Western Riverside Council of Governments
Executive Committee

REVISED AGENDA

Monday, October 2, 2017
2:00 p.m.

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

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

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

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

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

1. CALL TO ORDER / ROLL CALL (Debbie Franklin, Chair)

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS

At this time members of the public can address the Executive Committee regarding any items within the subject matter jurisdiction of the Executive Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on 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.

4. CONSENT CALENDAR

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

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

Action items:

A. Summary Minutes from the September 11, 2017, Executive Committee Meeting are Available for Consideration **P. 1**

Requested Action: *1. Approve the Summary Minutes from the September 11, 2017, Executive Committee meeting.*

B. Revised Summary Minutes from the August 7, 2017, Executive Committee Meeting are Available for Consideration **P. 7**

Requested Action: *1. Approve the Revised Summary Minutes from the August 7, 2017, Executive Committee meeting.*

Information items:

C. Finance Department Activities Update Including Agency Audit and Upcoming Annual TUMF Compliance Review by Agencies ***Ernie Reyna*** **P. 17**

Requested Action: *1. Receive and file.*

D. Environmental Department Activities Update ***Dolores Badillo*** **P. 23**

Requested Action: *1. Receive and file.*

E. Western Riverside Energy Partnership Activities Update ***Tyler Masters*** **P. 27**

Requested Action: *1. Receive and file.*

5. REPORTS / DISCUSSION

A. PACE Program Activities Update and PACE Program Public Hearing ***Casey Dailey, WRCOG*** **P. 31**

Requested Actions:
1. Receive WRCOG PACE Summary.
2. Conduct a Public Hearing regarding the inclusion of the County of Tulare unincorporated areas.
3. Adopt WRCOG Resolution Number 41-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Rescinding Resolution No. 14-16 Authorizing Renovate America, Inc. to Administer and Finance Eligible Improvements to be Installed on Commercial Property and Rescinding All Approvals and Other Authorizations Granted Under Such Resolution.
4. Adopt WRCOG Resolution Number 42-17; 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.

5. *Adopt WRCOG Resolution Number 43-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of PACE Funding bonds, amending the Program Report and Approving the Form of a Professional Administration Agreement with PACE Funding Group, LLC, Indenture of Trust, Bond Purchase Agreement, Depository and Account Control Agreement, Professional Services Agreement for Assessment Administration for the Issuance of Bonds for the WRCOG PACE Funding Program and Appointing a Trustee.*
6. *Support the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Greenworks under WRCOG's PACE umbrella.*
7. *Support the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Ygrene under WRCOG's PACE umbrella.*

B. Presentation by the Morongo Band of Mission Indians — ***Robert Martin, Morongo Band of Mission Indians*** — **P. 653**

Requested Action: *1. Receive and file.*

C. Report From the League of California Cities — ***Erin Sasse, League of California Cities*** — **P. 655**

Requested Action: *1. Receive and file.*

D. Regional Streetlight Program Activities Update — ***Tyler Masters, WRCOG*** — **P. 657**

Requested Action: *1. Direct the Executive Director, subject to legal counsel review and approval, to enter into a contract agreement with Siemens Industry, Inc., Intelligent Traffic Systems, for regional streetlight retrofit and ongoing operations & maintenance services in an amount not to exceed $5,913,073 over a five year contract period.*

E. Allocation of Funding for Regional Sustainability Demonstration Center Feasibility Study — ***Jennifer Ward, WRCOG*** — **P. 695**

Requested Action: *1. Support the Administration & Finance Committee's recommendation to authorize and direct the Executive Director to enter into a contract agreement with PlaceWorks to perform the EXPERIENCE Feasibility Study in an amount not to exceed $249,823.*

F. TUMF Program Activities Update ***Christopher Gray, WRCOG*** **P. 789**

Requested Actions: *1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Lake Elsinore for the SR-74 / I-15 Interchange Project in an amount not to exceed $2,634,251.*

2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Riverside for the Adams Street / SR-91 Interchange Project in an amount not to exceed $4,100,000.

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

7. REPORT FROM COMMITTEE REPRESENTATIVES

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

8. REPORT FROM THE EXECUTIVE DIRECTOR — *Rick Bishop*

9. ITEMS FOR FUTURE AGENDAS — *Members*

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

10. GENERAL ANNOUNCEMENTS — *Members*

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

11. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation

Significant Exposure to Litigation pursuant to paragraph (d)(2) of Section 54956.9:

- **One Potential Case**

12. NEXT MEETING:

The next Executive Committee meeting is scheduled for Monday, November 6, 2017, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

13. ADJOURNMENT

Western Riverside Council of Governments

4.A

Regular Meeting

~ Minutes ~

Monday, September 11, 2017 | **2:00 PM** | **County Administrative Center**

1. CALL TO ORDER

The meeting was called to order on at 1:59 p.m. on September 11, 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		Absent	
City of Canyon Lake	Jordan Ehrenkranz	Present	1:58 PM
City of Corona	Eugene Montanez	Present	1:58 PM
City of Eastvale	Adam Rush	Present	1:58 PM
City of Hemet	Bonnie Wright	Present	1:58 PM
City of Jurupa Valley	Laura Roughton	Present	1:58 PM
City of Lake Elsinore		Absent	
City of Menifee	John Denver	Present	1:58 PM
City of Moreno Valley		Absent	
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	Mike Naggar	Present	1:58 PM
City of Wildomar	Ben Benoit	Present	1:58 PM
District 1	Kevin Jeffries	Present	2:01 PM
District 2	John Tavaglione	Present	2:04 PM
District 3	Chuck Washington	Present	1:58 PM
District 5	Marion Ashley	Present	2:01 PM
EMWD	David Slawson	Present	1:58 PM
WMWD	Al Lopez	Present	1:58 PM
Morongo		Absent	
Office of Education		Absent	
TAC Chair		Absent	
Executive Director	Rick Bishop	Present	1:58 PM

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

2. PLEDGE OF ALLEGIANCE

WRCOG staff member Casey Dailey led members and guests in the Pledge of Allegiance.

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR

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

A. Summary Minutes from the August 7, 2017, Executive Committee Meeting are Available for Consideration

Action:

1. *Approved the Summary Minutes from the August 7, 2017, Executive Committee meeting.*

B. TUMF Program Activities Update

Actions:

1. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Murrieta for the Keller Road / I-215 Interchange Project in an amount not to exceed $2,250,000.*
2. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the County of Riverside for the Magnolia Avenue Grade Project in an amount not to exceed $12,025,000.*
3. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the County of Riverside for the Newport Road / I-215 Interchange Project in an amount not to exceed $5,704,840.*
4. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Corona for the Foothill Parkway Widening Project in an amount not to exceed $1,573,150.*

C. Regional Streetlight Program Activities Update

Actions:

1. *Directed the Executive Director to enter into contract negotiations with Siemens Industry, Inc., Intelligent Traffic Systems, for regional streetlight retrofit and ongoing operations & maintenance services once jurisdictional streetlights have been acquired.*
2. *Approved the LightSuite final document.*

D. Amendment to the Appendix of the WRCOG Conflict of Interest Code

Action: *1. Adopted WRCOG Resolution Number 39-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Amending the Conflict of Interest Code Pursuant to the Political Reform Act of 1974.*

E. Grant Writing Assistance Program Guidelines

Action: *1. Approved the Grant Writing Assistance Program Guidelines.*

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

Action: *1. Received and filed.*

G. Financial Report Summary Through June 2017

Action: *1. Received and filed.*

H. Environmental Department Activities Update

Action: *1. Received and filed.*

I. BEYOND Framework Fund Program Activities Update

Action: *1. Received and filed.*

J. SANDAG Borders Committee Activities Update

Action: *1. Received and filed.*

K. Santa Ana Watershed Project Authority One Water One Watershed Activities Update

Action: *1. Received and filed.*

L. Western Riverside Energy Partnership Activities Update

Action: *1. Received and filed.*

M. Healthy Communities Activities Update

Action: *1. Received and filed.*

N. WRCOG Public Service Fellowship Activities Update

Action: *1. Received and filed.*

5. REPORTS / DISCUSSION

A. PACE Programs Activities Update

Casey Dailey, WRCOG Director of Energy and Environmental Programs, reported that CaliforniaFIRST has received 342 applications and 42 projects have been completed. In this subregion, nearly 58,000 applications have been submitted, just over 39,000 applications have been approved, and nearly 21,000 projects have been completed. In the statewide Program, just under 130,000 applications have been submitted and just over 46,000 projects have been completed.

Action: *1. Adopted WRCOG Resolution Number 40-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Postponing Public Hearing.*

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

B. Presentation on the California WaterFix

Paul Jones, Eastern Municipal Water District (EMWD) General Manager, encouraged strong support for the WaterFix. Southern California is dependent upon imported water from northern California. This region has done an exceptional job in water use efficiency and in the development of local resources. EMWD and the Western Municipal Water District (WMWD) are considered some of the leaders with regard to recycled water development. However, EMWD and WMWD combined must still rely on importing 110,000 acre feet of imported water supplies per year.

The Sacramento-San Joaquin Delta provides approximately 25 million Californians with water through the State Water Project (SWP). The Metropolitan Water District (MWD) receives an average of 1.2 million acre feet of water each year from the SWP. Southern California only receives approximately 4% of the Delta water.

Levees in the Delta were built during the turn of the century, pre-Army Corps of Engineers requirements. If there were a major earthquake in the Delta area, the levees could fail.

When the pumps take water out of the Delta, it reverses the natural flow, which creates an environmental impact on endangered species, and has restricted pumping over the years.

The failing San Francisco Bay Delta estuary and failing eco system within it has eroded the exported water supply and affected the pumping.

The Governor, in concert with other SWP water contractors, proposed the California WaterFix as a conveyance system improvement, which will ensure not only a more constant water supply, but also ensure exported water is protected from sea level rise and seismic dangers. It includes tunnels and is funded through water rates.

A companion project, the California EcoRestore, will take portions of the Delta out of farming, restore the habitat, and address some of the endangered species issues.

The cost of the project is approximately $14.8 billion; the net increase to water rates would be approximately $2 to $3 per month.

The Governor has asked for the support of all SWP contractors on this project. MWD has prepared policy papers on physical infrastructure, operations, etc. MWD has scheduled a Board meeting to take action on September 26, 2017.

Project design is anticipated to take approximately two years, and construction is anticipated to take just over 13 years.

EMWD would like to coordinate with WRCOG staff to provide testimony at the upcoming MWD workshop. EMWD is working on an awareness campaign to ensure southern Californian's take part and support this project.

Action: *1. Authorized the Executive Director to transmit letters of support for the California WaterFix on behalf of WRCOG to Governor Jerry Brown and to Metropolitan Water District Chairman Randy Record.*

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

C. Report from the League of California Cities

Erin Sasse, League of California Cities, reported that this is the last week of sessions.

A housing package is still being worked on, and may be comprised of SB 2 ($75 fee on real estate transactions), SB 3 (would put a housing bond on the ballot), and SB 35 (regarding a set number of affordable housing). The League opposes SB 35.

SB 540, which the League supports, is also included in the housing package. This would allow certain environmental reviews through the California Environmental Quality Act (CEQA) to take place up front in projects for five years.

Negotiations are still taking place on the park bond. SB 5 will be the vehicle for the park bond; however, the League is hoping language from AB 18, a competing bill, will be included.

The League opposes SB 649 regarding small cells, which is still moving forward.

AB 890, related to land use planning and zoning, has undergone several rounds of amendments; however, the League remains neutral.

There are two bills (AB 813, which the League opposes, and AB 726, which the League is researching) with regard to Community Choice Aggregate (CCA) and limiting the ability to create one.

The League will be hosting a breakfast on Friday at the Annual Conference and will be holding elections for its Executive Committee leadership.

A golf tournament is scheduled for next month.

Action: *1. Received and filed.*

6. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chairman was not present.

7. REPORT FROM COMMITTEE REPRESENTATIVES

Debbie Franklin, Southern California Association of Governments' Community, Economic & Human Development Committee representative, reported that the Regional Transportation Plan / Sustainable Communities Strategy ramp-up has begun, and will be coordinated with the Regional Housing Needs Assessment. The Committee received a presentation on homelessness in Los Angeles County and Measure H, and how those funds will be disbursed throughout the County.

Ben Benoit, South Coast Air Quality Management District representative for cities in Riverside County, reported that a truck trips study has been completed in partnership with ITE. Most numbers are lower than previously reported, except in logistics centers. Health studies are underway. A new odor rule will soon be released, and looks at the amount of odor being released from industrial facilities.

8. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop introduced Suzy Nelson, WRCOG's new Administrative Assistant, who is replacing Lupe Lotman, who has moved to support the PACE Programs. WRCOG's Visioning Session is tentatively scheduled for October 12, 2017, and will be facilitated by Bill Higgins, Executive Director of the California Councils of Government. Staff will be attending the upcoming workshop in Los Angeles on the homelessness matter.

9. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

10. GENERAL ANNOUNCEMENTS

Committee member Eugene Montanez asked for a presentation on a traffic study.

11. NEXT MEETING

The next WRCOG Executive Committee meeting is scheduled for Monday, October 2, 2017, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.

12. ADJOURNMENT

The meeting adjourned from Closed Session at 2:37 p.m.

Western Riverside Council of Governments

Revised Regular Meeting

~ Minutes ~

Monday, August 7, 2017 2:00 PM County Administrative Center

1. CALL TO ORDER

The meeting was called to order on at 2:08 p.m. on August 7, 2017, at the Riverside County Administrative Center, 4080 Lemon Street, Riverside, CA.

Attendee Name	Member	Status	Arrived / Departed
City of Banning	Debbie Franklin	Present	1:56 PM
City of Beaumont	Lloyd White	Present	1:52 PM
City of Calimesa	Jeff Hewitt	Present	1:52 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	2:00 PM
City of Corona	Eugene Montanez	Present	1:54 PM / 3:34 PM
City of Eastvale	Adam Rush	Present	2:01 PM
City of Hemet	Bonnie Wright	Present	1:55 PM
City of Jurupa Valley	Laura Roughton	Present	1:52 PM
City of Lake Elsinore	Brian Tisdale	Present	1:54 PM
City of Menifee	Neil Winter	Present	1:52 PM
City of Moreno Valley	Yxstian Gutierrez	Present	2:05 PM / 3:04 PM
City of Murrieta	Kelly Seyarto	Present	1:53 PM
City of Norco	Kevin Bash	Present	1:52 PM
City of Perris	Rita Rogers	Present	2:02 PM
City of Riverside	Rusty Bailey	Present	1:53 PM / 3:06 PM
City of San Jacinto	Crustal Ruiz	Present	2:04 PM / 4:08 PM
City of Temecula	Mike Naggar	Present	1:52 PM
City of Wildomar	Ben Benoit	Present	1:53 PM / 3:25 PM
District 1	Kevin Jeffries	Present	1:53 PM / 3:0 PM
District 2		Absent	1:53 PM
District 3		Absent	1:55 PM
District 5	Marion Ashley	Present	1:53 PM / 3:04 PM
EMWD	David Slawson	Absent	1:54 PM
WMWD	Brenda Dennstedt	Present	2:01 PM / 3:11 PM
Morongo	Robert Martin	Present	2:07 PM
Office of Education		Absent	1:53 PM
TAC Chair		Absent	1:52 PM
Executive Director	Rick Bishop	Present	1:52 PM

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

2. PLEDGE OF ALLEGIANCE

Committee member Adam Rush, City of Eastvale, led members and guests in the Pledge of Allegiance.

3. PUBLIC COMMENTS

There were no public comments.

3. SPECIAL PRESENTATION

Chairwoman Franklin presented a Proclamation to recently-retired County Executive Officer Jay Orr.

5. CONSENT CALENDAR

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

A. Summary Minutes from the July 10, 2017, Executive Committee meeting are available for consideration.

Action:

1. *Approved the Summary Minutes from the July 10, 2017, Executive Committee meeting.*

B. PACE Programs Activities Update

Actions:

1. *Authorized the Executive Director to amend the WRCOG HERO Program Report, the WRCOG HERO Program Handbook, and the California HERO Program Handbook to reflect the underwriting criteria change to lower the maximum combined loan to value limit to 97% and remove the minimum equity threshold.*
2. *Adopted WRCOG Resolution Number 38-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments making certain representations and authorizing the placement of assessments on the tax roll in Shasta County.*

C. Approval of Professional Services and Contractor Agreement with Exigent Systems to Provide Agency Information Technology Support

Action:

1. *Approved the Professional Services Agreement between the Western Riverside Council of Governments and Exigent Systems to provide information technology support for services for the Agency in an amount not to exceed $120,000 for Fiscal Year 2017/2018.*

D. TUMF Program Update and Consideration of Potential Exemptions for Certain Service and Retail Uses

Actions:

1. *Directed staff to update the TUMF Fee Calculation Handbook to exempt the first 3,000 square feet of retail and service uses (both for new development and for modifications to existing development) from TUMF assessments to address local serving retail and service uses.*
2. *Directed staff to update the TUMF Administrative Plan to reflect this approach.*
3. *Directed staff to conduct outreach with member agencies to implement this approach.*
4. *Directed staff to report back on implementation within one year, specifically regarding implementation challenges, if any, among stakeholders and jurisdictions and the fiscal impacts from implementation of this policy.*

E. Western Riverside Energy Partnership Contract Amendment with Southern California Edison

Action:

1. *Directed the Executive Director to execute the Sixth Contract Amendment with Southern California Edison to jointly deliver the 2010-2012 Energy Leader Partnership Program rate change through 2018.*

F. Selection of Consultants to Provide On-Call Planning and Engineering Professional Services to Member Jurisdictions

Actions:

1. *Directed and authorized the Executive Director to enter into an agreement for on-call planning services with Kearns & West in an amount not to exceed $95,560 in total.*
2. *Approved the First Amendment to the Professional Services Agreement between the Western Riverside Council of Governments and WSP to provide WRCOG technical support and advisory services in an amount not to exceed $75,000 for this Amendment and $235,000 in total.*

G. TUMF Program Reimbursement Agreements

Actions:

1. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Moreno Valley for the Heacock Street Widening Project in an amount not to exceed $1,100,000.*
2. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Perris for the Ethanac Road Widening Project in an amount not to exceed $500,000.*
3. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Perris for the Nuevo Road Widening Project in an amount not to exceed $499,806.*

H. 4th Quarter Draft Agency Budget Amendment for Fiscal Year 2016/2017

Action: *1. Approved the 4th Quarter draft Agency Budget amendment for Fiscal Year 2016/2017.*

I. Finance Department Activities Update Including Agency Audit, 4th Quarter Budget Amendment, and Upcoming Annual TUMF Compliance Review by Agencies

Action: *1. Received and filed.*

J. Financial Report Summary through May 2017

Action: *1. Received and filed.*

K. Regional Streetlight Program Activities Update

Action: *1. Received and filed.*

L. Environmental Department Activities Update

Action: *1. Received and filed.*

M. Single Signature Authority Report

Action: *1. Received and filed.*

6. REPORTS / DISCUSSION

A. PACE Programs Update: Conduct of Public Hearing to Add New Associate Members to California HERO, Modifications to Program Reports to Reflect Addition of Associate Members, and Consideration of Adding PACE Funding Under WRCOG's PACE Program Administrative Umbrella

Crystal Adams reported that the WRCOG PACE Programs provide financing on a range of energy saving, renewable energy, and water conserving projects made on both residential and commercial properties. Improvements must meet certain criteria and be permanently affixed to the property. The financing is paid back through a lien placed on the property. Current PACE providers include the HERO Program, the CaliforniaFIRST Program, and the Spruce PACE Program which is anticipated to launch this summer.

In June 2016, this Committee directed staff to reach out to PACE providers to gain their interest in operating under WRCOG's PACE umbrella, with a goal of expanding PACE opportunities to constituents and ensure consumer protections are rigorous and consistent. Interested providers were vetted through the PACE Ad Hoc Committee and the Administration & Finance Committee.

This Committee is being asked today to allow PACE Funding to operate under WRCOG's PACE umbrella. PACE Funding has funded more than 230 projects throughout the state for over $9.8M, works with more than 100 contractors, and offers two confirm-term calls; first at the time of application, and second at the completion of the project.

Both the PACE Ad Hoc Committee and the Administration & Finance Committee are recommending approval for PACE Funding to operate under WRCOG's PACE umbrella.

If approved, PACE Funding will automatically be allowed to operate in the WRCOG subregion unless a member jurisdiction takes action to opt-out.

Chairwoman Franklin opened the public hearing.

Tressy Capps spoke in opposition to the HERO Program.

Greg Susca spoke in opposition to the HERO Program.

Chairwoman Franklin closed the public hearing.

Actions:

1. *Conducted a Public Hearing regarding the inclusion of the City of Santa Rosa.*
2. *Adopted WRCOG Resolution Number 36-17; 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.*
3. *Accepted the County of Tulare Unincorporated areas as an Associate Member of the Western Riverside Council of Governments.*
4. *Adopted WRCOG Resolution Number 37-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments declaring its intention to modify the California HERO Program Report so as to increase the Program area within which contractual assessments may be offered and setting a Public Hearing thereon.*
5. *Supported the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include PACE Funding under WRCOG's PACE umbrella.*

RESULT:	**APPROVED AS RECOMMENDED [22 TO 0]**
MOVER:	City of Lake Elsinore
SECONDER:	City of Murrieta
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 5, EMWD, WMWD, Morongo
ABSTAIN:	District 1

B. Report from the League of California Cities

Erin Sasse reported that the Legislature is on summer recess until August 21, 2017.

The League will be opposing SB 649, and has proposed amendments to the author. The League is encouraging letters of opposition. This bill will allow AT&T, Verizon, etc., to put small cell devices on poles, light fixtures, and public right of way, without review or approval from local jurisdictions.

The League supports SB 540 which would allow for CEQA upfront in designated zones, and projects could be approved for five years.

The League is concerned with SB 35, which would require jurisdictions to have affordable housing projects averaged out over eight years.

The League's annual conference is scheduled for September 13 – 15, 2017, in Sacramento. The League's annual golf tournament is scheduled for October 9, 2017. A webinar is scheduled for August 11, 2017, on the implementation of SB 1. Media training is being provided on August 17, 2017.

Committee members indicated that their jurisdictions have transmitted letters to Legislators in opposition of SB 649.

Action: 1. Received and filed.

C. Presentation by Southern California Edison Representatives Regarding Time of Use Rates and the General Rate Case

Jeremy Goldman, Southern California Edison (SCE), reported that SCE is the largest taxpayer in the County, and is very active in local communities, providing grants to non-profit community groups. Many of SCE's employees live in the subregion, and SCE operates four service centers throughout the County.

Andre Ramirez, SCE, reported that in 2012, the California Public Utilities Commission (CPUC) began researching residential rates in an effort to improve rate fairness and align rates within the inland cities. The results included a reduction in the number of tiers in the standard residential rate plan, and the implementation of default Time-of-Use (TOU) rates on a default basis.

California leads the country in solar power, which increases its power supply. This has driven SCE's mid-day delivery costs down.

Non-residential customers have been on TOU rates for the past few years on a mandatory basis. Peak period times will be shifted to reflect updated costs being seen in the system. SCE is not making any additional money because of these changes.

In March 2018, 400,000 customers will be moved into the pilot to test the new on-peak period, and another group of customers will be moved to the later evening hours. The plan is to determine how customers react to the move and their usages, and by the year 2020, move customers into the larger scale on a default basis.

The goal is to maintain customer satisfaction and customer acceptance of TOU rates. Some customers will see slightly higher bills while others will see slightly lower bills. SCE is working with the CPUC to limit the impact as much as possible. The State is legally obligated to review how TOU rates impact customers.

Customers will receive bill protection for the first 12 months of the new TOU rates. Medical Baseline and other limited customer groups are excluded from being defaulted to TOU rates.

Committee member Kevin Jeffries indicated that many years ago a dispute with SCE in this County occurred due to rate indifference between the desert and coastal regions, and asked if the rates have changed.

Mr. Ramirez responded that the California Energy Commission determines the zones and their respective rates. Certain areas in bordering Counties could be within the same zone.

Committee member Jeffries indicated that this Committee should not support anything until that matter is resolved.

Mr. Ramirez indicated that customers in the inland area with higher average usage will receive a higher average baseline.

Rick Bishop indicated that several years ago WRCOG learned of the rate indifference and worked with SCE to change the zone boundaries; the revised boundaries are more reflective of climatological differences.

Mr. Ramirez indicated that the point is to show customers that there are better energy options available that could potentially save the customers money based upon individual profiles.

Kris Vyas, SCE, reported that SCE must provide, a couple of years in advance, reasonable estimates of what it expects to spend, and then justify that in a contested proceeding. The CPUC then determines if the rates are just and reasonable.

The General Rate Case matters because revenues provide 80% of SCE's operations and maintenance expense. SCE does not make its revenues from the General Rate Case. For capital assets that are used and useful, SCE is allowed to earn an authorized rate of return; this is the principal mechanism in which SCE earns.

With the current General Rate Case, SCE is pushing forward to modernize its grid in order to achieve its renewable energy and greenhouse gas emissions reduction goals, and enhance customer choice and access to manage their use and load. The modernized grid will replace aging assets, many of which are past their life expectancy.

SCE recently completed three weeks of adversarial hearings, which is a regulatory trial; briefings will be held, and the CPUC is expected to make a decision after that.

Action: *1. Received and filed.*

D. Community Choice Aggregation Program Activities Update Including a Request for Action to Approve CCA Governance and Staffing Arrangement Documents As Well As Selection of Consultants to Provide CCA Operational / Staffing Services

Barbara Spoonhour reported that staff has been working closely with staff from Southern California Edison (SCE) on this matter. The County of Los Angeles recently created a Joint Powers Authority (JPA) with two of its jurisdictional cities, the LACCE Authority. Its first meeting was held August 4, 2017, and the CCA is expected to launch in January 2018. The City of San Jacinto is in the process of data testing with SCE; San Jacinto Power is expected to launch within the next few months.

CCAs generally offer lower or competitive energy costs to the consumers, while the local utility, in this case SCE, maintains the distribution lines and billing.

There are currently seven CCAs operating in the state; eight are expected to launch in 2018, and 13 regions still examining CCAs and the feasibility.

Committee member Kevin Jeffries indicated that as the County is not participating in WRCOG's CCA, he would be excusing himself from the remainder of the presentation.

Ms. Spoonhour continued that comments were recently provided by member jurisdictions. Exit fees, or Power Charge Indifference Adjustment (PCIA), are charged to the CCA customer to cover SCE's costs for power already purchased. The California Public Utilities Commission (CPUC) has opened a proceeding to discuss the methodology, accuracy, and transparency of the calculations in WRCOG's feasibility study. WRCOG will be an active participant in these proceedings.

