITIES AND THEIR RESPECTIVE OFFICERS, EMPLOYEES AND AGENTS DO NOT ENDORSE OR RECOMMEND CONTRACTORS WHO REGISTER WITH THE PROGRAM, NOR DO THEY GUARANTEE, WARRANTY OR OTHERWISE ENSURE THE COMPLETION OF THE INSTALLATION OF THE ELIGIBLE IMPROVEMENTS BY SUCH CONTRACTORS OR THE OPERATION OF THE ELIGIBLE IMPROVEMENTS OR ANY OTHER PERSON INVOLVED WITH THE INSTALLED PRODUCTS, THE DESIGN OR MANUFACTURE OF SUCH PRODUCTS, OR THE ECONOMIC VALUE, ENERGY SAVINGS, SAFETY, DURABILITY OR RELIABILITY OF SUCH PRODUCTS.**

Completion of all city, county and any other applicable permitting and inspections are the responsibility of the Property Owner.

Inspection of Products. The Program Administrator reserves the right to inspect any and all products financed by the Program at any time during installation or when a Completion Certificate is submitted to ensure compliance with the Program.

Rebates and Tax Credits. Federal, state, or local laws or rebate programs may change at any time. Therefore, the Program is not liable for any loss of or change in a rebate or tax credit. Property Owners should consult with their tax advisors and/or accountants as to the applicability of any tax credits to their personal tax situation.

Program Database. All information obtained from Property Owners through the Program will be used only for purposes of the Program, utility rebate programs, energy savings tracking, and federal or state grant program funds tracking and surveys.

Releases and Indemnification. Property Owner acknowledges that WRCOG established the WRCOG Energy Efficiency and Water Conservation Program solely for the purpose of assisting the Property Owners in the Participating Entity where their property is located with the financing of Eligible Improvements and that WRCOG, each Participating Entity, the Program Administrator and their respective officers, employees, agents and assigns have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of such Eligible Improvements. Property Owner agrees that the Property Owner and his or her successors in interest to the fee simple title in the subject property shall be solely responsible for the installation, operation, financing, refinancing or maintenance of such Eligible Improvements. Participation in the Program does not in any way obligate WRCOG, any Participating Entity, the Program Administrator and/or their respective officers, employees, agents and assigns to guarantee or ensure the performance of any Eligible Improvements. Property Owner hereby acknowledges that the subject property will be responsible for payment of the assessment regardless of whether the products are properly installed or operate as expected.

Property Owner also agrees to release, defend, indemnify, and hold harmless WRCOG, the Program Administrator, the Participating Entities, their respective officers, employees, agent assigns, from and against any claims, actions, demands, costs, damages or lawsuits, including the payment of attorney fees and cost of court, arising out of or in any way connected with his or her participation in the Program, including, without limitation, the installation, maintenance or repair of the products or compliance with any applicable federal, state or local laws.

Disclosure of Participant Information. By submitting a Program application, Property Owner agrees that WRCOG and/or the Program Administrator may disclose his or her personal information to Program staff, and that WRCOG and the Program Administrator may disclose that information to third parties when such disclosure is essential to the conduct of WRCOG or its member agencies' business or to provide services to Property Owner, including, but not limited to, where such disclosure is necessary to (i) comply with the law, legal process or our regulators, (ii) enable WRCOG or the Program Administrator or consultants to provide services to Property Owner and to otherwise perform their duties, and (iii) obtain and provide credit reporting information.

In order to receive funding for this Program and to enable communication regarding rebate programs, Property Owner consents to the release of his or her name and contact information to the utility solar rebate program operated by the local Utility. Property Owner further agrees to the release of his or her name and contact information and the subject property's utility usage data as well as data from the online monitoring of any renewable energy system installed for 12 months before installation of the products and up to 24 months after installation of the products from the local utility company to WRCOG, Program Administrator, its grantors, and its designated Contractors for the purpose of conducting surveys and evaluating the Program and its impact. The Program reserves the right to access utility bill information and online monitoring of installed renewable energy systems (if the Property Owner or system owner has elected to set up online monitoring). In addition, Property Owner understands that WRCOG is a public agency which, in certain circumstances, may have an obligation to release information under the California Sunshine Law or pursuant to court order.

Equal Credit Opportunity Act (ECOA). The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against Credit Applicant(s) on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant(s) income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that

administers compliance with this law concerning this creditor is the Federal Trade Commission, Division of Credit Practices, Washington, D.C. 20580.

USA Patriot Act Disclosure. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identities each person who opens an account. What this means for you: As part of applying to the Program, the Program Administrator may be required to ask for your name, address, date of birth, and other information that will allow it to identify you. The Program Administrator may also need a copy of the driver's license or other identifying documents from any and all borrowers and guarantors.

Appendix C: Form of Lender Consent

REQUEST FOR MORTGAGE LENDER CONSENT
AND NOTICE OF PROPOSED SPECIAL ASSESSMENT

DATE

Lender: Bank
Lender Address: Bank's Address
ATTN: _____

Loan Number: _____
Borrower: Property Owner
Property Address: Property Address
Parcel Number:

Why has the Mortgage Lender received this notice?
The Borrower listed above owns the property located at the address above. You are the holder of a loan secured by the property. The Borrower wishes to install energy upgrades to the property using the Property Assessed Clean Energy (PACE) financing mechanism established by the State of California and seeks your consent to do so.

Background on PACE in California
In 2008, California passed legislation that provides access for owners of commercial property in the state to a new form of financing for energy efficiency and on-site renewable energy (EE/RE) upgrades to their buildings. PACE financing can allow building owners to increase the value of their buildings and meet important energy policy goals of the state and its municipalities. (See Exhibit A for most recent legislation). The Western Riverside Council of Governments (WRCOG) is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California. WRCOG has established the WRCOG Energy Efficiency and Water Conservation Program and the California Program and authorized Greenworks Lending LLC ("Greenworks") to administer for commercial properties (the "Greenworks Lending Commercial Program") pursuant to Chapter 29 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") to allow for the financing of certain renewable energy and energy efficiency and water efficiency and electric vehicle charging infrastructure improvement products that are permanently affixed to real property. Pursuant to Chapter 29, WRCOG may levy voluntary contractual assessments against developed properties in the jurisdictions of the Associate Member Agencies that have authorized WRCOG to implement and administer PACE Programs within such Associate Member Agencies, with the free and willing consent of the owners of the properties on which such assessments are levied, to finance the acquisition and construction on and/or installation in the assessed properties of certain qualifying renewable energy, energy efficiency and/or water efficiency products. Such assessments are a mechanism long used to finance improvements to real property that meet a public policy objective, such as sidewalks, parks, lighting districts, and water and sewer projects. Like other special assessments, PACE assessments are collected in installments on the property tax bill in the same manner as and subject to the same penalties, remedies and lien priorities as real property taxes.