WRCOG's feasibility study does not assume any unbundled Renewable Energy Credits (RECs), so there is no impact on projected CCA cost savings presented in the feasibility study.

Member jurisdictions do not assume the obligations and liabilities of the CCA's JPA; it must be voluntary and WRCOG does not recommend that member jurisdictions do that. The JPA does not protect the member jurisdictions general fund.

A jurisdiction can withdraw from the CCA at any time; this has not happened thus far in any of the established CCAs. WRCOG recommends that in the event a jurisdiction wishes to withdraw, that it provide notice and stipulate that the CCA not purchase any additional power on behalf of that jurisdiction's constituents.

The documents presented today are draft documents, to be used as a template in staff's presentation to interested jurisdictions. Today's requested actions do not bind WRCOG or any of its member jurisdictions to participate in the CCA. Participation determination must occur at the local jurisdictions' City Council / Board of Supervisors meetings. Tweaks to the documents are anticipated.

The documents are very broad so that the CCA Board has flexibility in implementing programs without amending the JPA. The JPA does not distinguish between initials participants and those which join at a later date. There are no costs for a jurisdiction to join or participate in the CCA; however, membership dues could be added in the future if determined by the CCA Board. In order for a jurisdiction to avoid any significant liability should it desire to exit the JPA, jurisdictions are recommended to provide notice to the CCA so that the CCA does not purchase power for that jurisdiction's residents, and allow the contract to expire.

The three-year administration term is modeled after an existing agreement between WRCOG and the Riverside County Habitat Conservation Agency. This time-frame will allow for the CCA to get up and running, and can be terminated earlier if desired. The Bylaws were designed with flexibility so that the CCA could define its own powers.

WRCOG is working with The Creative Bar, the consultant chosen to develop a CCA brand that will represent this subregion. Staff from WRCOG and its member jurisdictions have participated in several interactive sessions with The Creative Bar.

WRCOG will partner with The Energy Authority to launch the CCA.

Jeff Fuller of The Energy Authority (TEA), introduced himself and the firm to the Executive Committee. TEA is celebrating its 20-year anniversary this month, is owned by eight large public utility companies across the country, and serves 40+ entities on a fee-for-service basis. TEA partners with Calpine Energy Solutions and LEAN Energy U.S.

TEA will defer all costs until after the CCA launches. TEA would use existing contractual arrangements for the initial power supplies. TEA will also cover initial invoices until the CCA realizes revenues.

Ms. Spoonhour indicated that staff are reaching out to member jurisdictions to schedule presentations. Jurisdictions have the option to join the CCA either before the launch, after the launch, or not at all. Today's requested actions do not bind WRCOG or its member jurisdictions from participating in the CCA since the CCA will be its own agency.

Requested Action number three is being revised to exclude EES Consulting, as this consultant performed WRCOG's feasibility study. Staff requests a separate agreement be executed with EES Consulting for rate setting and CPUC / regulatory services due to potential conflicts of interest.

Chairwoman Franklin clarified that the presented JPA and Bylaws documents are templates and non-binding. Today's requested actions are to keep this item moving forward.

Jeane Ensley-Rossitey spoke in opposition to renewable energy.

Patrice Lynes spoke in opposition to government running an electric business.

Mike Rosseter spoke in opposition to repetition of bureaucracy.

Dr. Neuman spoke in opposition to shadow / regional governments and CCA Programs.

Greg Susca spoke in opposition to government-run programs.

Gary Gileno spoke in opposition to CCAs.

Tressy Capps spoke in opposition to CCAs.

Rosario Avila spoke in opposition to CCAs.

Chairwoman Franklin closed the public comment period.

Committee member Laura Roughton asked that the presented "draft" documents be referred to as "template" documents.

Committee member Lloyd White motioned to table this discussion to the next meeting in order to receive more financial information on the CCA. Committee member Neil Winter seconded. The vote to table the discussion did not pass.

Actions:

1. *Approved the CCA Joint Powers Agreement and Bylaws, recognizing that the document are templates for future discussion.*
2. *Approved the draft 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.*
4. *Directed and authorized the Executive Director to negotiate ~~and enter into~~ an agreement with EES Consulting for rate setting and* ***PUC services as described herein*** *~~CPUC / regulatory services~~,*

and directed WRCOG legal counsel to submit a request for an opinion from the FPPC regarding conflict of interest concerns with said contract.

RESULT:	**APPROVED AS RECOMMENDED [11 TO 3]**
MOVER:	City of Temecula
SECONDER:	City of Jurupa Valley
AYES:	Banning, Canyon Lake, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Murrieta, Norco, Perris, Temecula, EMWD
NAYS:	Beaumont, Calimesa, Morongo
ABSTAIN:	Menifee
ABSENT:	Corona, Moreno Valley, Riverside, San Jacinto, Wildomar, Districts 1, 2, 3, and 5, WMWD

7. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

The Technical Advisory Committee Chairman was not present.

8. REPORT FROM COMMITTEE REPRESENTATIVES

There were no reports from Committee representatives.

9. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop reported that due to the upcoming solar eclipse, the California Public Utilities Commission is encouraging local jurisdictions to pledge to save energy during the eclipse. Mr. Bishop introduced Casey Dailey, WRCOG's new Director of Energy & Environmental Programs.

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

11. GENERAL ANNOUNCEMENTS

Committee member Laura Roughton announced that the Louis Robidoux Library is offering eclipse viewing safety classes.

Committee member Adam Rush announced that Troop 803 is putting on a special needs game for children with disabilities this Saturday.

12. CLOSED SESSION

There were no reportable actions.

13. NEXT MEETING

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

14. ADJOURNMENT

The meeting adjourned from Closed Session at 4:21 p.m.

Western Riverside Council of Governments
Executive Committee

Staff Report

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

Contact: **Ernie Reyna, Chief Financial Officer, ereyna@wrcog.us, (951) 955-8432**

Date: **October 2, 2017**

The purpose of this item is to *provide an update on the financial audit of Fiscal Year (FY) 2016/2017, 1st Quarter Budget Amendments for FY 2017/2018, and the upcoming annual TUMF compliance review for FY 2016/2017.*

Requested Action:

1. Receive and file.

FY 2016/2017 Financial Audit

Auditors from Rogers, Anderson, Malody, & Scott (RAMS) concluded the interim portion of the financial audit for the Agency. RAMS reviewed payroll, accounts payable, and all other areas of WRCOG's accounting system. The final Comprehensive Annual Financial Report (CAFR) is expected to be issued no later than November 15, 2017, and will be reviewed by the Finance Directors' Committee at its quarterly meeting on October 26, 2017. Staff will present the CAFR at the November 8, 2017, Administration & Finance Committee meeting, and to the Executive Committee on December 4, 2017.

Upcoming 1st Quarter Budget Amendment

The 1st Quarter of FY 2017/2018 concludes on September 30, 2017, and staff will present the Administration & Finance Committee with a detailed amendment report on October 11, 2017, and to the Executive Committee on November 6, 2017.

Annual TUMF Review of Participating Agencies

WRCOG is contacting member agency staff to schedule reviews of TUMF activities 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 will randomly select remittance reports to review and verify that the correct land use type has been used and that fees have been calculated properly. The review is expected to conclude by December 2017, with reports being issued to City Managers in January 2018.

Financial Report Summary Through July 2017

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

Prior Action:

September 13, 2017: The Administration & Finance Committee received report.

Fiscal Impact:

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

Attachment:

1. Financial Report summary – July 2017.

Item 4.C

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

Attachment 1

Financial Report summary – July 2017

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

Revenues	Approved 6/30/2018 Budget	Thru 7/31/2017 Actual	Remaining 6/30/2018 Budget
WRCOG HERO Residential Revenue	816,771	169,958	646,813
CA HERO Residential Revenue	7,639,575	399,042	7,240,533
WRCOG HERO Residential Recording Revenue	182,775	35,035	147,740
CA HERO Residential Recording Revenue	1,508,036	62,315	1,445,721
CA First Residential Revenue	167,000	3,758	163,242
CA First Residential Recording Revenue	86,000	1,377	84,623
Other Misc Revenue	-	5,657	(5,657)
RIVTAM Revenue	-	25,000	(25,000)
Total Revenues	**62,996,435**	**702,141**	**62,294,294**
Expenditures			
Wages & Salaries	2,584,095	24,617	2,559,477
Fringe Benefits	739,956	209,210	530,746
Total Wages and Benefits	3,384,051	233,827	3,150,224
			-
Overhead Allocation	2,219,371	184,948	2,034,423
Commissioners Per Diem	62,500	1,800	60,700
Office Lease	427,060	11,437	415,623
Parking Validations	4,775	400	4,375
Event Support	112,600	500	112,100
Rent/Lease Equipment	35,000	427	34,573
Membership Dues	31,950	356	31,594
Meeting Support/Services	12,100	61	12,039
Postage	8,155	402	7,753
Other Household Expenditures	4,880	349	4,531
Storage	1,000	2,550	(1,550)
Communications-Regular	1,000	76	924
Communications-Long Distance	500	19	481
Equipment Maintenance - General	11,000	3,116	7,884
Insurance - General/Business Liason	72,950	24,795	48,155
PACE Recording Fees	1,862,811	36,439	1,826,372
Seminars/Conferences	24,550	70	24,480
Travel - Mileage Reimbursement	15,700	223	15,477
Other Incidentals	13,358	1,647	11,711
Consulting Labor	3,659,928	6,209	3,653,719
Consulting Expenses	72,865	33,966	38,899
Office Furniture Purchases	315,000	688	314,312
Total General Operations	61,181,206	310,478	60,870,728
Total Expenditures	**64,565,257**	**544,305**	**64,020,951**

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Environmental Department Activities Update**

Contact: **Dolores Badillo, Senior Analyst, dbadillo@wrcog.us, (951) 955-8306**

Date: **October 2, 2017**

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

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 successfully administered the used oil and filter and 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 of hosting the events is to educate "Do It Yourself" (DIY) individuals who change their own oil, promoting the recycling of used oil and oil filters to avoid these contaminants being disposed directly into the environment; therefore, an auto parts store is a great venue to hold 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. WRCOG staff recently participated in the following Used Oil events in the subregion:

Date	Event	Location	Time
9/9/2017	City of Riverside Used Oil Event	O'Reilly, 3790 Jurupa Ave.	9 am - 1 pm
9/16/2017	City of Menifee Used Oil Event	O'Reilly, 25894 Newport Rd.	9 am - 12 pm
9/23/2017	City of Banning Used Oil Event	AutoZone, 3453 Ramsey St.	9 am - 12 pm

The September 16, 2017, event featured a new way of communicating with DIYers. With a new electronic survey on an iPad, staff were able to learn some of the habits of residents that recycle their used oil and other hazardous waste. Staff collected contact information to inform residents of future used oil collection events . WRCOG staff Lupe Lotman and Kyle Rodriguez, spoke with over 60 residents who stopped by the booth.

The following is a list of upcoming Used Oil and Oil Filter Exchange events presently scheduled:

Date	Event	Location	Time
10/7/2017	Annual Canyon Lake Car Show	Canyon Lake Lodge	7 am - 3 pm
11/4/2017	City of Temecula Used Oil Event	O'Reilly 33417 Temecula Parkway	9 am - 12 pm
11/18/2017	City of Riverside Used Oil Event	AutoZone 4980 La Sierra Ave	9 am - 1 pm

Community Outreach

National PARK(ing) Day: The Environmental Department took the Used Oil Program to the streets of Riverside on September 15, 2017, and participted in National **PARK**(ing) Day. Over **100** people visited the vendor booth and staff provided residents with DIY kits for changing their car or truck's oil and oil filter. PARK(ing) day is an annual open-source global event where citizens, artists and activists collaborate to temporarily transform metered parking spaces into temporary, public**, park-like** places. Since 2005, PARK(ing) Day has evolved into a global movement, creating new forms of temporary public space in urban contexts around the world.



America Recycles Day: In November 2017, the Environmental Department will partner with Riverside County District 5 Supervisor Marion Ashley's office on an America Recycles event. America Recycles Day, a Program of Keep America Beautiful, is a nationally recognized day dedicated to promoting and celebrating recycling in the U.S. Every year in mid-November, events are organized across the nation to educate the public about the importance of recycling. On Saturday, November 18, 2017, WRCOG and other Riverside County agencies will provide an America Recycles outreach event in Nuevo; the location is pending.

Meetings and Conferences

WRCOG staff attends and hosts meetings and conferences 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.

Organics Lunch and Learn: In place of the regularly scheduled Solid Waste Committee meeting, a Lunch and Learn event will be held on Wednesday, November 15, 2017, at the City of Wildomar's Council Chambers. Hans Kernkamp, General Manager-Chief Engineer of the Riverside County Department of Waste Resources, will be the keynote speaker. Wildomar Mayor Pro Tem and South Coast Air Quality Management Vice-Chair, Ben Beniot, will provide welcoming remarks. Included in the lineup of panelists is Jeff Kurtz, General Manager of the Promenade Mall in Temecula. The regional mall has established a food waste program that, along with saving the mall money on its trash bill, is an example for business leadership in protecting the environment. Additional presenters include representatives from a local Food Bank, and a science teacher who works with CR&R Environmental Services, Waste Management, and CalRecycle.

Recycling organics, food scraps, and green waste from commercial businesses and households throughout the state is critical to achieving the State's new goal of source reduction, recycling, and composting by the year 2020. Information on the half-day event will be sent directly to all WRCOG member jurisdictions.

City of Lake Elsinore Pilot Litter Program

One of the five components of the Lake Elsinore Pilot Litter Program with WRCOG is Adopt A Highway. The City recently signed a two-year contract for twice a month litter clean up along Highway 74. A gateway for the City that connects to the mountainous Ortega Highway, the City felt it was important to have a consistent, clean environment on the heavily traveled road. The agreement features the partners working to keep the City of Lake Elsinore clean and beautiful.

Prior Action:

September 11, 2017: The Executive Committee received report.

Fiscal Impact:

Used Oil Program activities are included in the Fiscal Year 2017/2018 Agency Budget under the Environment Department.

Attachment:

None.

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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) 955-8378**

Date: **October 2, 2017**

The purpose of this item is to *provide the Committee with information on the upcoming 2017 LED Holiday Light Exchange & Energy Efficiency starter kit give-away, and the Local Government All Partners meeting hosted by SCE & SoCal Gas.*

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 assist 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-Away

Through WRCOG coordination with SCE & SoCal Gas, WREP is excited to announce the 4th Annual LED Holiday Light Exchange and Energy Efficiency starter kit give-away. These events will occur across Western Riverside County this holiday season and will allow residents that are SCE / SoCal Gas customers to exchange their old, incandescent string lights for new, energy-efficient LED holiday lights at no cost. WRCOG will also provide SoCal Gas Energy Efficiency Starter Kits, which include a low flow shower head and three faucet aerators. The give-aways will take place late November / early December at five member cities' community events.

Since 2014, staff attended 15 holiday community events and exchanged over 1,400 holiday lights and 72 energy efficiency starter kits. In 2017, five community events will host the Holiday Light Exchange and Energy Efficiency Give-Away. At each event, there will be a total of 100 lights and 50 Starter Kits available for residents.

To participate in the Holiday Light Exchange, residents must bring:

- Old, inefficient, incandescent holiday lights to exchange
- A recent copy of SCE monthly bill (or proof of electronic bill payment)
- A license or picture identification matching customer name on the SCE bill

To participate in the Energy Efficiency Starter Kit Give-Away, residents must bring:

- A recent copy of their SoCal Gas monthly bill (or proof of electronic bill payment)
- A license or picture identification matching customer name on the SoCal Gas bill

Below is the confirmed list of this year's community events:

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

2017 Local Government All Partners Meeting

On October 2, 2017, SCE and SoCal Gas are hosting the "2017 Local Government All Partners" meeting at SCE's Energy Education Center in Irwindale. Last year's meeting provided attendees with information on zero net energy buildings, energy efficiency projects that can be administered by the local government partnerships, and business plan highlights from the California Public Utilities Commission (CPUC) Energy Division and Investor Owned Utilities (IOU).

This year's event will feature similar content as both utilities will inform local government partnerships such as WREP and participating jurisdictions with information on new energy efficiency projects that can be administered during 2018. Topics of discussion will include:

- **Utility Business Plan updates:** Attendees will learn about the SCE and SoCal Gas business plans in the finalization process with the CPUC. Both utilities must submit business plans to the CPUC to receive approval on new programs and funding for the Local Government Partnerships.
- **Energy efficiency project success:** Attendees will engage with various energy partnerships to learn about best practices from recent projects that have been implemented during previous years.
- **Energy efficiency benchmarking:** Attendees will learn about the recent update to the implementing benchmarking models for jurisdictions. Benchmarking is an effective energy practice to help identify building energy usage.
- **Transportation:** Attendees will learn about opportunities to get involved with electric vehicle charging and what type of opportunities / programs are available to implement charging stations within their organizations.
- **Statewide Energy Efficiency Collaborative Programmatic updates:** Staff from both SCE and SoCal Gas will inform attendees of the latest energy policy updates that are currently happening within the State of California.
- **Disadvantaged Communities:** Both SCE and SoCal Gas representatives will provide information on programs that can be promoted to disadvantage communities to help reduce energy consumption and utility bills for residents.

In addition to learning about new and existing energy programs, the meeting will allow representatives from other partnerships to learn about best practices to grow the field of energy efficiency. This half-day event is offered at no-cost to local government staff and partnership implementers.

Registration for this event is still open and comes at no cost to WREP staff / partner jurisdictions. To register for the 2017 Local Government All Partners meeting, please visit the following website: https://docs.google.com/forms/d/e/1FAIpQLSfDfmAMvEKZXFKsX0P95uyxiALGzxI8QcTJNuwnGbjyVQD9jA/viewform.

Prior Action:

September 11, 2017: The Executive Committee received report.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **PACE Program Activities Update and PACE Program Public Hearing**

Contact: **Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 955-7282**

Date: **October 2, 2017**

The purpose of this item is to *provide the Committee with requested actions for the PACE Programs that WRCOG oversees under its PACE umbrella. This includes items that relate to the public hearings and operational changes of the California HERO Program, PACE Funding, Greenworks and Ygrene.*

Requested Actions:

1. Receive WRCOG PACE Summary.
2. Conduct a Public Hearing regarding the inclusion of the County of Tulare unincorporated areas.
3. Adopt WRCOG Resolution Number 41-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Rescinding Resolution No. 14-16 Authorizing Renovate America, Inc. to Administer and Finance Eligible Improvements to be Installed on Commercial Property and Rescinding All Approvals and Other Authorizations Granted Under Such Resolution.
4. Adopt WRCOG Resolution Number 42-17; 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.
5. Adopt WRCOG Resolution Number 43-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of PACE Funding bonds, amending the Program Report and Approving the Form of a Professional Administration Agreement with PACE Funding Group, LLC, Indenture of Trust, Bond Purchase Agreement, Depository and Account Control Agreement, Professional Services Agreement for Assessment Administration for the Issuance of Bonds for the WRCOG PACE Funding Program and Appointing a Trustee.
6. Support the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Greenworks under WRCOG's PACE umbrella.
7. Support the Administration & Finance Committee's recommendation to direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Ygrene under WRCOG's PACE umbrella.

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

Overall PACE Program Update

The following table provides a summary of all residential projects that have been completed under the WRCOG PACE Programs through September 12, 2017:

WRCOG Residential PACE Programs			
PACE Provider	**Projects Completed**	**Total Project Value**	**Product Type Installed**
WRCOG HERO	24,748	$483,993,573	HVAC: 31.6% Solar: 25.1% Windows/Doors: 16.7% Roofing: 5.3% Landscape: 9.6%
California HERO	53,133	$1,139,771,887	HVAC: 32.2% Solar: 21.4% Windows/Doors: 17.5% Roofing: 10.4% Landscape: 8.4%
CaliforniaFIRST	82	$2,521,066	Solar: 48.6% Windows/Doors: 14.3% HVAC: 11.4% Roofing: 11.4% Landscape: 8.6%
Spruce	N/A	N/A	
Totals:	**77,963**	**$1,626,286,526**	

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	698 GWh
GHG Reductions – Annually	181,145 Tons
Gallons Saved – Annually	484 Million
$ Saved – Annually	$93 Million
Projected Annual Economic Impact	$2.8 Billion
Projected Annual Job Creation/Retention	13,788 Jobs

Legislative Update

Two PACE-related pieces of legislation were recently passed by the California Legislature and are now awaiting Governor Brown's signature – SB 242 (Skinner) and AB 1284 (Dababneh). SB 242, supported by WRCOG, establishes and codifies enhanced consumer protections for PACE programs throughout the state, while AB 1284 creates a framework for statewide oversight of PACE providers and contractors through the California Department of Business Oversight (DBO).

AB 1284 requires that PACE administrators (Renovate America, Renew Financial, CaliforniaFIRST, Spruce, etc.) register and maintain a license with the DBO and provide training to their participating contractors. AB 1284 also establishes new underwriting standards predicated on income verification and ability-to-pay.

SB 242 implements and codifies several enhanced consumer protections, including requiring a confirmed terms call prior to a property owner signing an assessment contract, which is something WRCOG already conducts for all HERO participants.

A comparison matrix of both pieces of legislation (Attachment 4) is provided.

Public Hearing and Related Resolution

On June 3, 2013, the Executive Committee, acting in accordance with Chapter 29 of the Part 3, Division 7 of the Streets and Highways Code, conducted a public hearing to consider formally establishing the Program. At the conclusion of the public hearing the Executive Committee adopted its Resolution Number 10-13 confirming the Program Report for the Program and establishing the Program.

The County of Tulare unincorporated areas recently took action to become an Associate Member of WRCOG, thereby enabling the Executive Committee to undertake proceedings to increase the area within which voluntary contractual assessments may be offered pursuant to the Program (the "Program Area") to include the jurisdiction of such an Associate Member.

On September 11, 2017, the Executive Committee continued the public hearing for the County of Tulare until October 2, 2017. Staff is now presenting the revised Appendix B "Boundary Map" from the Program Report for consideration and potential approval, and is requesting the Executive Committee hold a public hearing to consider increasing the Program Area to include the aforementioned Associate Member and, following the closing of the public hearing, is requesting the adoption of WRCOG Resolution Number 42-17 (Attachment 6), approving the revised Appendix B "Boundary Map" from the Program Report (Attachment 7).

Rescinding WRCOG Resolution Number 14-16

In June 2016, the Executive Committee adopted Resolution Number 14-16 to have Renovate America implement the HERO Commercial PACE Program. As part of Renovate America's proposed Commercial HERO Program, Greenworks would provide underwriting services. However, Renovate America is not moving forward with developing a HERO Commercial PACE Program. Due to the desire to have additional commercial PACE programs in the subregion and in the statewide California HERO Program, staff is recommending the Executive Committee bring Greenworks in under WRCOG's PACE umbrella (discussed below).

The administrative action of rescinding WRCOG Resolution Number 14-16 via WRCOG Resolution Number 41-17 (Attachment 5) would rescind the authorization for Renovate America, Inc., to administer the Commercial HERO Program and remove the HERO Commercial Program references from the Program Report and Program Handbook and allow WRCOG to move forward with working with Greenworks Lending.

Request from Greenworks and Ygrene to Operate Under WRCOG Umbrella

In June 2016, staff distributed a solicitation to PACE providers offering an opportunity, if interested, to operate in the WRCOG subregion under the WRCOG PACE "umbrella." Under this structure, WRCOG would serve as the bond issuer. WRCOG would retain oversight of the Program and be responsible for Program management, ensure the application of consistent consumer protections among these Programs throughout the subregion, and record the assessments on the property.

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

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

On September 6 and September 13, 2017, the PACE Ad Hoc Committee and the Administration & Finance Committee, respectively, met with Greenworks and Ygrene to seek additional information regarding their Programs and to learn how the interaction between the provider and WRCOG would occur. Based on the information received from the providers, both Committees recommend bringing Greenworks under WRCOG's PACE umbrella for both the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG HERO Program") and the California HERO Program, and bringing Ygrene under WRCOG's PACE umbrella for the WRCOG HERO Program for residential PACE.

The following is a general overview of each Provider:

- Greenworks: Based in Darien, Connecticut, Greenworks offers only a commercial PACE Program. Greenworks' leadership team authored Connecticut's PACE legislation and advised legislators and state

agencies on the design of PACE programs in over 10 states resulting in nearly 75% of all commercial PACE transactions nationally. To date, Greenworks has completed a total of 75 commercial projects for over $37 million nationwide. Pending adoption of Resolution Number 41-17 to remove the references of HERO Commercial from the Program Report and the Program Handbooks, staff recommends incorporating Greenworks under both the regional and statewide PACE Programs.

- Ygrene: Based in Petaluma, California, Ygrene has over 300 employees and offers both a commercial and residential PACE Program. To date, Ygrene operates in more than 400 cities and counties and has processed over $2.5 billion in applications for more than 43,000 properties. The interest rates and fees charged by the Ygrene Program are in line with other providers. Ygrene already adheres to the PACE Consumer Protection Policies the Executive Committee adopted in December 2015. WRCOG staff conducted a site visit on August 29, 2017, to learn more about Ygrene's operations, contractor management, and processes and was satisfied with the organization.

What are the next steps? Should the Executive Committee approve the recommended action from the PACE Ad Hoc and Administration & Finance Committees, staff would begin working with Greenworks and Ygrene to finalize policies, documents, and procedures to roll out Greenworks and Ygrene into the WRCOG subregion this year.

What are the next steps for the member agencies? Member jurisdictions continue to retain the right to include or exclude any additional PACE providers.

If the Executive Committee adopts Greenworks and Ygrene as additional providers, the providers will automatically be able to operate in each member jurisdiction, unless the jurisdiction takes action to prohibit its inclusion. If a jurisdiction desires NOT to include Greenworks and/or Ygrene as additional providers, it must adopt an opt-out resolution to opt-out of the Program, available upon request.

PACE Funding

On August 7, 2017, the Executive Committee directed staff to enter into contract negotiations and execute necessary documents to include PACE Funding in WRCOG's PACE umbrella. Since that time, staff has worked with Best Best & Krieger and PACE Funding to ensure all administrative agreements, bond purchase agreements, master indentures, and the Program Report are updated to ensure PACE Funding launches in the next few months. Staff is bringing forward Resolution Number 43-17 (Attachment 8) and the supporting documents for Executive Committee consideration.