Why should you provide consent?
The Greenworks Lending Commercial Program has been designed to meet the needs and concerns of existing mortgage lenders as well as building owners. Following are key protections and benefits:

- **PACE Assessments do not accelerate**. In the event the mortgage holder forecloses on the property for any reason, only the amount of the PACE assessment currently due and/or in arrears, a relatively small proportion of the PACE assessment, would come due. In the event of a property sale, PACE assessments transfer to the new property owner.
- Measures financed through PACE improve properties, often reducing maintenance and repair costs. In addition, energy measures improve the efficiency, health, and comfort of a building, making it more attractive to tenants and future owners.
- Measures financed through PACE typically reduce building operating costs or replace end-of-life equipment. Additionally, each project is reviewed by a third-party engineering firm. The review ensures that the financed measures comply with the California PACE statute
- Property owners are carefully evaluated for creditworthiness
- Buildings are screened for program eligibility
- Contractors are vetted and registered with the WRCOG Greenworks Lending Commercial Program
- Your consent is requested on a per project basis, this is a Greenworks Lending policy

Proposed Terms of PACE Financing
The Borrower applied for PACE financing to finance the improvements outlined in Exhibit B on the property listed above. The special assessment is to be levied on the property pursuant to an assessment contract entered into by the Borrower and WRCOG. The proposed terms are:

- Total Cost of Energy Improvements:
- Total PACE Financing*:
- Total Annual Special Assessment**:
- Annual interest rate not to exceed:
- Term of special assessment:
- Payments per year:

** Includes cost of issuance and capitalized interest during construction. PACE may provide financing for up to [110]% of the financing amount. . Please note, the amounts of the individual components of the total PACE financing requested may change from the amounts listed above, but the Total PACE Financing Requested will not increase by more than 110% of the amount listed above. The above amounts are subject to change.*

*** Includes annual Administration and County Collection fees.*

The Borrower is sending this Request for Mortgage Lender Consent and Notice of Proposed Special Assessment to (i) provide notice of the proposed participation of the property above in the Program; (ii) request confirmation from you that you consent to a special assessment being levied on the property and agree that such levy will not constitute an event of default or trigger the exercise of any remedies under the loan documents; and (iii) provide notice that the special assessment will be collected in installments on the property tax bill in the same manner as and subject to the same penalties, remedies, and lien priorities as real property taxes.

Please sign the enclosed Mortgage Lender Consent acknowledging your consent and return it to the Greenworks Lending Commercial Program at our earliest convenience.

Very truly yours,

By: _____

Name:

MORTGAGE LENDER CONSENT

Date: DATE

Property Information

Property Owner:

Property Address:

APN / Parcel Number: 198-120-04

Mortgage Holder:

Loan Number:

RE: Lender Consent to Assessment

Ladies and Gentlemen:

The undersigned Lender is in receipt of written notice (the "Notice") from the above-referenced property owner that it intends to finance installation on the property of certain energy efficiency and/or renewable energy improvements that will be permanently fixed to the property by participating in the Greenworks Lending Commercial Program sponsored by the Western Riverside Council of Governments ("WRCOG").

The undersigned Lender hereby acknowledges that (i) the Lender consents to the Property owner's participation in the Greenworks Lending Commercial Program, including but not limited to the levying of the assessment on the Property, (ii) repayment will be via a property tax assessment that is collected in the same manner as and subject to the same penalties, remedies and lien priorities as real property taxes or in such other manner as instructed by WRCOG, and (iii) such financing and assessment will not constitute an event of default or trigger the exercise of any remedies under the Loan documents.

The Lender hereby acknowledges that the Property owner, Greenworks, and WRCOG will rely on the representation and acknowledgement of the Lender set forth in this Consent.

LENDER:

_____

Signature of Authorized Representative

_____

Name

_____

Title

_____

Date

The foregoing instrument was acknowledged before me this _____ day of _____,

by_____ of _____ an

_____, on behalf of said _____.

_____

Notary Public

EXHIBIT A
PACE-ENABLING LEGISLATION

EXHIBIT B
PROPOSED IMPROVEMENTS

Appendix D: Contractor Registration Form/Insurance Requirements

[Follows this Page]

Prior to closing financing for a project, Greenworks Lending LLC ("Greenworks") requires that all contractors on the project are licensed, insured, and in good standing in the states in which they operate. Greenworks also requires a completed application and registration form. Please read the Greenworks Lending Contractor Registration Requirements below and sign to indicate that _____ ("Partner") understands and agrees to comply with these requirements. For any questions, please contact California@greenworkslending.com

Partner Registration Requirements:

Prior to closing its first project financed by Greenworks, the Partner will:

1. Provide Greenworks with a valid W9 .
2. Provide Greenworks with current copies of Certificates of Insurance for Worker's Compensation Insurance, General Liability insurance, and Builder's Risk or Inland Marine insurance (in an amount equal to the cost of the equipment being installed).[1]
3. Provide Greenworks with information regarding all licenses and certifications required by applicable laws, rules and regulations for the types of work the Partner performs.
4. If the Partner has been in business for less than three years, the Partner will provide Greenworks with the resumes of key principals and three client references for any of the key principals for their prior or current roles.
5. Complete Greenworks's C-PACE Training including modules on project development and origination; registration and disbursements; and technical requirements.
6. Be subjected to Greenworks's state-level in-house checks, which may include a search for Secretary of State registration, Consumer Protection Bureau ratings and web-based consumer reviews as well as litigation bankruptcy and judgement searches of Partner and/or the key principals of the Partner (Partner may be asked to submit explanations and/or client references in the event Greenworks is not satisfied with the result of its in-house checks).
7. Provide other information as Greenworks may request in its sole and reasonable discretion.

For all subsequent projects where the Partner will be working with Greenworks as a C-PACE provider in a new state, Greenworks will require that the Partner provide information regarding all licenses and certifications required by applicable laws, rules and regulations of that state and be subjected to additional state-level in-house checks by Greenworks.

Acknowledged and Accepted:

Signature: _____

Name: _____

[1] Greenworks offers competitive per-project Builder's Risk coverage under our policy for an additional fee. Please inquire for pricing.

Title: _____

Date: _____

Duly Authorized

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: **January 8, 2018**

The purpose of this item is to *inform the Executive Committee of activities undertaken by the League of California Cities.*

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the League of California Cities Regional Public Affairs Manager for Riverside County.

Prior Action:

December 4, 2017: The Executive Committee received and filed.