Once again, 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 PACE Funding servicing its community, please contact WRCOG staff.

Prior Actions:

September 13, 2017: The Administration & Finance Committee 1) recommended that the Executive Committee adopt WRCOG Resolution Number 41-17 to rescind WRCOG Resolution Number 14-16 to rescind the authorization for Renovate America, Inc., to administer the Commercial HERO Program and to remove the HERO Commercial Program from the Program Report and Handbook; 2) supported the PACE Ad Hoc Committee's recommendation to request that the Executive Committee direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Greenworks under WRCOG's PACE umbrella; and 3) supported the PACE Ad Hoc Committee's recommendation to request that the Executive Committee direct and authorize the Executive Director to enter into contract negotiations and execute any necessary documents to include Ygrene under WRCOG's PACE umbrella.

September 11, 2017: The Executive Committee 1) adopted WRCOG Resolution Number 40-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Postponing Public Hearing.

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. HERO Program Summary.
2. WRCOG HERO Snapshot.
3. CA HERO Snapshot.
4. SB 242 and AB 1284 Matrix.
5. WRCOG Resolution Number 41-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Rescinding Resolution No. 14-16 Authorizing Renovate America, Inc. to Administer and Finance Eligible Improvements to be Installed on Commercial Property and Rescinding All Approvals and Other Authorizations Granted Under Such Resolution.
6. WRCOG Resolution Number 42-17; 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.
7. Revised Exhibit B of the California HERO Program Report Revised October 2, 2017.
8. WRCOG Resolution Number 43-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of PACE Funding bonds, amending the Program Report and Approving the Form of a Professional Administration Agreement with PACE Funding Group, LLC, Indenture of Trust, Bond Purchase Agreement, Depository and Account Control Agreement, Professional Services Agreement for Assessment Administration for the Issuance of Bonds for the WRCOG PACE Funding Program and Appointing a Trustee.
9. WRCOG Energy Efficiency and Water Conservation Administrative Guidelines and Program Report Amended October 2017- addition of PACE Funding.
10. Professional Administrative Agreement with PACE Funding Group, LLC.
11. Residential Master Indenture.
12. PACE Funding Bond Purchase Agreement.
13. PACE Funding Master Assignment and Assumption Agreement.
14. PACE Funding/ WRCOG Depositary and Account Control Agreement.
15. PACE Funding Residential Assessment Contract.
16. David Taussig & Associates Professional Services Agreement.
17. PACE Funding Residential Handbook.

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PACE Program Activities Update and
PACE Program Public Hearing

Attachment 1

HERO Program Summary

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HERO Program Summary Update

(Launch through 9/15/17)

City	Approved Apps	Approved Amount
Banning	562	$15,852,745
Calimesa	181	$7,569,033
Canyon Lake	573	$30,941,469
Corona	3,265	$183,506,035
County	6,377	$323,097,775
Eastvale	875	$56,858,918
Hemet	1,235	$33,009,406
Jurupa Valley	2,130	$90,985,145
Lake Elsinore	1,500	$60,615,187
Menifee	2,695	$100,719,965
Moreno Valley	4,987	$176,037,936
Murrieta	2,794	$135,493,601
Norco	747	$44,625,746
Perris	1,051	$35,330,265
Riverside	6,237	$272,911,197
San Jacinto	781	$23,504,166
Temecula	2,622	$139,512,044
Wildomar	955	$39,199,343
	39,567	$1,769,769,977

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PACE Program Activities Update and
PACE Program Public Hearing

Attachment 2

WRCOG HERO Snapshot

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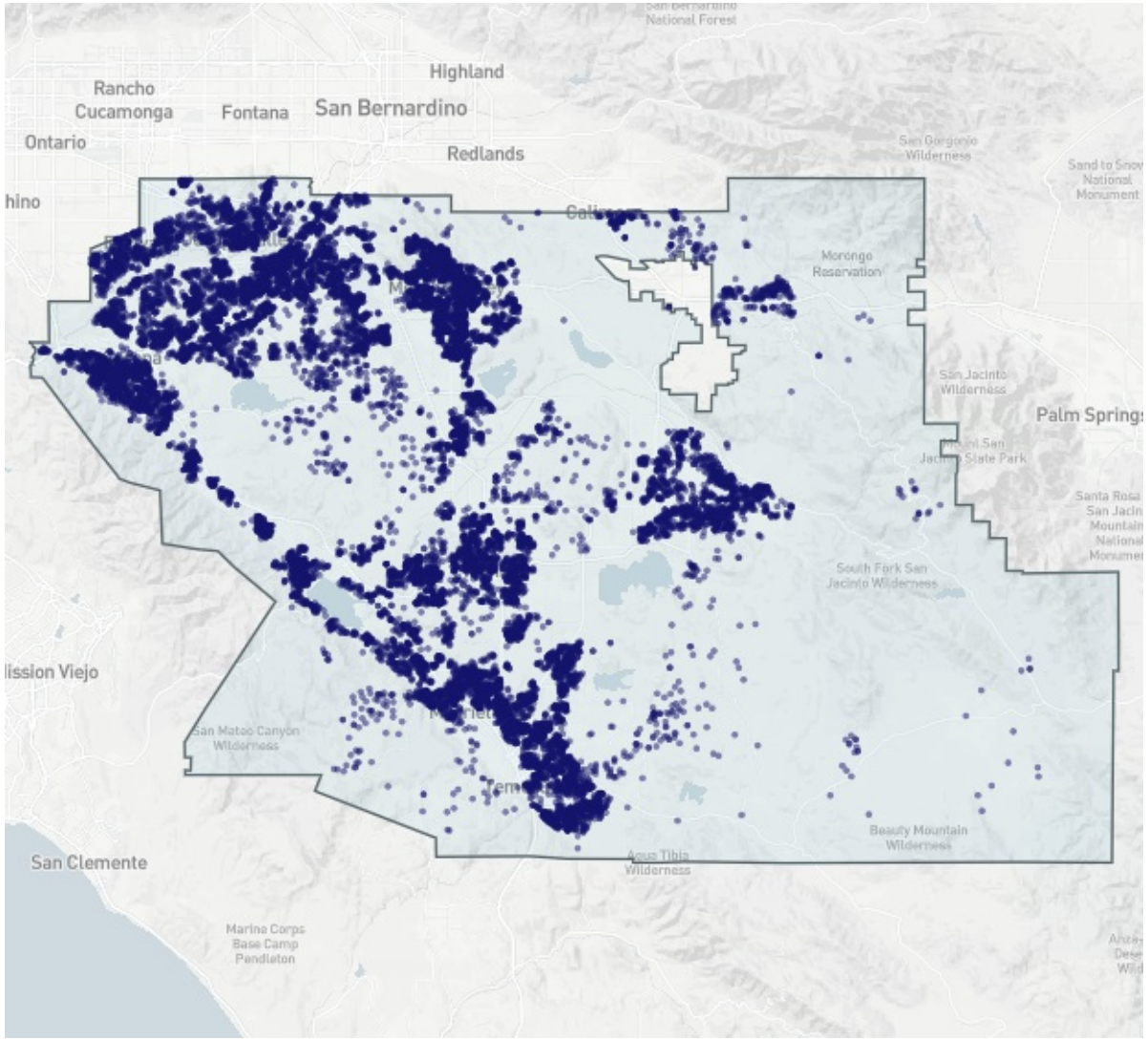
WRCOG - Western Riverside Council of Governments

21,071 Homes Improved

12/14/2011
HERO Launch Date

461,100
Housing Count

01/01/2011 - 09/15/2017
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	28.4K	$325M
Solar	13.4K	$568M
Water	1,993	$17.2M

Lifetime Impact

Applications Submitted	58.0K
Applications Approved	39.6K
Funded Amount	$484M
Economic Stimulus	$838M
Jobs Created	4,110
Energy Saved	3.49B kWh
Emissions Reduced	942K tons
Water Saved	1.83B gal

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

855-HERO-411
gov@heroprogram.com

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PACE Program Activities Update and
PACE Program Public Hearing

Attachment 3

CA HERO Snapshot

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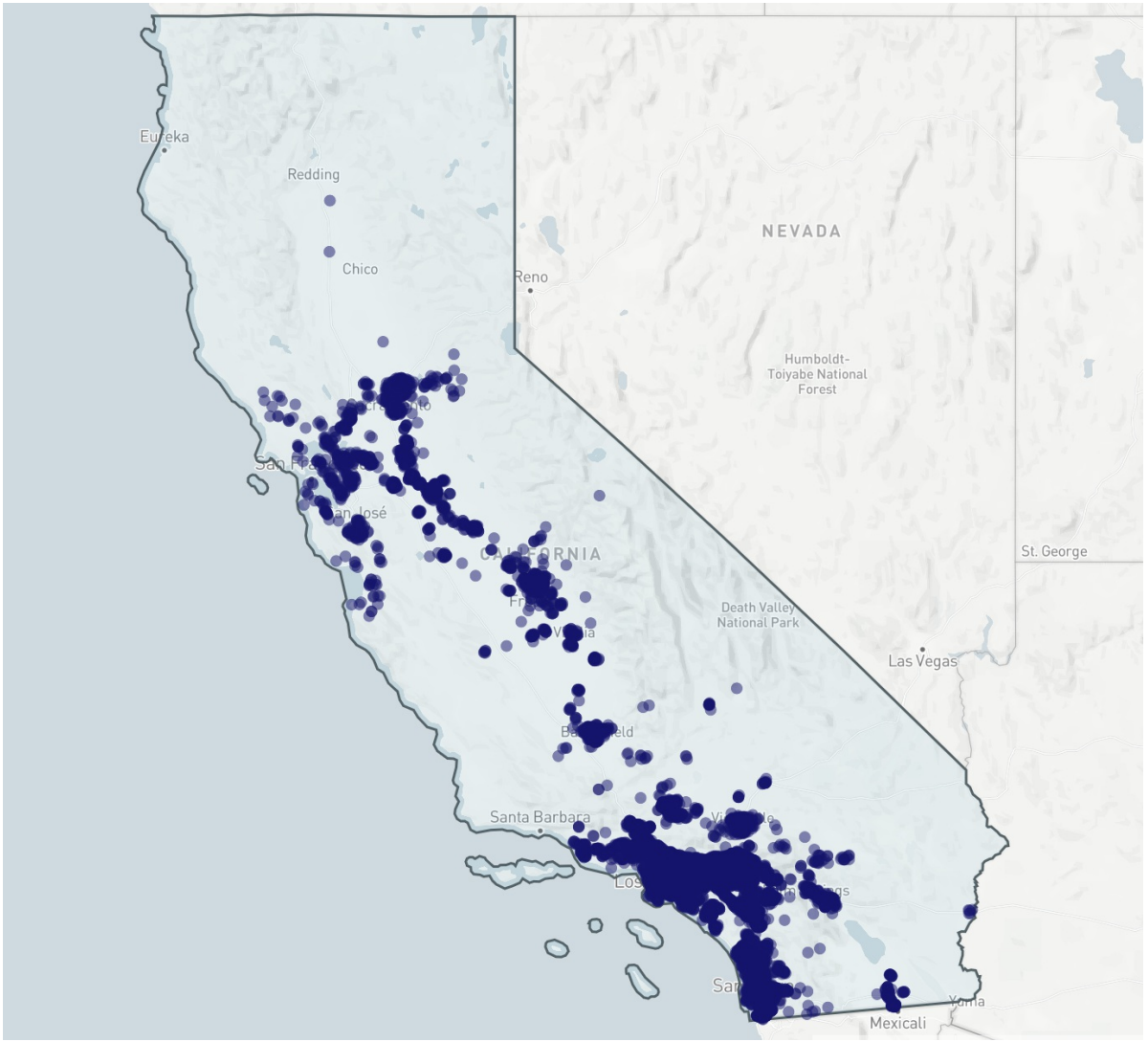
California HERO Program

46,920 Homes Improved

02/10/2014
HERO Launch Date

5,786,365
Housing Count

02/10/2014 - 09/15/2017
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	67.0K	$810M
Solar	26.2K	$1.23B
Water	4,938	$42.3M

Lifetime Impact

Applications Submitted	131K
Applications Approved	96.7K
Funded Amount	1.14B
Economic Stimulus	$1.97B
Jobs Created	9,678
Energy Saved	7.29B kWh
Emissions Reduced	1.93M tons
Water Saved	4.48B gal

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

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PACE Program Activities Update and
PACE Program Public Hearing

Attachment 4

SB 242 and AB 1284 Matrix

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AB 1284 PACE Administrators Statewide Oversight			
Summary: Significantly enhances PACE underwriting, regulates PACE at the state level, and enforce compliance with all PACE laws by PACE administrators and individual			
Activity	Responsible Organization		
	PACE Provider (Administrator)	California Dept. of Business Oversight	Bond Issuer (WRCOG)
Establishes a licensing and regulatory framework for the PACE industry in California, which will be subject to oversight by the California Department of Business Oversight (DBO)		X	
Requires PACE providers to undergo background investigations and satisfy net worth requirements in order to obtain a license		X	
Empowers the DBO with enforcement authority to take action against PACE providers who do not meet their obligations to promote the interests of consumers, which includes prohibiting PACE providers from working with contractors or individual sales reps who engage in activity harmful to consumers		X	
Requires PACE providers to enroll and train home improvement contractors and their individual sales reps	X		
Holds PACE providers accountable for screening and monitoring the contractors and individual sales reps enrolled in their programs	X		
Strengthens and standardizes the current underwriting standards in PACE based on home equity and on-time mortgage and tax payment history	X		
Requires that the most accurate Automated Valuation Models are used for establishing the value of the home	X		
Establishes new underwriting standards predicated on income verification and ability-to-pay to determine that property owners can meet their annual PACE obligation in addition to their current debt obligations and basic household expenses	X		

SB 242 PACE Program Consumer Protections	WRCOG PACE Program Requirements	
	Currently Implemented	Partially Implemented
Requires confirmed terms calls between PACE providers and property owner before they sign the assessment contract	x	
Multi language calls (Chinese, Spanish, Korean, Tagalog, Vietnamese)		x
Expanded "right to cancel" for a property owner using PACE, enabling the property owner to cancel their separate home improvement contract if they cancel their PACE financing within their three-day right to cancel – protecting them from being obligated to pay for a project without a viable means of financing	x	
Establishes a ban on compensating contractors beyond the cost of the home improvement project, as well as prohibiting paying for contractor co-marketing and limiting contractor reimbursements to $100 for bona fide training expenses		
Requires contractors to quote a property owner the same price as cash for a home improvement project using PACE financing	x	
Prevents PACE providers from disclosing to contractors the amount of funds the property owner is eligible for under a PACE assessment	x	
Establishes data reporting requirements to local government partners, including data that speaks to the projected energy and water savings and local economic and job impacts, as well as on categories of products installed and homeowners served	x	

Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 5

WRCOG Resolution Number 41-17;
A Resolution of the Executive Committee of the Western Riverside Council of Governments Rescinding Resolution No. 14-16 Authorizing Renovate America, Inc. to Administer and Finance Eligible Improvements to be Installed on Commercial Property and Rescinding All Approvals and Other Authorizations Granted Under Such Resolution

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RESOLUTION NUMBER 41-17

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS RESCINDING RESOLUTION NUMBER 14-16 AUTHORIZING RENOVATE AMERICA, INC., TO ADMINISTER AND FINANCE ELIGIBLE IMPROVEMENTS TO BE INSTALLED ON COMMERCIAL PROPERTY AND RESCINDING ALL APPROVALS AND OTHER AUTHORIZATIONS GRANTED UNDER SUCH RESOLUTION

WHEREAS, the Executive Committee of the Western Riverside Council of Governments ("WRCOG"), acting upon the offer and request of Renovate America, Inc., adopted Resolution Number 14-16 on June 6, 2016, authorizing Renovate America, Inc., to administer and finance the installation of improvements eligible under Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29") on commercial properties and, in connection with and in order to implement such authorization for both the Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program (together, the "Programs"), approved amendments to the Program Report for both the Programs and the forms of commercial handbook, commercial application, assessment contract, master indenture, administration agreement and master bond purchase agreement and authorized the issuance of limited obligation improvements bonds to finance the installation of such improvements (together with all other approvals and authorizations set forth in Resolution Number 14-16, the "Approvals and Authorizations"); and

WHEREAS, Renovate America, Inc., has now notified WRCOG that it no longer intends to administer and finance the installation of improvements on commercial properties and intends to concentrate its efforts on the residential HERO program; and

WHEREAS, the Executive Committee desires to rescind Resolution Number 14-16 and the Approvals and Authorization.

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

Section 1. Rescission of Resolution Number 14-16 and All Approvals and Authorizations Thereunder. The Executive Committee hereby rescinds Resolution Number 14-16 and such resolution shall upon becoming effective have no further legal force or effect.

The Executive Committee, by the rescission of Resolution Number 14-16, further rescinds any and all Approvals and Authorizations as set forth in Resolution Number 14-16 and such Approvals and Authorizations, and each of them, shall have no further legal force or effect.

Section 2. Additional Action. The Executive Director is hereby authorized and directed to take such actions or cause such actions to be taken as are necessary in the judgement of the Executive Director to conform the Program Reports and any other documents to the actions taken by the adoption of this Resolution.

Section 3. Effective Date. This Resolution shall take effect upon its adoption and Resolution Number 14-16 and all Approvals and Authorizations shall be deemed to be rescinded upon this Resolution taking effect.

PASSED AND ADOPTED at a Meeting of the Executive Committee of the Western Riverside Council of Governments on October 2, 2017.

_____
Debbie Franklin, Chair
WRCOG Executive Committee

_____
Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

_____
Best Best & Krieger, LLP
WRCOG Bond Counsel

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

Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 6

WRCOG Resolution Number 42-17;
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

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RESOLUTION NUMBER 42-17

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

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

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

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

WHEREAS, now the legislative body of the County of Tulare Unincorporated areas, has taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider further modifying the Program Report by increasing the Program Area to include the jurisdictions of such new Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee did, by the adoption of its Resolution Number 37-17 (the "Resolution of Intention"), initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdiction of the County of Tulare Unincorporated areas, ordered a public hearing to be held on October 2, 2017, for the purposes of affording all persons who are present an opportunity to comment upon, object to, or present evidence with regard to such proposed modification of the Program Report; and

WHEREAS, as required by Section 5898.24 of Chapter 29 and the Resolution of Intention, the Secretary of the Executive Committee caused publication of notice of public hearing for the purpose of allowing interested persons to comment upon, object to or inquire about the proposed modification of the Program Report; and

WHEREAS, on this date, the Executive Committee held the duly noticed public hearing as required by Chapter 29, at which the proposed modification of the Program Report so as to modify the Program Area to include the County of Tulare Unincorporated areas, was summarized and all persons who were present were given an opportunity to comment upon, object to, or present evidence with regard to the proposed modification of the Program Report.

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

Section 1. Recitals. The above recitals are true and correct.

Section 2. Confirmation of Modification of the Program Report. The modification of the Program Report so as to modify the Program Area to the City of Santa Rosa, in the California HERO Program is hereby approved and confirmed.

Section 3. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on October 2, 2017.

_____
Debbie 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: _____

Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 7

Revised Exhibit B of the California
HERO Program Report Revised
October 2, 2017

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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, 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, 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, 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, ALAMEDA 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 8, 2017 - REVISED SEPTEMBER 11, 2017 - REVISED OCTOBER 2, 2017

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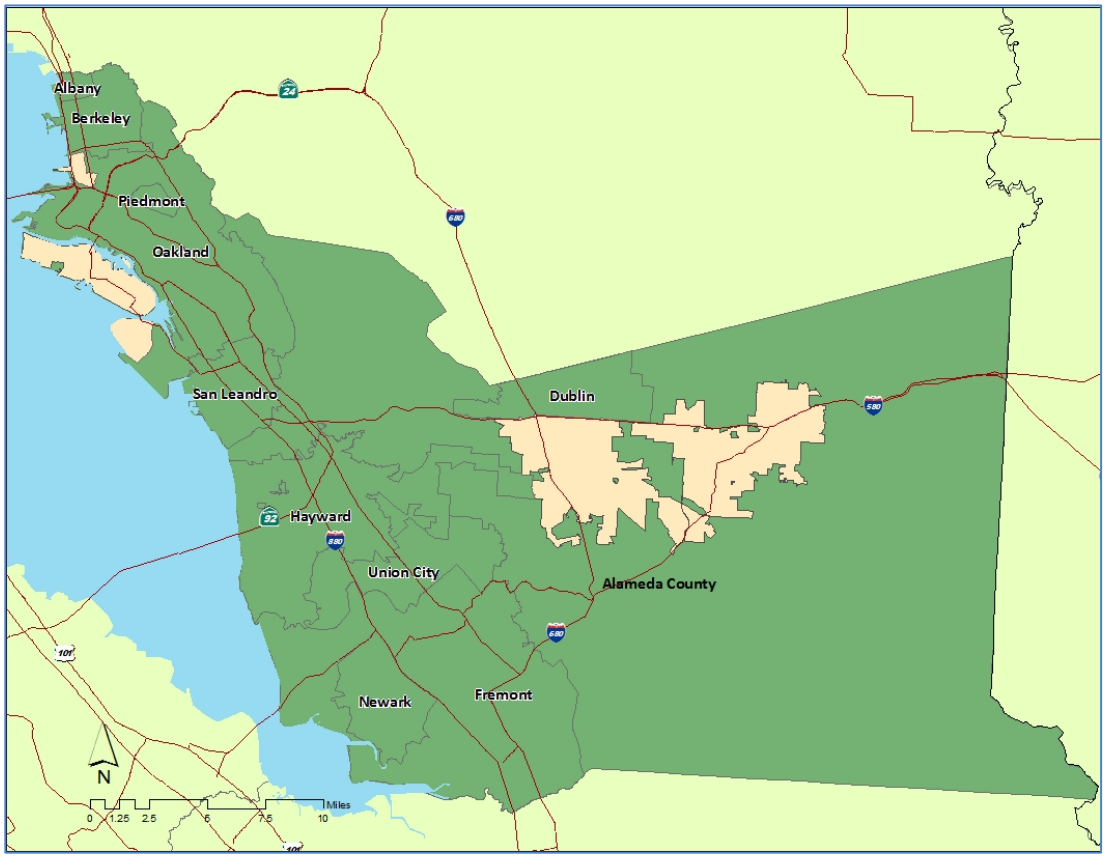
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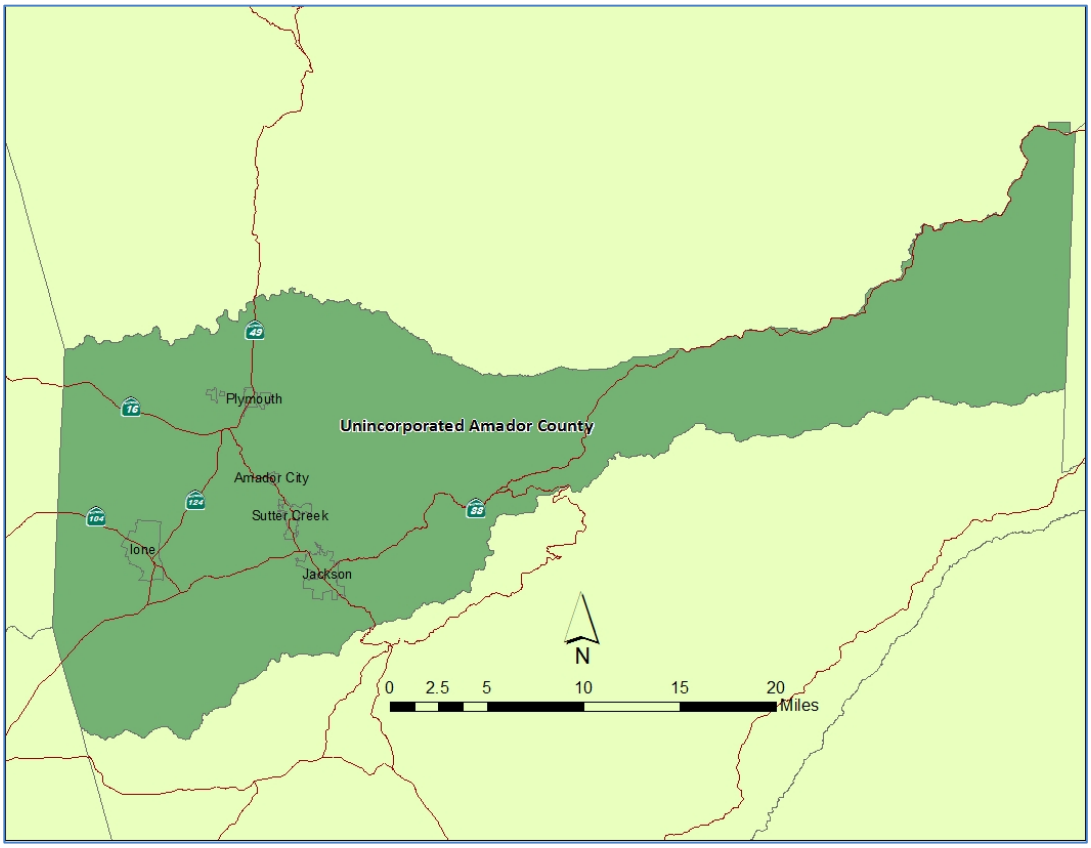
Appendix B
MAP OF PROGRAM AREA
(October 2, 2017)

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, 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, 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, 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.

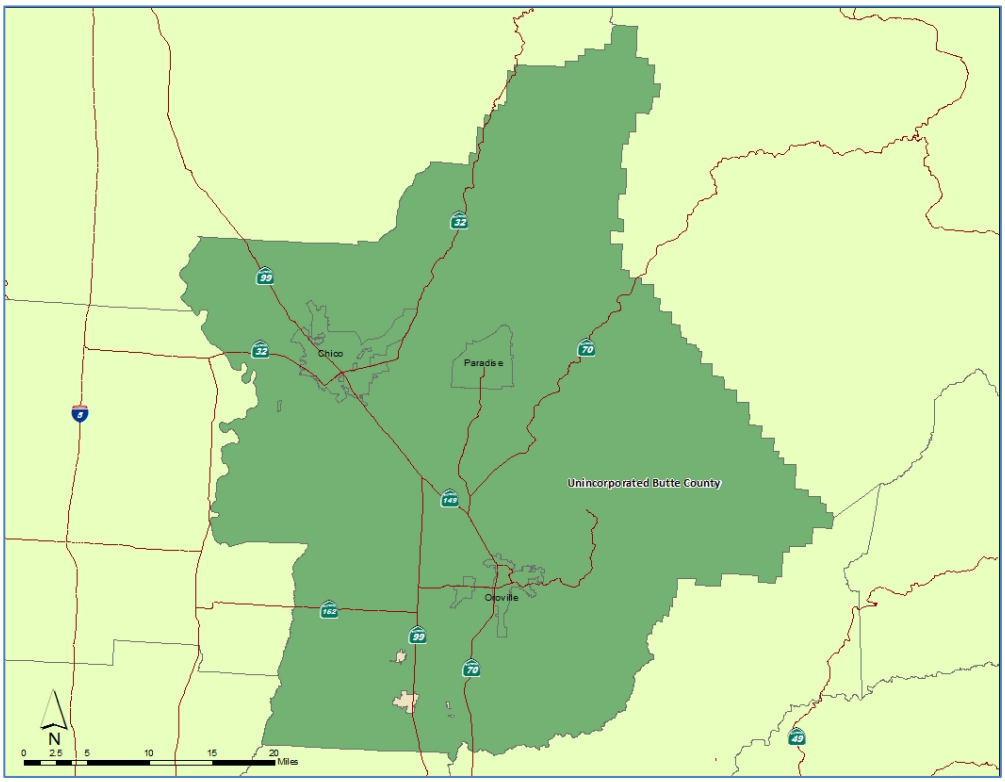
Cities of Albany, Berkeley, Dublin, Fremont, Hayward, Newark, Oakland, Piedmont, San Leandro, Union City, and Alameda County unincorporated areas located in Alameda County, California



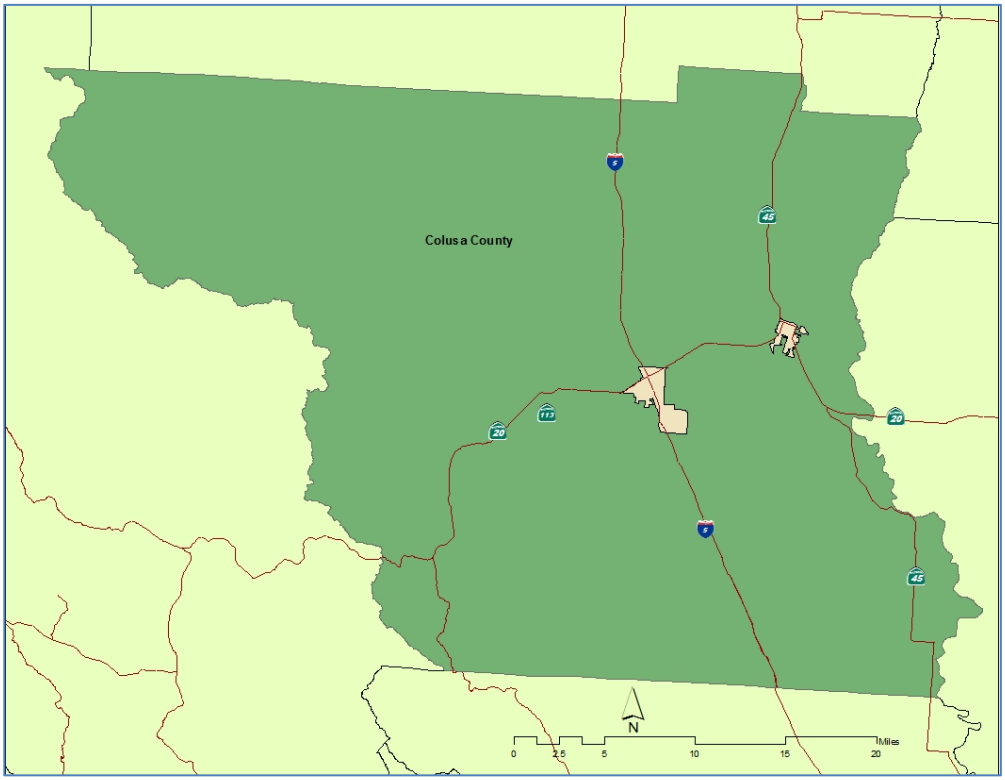
Cities of Amador, Ione, Jackson, Plymouth, and Sutter Creek, in Amador County, California



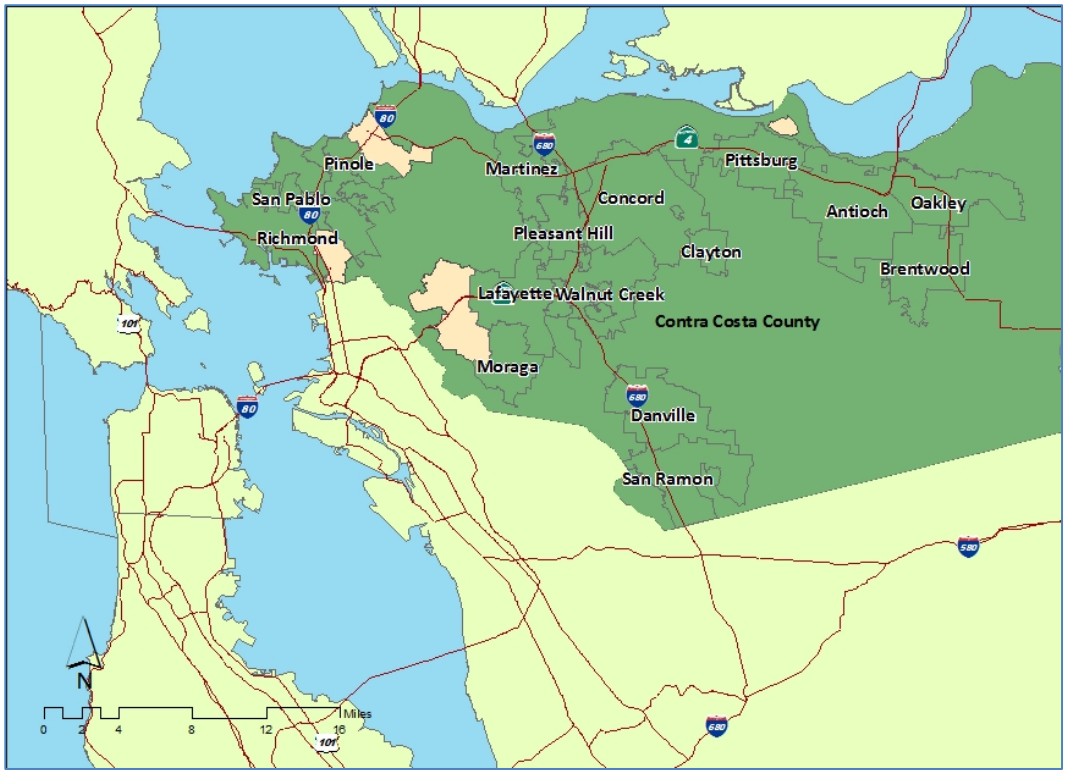
Cities of Chico, Paradise, Oroville, and Butte County unincorporated areas, located in Butte County, California



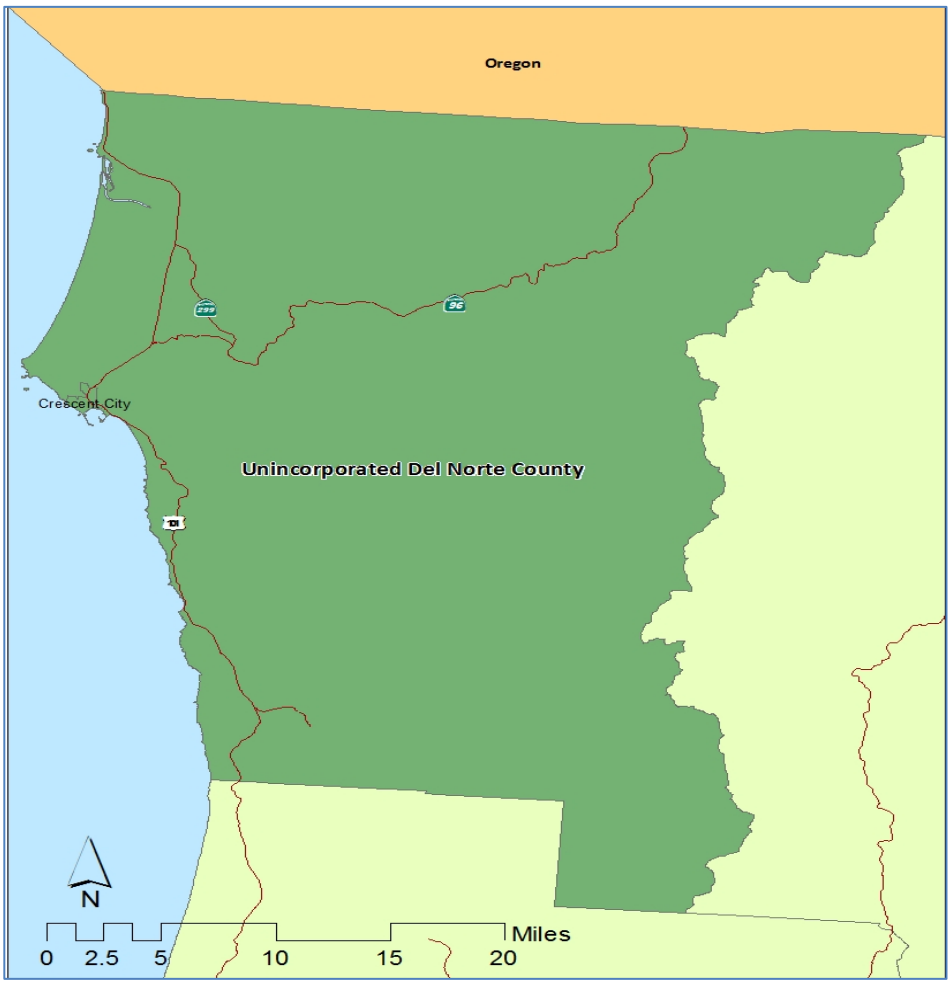
Colusa County unincorporated areas in Colusa County, California



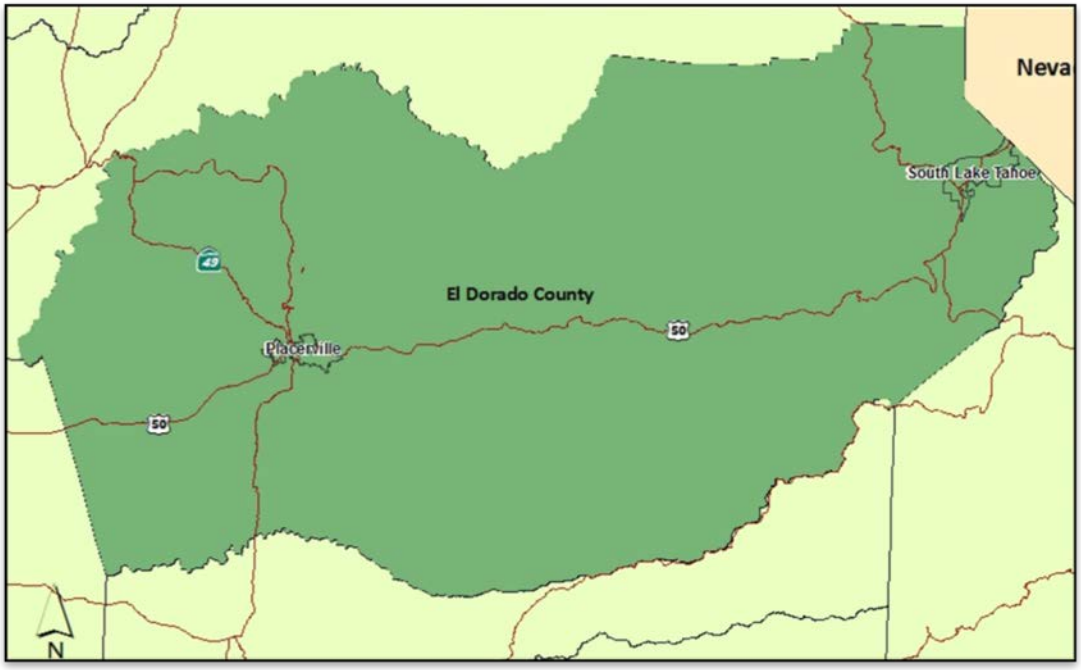
Cities of Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Lafayette, Martinez, Town of Moraga, Oakley, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon, Walnut Creek, and Contra Costa unincorporated areas, located in Contra Costa County, California



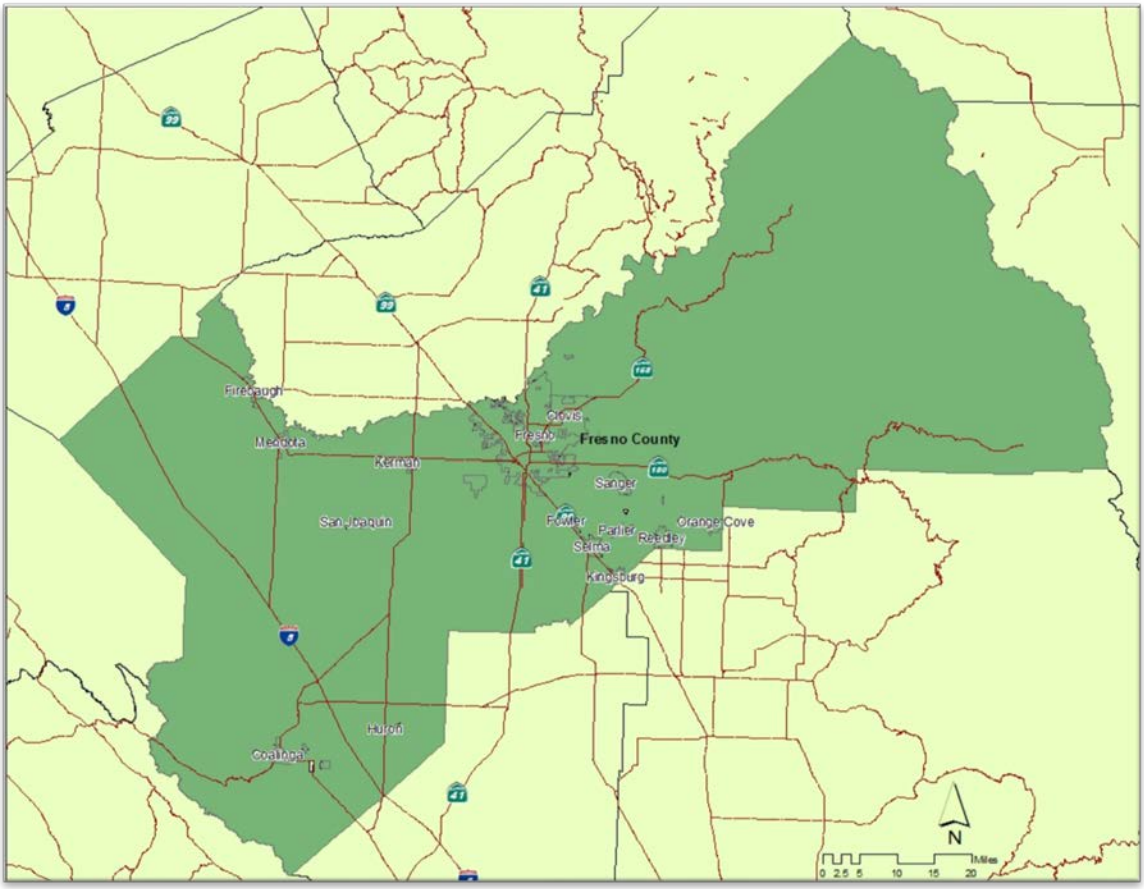
City of Crescent City and County of Del Norte unincorporated areas, located in Del Norte County, California



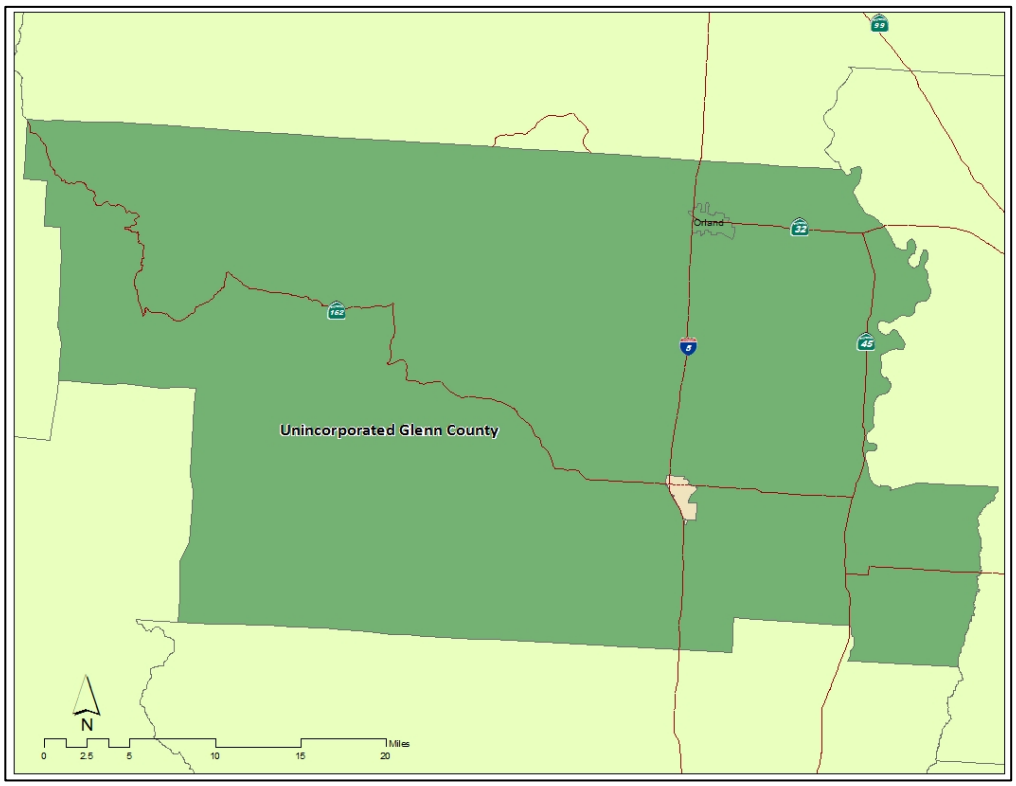
Cities of Placerville and South Lake Tahoe, and El Dorado County Unincorporated areas located in El Dorado County, California



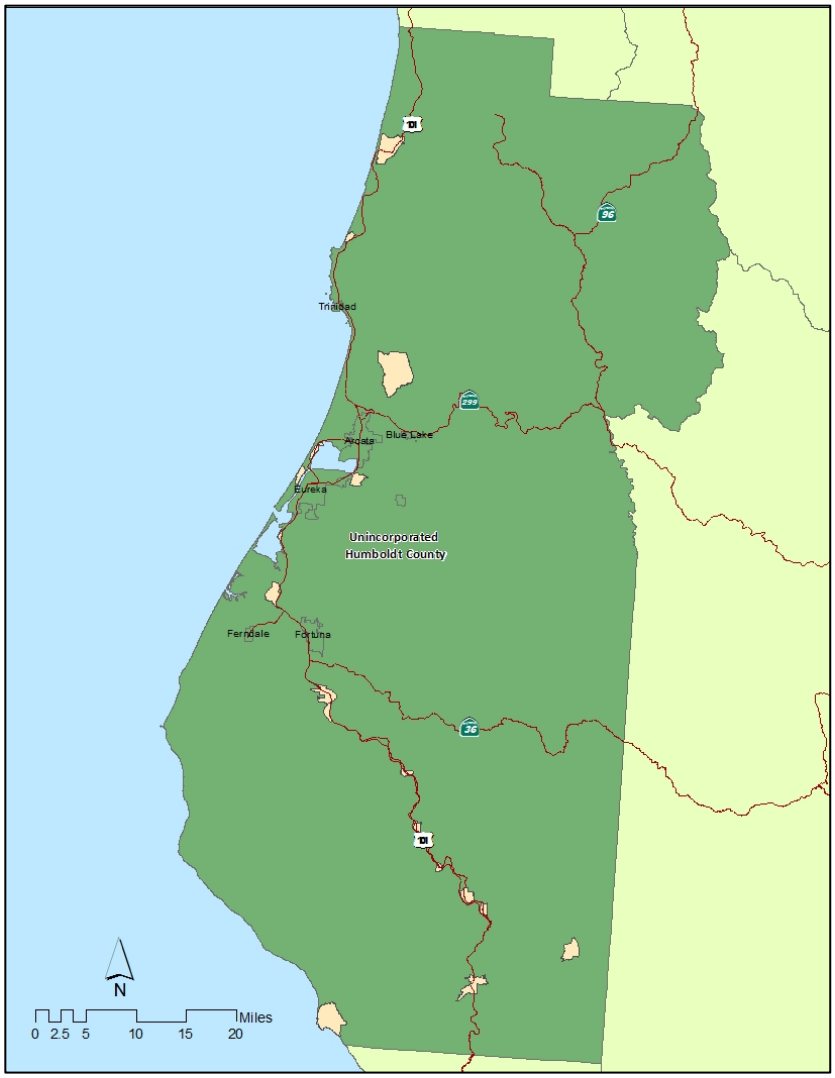
Cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, Sanger, San Joaquin, Selma, and Fresno County unincorporated areas, located in Fresno County, California



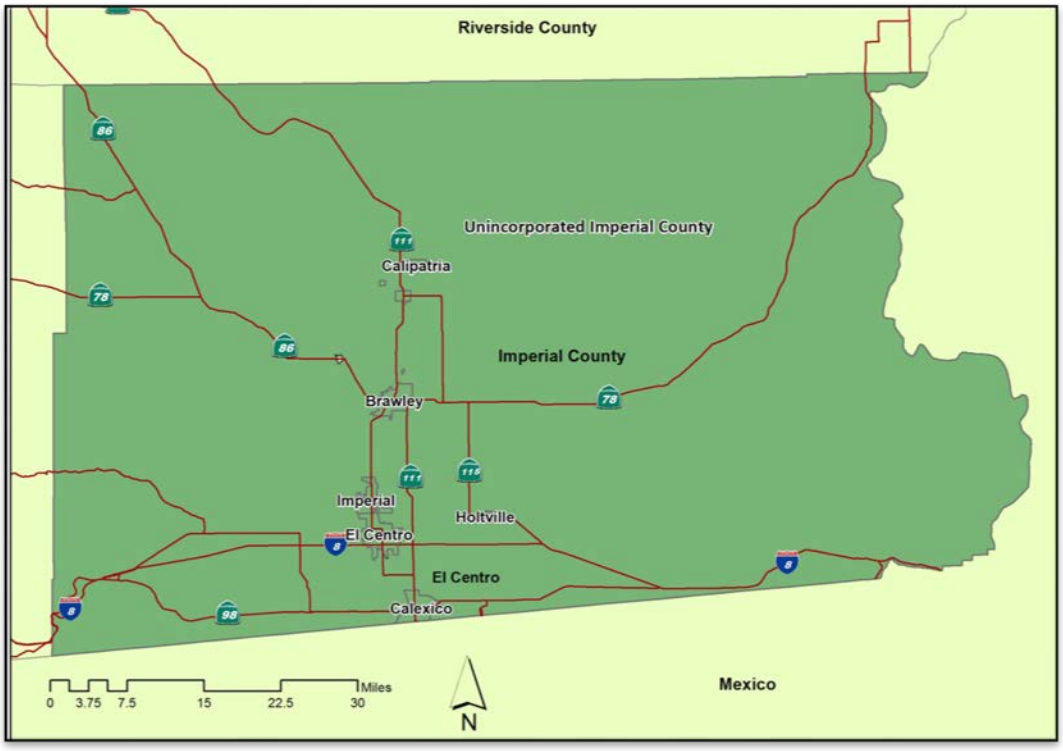
City of Orland, located in Glenn County, California



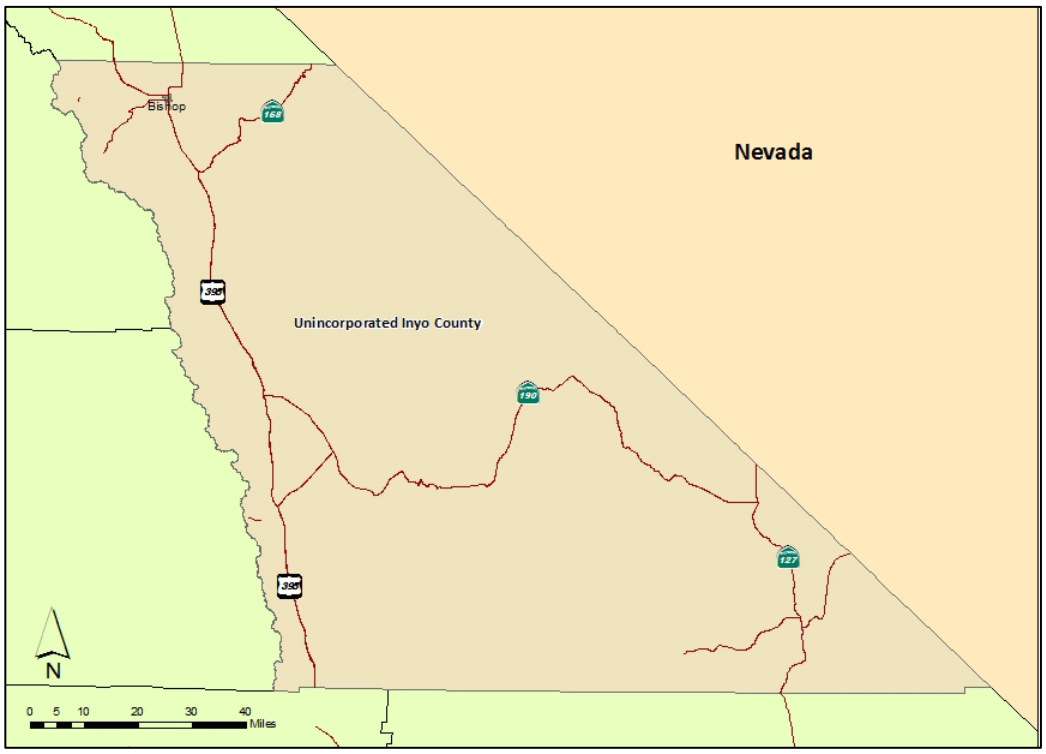
Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Trinidad, and Humboldt County unincorporated areas, located in Humboldt County, California