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: **Carryover Revenue Proposal for Fiscal Year 2016/2017**

Contact: **Jennifer Ward, Director of Government Relations, jward@wrcog.us, (951) 955-0186**

Date: **January 8, 2018**

The purpose of this item is to *forward the recommendations from the Administration & Finance Committee and seek direction from the Executive Committee regarding allocation of Fiscal Year (FY) 2016/2017 carryover revenues generated through the HERO Program.*

Requested Action:

1. Approve the recommendation from the Administration & Finance Committee to allocate the remainder of the Fiscal Year 2016/2017 carryover revenues, totaling $2.8 million, to Agency reserves, which will include a specified PACE Program reserve of $500,000.

Background

In Fiscal Year (FY) 2014/2015, WRCOG began to generate net revenues from HERO Program administration. Net HERO revenues, or "carryover revenue," amounted to $3.3 million in that fiscal year. In FY 2015/2016, carryover revenues increased to $4.3 million. In generating carryover revenues, the Executive Committee gave staff direction to undertake new projects such as BEYOND, Fellowship, Water Quality, and Grant Writing in addition to establishing an Agency reserve. Attachment 1 summarizes carryover revenues realized to date.

Update on Allocation of Carryover Funds

After staff completed their analysis of revenues and expenditures for FY 2016/2017, it was determined carryover revenues would amount to approximately $4 million. Considering the Programs currently in place for WRCOG based on the first two years of carryover revenue, and incorporating input on potential new programs from WRCOG members, staff put together ideas of how carryover funds could be utilized for FY 2017/2018.

These ideas were considered by the Administration & Finance Committee on November 8 and December 13, 2017. Proposed allocations for the $4 million in FY 2016/2017 carryover revenues, along with previous years' allocations for comparison, are listed below.

Allocation of Carryover Funds to Date			
Category	**FY 2014/2015**	**FY 2015/2016**	**FY 2016/17**
TOTAL	**$3.3 million**	**$4.3 million**	**$4 million**
Reserves	$475,000	$1.6 million	$2.8 million – to include $500,000 for PACE Program Reserve *(A&F recommendation)*

BEYOND Program	$1.8 million	$2.3 million	--
Fellowship	$400,000	--	$700,000 *(EC approved)*
Budgeted Items	$625,000	--	--
Grant Writing	--	$200,000	$500,000 *(EC approved)*
Water Quality / Alternative Compliance Program	--	$200,000	--

Note: The following allocation was recommended by the Administration & Finance Committee on December 13, 2017, and will be considered for approval by the Executive Committee on January 8, 2018.

Reserves: Staff recommends WRCOG continue to build its General Fund and program specific reserves. The California Society of Municipal Finance Officer's (CSMFO) Best Practices indicate that an agency's reserve should be equal to at least 20% of its operating expenditure budget. On December 13, 2017, the Administration & Finance Committee recommended allocating the remaining $2.8 million in FY 2016/2017 carryover revenues to reserves, bringing the Agency's total reserves to approximately $4.6 million. This direction from the Administration & Finance Committee included support for staff's recommendation that $500,000 be specifically set aside for PACE Program reserves. Staff recommended this for two reasons: 1) general fiscal prudency to dedicate specific program reserves separate from general agency reserves (the TUMF Program for example has a dedicated reserve of approximately $3 million); and 2) the Executive Committee previously established a protocol that 20% of PACE net revenues be allocated towards reserves.

Note: The following allocations were recommended by the Administration & Finance Committee and approved by the Executive Committee in November and December 2017. Summaries are provided here for background.

Fellowship: Based on success of the first round, the Executive Committee committed to setting aside a total of $700,000 for the Fellowship Program to continue This allocation was approved on November 6, 2017, and includes $300,000 for the current round (Round 2) and $400,000 for the next round (Round 3) of Fellows.

Grant Writing Assistance: Due to the popularity of the Grant Writing Assistance Program launched earlier this year, the Executive Committee approved on December 4, 2017, an additional $500,000 to provide additional funding for a "bench" of grant writing consultants that can assist member jurisdictions.

BEYOND Program: Since there have been two rounds of BEYOND funding released thus far with over $3 million in unspent monies for projects funded in those rounds (see Attachment 2 for more information), staff recommends that BEYOND be renewed for a third round in July 2018 using anticipated funds from FY 2017/2018 carryover revenues. If the Program is approved for a third round, member agencies could apply for Round 3 BEYOND Funding in late 2018 / early 2019. This proposed schedule would allow time for Round 1 and Round 2 projects to be completed and does not require action by the Executive Committee at this time.

Filter Analysis for Evaluating Proposed Initiatives

Note that, moving forward, for any initiative WRCOG is either requested to, or desires to, fund, staff intends to utilize a "Filter" process, established at the Joint Committee Visioning Session in October 2017, to evaluate whether or not it would be beneficial for WRCOG to pursue any request.

The Filter includes eleven issues that are considered in reviewing a project proposal:

1. Will the program provide regional benefit – is the issue truly multi-jurisdictional?
2. Does the program show a strong nexus to the Agency's purpose – to unify Western Riverside County so that it can speak with a collective voice on important issues that affect its members while respecting local control?
3. Will the program complement WRCOG's existing programs?
4. Is there a high potential to make a difference?

5. Does WRCOG have the resources to be effective?
6. Will WRCOG's involvement provide a strong return on investment or "bang for your buck"?
7. Is this issue already being addressed by any other agency / agencies?
8. Is there something WRCOG can do that no other agency can?
9. Would WRCOG's involvement protect and support quality of life by promoting any one or more of the six quality of life promoting goal areas identified in the Sustainability Framework: economy, health, transportation, water / waste water, energy / environment, and education?
10. Is there a relevant model WRCOG could follow that other regional agencies have found to be effective to address this issue?
11. What other factors are important to consider with this particular issue?

To simplify the analysis, staff assigned a point value to the first ten questions. A “yes” response to a question indicates that a proposal meets that criteria and results in a score of one point, while a “no” response indicates that the proposal does not meet that particular criteria and results in a score of zero points. As staff utilizes the “Filter” process to evaluate potential undertakings, staff will continue its practice of informing all pertinent WRCOG Committees for discussion and direction.

Prior Actions:

December 13, 2017: The Administration & Finance Committee recommended that $2.8 million in Fiscal Year 2016/2017 Agency carryover revenues be allocated to Agency reserves, to include $500,000 specifically for PACE Program reserves.

December 4, 2017: The Executive Committee approved an increase in funding of up to $500,000 for the Grant Writing Assistance Program to assist member jurisdictions.

November 8, 2017: The Administration & Finance Committee directed staff to allocate $500,000 toward the Grant Writing Program, and $10,000 per year for four years toward the Food Systems Modeling Program, and to continue this discussion on the remaining items at the next meeting.