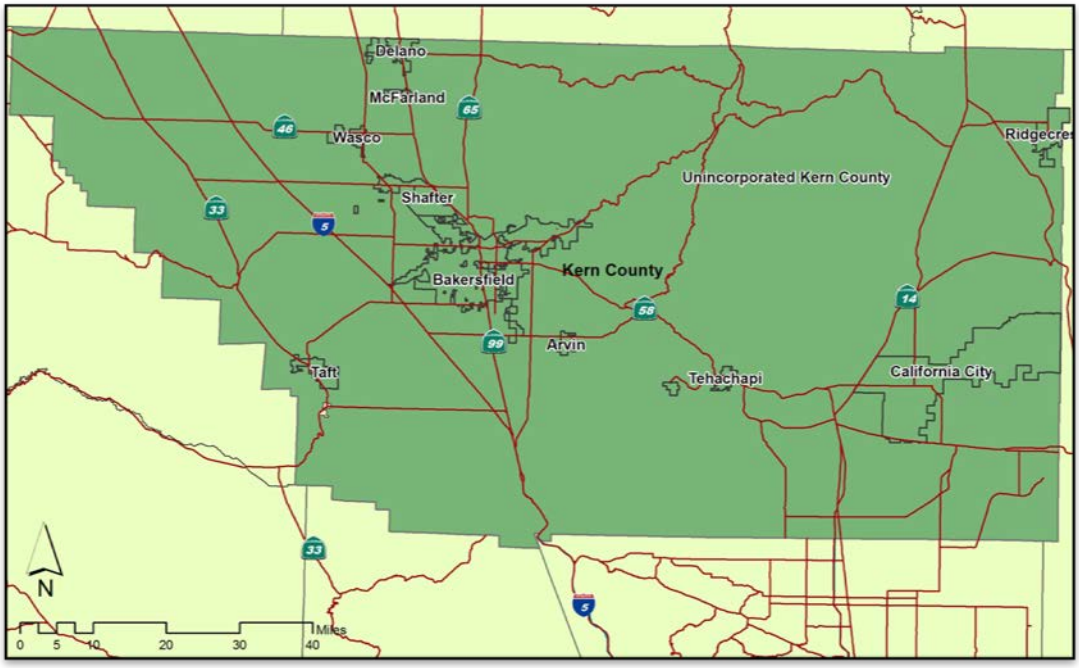
Cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, and Imperial County unincorporated areas, located in Imperial County, California



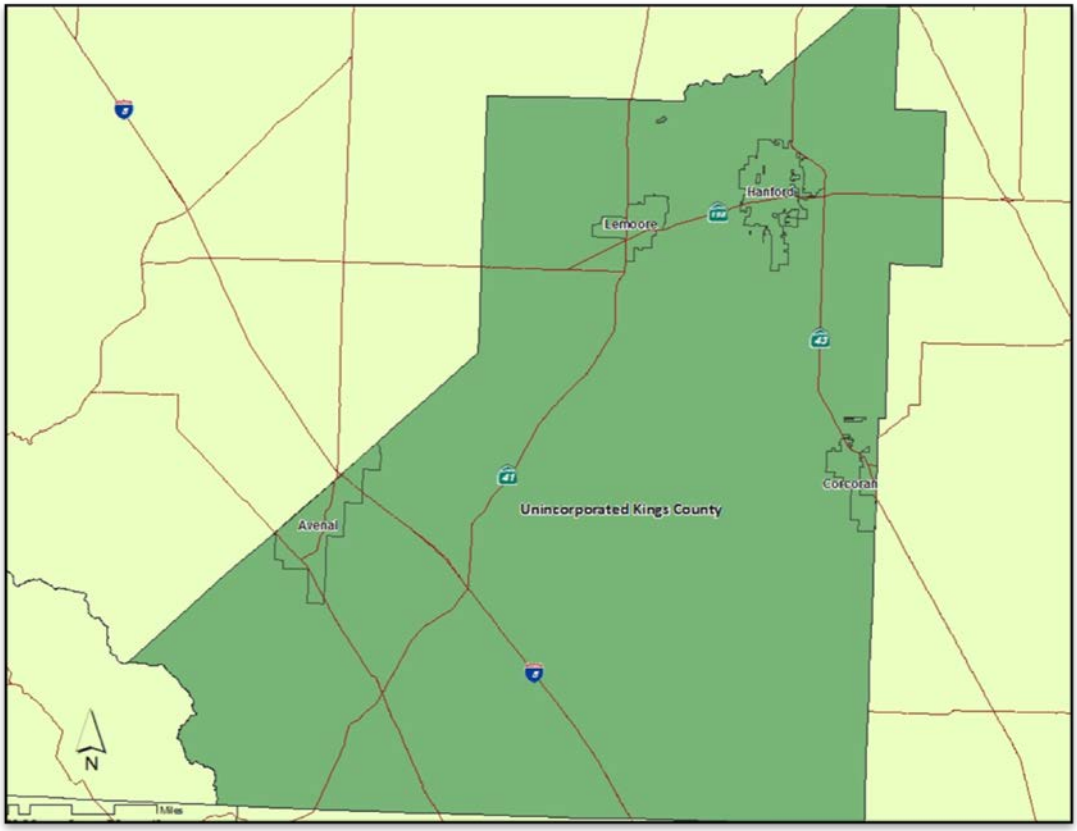
City of Bishop, located in Inyo County, California



Cities of Arvin, Bakersfield, California City, Delano, McFarland, Ridgecrest, Shafter, Taft, Tehachapi, Wasco, and Kern County unincorporated areas, located in Kern County, California



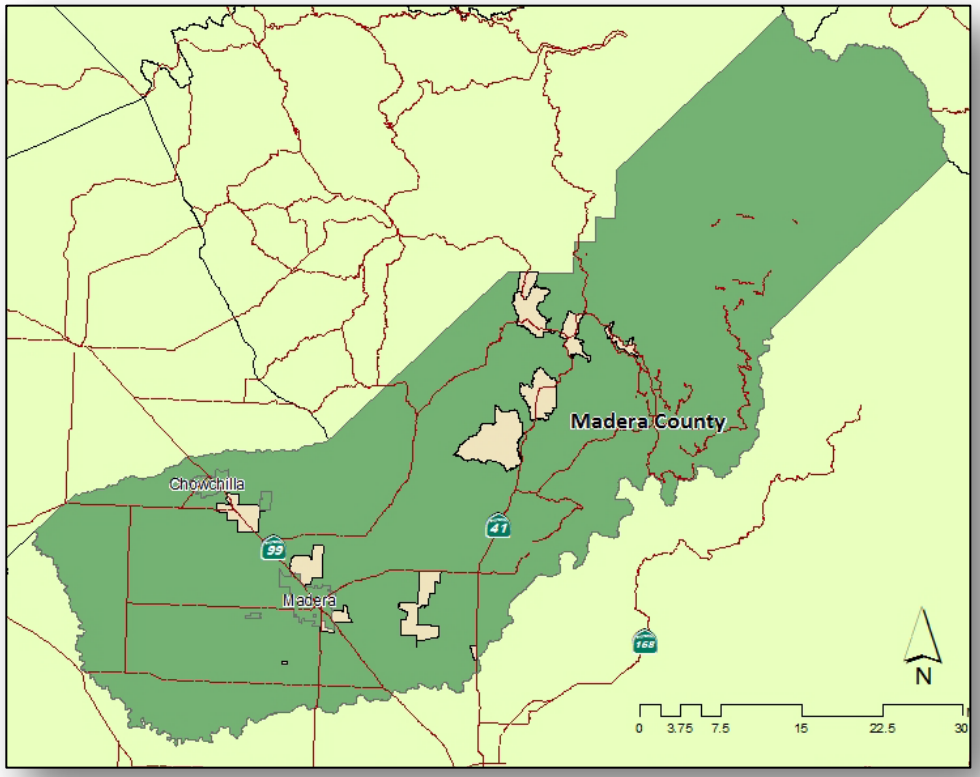
Cities of Avenal, Corcoran, Hanford, Lemoore, and Kings County unincorporated areas, located in Kings County, California



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.



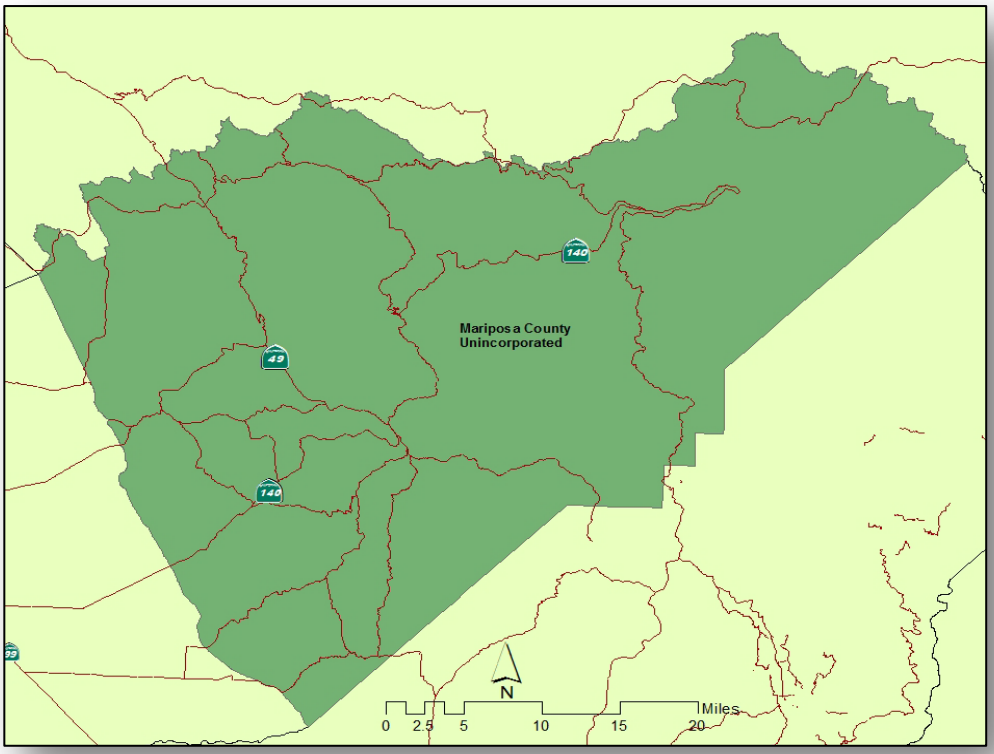
Cities of Chowchilla, Madera and Madera County unincorporated areas, located in Madera County, California



Cities of Belvedere, Larkspur, Mill Valley, Novato, San Anselmo, San Rafael, Sausalito, Tiburon, and County of Marin unincorporated areas, located in Marin County, California



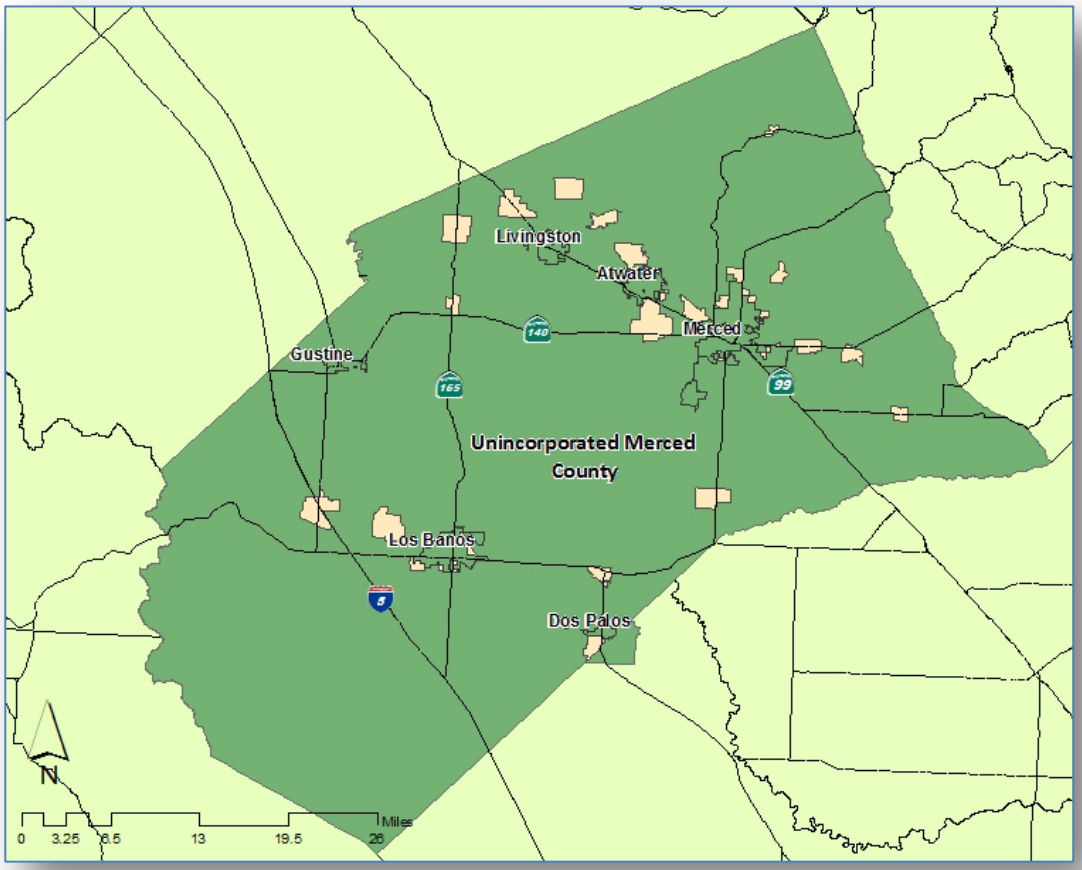
County of Mariposa unincorporated areas, located in Mariposa County, California



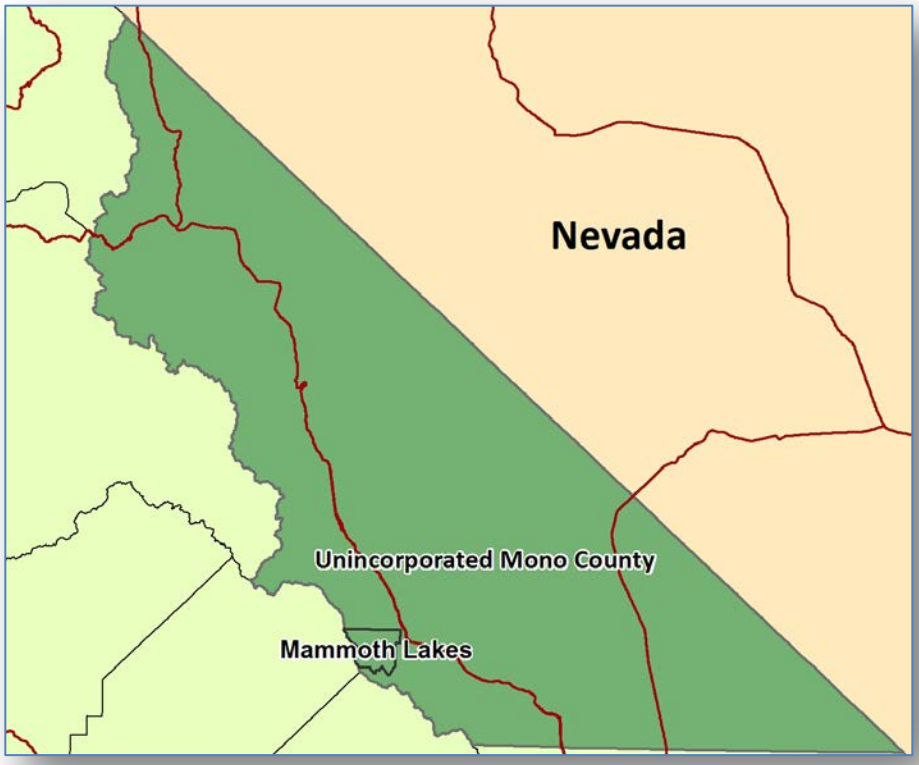
Cities of Fort Bragg, Point Arena, Ukiah, and Mendocino County unincorporated areas, located in Mendocino County, California



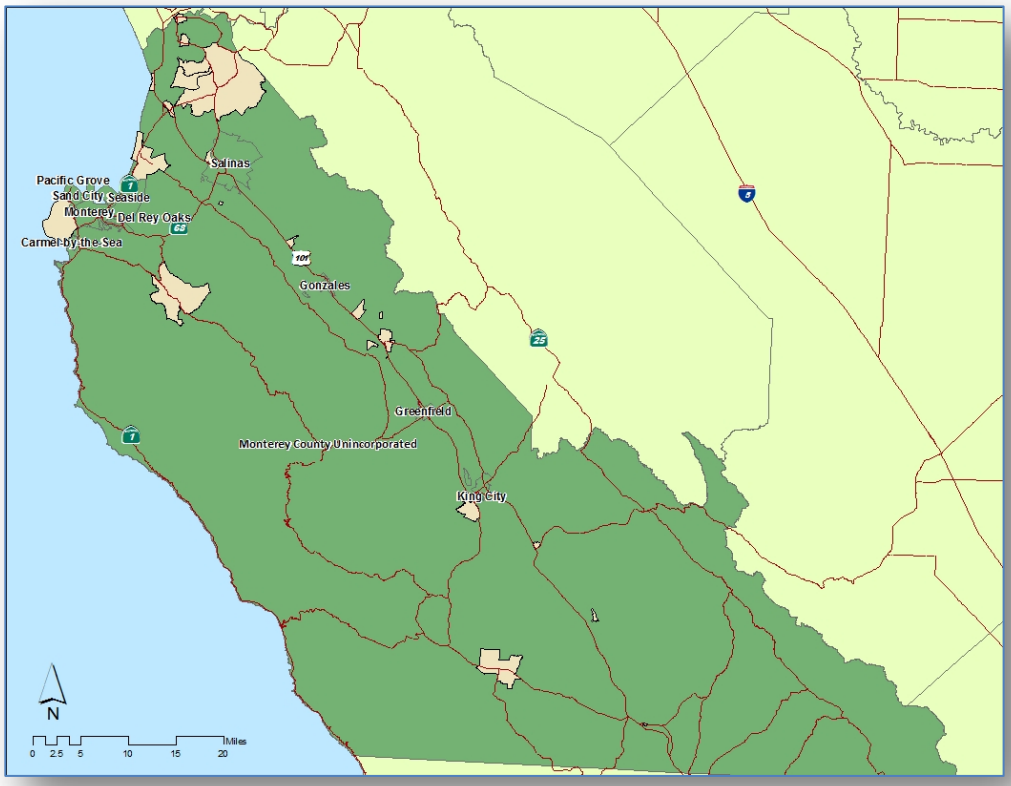
Cities of Atwater, Dos Palos, Gustine, Livingston, Los Banos, Merced, and Merced County unincorporated areas, located in Merced County, California



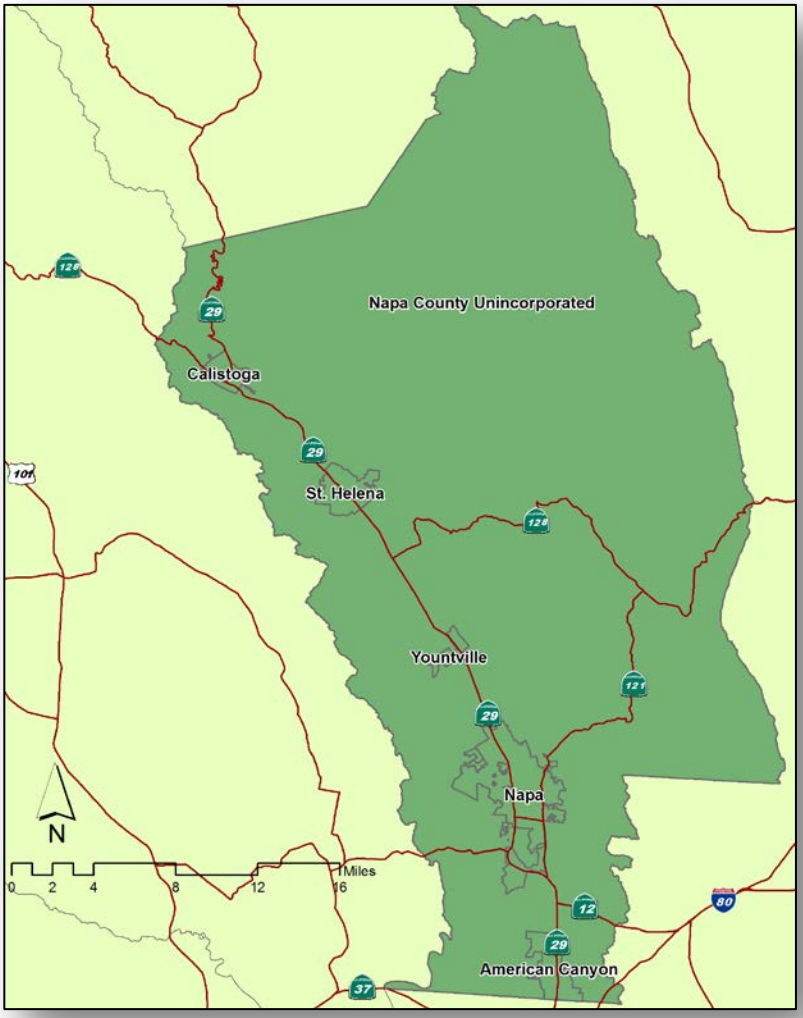
Town of Mammoth Lakes and Mono County unincorporated areas, located in Mono County, California



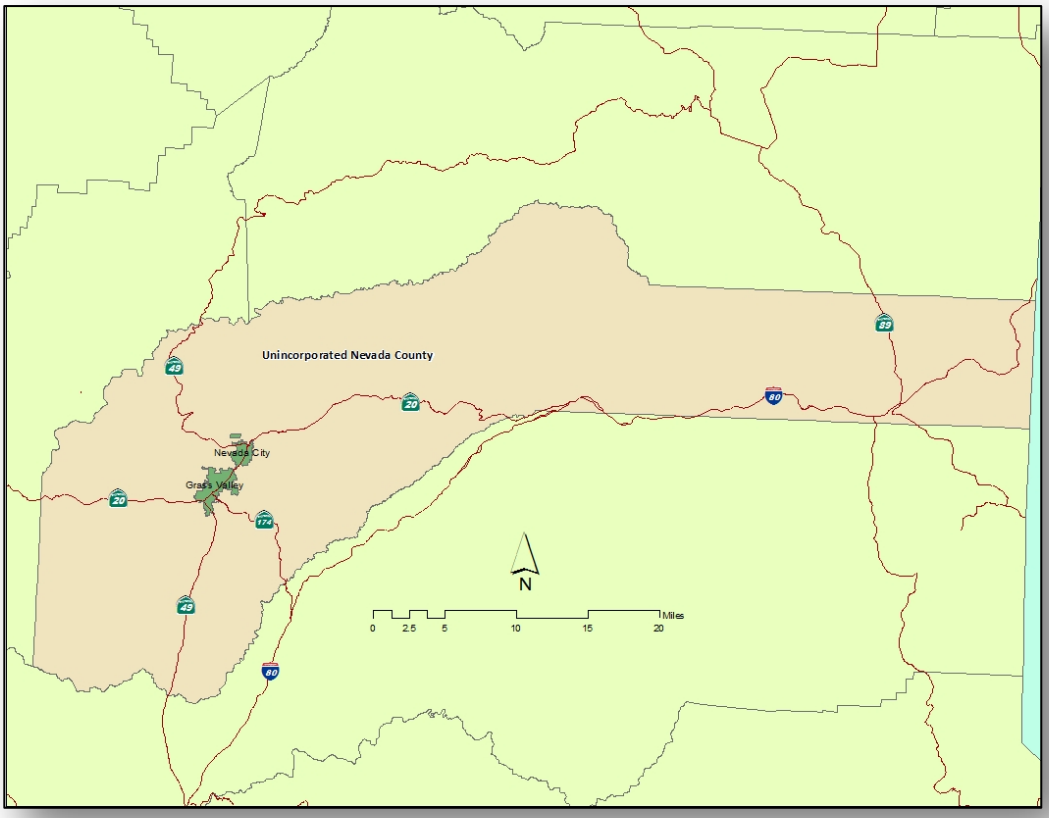
Cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, Kings City, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Monterey County unincorporated areas, located in Monterey County, California



Cities of American Canyon, Calistoga, Napa St. Helena, Yountville, and the County of Napa unincorporated areas, located in Napa County, California



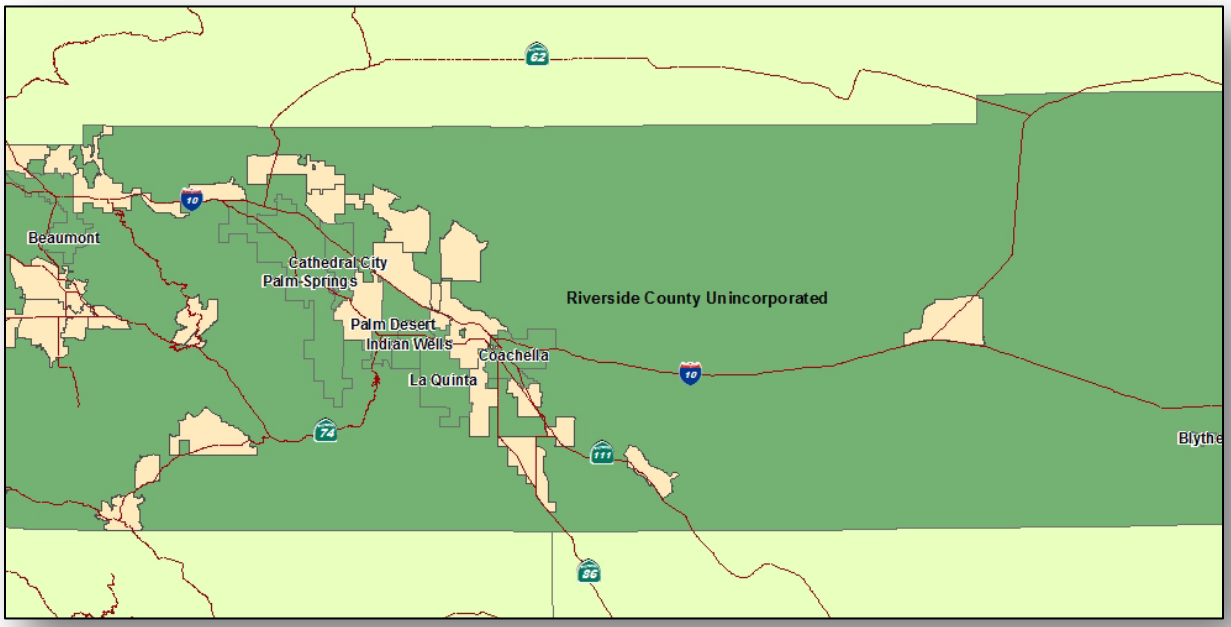
Cities of Grass Valley and Nevada City, located in Nevada County, California



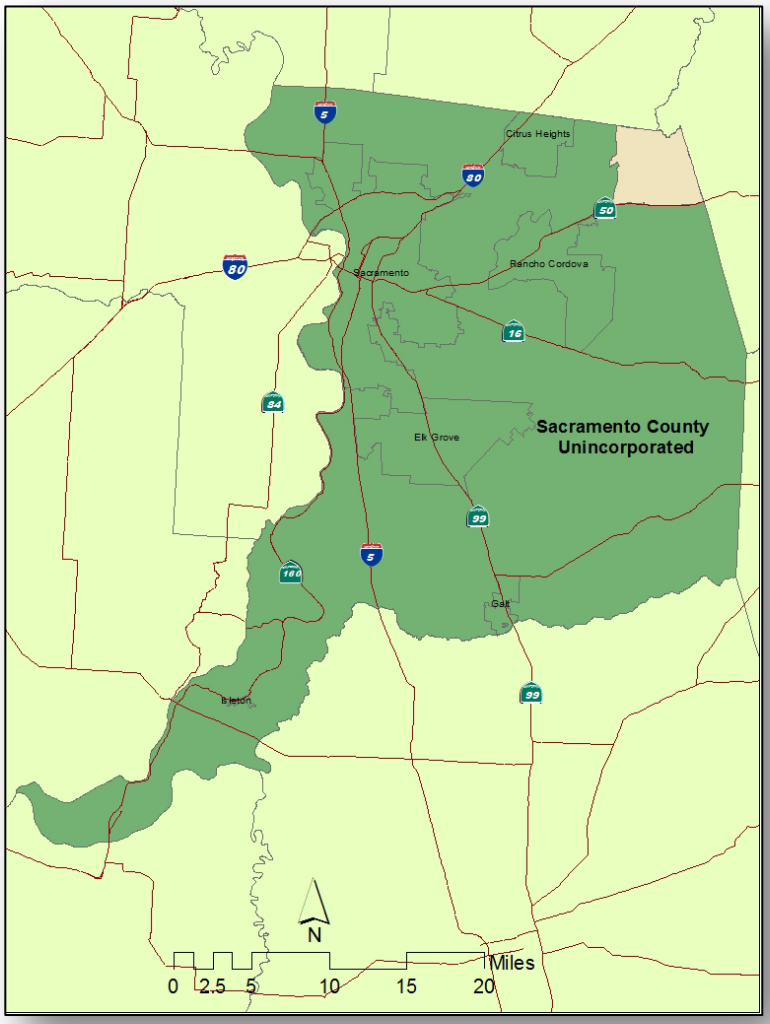
Cities of Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Fountain Valley, Garden Grove, Huntington Beach, La Habra, La Palma, Laguna Beach, Laguna Hills, Lake Forest, Mission Viejo, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, Santa Ana, Stanton, Tustin, Westminster, and Yorba Linda, located in Orange County, California.



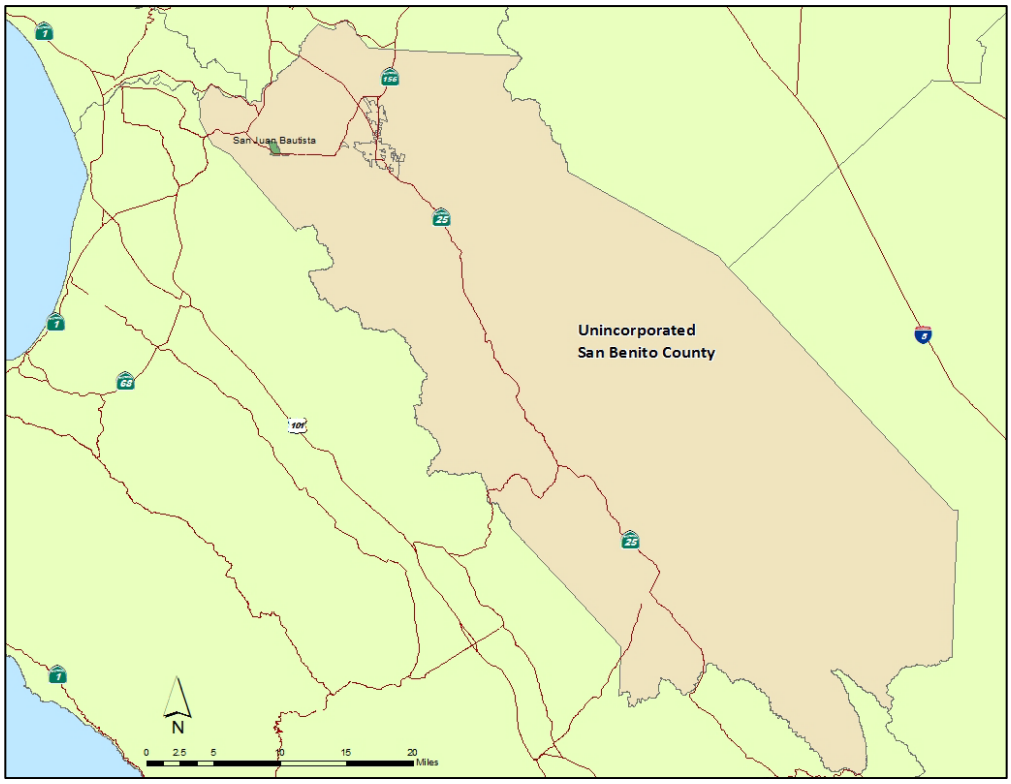
Cities of Beaumont, Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, and Riverside County unincorporated areas located in Riverside County, California



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



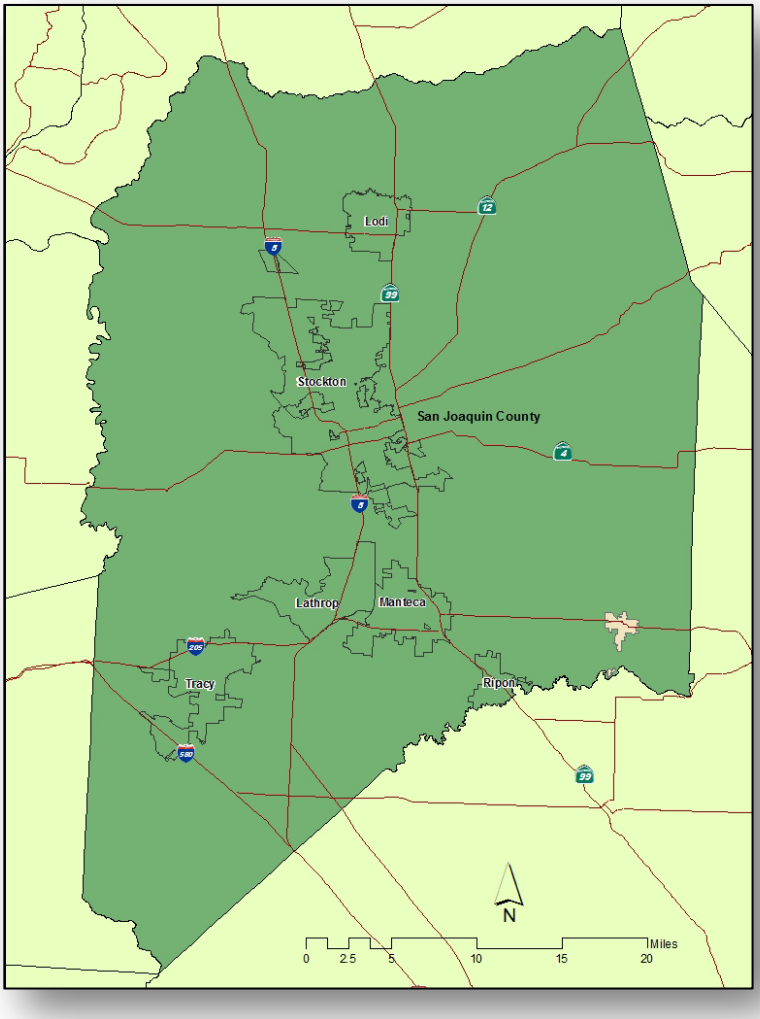
Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, and Vista, San Diego County unincorporated areas, located in San Diego County, California



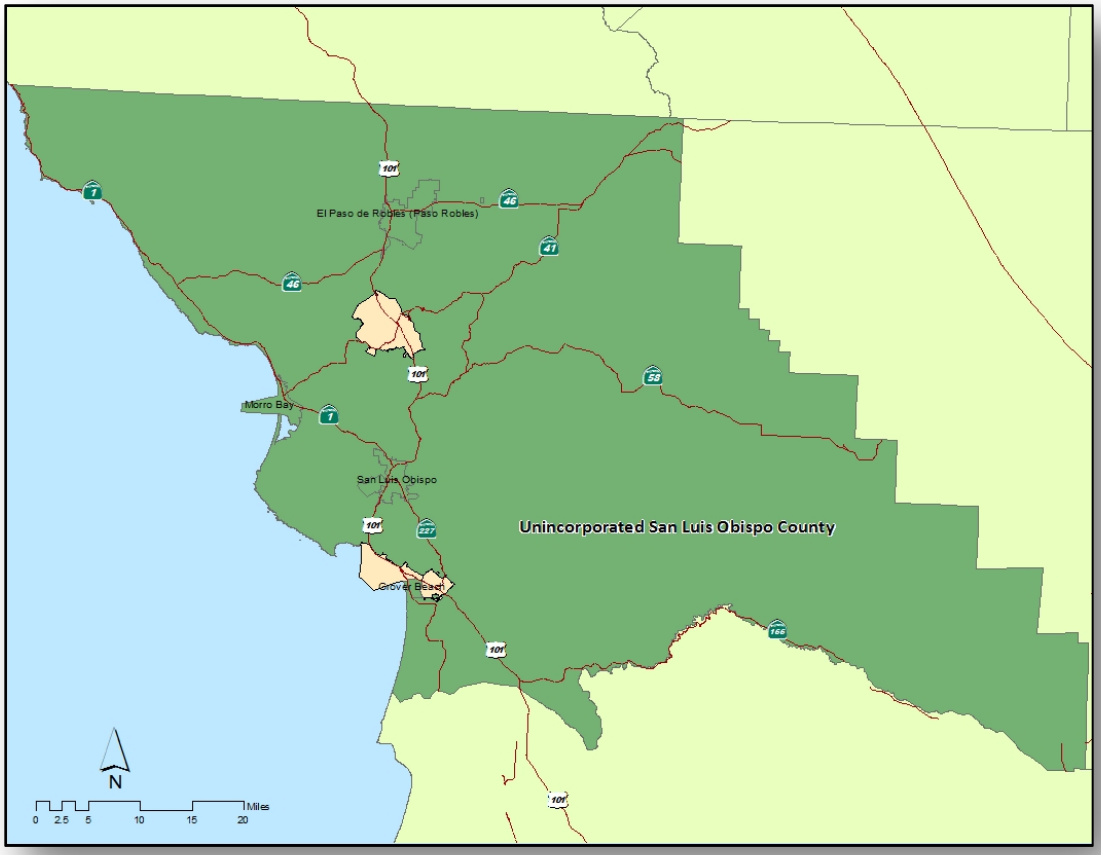
City/County of San Fransisco, located in San Francisco County, California



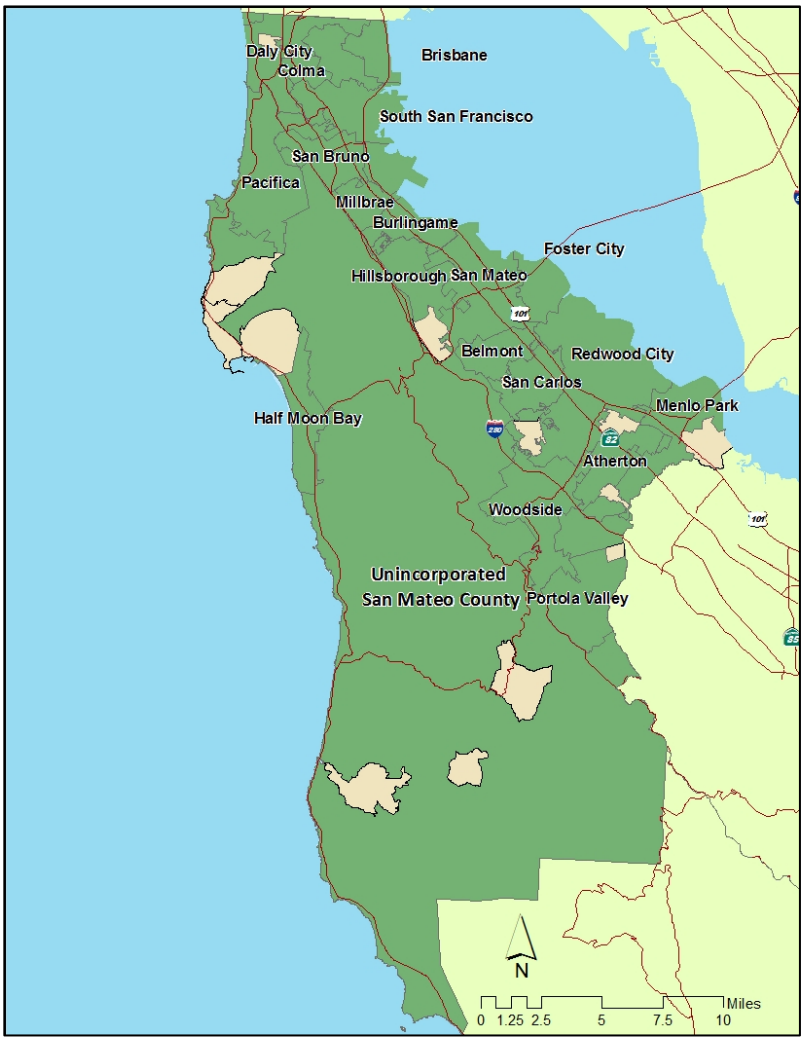
Cities of Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy, and San Joaquin County unincorporated areas, located in San Joaquin County, California



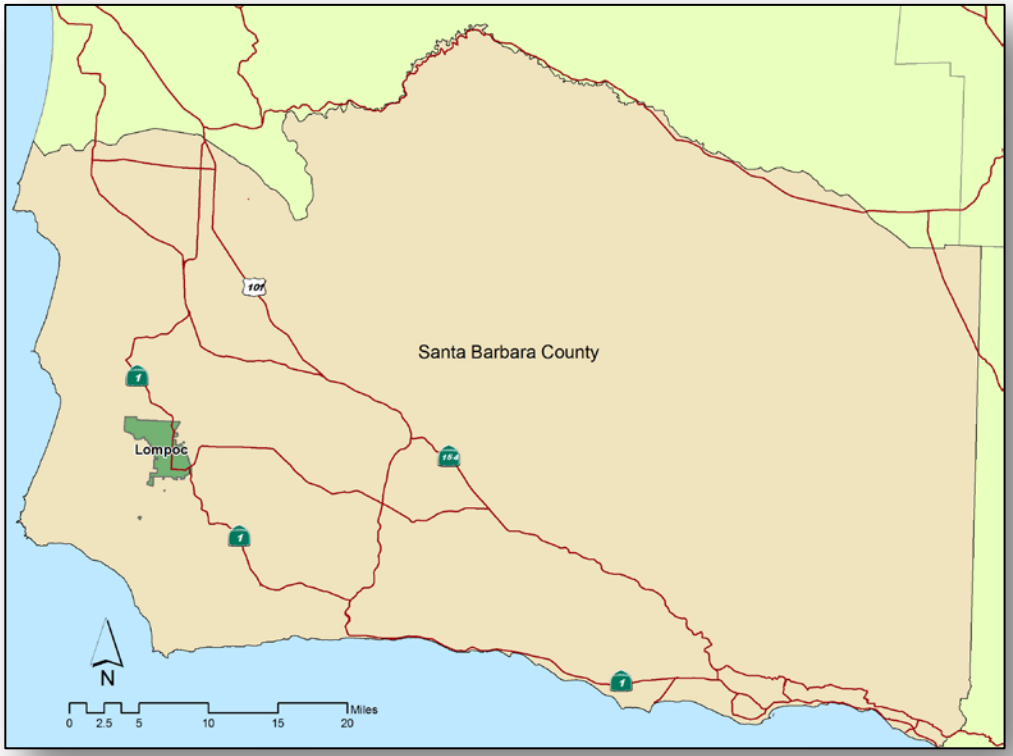
Cities of Grover Beach, Morro Bay, Paso Robles, San Luis Obispo, and San Luis Obispo County unincorporated areas, located in San Luis Obispo County, California



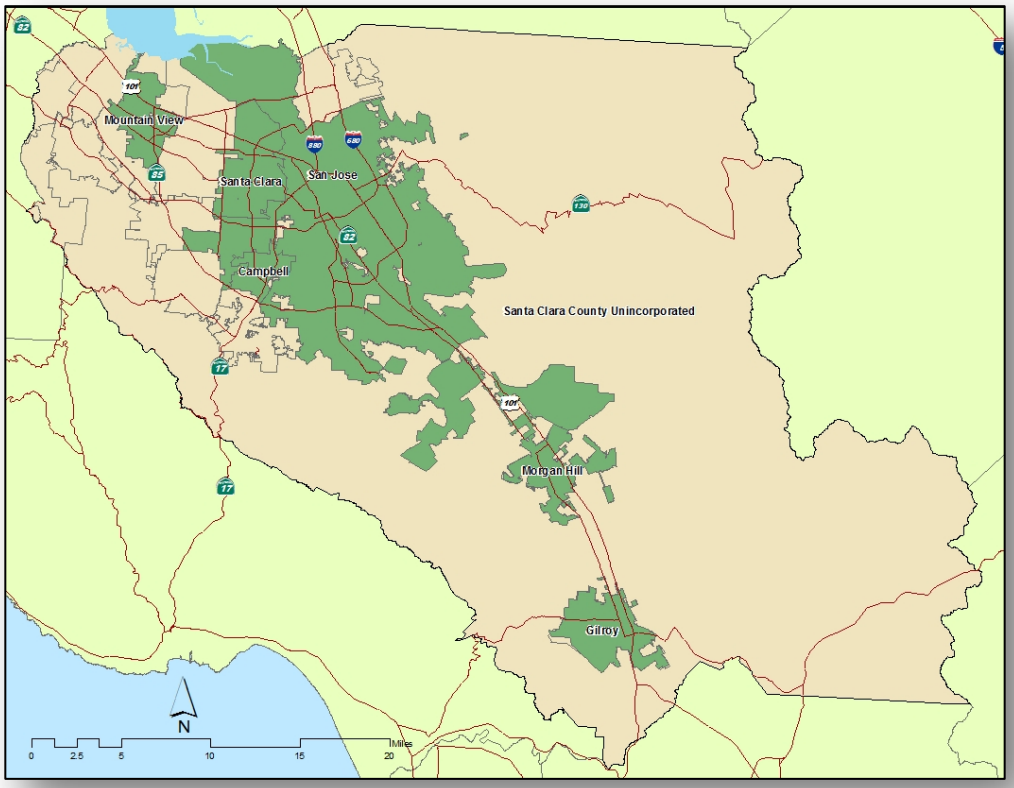
Cities/Towns of Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside, and the County of San Mateo unincorporated areas, located in San Mateo County, California



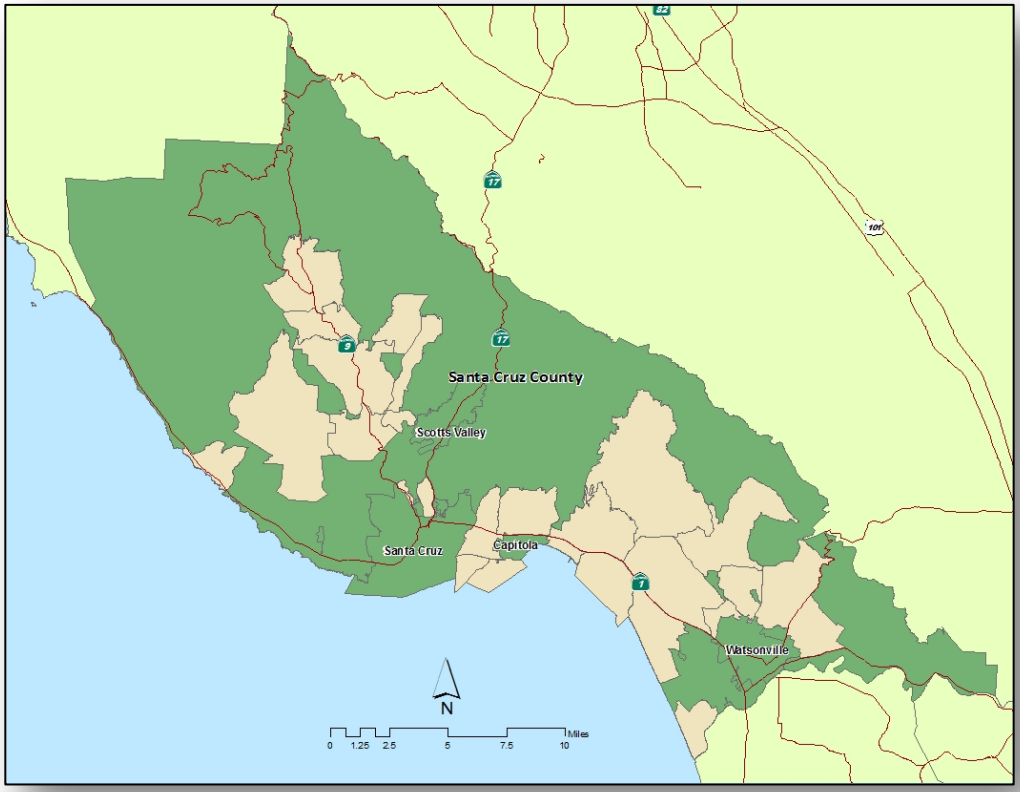
City of Lompoc, located in Santa Barbara County, California



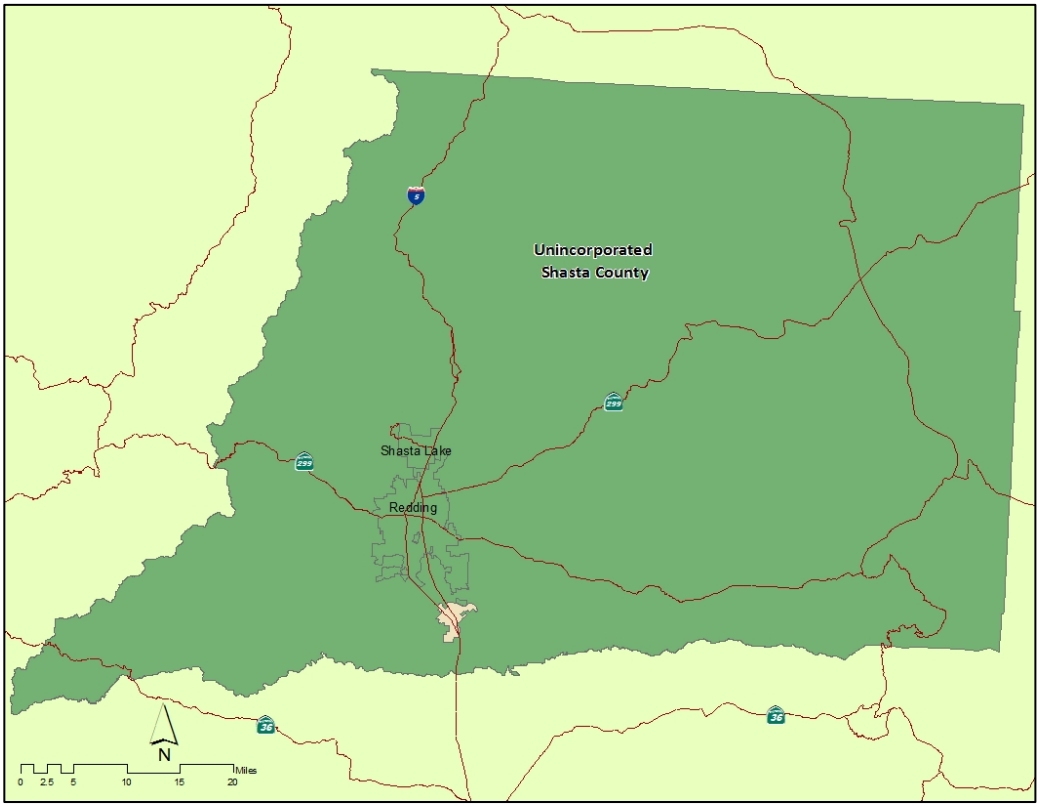
Cities of Campbell, Gilroy, Morgan Hill, Mountain View, San Jose, and Santa Clara, located in Santa Clara County, California



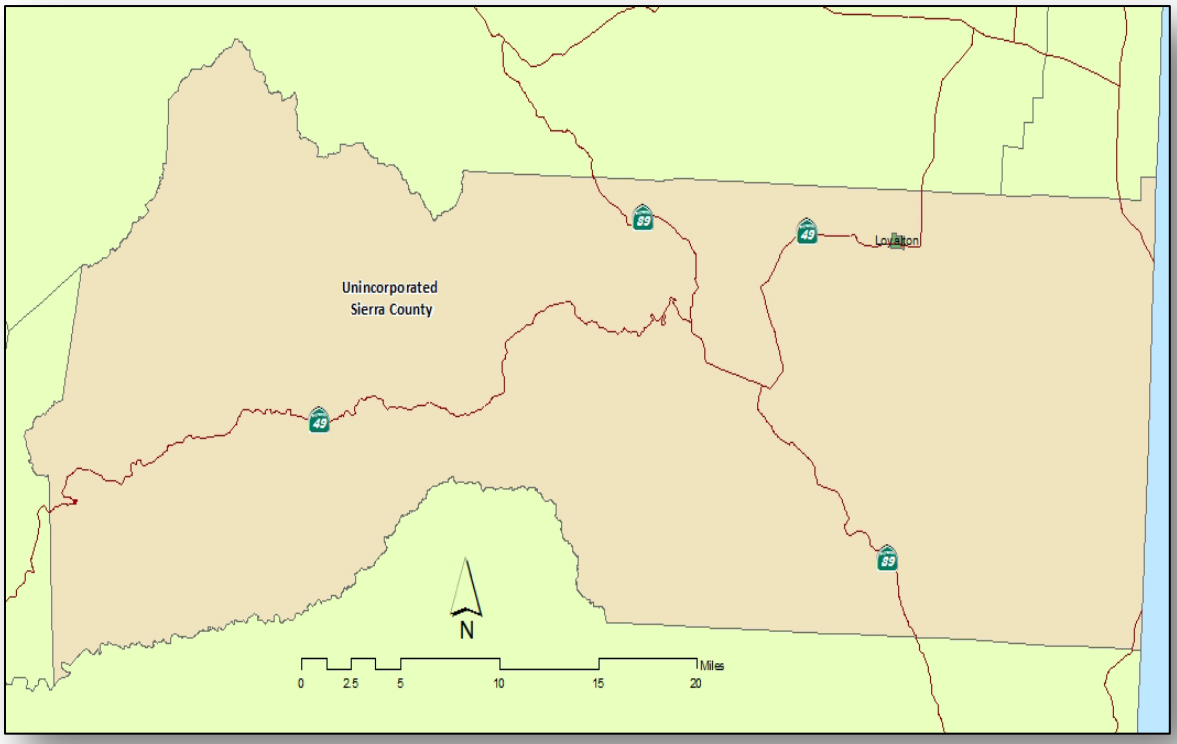
Cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, and Santa Cruz County unincorporated areas, located in Santa Cruz County, California