Fiscal Impact:

Prior to the completion of FY 2016/2017, the General Fund reserve totaled $1.8 million. With another $2.8 million being transferred in, the General Fund reserve now totals $4.6 million, with $500,000 of that amount being designated for PACE reserves.

Attachments:

1. Carryover Revenue for Fiscal Year 2014/2015, 2015/2016, and 2016/2017.
2. BEYOND Framework Fund – Overall Program Status.

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Item 6.C

Carryover Revenue Proposal for Fiscal Year 2016/2017

Attachment 1

Carryover Revenue for Fiscal Year 2014/2015, 2015/2016, and 2016/2017

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Net PACE Revenues

FY 14/15

$ 3,300,000 Available

	Executive Committee Approved Allocation:	Less Expended	Remaining Balance
$ 1,800,000	BEYOND - Round 1	$ 1,145,248	$654,752
400,000	Fellowship - Round 1	400,000	-
248,000	CCA - Budgeted	248,000	-
276,000	Streetlights - Budgeted	276,000	-
101,000	Gov't Relations - Budgeted	101,000	-
475,000	Agency - Reserves	475,000	-
$ 3,300,000	Total	$ 2,645,248	$ 654,752

FY 15/16

$ 4,300,000 Available

	Executive Committee Approved Allocation:	Less Expended	Remaining Balance
$ 75,000	BEYOND - Health	$ -	75,000
175,000	BEYOND - Team	-	175,000
2,052,917	BEYOND - Core	-	2,052,917
250,000	Economic Development - Transferred to Reserves	250,000	-
200,000	Agency - Grant Writing	16,994	183,006
200,000	Agency - Water Quality	140,426	59,574
300,000	Agency - Other - Transferred to Reserves	300,000	-
1,047,083	Agency - Reserves	1,047,083	-
4,300,000		$ 1,754,503	$ 2,545,497

FY 16/17

$ 4,000,000 Available

	Executive Committee Approved Allocation:	Less Expended	Remaining Balance
500,000	Agency - Grant Writing	-	500,000
700,000	Fellowship	29,000	671,000
2,800,000	Agency - Reserves	2,000,000	800,000
4,000,000		$ 2,029,000	$ 1,971,000

Remaining Balances by Category	Balances
BEYOND - Round 1	$ 654,752
BEYOND - Round 2	2,302,917
Grant Writing	683,006
Water Quality	59,574
Experience	249,823
Fellowship	671,000
Total Unexpended Balance for FY 14/15 & 16/17	***$ 4,621,072***

WRCOG General Fund Reserve Balance	
FY 14/15 Reserves	$ 475,000
FY 15/16 Reserves	1,047,083
Less: Allocation to EXPERIENCE	(249,823)
Agency - Other	300,000
Agency - Economic Development	250,000
FY 16/17 Reserves	2,300,000
FY 16/17 PACE Reserves	500,000
Total WRCOG General Reserve Balance	**$ 4,622,260**

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Item 6.C

Carryover Revenue Proposal for Fiscal Year 2016/2017

Attachment 2

BEYOND Framework Fund – Overall Program Status

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BEYOND Framework Fund – Overall Program Status

As of: December 7, 2017

The BEYOND Framework Fund Program is designed to enable member agencies to develop and implement plans and programs aimed at improving quality of life in Western Riverside County by addressing the goal areas outlined in WRCOG's Economic Development and Sustainability Framework.

Background

Piloted in Fiscal Year (FY) 2015/2016, the BEYOND Framework Fund supports development and implementation of local projects aligned with the six goal areas outlined in WRCOG's Economic Development and Sustainability Framework: economy, health, education, energy \ environment, water \ waste water, and transportation. To date, the Executive Committee has allocated a total of $4.1 million through two rounds of funding to BEYOND. The funding for BEYOND comes from FY 2015/2016 and FY 2016/2017 Agency carryover funds.

BEYOND operates approximately 18-24 month, overlapping, project cycles. Projects funded in Round I commenced in January 2016, with scheduled completion by the end of August 2017, while funding of Round II projects commenced in May 2017, with a scheduled completion by the end of November 2018. Below is a summary Program schedule:

BEYOND Program Schedule		
Project Milestone	**Round I**	**Round II**
Approved Projects Begin	1/29/2016	5/12/2017
Projects Completed By	8/31/2017 - 2/28/2017	11/15/2018
Final Progress Reports & Invoices Due	9/30/2017	12/15/2018

Round I of BEYOND provided $1.8 million to member jurisdictions, allocated according to a population-based formula in a single funding stream. Round II is operating three funding streams: 1) BEYOND Core, a central pot of funding allocating $2.05 million to WRCOG member agencies using a population-based formula; 2) BEYOND Team, a competitive fund for collaborative projects between multiple member agencies; and 3) BEYOND Health, a competitive fund for public health promoting projects.

Round I Projects Status

Round I is funding 32 projects, each supporting one or more of the Framework goal areas. The Round I schedule calls for projects to incur all eligible project costs by August 31, 2017, and to submit all requests for reimbursement and progress reports by September 30, 2017; however, WRCOG is granting up to six-month extensions. To date, 18 projects have been completed, 11 projects have requested extensions, and three projects have been approved as multi-year efforts: the Water Task Force project, funded jointly by EMWD and WMWD; and one project each from the Cities of Riverside and Temecula, which are combing Round I and Round II funding for the same project.

Of the $1.8 million allocated through Round I, WRCOG has reimbursed $996,000, leaving $803,000 remaining.

All projects approved for funding through BEYOND Round I are summarized below.

Staff is currently developing resources for those interested in completing projects similar to those included in Round I, using the materials shared with WRCOG staff through the application process and progress reports. These resources are tentatively planned for release beginning in late 2017 and will made available on a rolling basis as projects are completed.

Round II Projects Status

Fifty-one projects are receiving funding through the three Round II funding categories BEYOND Core, BEYOND Team, and BEYOND Health. Thirty-seven project Agreements have been fully executed, seven project Agreements are pending signature, and seven are awaiting additional information from the funded agency. Per the BEYOND Program Guidelines, jurisdictions may begin to incur project costs at any time, and do not need to wait for the Agreement to begin project activities. Once an Agreement has been fully executed, member agencies may request reimbursement for eligible project costs incurred within the current calendar year.

Below is a summary overview of Round II funded projects by funding category:

BEYOND Core: WRCOG is funding 41 projects through BEYOND Core in Round II. Nine member agencies have divided their fixed Core allocation between two or more projects, leveraging the adaptability of the Program to meet a variety of needs with relatively unrestricted usage parameters.

All projects approved for funding through BEYOND Core are summarized below.