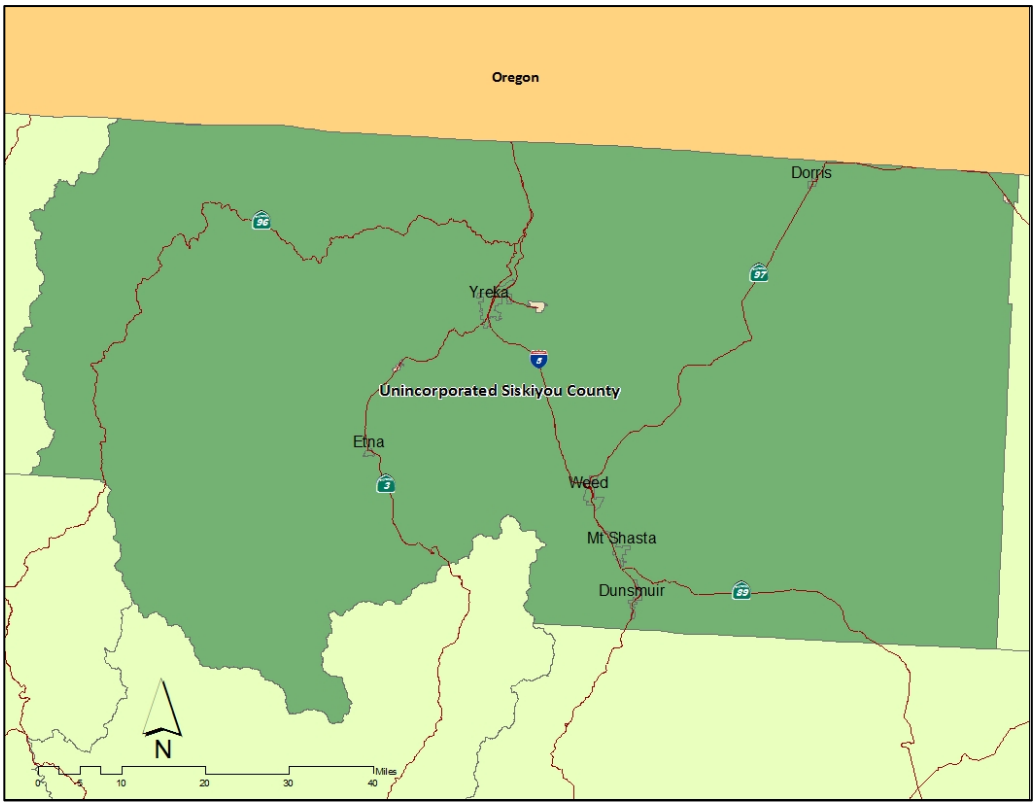
Cities of Redding, Shasta Lake, and County of Shasta unincorporated areas, located in Shasta County, California



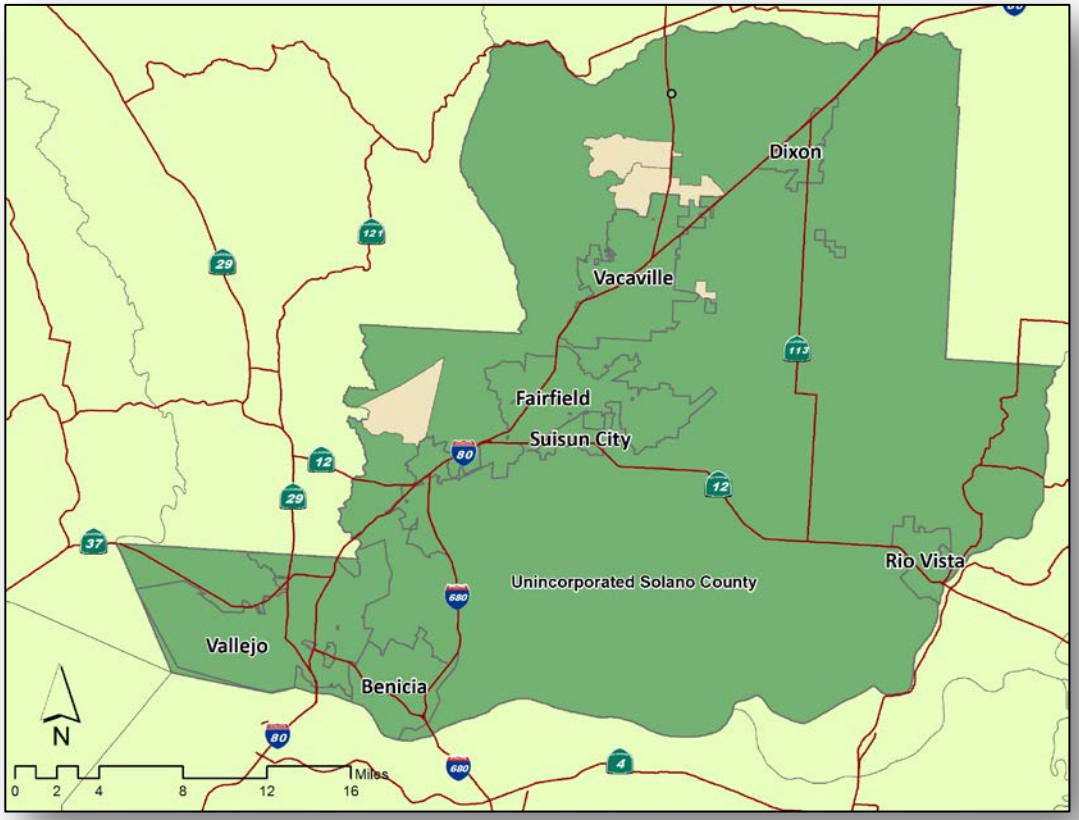
City of Loyalton, located in Sierra County, California



Cities of Dorris, Dunsmuir, Etna, Mount Shasta, Weed, Yreka, and County of Siskiyou unincorporated areas located in Siskiyou County, California



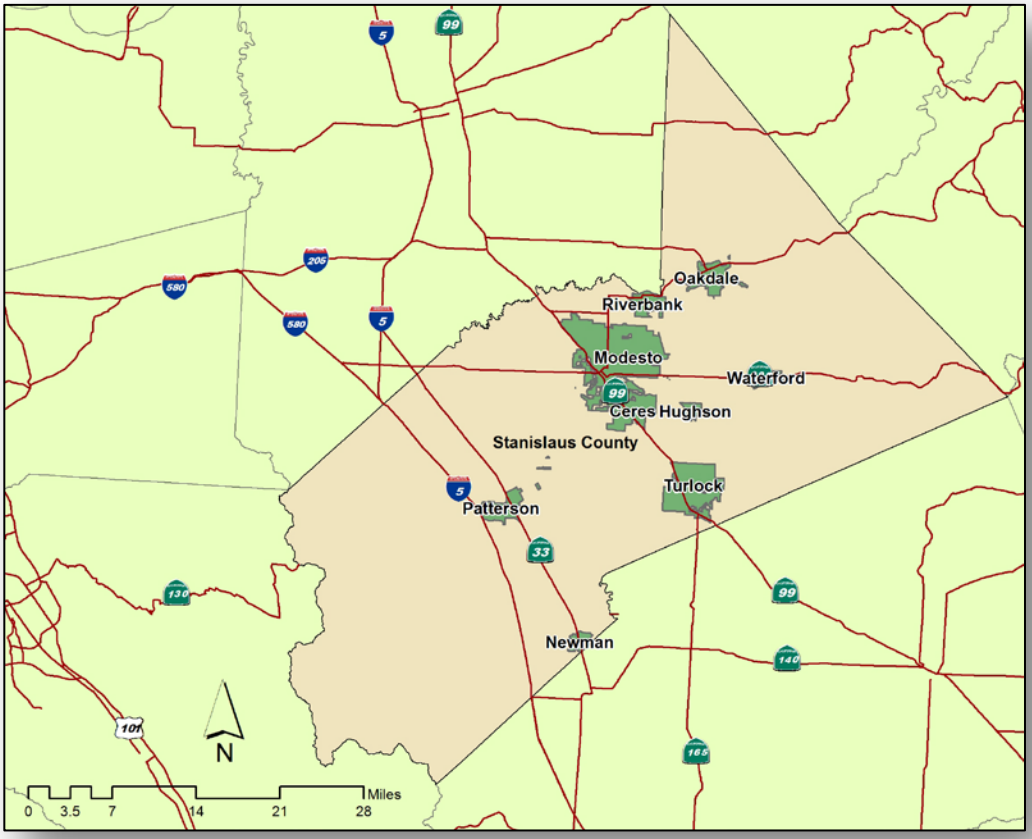
Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, Vallejo, and the Solano County unincorporated areas, located in Solano County, California



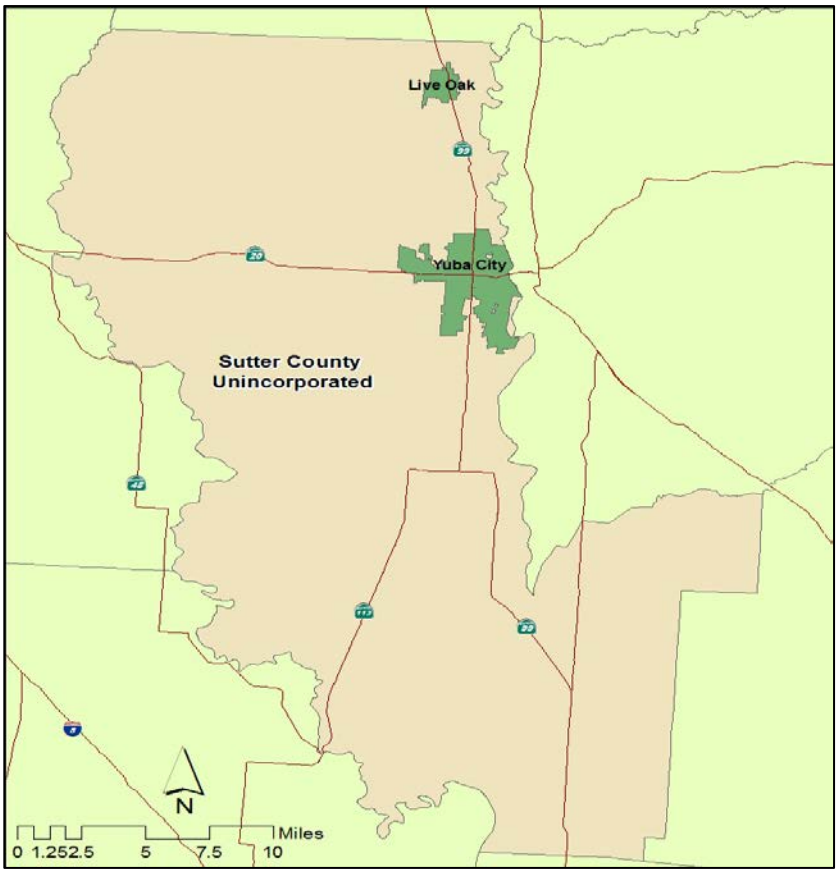
Cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Windsor, and Sonoma County unincorporated areas, located in Sonoma County, California



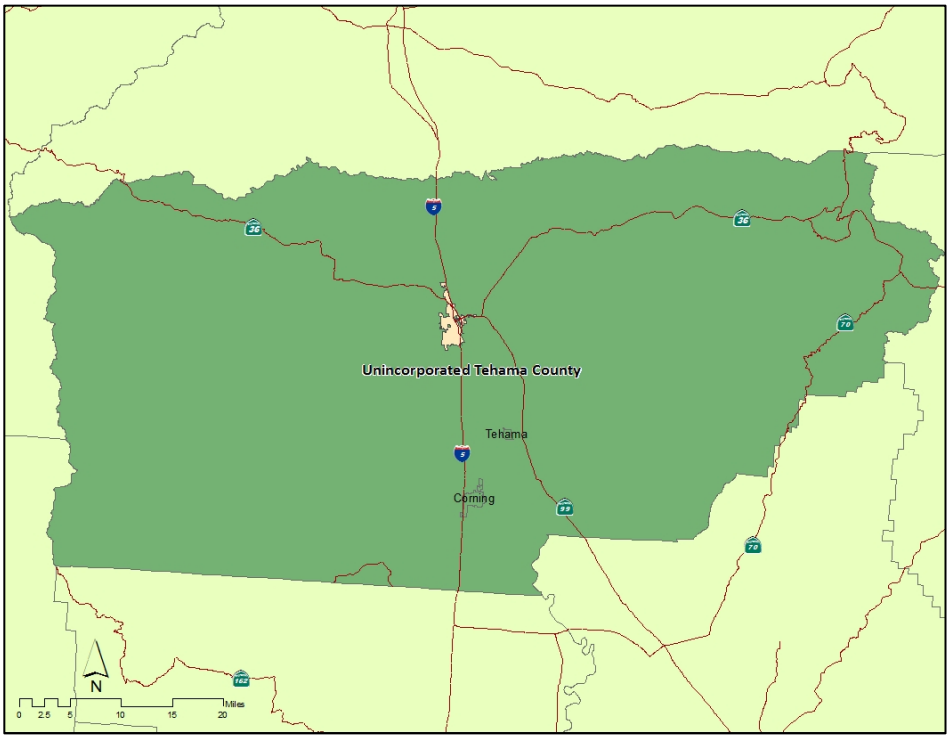
Cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford, located in Stanislaus County, California



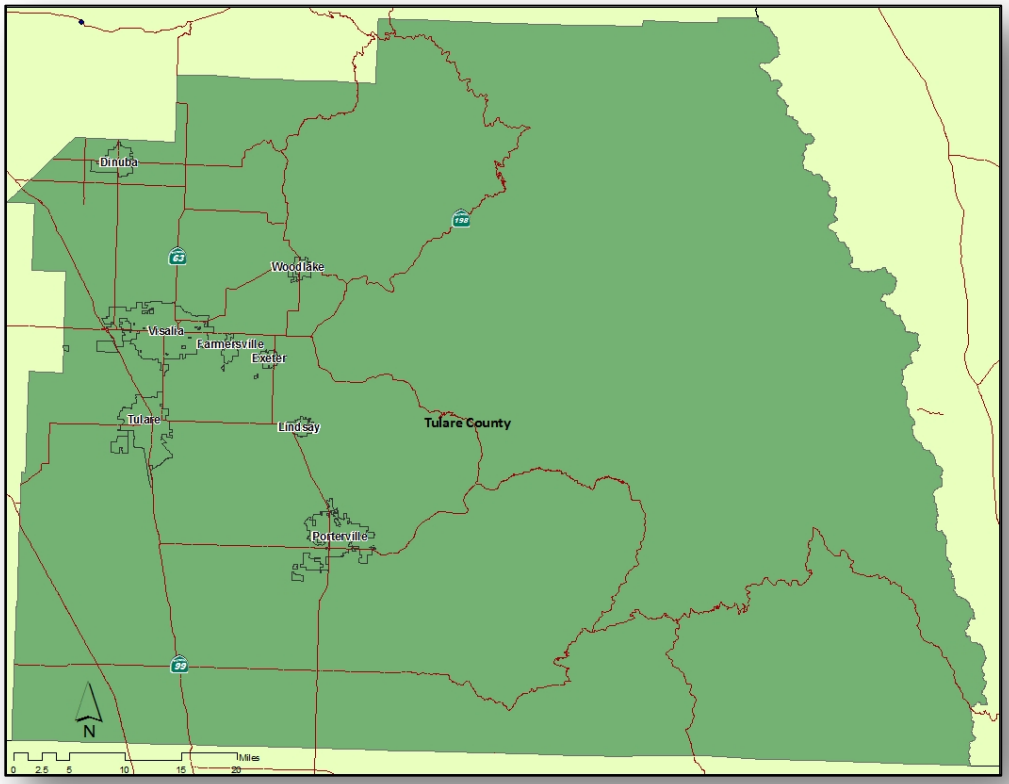
Cities of Live Oak and Yuba City, located in Sutter County, California



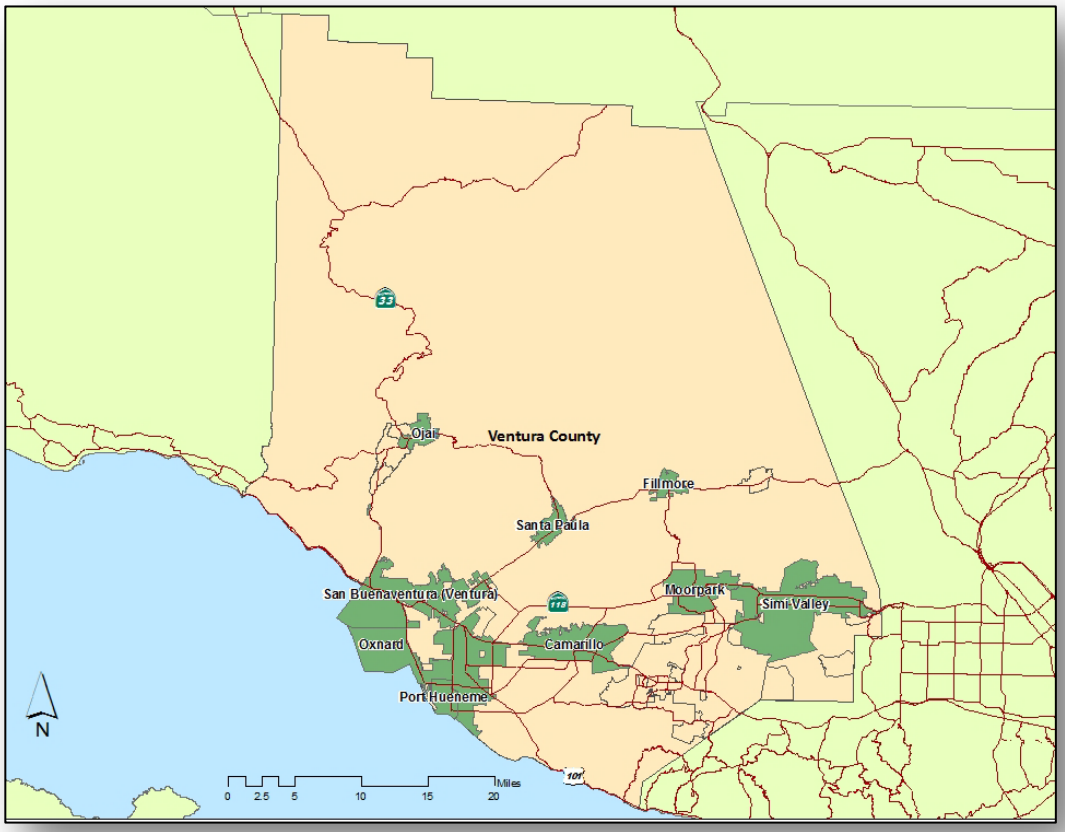
Cities of Corning, Tehama, and Tehama County unincorporated areas, located in Tehama County, California



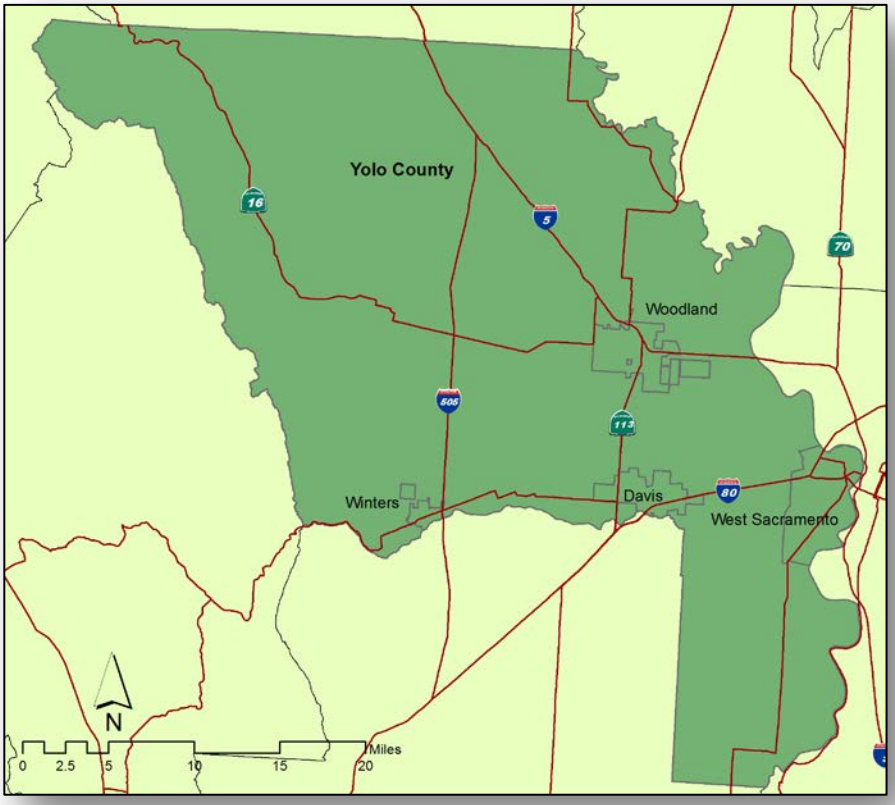
Cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, Woodlake, and Tulare County unincorporated areas, located in Tulare County, California



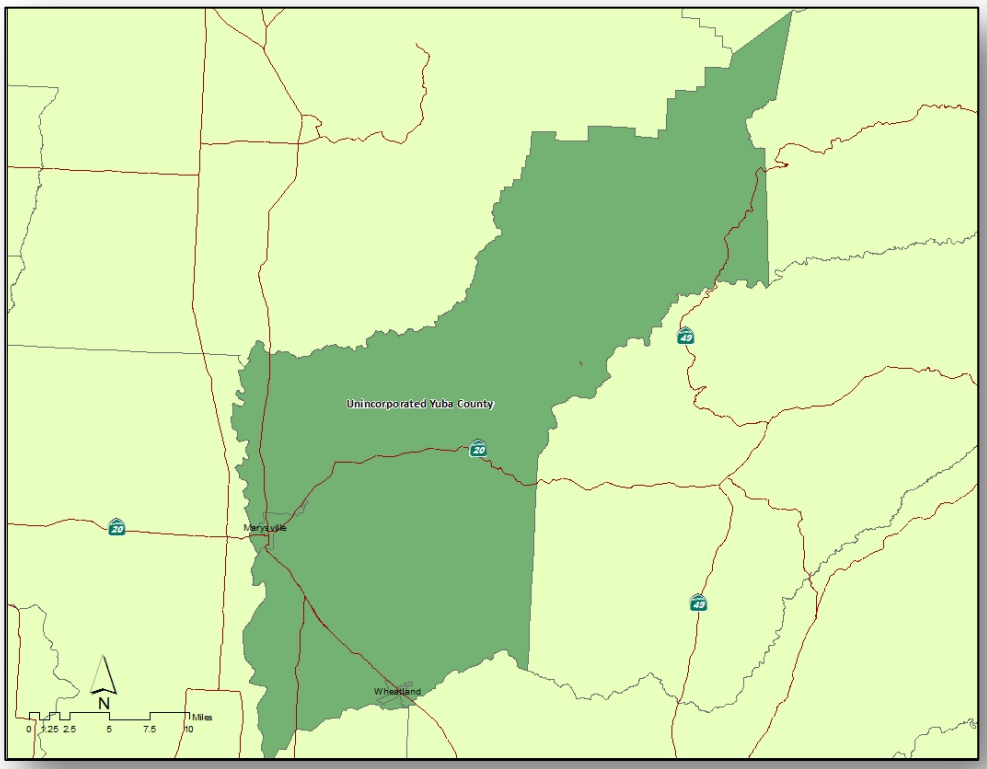
Cities of Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, San Buenaventura, Santa Paula, Simi Valley, and Thousand Oaks, located in Ventura County, California



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



Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 8

WRCOG Resolution Number 43-17; A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the Issuance of PACE Funding bonds, amending the Program Report and Approving the Form of a Professional Administration Agreement with PACE Funding Group, LLC, Indenture of Trust, Bond Purchase Agreement, Depository and Account Control Agreement, Professional Services Agreement for Assessment Administration for the Issuance of Bonds for the WRCOG PACE Funding Program and Appointing a Trustee

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RESOLUTION NUMBER 43-17

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AUTHORIZING THE ISSUANCE OF PACEFUNDING BONDS, AMENDING THE PROGRAM REPORT AND APPROVING THE FORMS OF A PROFESSIONAL ADMINISTRATION AGREEMENT WITH PACE FUNDING GROUP, LLC, INDENTURE OF TRUST, MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT, BOND PURCHASE AGREEMENT, DEPOSITORY AND ACCOUNT CONTROL AGREEMENT, PROFESSIONAL SERVICES AGREEMENT FOR ASSESSMENT ADMINISTRATION FOR THE ISSUANCE OF BONDS FOR THE WRCOG PACE FUNDING PROGRAM AND APPOINTING A TRUSTEE

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

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

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

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

WHEREAS, in connection with adding PACE Funding Group, LLC as an additional program administrator for the Program, there has been submitted to the Executive Committee an updated Program Report; and

WHEREAS, there has been submitted to the Executive Committee a form of a Master Indenture and a Supplemental Indenture providing for the issuance of limited obligation improvement bonds to be designated as the "WRCOG PACE funding Limited Obligation Improvement Bonds (Series No. ___)" (the "PACEfunding Residential Bonds") in one or more series (each such series of bonds referred to as a "Series") pursuant to Chapter 29, the 1915 Act, and the use of the proceeds of such bonds to finance the installation of Authorized Improvements on residential parcels that are participating in the WRCOG Program, and this Executive Committee, with the aid of its staff, has reviewed those documents and found them to be in proper order; and

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

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

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

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

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

Section 1. Authorization of the Issuance of the Bonds. The Executive Committee hereby authorizes the issuance of one or more Series of the Bonds under and pursuant to Chapter 29, the 1915 Act, the Resolution of Issuance and this Resolution in an amount not to exceed $50,000,000.