BEYOND Team: BEYOND Team is funding three collaborative projects, which include: $17,000 for the City of Perris in partnership with Eastern Municipal Water District and local agencies to augment BEYOND Core support for the City of Perris' HealthyCommunity50 Green City Farm Project; and $79,000 each for two applications submitted in partnership with multiple member agencies to address homelessness, one in the southwest region and the other in the northwest region.

BEYOND Health: BEYOND Health funding is being split between 14 jurisdictions, including nine which are augmenting BEYOND Core funding and three distinct projects. Two BEYOND Health awards were granted to different agencies for the collaborative Regional Cancer Treatment Task Force in Southwest Riverside County.

Future Funding Rounds

The current, 18-month project schedule for BEYOND funding rounds, coupled with the project extensions that have been granted to one-third of Round I projects, means that the majority of the already programmed BEYOND funding is not scheduled to be fully expended until mid- to late-2018. Instead of tying up additional Agency resources in a Third Round of BEYOND immediately, staff recommends deferring discussion of programming Round III funding for one additional year and giving member agencies an opportunity to focus on completing current Round I and II Projects.

City / Agency	Project Name	Funding	Project Description
City of Banning	Park Facilities Improvements	$39,300	The City of Banning has been approved to leverage BEYOND money as matching funds to finance an expansion and facilities update of Lions Park. If no match is available, they have proposed using the funds for smaller park facilities updates.
City of Calimesa	Clean Energy Vehicles for Calimesa	$36,177	The City of Calimesa is utilizing BEYOND funding as a match with AQMD AB 2766 funds to replace two vehicles in the City's hybrid/electric fleet.
City of Canyon Lake	Canyon Lake Water Monitoring	$3,724	The City of Canyon Lake is dedicating BEYOND funds to facilitate more frequent water testing of the Lake as necessitated by anticipated increases of run-off from El Nino storms.
	Economic Development	$32,812	The City of Canyon Lake is spurring economic development by posting monument signs, performing website maintenance, and completing land analysis for future development.
City of Corona	Corona Innovation Center	$147,600	The City of Corona is utilizing BEYOND funds to support improvements to a previously underutilized facility for use as a business development center.
City of Eastvale	SRTS: Radar Display Signs	$83,549	The City of Eastvale is utilizing BEYOND funds to support its Safe Routes to School campaign through the purchase and installation of 12 radar speed display signs.
City of Hemet	Downtown Specific Plan	$86,597	The City of Hemet is applying BEYOND funds, in conjunction with a SCAG planning grant, to support development of the City's updated Specific Plan and related documents.
City of Jurupa Valley	Farmer's Market	$20,000	The City of Jurupa Valley's Farmers' Market BEYOND project is utilizing funds to make requisite updates to the City's zoning code to allow for a Farmers' Market and will also support the establishment of the Farmer's Market.
	Healthy Jurupa Valley Support	$28,842	The City of Jurupa Valley's Healthy Jurupa Valley BEYOND project funds are supporting the initiative's five action teams which work to promote and implement healthy living initiatives in the city.
	Pedestrian and Bicycle Mobility Improvements	$20,000	The City of Jurupa Valley's Pedestrian and Bicycle Mobility Improvements BEYOND project will dedicate funds to identify city arterials appropriate for walking and biking corridors. Funds will then be used to install appropriate signage and perform necessary walkway upgrades.
	Chamber of Commerce Partnership	$20,000	The City of Jurupa Valley's Chamber of Commerce BEYOND project is supporting an initiative to build a partnership with the Chamber of Commerce and to develop educational programs that will promote the City's economic vitality.
	TOTAL FUNDS	$88,842	--

City / Agency	Project Name	Goal Area(s) Supported	Project Description
City of Lake Elsinore	Rosetta Canyon Park - Artificial Turf	$83,238	The City of Lake Elsinore is devoting BEYOND funds to finance a portion of the City's artificial turf installation at Rosetta Canyon Community Park which will include five softball/baseball fields, and one soccer/football field.
City of Menifee	Citywide Branding Effort - An Economic Driver	$87,039	The City of Menifee is dedicating BEYOND funds to support a two-stage economic development project beginning with a comprehensive evaluation of the City's economic environment, Stakeholder attitudes and perceptions, to inform the second stage development of a citywide branding effort.
City of Moreno Valley	Community Enhancement Program	$153,294	The City of Moreno Valley is dividing funds between 12 initiatives including a water station installation, materials and supplies support for three Safe Routes to School events, the replacement of 38 computers at the employment resource center, and bike rack installations.
City of Murrieta	Murrieta Energy Efficiency Project	$140,126	The City of Murrieta is utilizing BEYOND funds to finance energy improvement projects identified utilizing an energy audit under the direction of the Energy Network and the Western Riverside Energy Leadership Partnership (WRELP).
City of Norco	Two-Pronged Economic Development Marketing Strategy	$38,650	The City of Norco is utilizing BEYOND funds to support a two-pronged branding effort highlighting Norco as a dynamic business, and friendly environment; and hospitable destination of choice focusing on equine and related attractions.
City of Perris	Gateway Enhancement Signage Program	$42,640	The City of Perris is dedicating a portion of the City's BEYOND allocation to support the Gateway Enhancement Signage program--an effort to overcome perception challenges faced by the city and to optimize economic opportunities by installing a series of entry, way finding, and branding signs throughout the City's gateway streets and places of interest.
	Green City Farm Program	$42,640	The City of Perris is dedicating a portion of its BEYOND allocation to fund the Green City Farm project which will develop a Community Garden Demonstration Center exhibiting best practices in water-wise gardening, and healthy living opportunities.
	TOTAL FUNDS	$85,280	--
City of Riverside	Marketplace SPOT + TOD	$169,740	The City of Riverside is using BEYOND moneis to fund a SPOT+TOD project which is a community-based development plan and policy framework that will plan for a pedestrian bridge from Metrolink to downtown and development of the Metrolink area as a node of activity.

City / Agency	Project Name	Goal Area(s) Supported	Project Description
City of San Jacinto	Healthy San Jacinto	$41,471	The City of San Jacinto is leveraging BEYOND funding to meet a portion of its required match for its Strategic Growth Council Sustainable Communities Grant, which is funding the development of a comprehensive downtown specific plan. BEYOND funds will be specifically dedicated to the development of a Healthy San Jacinto Coalition which will mobilize community efforts around creating a healthy and sustainable community.
City of Temecula	Global Citizens Special needs Vocation Training (Teen Job Readiness)	$15,000	The City of Temecula is dedicating a portion of its BEYOND allocation to support the Global Citizens Teens with Special Needs program which provides jobs readiness training for adults with special needs. This project includes a comprehensive curriculum training participants for jobs in the viticulture and hospitality industries.
	Sam Hick's Monument Park Sustainable Landscaping Project	$20,000	The City of Temecula is dedicating a portion of its BEYOND allocation to support the Sam Hicks Monument Park Project which will replace existing landscaping with indigenous plants and permeable surfaces and install drip irrigation and interpretive signage.
	Emergency Management - Video Vignette	$2,500	The City of Temecula is requesting to dedicate a portion of its BEYOND allocation to support the production of a video vignette which will educate the public about best practices for local emergency preparedness efforts before, during, and after a catastrophic event.
	TVE2 Stem and Youth Enrichment	$15,000	The City of Temecula is dedicating a portion of its BEYOND allocation to support the TVE2 Stem and Youth Enrichment Program. BEYOND funds are being used to purchase 25 computer stations for the Junior Women's STEM Program , Future Physician Leaders , and Youth Legal Program.
	Grow Temecula Valley	$15,000	The City of Temecula is dedicating a portion of its BEYOND allocation to support the Grow Temecula Valley project's effort to promote buying local food and to highlight the region for tourists.
	Sixth Street Sidewalk Improvements	$72,857	The City of Temecula is dedicating a portion of its BEYOND allocation to support the Sixth Street Sidewalk Improvements project to regrade the sidewalks and install rolled curbs, promoting mobility for all abilities.
	TOTAL Funds	$137,857	--

City / Agency	Project Name	Goal Area(s) Supported	Description
City of Wildomar	Website Improvements Project	$39,814	The City of Wildomar is making improvements to the City website and updating its server to enhance the user interface for business owners and developers utilizing online permitting capabilities and optimized website capabilities.
RCOE	RCOE Foundation Scholars Program	$35,000	With BEYOND funds and an $85,000 grant from SCE, the Riverside County Superintendent of Schools' RCOE Foundation anticipates awarding between 7-14 student scholarships to "opportunity youth"/ at-risk students enrolled in RCOE programs such as Alternative Education, Court and Community Schools, County Foster Youth programs, Come Back Kids Charter and Riverside County Education Academy students. Student scholarships are anticipated to range between $2,500 and $5,000 per student.
Riverside County	County: Riverside County Sustainability Plan	$136,402	The County intends to use $136,000 of its allocation for a Sustainability Plan and/or Sustainability Element of its General Plan, incorporating and building from the WRCOG Economic Development & Sustainability Framework as well as other County-led initiatives. This project is still under development and WRCOG staff is working with County staff to finalize the project concept and scope of work.
	Riverside University Health System - Public Health: Healthy Development Checklist	$25,000	The County has allotted $25,000 of its allocation to the Department of Public Health to support development of a “Healthy Development Checklist” that will serve as a tool for planners to make recommendations to improve County of Riverside’s residents’ health through community design.
	TOTAL FUNDS	$161,402	--
Eastern Municipal Water District	Diamond Valley Lake & Skinner Lake Trails	$20,000	Eastern Municipal Water District is engaging Fehr & Peers to develop up to five project description sheets and photosimulations for Diamond Valley Lake & Lake Skinner trails or related active transportation facilities which will describe proposed active transportation routes, route segments, or intersections.
Western Municipal Water District	Customer Handbook: Using Water Efficiently in the Landscape	$20,000	WMWD will dedicate funds to support the creation of a water wise Landscaping web-based handbook with engaging written content, photos, links, and embedded videos. WMWD anticipates water savings of 7,240 acre feet and greater per year.

City / Agency	Project Name	Goal Area(s) Supported	Description
Morongo Band of Mission Indians	Dial-A-Ride Expansion	$35,000	The Morongo Band of Mission Indians is utilizing BEYOND funding to purchase an additional vehicle and fund a new full-time employee to operate an expanded Dial-A-Ride route to support transportation to jobs, medical services, education centers and other needs.
EMWD / WMWD	Water Task Force	$30,000	Eastern Municipal Water District and Western Municipal Water District have each dedicated a portion of their BEYOND allocation to fund the ongoing operation of the Water Task Force which may help to cover administrative costs, guest speaker expenses, marketing and meeting expenses.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
Banning	Lions Park Expansion	Health	The City of Banning is allocating BEYOND Round II Core funding toward design and park improvements for Lions Park. The park is currently 9.12 acres consisting of 3 baseball fields, snack bar, and a playground. The City is working to expand the park to include an additional 7.46 acres, to be used for two multi-purpose fields. Round I funding was applied to a portion of the cost of the requisite CEQA analysis for the park. Additional funding is anticipated to come from the County EDA and the City's Park fund.
Calimesa	Creekside Park Fitness Facilities	Health	The City of Calimesa is allocating BEYOND funding toward transforming Creekside Park into a Fitness Park by installing park grade fitness equipment stations. The installation will require relocation of existing fencing material to expand the park area; installation of rubberized safety surface around each fitness station; replacing existing benches, trash cans, and picnic tables to accommodate and encourage increased park usage.
Canyon Lake	Railroad Canyon Road Mobility Improvement Project	Transportation, Health	The City of Canyon Lake is allocating a portion of BEYOND funding toward the installation of pole-mounted radar speed signs. The project is in response to high auto speeds along Railroad Canyon Road, which connects to Lake Elsinore (west) and Menifee (east) where speed limits are both higher than Canyon Lake.
	Goetz Road Monument Project	Economic Development	The City of Canyon Lake is allocation BEYOND funding to branding and establishing its identity as a municipality amongst its neighboring cities. The City is utilizing a portion of BEYOND funds for a city monument at the entry point along Goetz Road, adjacent to Menifee's Audie Murphy Ranch residential development project.
	City Website	Economic Development	The City of Canyon Lake is allocating a portion of BEYOND funding to perform the annual website update to ensure the site continues to help inform, promote, and describe the City to website visitors.
Corona	Corona Innovation Center	Economic Development	The City of Corona is allocating BEYOND Core Round II funding to continue work on the BEYOND RI funded Corona Innovation Center. RII funds will support physical upgrades and ADA renovations to the economic development resource center.
Eastvale	Bus Shelters & Appurtenances	Transportation	The City of Eastvale is allocation BEYOND Core funding toward the installation of overhead bus shelters, benches, and/or a trash container at its more than 30 bus stops along Route 2 and Route 29.
Hemet	Pending	Pending	Pending

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
Jurupa Valley	JV Chamber of Commerce	Economic Development	The City of Jurupa Valley is utilizing a portion of its BEYOND Core Round II funding to continue developing its partnership with the Jurupa Valley Chamber, focusing on business retention and small business development.
	Farmers Market	Energy and Environment, Health	The City of Jurupa Valley is utilizing a portion of its BEYOND Core Round II funding to support the continued operation and enhancement of the JV Farmers Market through market expansion and establishment of an ongoing marketing campaign.
	Marketing/Branding Program	Economic Development	The City of Jurupa Valley is utilizing a portion of its BEYOND Core funding to initiate a city-wide branding program to include development of a City brochure and other informational marketing.
	Radar Display Signs	Transportation, Health	The City of Jurupa Valley is utilizing a portion of its BEYOND Core funding to install up to 6 solar powered radar speed signs to enhance safety awareness of motorists when approaching school zones.
	Rubidoux Walking Corridor	Transportation, Health	The City of Jurupa Valley is utilizing a portion of its BEYOND Core Round II funding for enhancements to the Rubidoux Walking Corridor, established through BEYOND RI funds. Funding will go toward construction of informational kiosks at each end of the corridor, enhancement of the Edible Path to School, and installation of murals.
Lake Elsinore	Regional Cancer Taskforce + Temecula	Health, Economic Development	The City of Lake Elsinore is allocating a portion of its BEYOND Core funding to contribute toward the efforts of the SW Cities Cancer Services Taskforce. The Taskforce will hire a facilitator and perform a study to identify trends and regional needs in the area of Cancer services. Results of the assessment are intended to be used in planning for and attracting in-demand services to the region.
	Healthy LE Program	Health	The City of Lake Elsinore is allocating a portion of its BEYOND Core funding to support the Healthy LE Program. A majority of funding will be directed to hiring a part-time Graduate Student intern to support program activities. Additional funds will go toward project materials and event programming.
	Fit-Trails Equipment	Health	The City of Lake Elsinore is allocating a portion of its BEYOND Core funding to install fitness equipment stations at four parks throughout the city. The four parks were selected based on current activity and utilization levels, varied user types, disbursement of locations throughout the city, and existing walking path infrastructure.
Menifee	Communicating Menifee's Brand!	Economic Development	The City of Menifee is allocating a portion of its BEYOND Core Round II funding to build off of the RI Re-branding project to develop a marketing communication plan to include creating an independent economic development website and developing marketing materials.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
	Menifee Homeless Taskforce	Economic Development, Health	The City of Menifee is allocating a portion of its BEYOND Core funding to the Southwest Homeless Alliance Coalition, specifically for creating and printing marketing materials associated with the Coalition.
Moreno Valley	Community Enhancement Program II	Health, Energy & Environment, Transportation	The City of Moreno Valley is utilizing BEYOND funding for a multi-faceted project to promote active transportation, community engagement, and enhanced quality of life through ten tasks: (1) Community Cleanup Event, (2) Cyclocross Race, (3) Ride MoVal Community Bicycle Race, (4) 5K walk / Pet Adoption Fair Events, (5) Healthy Moreno Valley student campaign, (6) Juan Batista de Anza Trail raised crossing / SB821 Bicycle and Pedestrian Facilities from Bay Avenue to Cottonwood Street, (7) Mini-Round About Demonstration, (8) existing conditions Health Impact Assessment, (9) Community Health Element to General Plan, and (10) Exercise Equipment along Juan Bautista De Anza Trail.
Murrieta	Economic Development Site Selector Website	Economic Development	The City of Murrieta is utilizing a portion of BEYOND Core funds to develop a website in coordination with the Chamber of Commerce to provide comprehensive information to help new, expanding, and relocating businesses find the optimal location for success with the City of Murrieta. The website will utilize GIS software, real estate, demographic, workforce, and industry data to create this tool.
	HVAC Replacement at Murrieta Innovation Center	Energy and Environment	The City of Murrieta is utilizing a portion of BEYOND Core funds to replace 11 aging HVAC units and install new Title 24 compliant units. Round I funding had been programmed for this, but was reprogrammed for upgrades to the Police and Fire Department HVAC units.
Norco	Ensuring Safety Through Feedback Signs	Education, Health, Transportation	The City of Norco is utilizing BEYOND Core funding to purchase, install, and program 12-15 permanent speed feedback signs.
Perris	Well One	Health	The City of Perris, in partnership with Loma Linda University Dental School, and Lake Perris SDA Church, are organizing a bi-monthly dental clinic to serve the community to be integrated into an existing community medical and mental health clinic. Perris residents are granted first priority for appointments, but walk-ins from all areas are welcome. Funds will buy equipment and supplies. The clinic will be largely staff by volunteers, including volunteer dental students and professors.
	Perris green City Farm/HealthyCommunity50	Health, Education, Energy & Environment	Perris was one of 50 awardees for the national HealthyCommunity50 Challenge, to compete to develop practical, evidence-based strategies to improve measurable health outcomes and promote health and wellness, equity and social interaction. Perris' strategy focuses on healthy food access and is seeking funding to expand its network of community gardens. Funds will focus on developing a goal of 31 gardens.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
Riverside	The Marketplace TOD & Mobility Hub Specific Plan Update	Economic Development, Transportation	The City of Riverside is combing its Round I and Round II funding allocation for development of a Marketplace TOD & Mobility Hub Specific Plan in the area around the Downtown Metrolink Station. With BEYOND funds, the City will prepare a two phased plan to (1) develop a baseline infrastructure opportunities and constraints plan, and (2) create an implementable Mobility Hub Specific Plan. The City seeks to collaborate with RTA to plan for the area.
San Jacinto	Pending	Pending	Pending
Temecula	Temecula Youth Project Construct	Economic Development, Education	The City of Temecula is utilizing a portion of its BEYOND Core funding to create the Temecula Youth Construct project which aims to bridge the gap between educational attainment and vocational skills and offer an avenue, for students who do not attend college, to gain skills that will allow them to be successful within the community.
	Regional Cancer Taskforce + Lake Elsinore	Economic Development, Health	The City of Temecula is utilizing a portion of its BEYOND Core funding to contribute toward the efforts of the SW Cities Cancer Services Taskforce. The Taskforce will hire a facilitator and perform a study to identify trends and regional needs in the area of Cancer services. Results of the assessment are intended to be used in planning for and attracting in-demand services to the region both to support health outcomes and economic development.
	Emergency Management System	Health,	The City of Temecula is utilizing a portion of its BEYOND Core funding to host a one-day regional Emergency Management Summit, for the purpose of convening regional first responders, emergency managers, elected officials, businesses, and the general public to discuss emergency preparedness for the region.
	Intergenerational Horticulture Program	Education, Economic Development	The City of Temecula is utilizing a portion of its BEYOND Core funding to support the public-private partnership between the City and Our Nicholas Foundation which offers specialized vocational skill training for teens, adults, and seniors with special needs. Modeled after the RI BEYOND Funded Global Citizens Special Needs project, the Horticulture Program would be designed to teach basic skills that encompass cultivation of plants, vegetable gardening, landscaping, irrigation, and basic business practices for all ages with special needs from several communities in Western Riverside County.
	Bicycle Sharrows	Transportation, Health, Energy & Environment	The City of Temecula is utilizing a portion of its BEYOND Core funding to install 70 sharrows (or shared lane markings) divided between five areas surrounding schools in Temecula providing critical connections between local neighborhoods and schools as identified by the Trails and Bikeways Master Plan.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
	Industry Sector Promotions/Site Visits & Surveys	Economic Development	The City of Temecula is utilizing a portion of its BEYOND Core funding to create marketing pieces/strategies specific to industry sectors that are growing in Temecula: craft brewing, high tech, advanced manufacturing, and specialty retail. Additionally, the City's Economic Development team will conduct in-depth site visits with existing businesses to better understand their operations and needs.
	Government Leadership Program for Youth (GLPY)	Education	The City of Temecula is utilizing a portion of its BEYOND Core funding to purchase equipment that will support the City's Government Leadership Program for Youth which facilitates interaction and communication between school districts, high school students and City staff in order to foster engagement.
	Sixth Street Sidewalk Improvements	Transportation, Health	The City of Temecula is utilizing a portion of its BEYOND Core funding to design and construct sidewalk improvements on the north side of Sixth Street, between Mercedes Street and the entrance to the Mary Philips Senior Center.
City of Wildomar	Signage Enhancement Program	Economic Development	Pending
	Website Enhancement Part 2	Economic Development	The City of Wildomar will enhance the City website, funded through BEYOND Round I, by purchasing cashiering and business registration modules.
County of Riverside Round I & II	District 1 Homeless Intervention and Mitigation Program	Health, Economy	District One will enter into a partnership with Path of Life to administer a homeless intervention program, providing support services that fill traditional funding gaps in rehousing individuals, including rental deposits, utility payments, and household supplies.
	District 2 TBD		The County of Riverside will be dividing Round I and Round II BEYOND allocations, less a total of $50,000 which has been directed to Public Health, to projects at the supervisorial district level. Each is allocated $72,164.08. The Third District has $52,164 remaining, after allocating $20,000 to the Cancer Taskforce.
	District 3 TBD		The County of Riverside will be dividing Round I and Round II BEYOND allocations, less a total of $50,000 which has been directed to Public Health, to projects at the supervisorial district level. Each is allocated $72,164.08.
	District 5 TBD		The County of Riverside will be dividing Round I and Round II BEYOND allocations, less a total of $50,000 which has been directed to Public Health, to projects at the supervisorial district level. Each is allocated $72,164.08.
Riverside University	Building Capacity for Implementation --	Economic Development, Health	RUHS-PH is using $25,000 from the Round II County BEYOND Core allocation to expand upon and support implementation of the Bi-County Healthy Development Checklist.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
Health Systems - Public Health	Healthy Development Checklist		
Eastern MWD	EMWD Sustainability Center Feasibility Study	Water, Energy & Environment, Health, Economic Development, Education	EMWD is utilizing BEYOND Core funding to perform a feasibility analysis of siting a Sustainability Center near its Perris office campus.
Western MWD	Water Use Efficiency Master Plan & Conservation Outreach Plan		WMWD is utilizing BEYOND funds to update the Water Use Efficiency Master Plan (Plan) that will guide new customer programs and outreach over the next five years.
Superintendent of Schools	Meta THINK	Education	The Riverside County Office of Education is utilizing BEYOND funding to partner with Meta THINK and local school districts to address chronic absenteeism by working with parents, communities, and school administrators. The Program's aim is to improve student success as chronic absence is a strong indicator of poor performance.
Morongo Band of Mission Indians	Morongo Dial-A-Ride Program	Transportation	The Morongo Band of Mission Indians is utilizing BEYOND Round II funding to support continued operation of the Dial-A-Ride program which was initiated with BEYOND Round I funding. The Program provides access within and from the Reservation to such destinations as employment, educational centers, and health care facilities.
Multiple: Cities of Lake Elsinore, Menifee, Murrieta, Temecula, and the County	Regional Cancer Services Task Force	Education, Economic Development	The Taskforce will hire a facilitator and perform a study to identify trends and regional needs in the area of Cancer services. Results of the assessment are intended to be used in planning for and attracting in-demand services to the region both to support health outcomes and economic development. BEYOND funding comes from Core and Health allocations.
BEYOND Team: City of Perris, Eastern Municipal Water District	Healthy Community 50/Perris Green City Farm	Health, Energy & Environment	The City of Perris was one of 50 awardees for the national HealthyCommunity50 Challenge, competing to develop practical, evidence-based strategies to improve measurable health outcomes and promote health, wellness, equity, and social interaction. Perris' strategy focuses on healthy food access and is seeking funding to expand its network of community gardens. Team funds would support development of 10+ new gardens; the total goal is 31 gardens.

Jurisdiction	Project Name	Framework Goal(s)	Project Summary
BEYOND Team: Cities of Lake Elsinore, Menifee, Murrieta, Wildomar, and Temecula	Regional Homeless Alliance (Southwest Cities)	Economic Development, Education, Health, Transportation, Energy & Environment	The goal of the Regional Homeless Alliance is to achieve functional zero homeless. BEYOND Team funds would support development of a more comprehensive regional program by building on the existing foundation with a focus on immediate needs: beds, outreach, housing options and coordination of services. Specific activities will include (1) development of a Community Asset Assessment and Roadmap to address future needs, (2) development of formal housing navigation process, and (3) development of a replicable, coordinated entry system through outreach, housing navigation and low barrier supportive services. Specific tasks include hiring a part-time homeless outreach coordinator and part-time housing navigator, management of five full-time units for rapid rehousing, and provision of emergency shelter for an average of three individuals/families per night.
BEYOND Team: Cities of Corona, Jurupa Valley and Lake Elsinore, and the County of Riverside	Western Riverside Homeless Alliance	Economic Development, Health, and Education	Western Riverside Homeless Collaborative' s (WRHC) main objective is to stabilize homeless people through the use of shelters, permanent housing, and assistance programs to reduce homelessness in the subregion. The WRHC aims to achieve this objective by adopting a comprehensive regional approach to programming, performing asset mapping, strategic capacity building, and coordinated placement and case management. Specific tasks to be completed include: (1) hiring Homeless Facilitators, (2) creating a subregional Leadership Committee, (3) performing Asset Mapping, (4) assembling a Law Enforcement Case Conferencing Team, (5) identifying faith-based and other access points for a Coordinated Entry System, (6) Responsible Compassion and love Your Neighbor Campaign, and (7) Performance Measurement.