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

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

Section 4. Approval of Forms of Master Indenture and Supplemental Indenture for Residential Property. The Executive Committee hereby approves the form of Master Indenture for residential property in substantially the forms on the file with the Secretary of the Executive Committee, together with any changes therein or additions thereto approved by the Executive Director of WRCOG,

and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes the Executive Director of WRCOG to enter into any ancillary or supplemental agreements as maybe necessary or for convenience to perform its duties under the Master Indenture. The Executive Committee hereby authorizes and directs the Chair or Vice Chair of the Executive Committee (each, an "Authorized Officer") to execute the final forms of the Master Indenture, and any other related agreements, for an in the name of WRCOG. The Executive Committee hereby authorizes the delivery and performance of the Master Indenture.

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

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

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

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

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

Section 9. Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A. is appointed as Trustee pursuant to each Master Indenture, Indenture and each Supplemental Indenture, to take any and all actions provided for therein to be taken by the Trustee.

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

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

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

PASSED AND ADOPTED at a Meeting of the Executive Committee of the Western Riverside Council of Governments held this 2nd day of October, 2017.

Deborah Franklin, Chair WRCOG Executive Committee	Rick Bishop, Secretary WRCOG Executive Committee

APPROVED AS TO FORM:

Best Best & Krieger LLP
Bond Counsel
WRCOG Executive Committee

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

Item 5.A

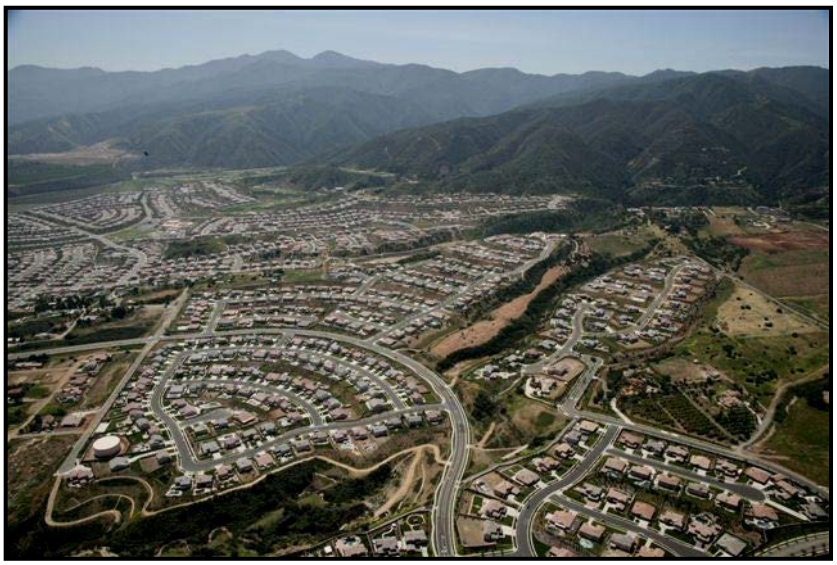
PACE Program Activities Update and
PACE Program Public Hearing

Attachment 9

WRCOG Energy Efficiency and
Water Conservation Administrative
Guidelines and Program Report
Amended October 2017 addition of
PACE Funding

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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 SEPTEMBER 21, 2017

PREPARED BY:
Western Riverside Council of Governments
4080 LEMON STREET, 3rd FLOOR
RIVERSIDE, CA 92501
PHONE: (951) 955-7985
FAX: (951) 787-7991
WWW.WRCOG.COG.CA.US

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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 __-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 ("PACEfunding") 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 ~~seven~~ 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.
~~6)~~

7) PACEfunding PACE Financing for Residential Properties
WRCOG intends to utilize financing provided by PACEfunding to finance renewable energy projects plus eligible energy efficiency, water conservation and seismic strengthening products for all types of residential properties.
~~7)~~

~~8)~~
~~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~~8) *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 and A-~~3~~ 4 and Appendix C-1, C-2, C-3, C-4, C-5, C-6 and C-~~3~~ 7 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:

E. Eligible Property Owners and Eligible Properties

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

- 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.

F. ELIGIBLE PRODUCTS

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

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

2. The Program provides financing only for Eligible Products that are permanently affixed to real property.

3. The Program provides financing only for Eligible Products specified in Appendix A-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.

G. *ELIGIBLE COSTS*

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

The cost of installation of Eligible Products shall be eligible to be financed only if such installation is completed by a contractor that is registered with the Program A list of contractors that are registered with the Program will be located on various Provider's website; however, WRCOG will not make recommendations for contracting assistance.

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

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

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

H. ADMINISTRATIVE COSTS/FEES

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

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

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 PACEfunding PACE Financing for Residential Properties

If financing is provided for the Program by PACEfunding 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.

~~Program Requirements for Participating in Standard Financing~~

~~VIII.~~IX. 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 ~~Financing Plans~~, ~~or~~ Spruce PACE or PACEfunding 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.

~~IX.~~ X. 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 4080 Lemon Street, 3rd Floor, Riverside, CA 92501. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), the section in the Handbook that the issue(s) pertain(s) to, and a timeline of events.

2. Within thirty (30) calendar days after delivery of the notice, the Program Administrator shall meet at the headquarters of WRCOG office in Riverside with the Property Owner, and shall attempt to resolve the dispute.

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

~~X.~~XI. 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.

~~XI.~~XII. 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 PACEfunding 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.

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.

PACEfunding 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.

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

PROPERTY ASSESSMENT LIEN

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

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

DELINQUENT ASSESSMENT COLLECTIONS

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

SUBORDINATIONS

All residential Providers operating 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.

~~XII.~~XIII. THE FINANCIAL STRATEGIES

The Program includes the following financial strategies. These include the use of one or more of the following: the Riverside County Treasurer Teeter Program, requirement of a 10% reserve fund, participation in the State pooled reserve funding program, the use of the HERO Financing Plan for Residential, the use of the HERO Financing Plan for commercial, SAMAS Commercial Financing Plan for Commercial, Renew Financial PACE Financing for Residential Properties , Renew Financial Open-Market Commercial PACE Financing, PACEfunding Residential PACE financing 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 PACEfudning PACE Financing for Residential Properties to fund installations of Eligible Products for residential properties. Pursuant to such financing plans, PACEfunding 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 PACEfunding, as applicable, one or more municipal bonds secured by the contractual assessments payable by the properties to be improved.

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

X. GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ENERGY EFFICIENCY RATIO (EER): EER is a measure of how efficiently a cooling system will operate when the outdoor temperature is at a specific level (95^{o}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="5">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>
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</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)
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<tr><th>Equipment Type</th><th>Eligible Specifications</th></tr>
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</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)
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<tr><th>Equipment Type</th><th>Eligible Specifications</th></tr>
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</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.

Eligible Product List

CaliforniaFIRST by RENEW FINANCIAL

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

Eligible Product List

CaliforniaFIRST by RENEW FINANCIAL

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

Eligible Product List

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
PACEfunding 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

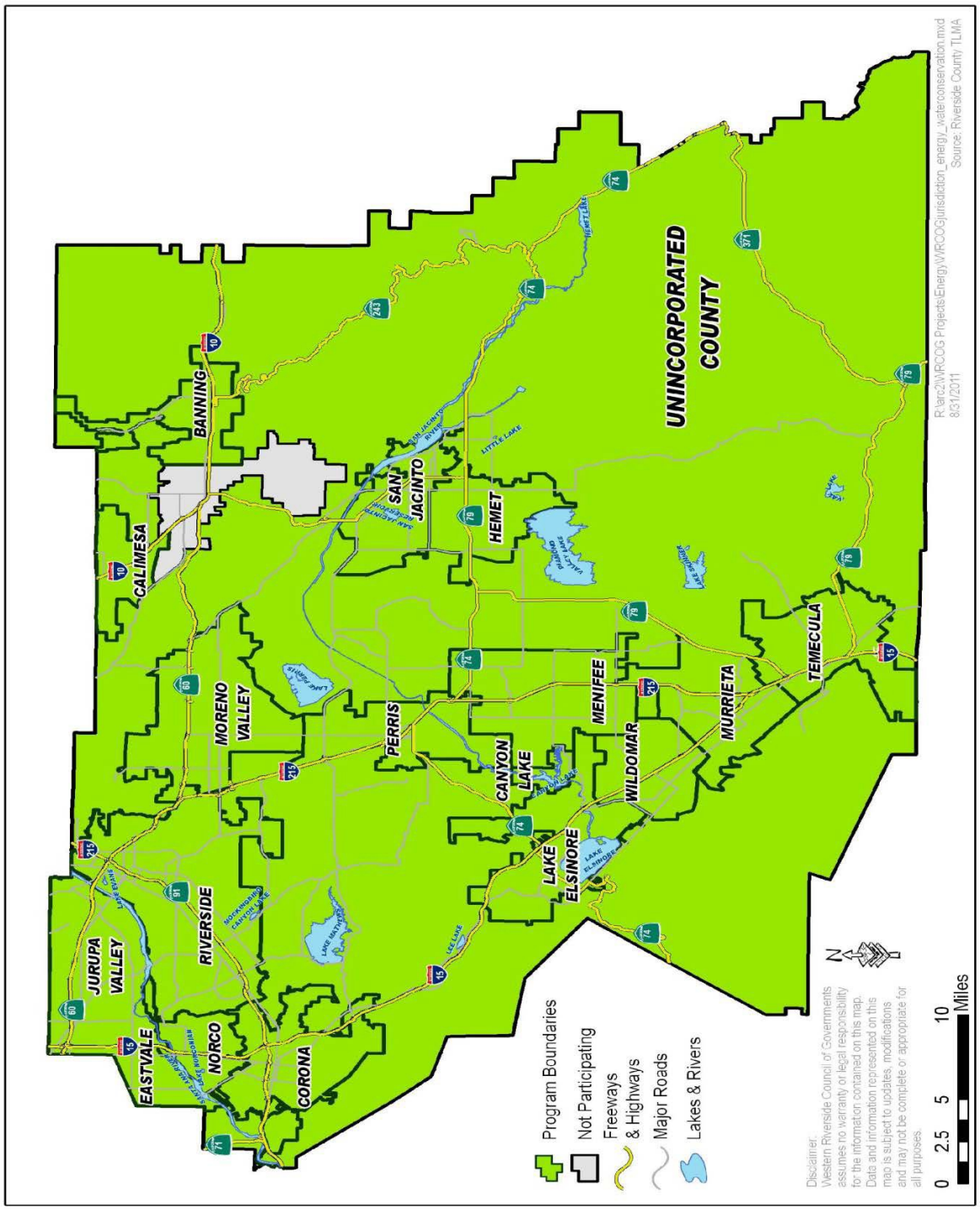
Outdoor Water Efficiency

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 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
Riverside County Administrative Center Annex
4080 Lemon St, 3rd Floor, MS1032
Riverside, CA 92501-3609

Jonathon Smith
12345 Main St
Riverside, CA 92508

EXHIBIT B

LIST OF CONTRACT DOCUMENTS, DISBURSEMENT, AND SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS, INCLUDING PRINCIPAL, INTEREST AND ANNUAL ASSESSMENT ADMINISTRATIVE FEE

List of Contract Documents:

The Contract shall consist of the following documents:

This Contract and the exhibits hereto:

Any Addendum entered into pursuant to Section 4 hereto:
The Application;
The Right to Cancel;
The Completion Certificate or, pursuant to Section 7, each applicable Completion Certificate;
The Assessment Cost and Payment Summary;
The Notice of Assessment;
The Payment of Contractual Assessment Required;
The WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County Residential HERO Program Handbook, Version 2.3, dated October 2014; and
The HERO Program website located at https://www.heroprogram.com.

Disbursement Amounts:

The "Maximum Disbursement Amount" under this Contract is $____.__, which means that WRCOG shall not disburse any amount that exceeds this figure.

The "Estimated Disbursement Amount" under this Contract is **$____.__**, which was based upon the Improvements and pricing set forth on the table below in this Exhibit B. The Estimated Disbursement Date is November 19, 2014, which date is used in the table below.

Schedule of Estimated Maximum Annual Assessment Installments:

The schedule of the estimated maximum Annual Assessment Installments is based on the following assumptions:

1. WRCOG disburses the Estimated Disbursement Amount to Owner.

2. Interest totaling a maximum of $___.__will accumulate until your first Payment. That amount will be added to Owner's Estimated Disbursement Amount.

3. WRCOG disburses to Owner on the Estimated Disbursement Date.

4. The Assessment Interest Rate is _.__%.

5. The Annual Percentage Rate (APR) of your assessment is _.__%. APR is the annual interest rate you will actually pay on your assessment, including fees required in order to participate in the HERO Program.

6. The total administrative fees, recording fees and annual assessment added to your assessment is $___.__.

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Current Annual Administrative Assessment Fee****	Total Estimated Contractual Assessment Payment
2015 - 2016*					
2016 - 2017					
2017 - 2018					
2018 - 2019					
2019 - 2020					

*The Estimated Initial Tax Year shown on preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date.

**** Subject to change

FOLLOWING THE DISBURSEMENT OF THE ACTUAL DISBURSEMENT AMOUNT, THE HERO PROGRAM ADMINISTRATOR WILL ADJUST THE ASSESSMENT AND THE ESTIMATED MAXIMUM ANNUAL ASSESSMENT INSTALLMENTS, IF NECESSARY, TO REFLECT THE ACTUAL ASSESSMENT BASED UPON THE ACTUAL DISBURSEMENT AMOUNT, THE ACTUAL DATE OF DISBURSEMENT AND THE ACTUAL AMOUNT OF INTEREST DUE AND PAYABLE BEFORE THE FIRST PAYMENT ADDED TO THE ACTUAL DISBURSEMENT AMOUNT. THE ACTUAL AMOUNT OF THE ASSESSMENT AND SCHEDULE OF ANNUAL ASSESSMENT INSTALLMENTS SHALL BE SPECIFIED IN THE "PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED" TO BE RECORDED BY WRCOG IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE.

Prepayment:

You have a right to pay off your assessment lien amount at any time in full, or in any amount of at least $2,500 pursuant to Section 3(d) of the Assessment Contract. However, if you do so, you will have to pay the principal amount of the assessment to be prepaid ("Assessment Prepayment Amount") and interest on the Assessment Prepayment Amount to the earlier of March 2nd or September 2nd occurring at least 50 days following the date the prepayment is made.

WRCOG HERO Program
ADDENDUM TO THE ASSESSMENT CONTRACT
Addendum No. 1

All terms set forth below in this Addendum (i) shall supersede and take precedence over any term in the Assessment Contract by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "Authority"), and **Jonathon Smith** entered into on the Effective Date (defined within the Assessment Contract) (the “Contract”) that conflicts with, is not covered by, or is otherwise contrary to, the terms set forth herein and (ii) shall become part of, and be incorporated into, the Contract as if they originally appeared therein. For the avoidance of doubt, name, capacity, title, party and clerical corrections appearing below in this Addendum shall become part of, and be incorporated into, the Contract as if they originally appeared therein. For purposes of this Addendum, “Exhibit A” and “Exhibit B” refer to Exhibits A and B within the Contract.

RECITALS:

WHEREAS, the Authority and Property Owner have executed the Contract to finance the Improvements installed at the Property; and

WHEREAS, (i) the Improvements, Improvement types, and/or Improvement categories appearing in Exhibit A differ from those appearing in this Addendum, and/or (ii) the Estimated Disbursement Amount appearing in this Addendum is greater than the Estimated Disbursement Amount originally listed in Exhibit B; and

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

Defined Terms. Capitalized terms used in this Addendum and not otherwise defined herein shall have the meanings given to them in the Contract.

Addendum.

The Improvements and Improvement Amounts appearing in this Addendum shall replace the Improvements listed in Exhibit A, and shall become part of, and incorporated into, Exhibit A as if they originally appeared herein.

The Revised Estimated Disbursement Amount listed in this Addendum shall replace the Estimated Disbursement Amount listed in Exhibit B, and shall become part of, and be incorporated into, Exhibit B as if it originally appeared therein.

The name, capacity, title, party and other clerical corrections (if any) appearing in the signature block of this Addendum shall supersede and take precedence over those originally appearing in the Contract and shall become part of, and be incorporated into, the Contract as if they originally appeared therein.

Miscellaneous. The existing Contract, as amended by the Addendum, remains in full force and effect. Any reference to the Contract from and after the date hereof shall be deemed to refer to

the Contract as amended hereby.

Representations and Warranties.

Property Owner hereby represents and warrants that (i) the terms, conditions and information contained in this Addendum are true and correct, and (ii) the Property Owner affirmatively authorized installation of the Improvements identified herein and in the fully executed and final Completion Certificate.

Property Owner hereby confirms that (i) each of its representations, warranties and covenants set forth in the Contract, after giving effect to this Addendum are true and correct as of the date first written above with the same effect as though each has been made as of such date, and (ii) all terms and conditions of the Contract shall remain in full force and effect and the Property Owner hereby ratifies the obligations thereunder.

Estimated Disbursement Amount. The Revised Estimated Disbursement Amount under this Contract is $, which is based upon the Improvements and pricing set forth in this Addendum. The Estimated Disbursement Date is November 19, 2014, which date is used in the table below.

Interest totaling a maximum of $_____will accumulate until your first Payment. Total administrative fees, recording fees, and annual assessment fee added to your assessment is $_____.

Property Owner Information:

Date:	**08/01/2014**
Property Owner:	**Jonathon Smith**
Property Address:	**12345 Main St, Riverside, CA 92508**
HERO ID:	**RWR12345N**
Application Date:	**08/01/2014**
Expiration Date:	**11/19/2014**

Summary:

Financing Term	Interest Rate	Annual Amount Added to Property Tax Bill
5 years	_. %	$___.

Description of Products:

PRODUCT #1	
Product Category Type:	**High-Efficiency HVAC - Central Air Conditioner**

Payment Schedule:

Tax Year (commencing July 1)	Interest	Principal	Total Assessment	Current Annual Administrative Assessment Fee****	Total Estimated Contractual Assessment Payment
2015 - 2016*					
2016 - 2017					
2017 - 2018					
2018 - 2019					
2019 - 2020					

*The Estimated Initial Tax Year shown on the preceding schedule is based upon the Estimated Disbursement Date. The actual Initial Tax Year will be based upon the actual Disbursement Date.

**** Subject to change

All signatures of the Property Owner must be notarized by a duly licensed notary unless the Property Owner has previously, immediately prior to executing this Addendum No. 1, successfully completed the identity verification process approved by the Authority.

Owner 1: _____

Jonathon Smith, Signature

Date: _____ **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, 4080 Lemon Street, 3rd Floor, MS1032 Riverside, CA 92501.

By initialing below, the Property Owner acknowledges and agrees to the terms set forth in this Section 10.

Property Owner's Initials:

_____
GP

Section 11. Indemnification. The Property Owner agrees to indemnify, defend, protect, and hold harmless the Authority, the city and county in which the Property is located, any bond purchaser and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority, the city and county in which the Property is located or any bond purchaser, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with (i) the Property Owner's participation in the CaliforniaFIRST Program, (ii) the Assessment Obligations, (iii) the Improvements, or (iv) any other fact, circumstance or event related to the subject matter of this Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) accrue before or after the date of this Agreement.

The provisions of this Section 11 shall survive the termination or expiration of this Agreement.

Section 12. Right to Inspect Property. The Property Owner hereby grants the Authority and its agents and representatives the right to enter at any reasonable time, upon reasonable notice, to inspect the Improvements. The Property Owner further hereby grants the Authority and its agents and representatives the right to examine and copy any documentation relating to the Improvements.

Section 13. Carbon Credits. The Property Owner hereby agrees that any carbon credits or other similar environmental attributes that are attributable to the Improvements shall be owned by the Authority.

Section 14. CaliforniaFIRST Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in the CaliforniaFIRST Program Application submitted to the Authority in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in the CaliforniaFIRST Program Application are true and correct as of the date hereof as if made on the date hereof.

Section 15. Amendment. Except as set forth in Section 5(b), this Agreement may be modified only by the written agreement of the Authority and the Property Owner.

Section 16. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Authority, the Property Owner and their respective successors and assigns.

The Authority has the right to assign any or all of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment Obligations set forth in this Agreement is an obligation of the Property, and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment Obligations lien or the right to enforce the collection of the Assessment Obligations or any installment thereof against the Property.

Section 17. Exhibits. The Exhibits to this Agreement are incorporated into this Agreement by this reference as if set forth in their entirety in this Agreement.

Section 18. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

Section 19. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 20. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Sacramento, State of California; provided, however, that actions to foreclose delinquent Financing Installments and related Administrative Expenses will be instituted in the superior court of the County or as otherwise provided by law.

Section 21. Existing Instruments. BEFORE ENTERING INTO THIS ASSESSMENT CONTRACT, THE PROPERTY OWNER SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) ("EXISTING INSTRUMENTS") THAT AFFECT THE PROPERTY OR TO WHICH THE PROPERTY OWNER IS A PARTY. THE PROPERTY OWNER'S ENTERING INTO THIS AGREEMENT WITHOUT THE CONSENT OF AN EXISTING LENDER COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH EXISTING INSTRUMENTS. DEFAULTING UNDER AN EXISTING INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE PROPERTY OWNER, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY THE AUTHORITY. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

Section 22. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____

Its: Authorized Signatory

Prior to executing this Agreement, I have received and understand (a) the Financing Application Disclosures, (b) the Privacy Policy, (c) this Agreement, (d) the Program Handbook, and (e) the Financing Estimate and Disclosures.

The following are the authorized signatories of the Property Owner:

Name: Golden Path By:_
Its: Authorized Signatory Date:

APPENDIX C-5
DRAFT COMMERCIAL ASSESSMENT CONTRACTS UTILIZED WITH RENEW FINANCIAL

1. NON RESIDENTIAL PPA
2. PPA 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]

[NAME]
[ID No.]

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
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.

[NAME]
[ID No.]

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

[NAME]
[ID No.]

APPENDIX C-7

RESIDENTIAL ASSESSMENT CONTRACT PACEFUNDING

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 ("PACEfunding") to serve as a program administrator for the WRCOG Program (the "WRCOG PACEfunding 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 PACEFunding, 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

Identity Verification Code:

ID verification complete

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):	[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 Riverside County Administrative
Center Annex
4080 Lemon St, 3rd Floor, MS1O32
Riverside, CA 92501-3609

[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.

Exhibit A

RESIDENTIAL PROPERTIES
PROGRAM APPLICATION



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

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. MS1032
Riverside, CA 92501-3609

PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

Pursuant to the requirements of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, as amended, commencing with Section 5898.10 (the "Act"), including without limitation Section 5898.24(d) of the Act, and in furtherance of Section 1102.6b of the California Civil Code, Western Riverside Council of Governments ("WRCOG") hereby provides notice of the levy and collection by WRCOG of a contractual assessment under the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County (the "Program"), established and authorized pursuant to the Act. Pursuant to the Act and the Program, WRCOG and the current owner(s) described below (the "Owners") of the real property (the "Property") described herein have entered into that certain assessment contract entitled, "Assessment Contract," dated as of, by and between WRCOG and the Owners (the "Assessment Contract"). Pursuant to the Assessment Contract and the Act, the Owners have requested and voluntarily agreed to WRCOG's imposition of a contractual assessment against the Property (the "Contractual Assessment"), which is generally collected by the County of Riverside, on behalf of WRCOG, through the consolidated property tax bill.

Current Owner(s):

Legal Description of Property and Assessor's Parcel Number: See Exhibit "A" attached hereto.

Annual Amount of Contractual Assessment: See Exhibit "B" attached hereto.

Expiration of the Contractual Assessment: The date upon which the Contractual Assessment and all accrued interest thereon, together with any applicable penalties, costs, fees and other charges, have been paid.

Purpose for Which Funds Will Be Used: The funds from the Contractual Assessment will finance the acquisition and construction and/or installation on the Property of the renewable energy system(s), energy efficiency and/or water efficiency improvement(s) that are permanently affixed to the Property and identified in the Assessment Contract (the "Work").

Contact Information: The specific contact information for WRCOG and more information regarding the Contractual Assessment may be obtained from the Program Manager at 4080 Lemon Street, 3rd Floor, Riverside, California (address), tel: (951) 955-7985.

Dated:

Western Riverside Council of Governments
Program Administrator

By:_____ Authorized Officer

Exhibit F

COMBINED NOTICE OF ASSESSMENT AND
PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO
Secretary to Executive Committee
Western Riverside Council of
Governments 4080 Lemon Street,
3rd Floor. MS1032 Riverside, CA
92501-3609

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

(This is a voluntary contractual assessment lien pursuant to Streets & Highways Code §5868.31 and recorded pursuant to Sts. & Hy. Code §5898.32 and is not subject to recorder fees per Gov't Code §27387)

NOTICE OF ASSESSMENT
AND
PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS LIMITED OBLIGATION IMPROVEMENT BONDS (CALIFORNIA HERO PROGRAM)

Pursuant to the requirements of Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, as amended, commencing with Section 5898.10 (the "Act"), including without limitation Sections 5898.24(d) and 5898.32 of the Act, and in furtherance of Section 1102.6b of the California Civil Code, Western Riverside Council of Governments ("WRCOG"), County of Riverside, State of California, hereby provides notice of the levy and collection by WRCOG of a contractual assessment under the WRCOG California HERO Program (the "Program"), established and authorized pursuant to the Act.

The Executive Committee of the WRCOG approved a report (the "Program Report") prepared by the Executive Director, in accordance with Section 5898.22 of the Act, established the Program to be implemented as provided in the Program Report, confirmed that voluntary contractual assessments may be levied against parcels within the jurisdictions of the member agencies of WRCOG participating in the Program (the "Program Area") within the parameters of the Program Report to finance certain distributed generation renewable energy sources, energy or water efficiency improvements, or electrical vehicle charging infrastructure (the "Improvements").

Pursuant to the requirements of Sections 5898.24(d) and 5898.32 of the Streets and Highways Code, the undersigned Secretary of the Executive Committee of WRCOG, at the direction of such Executive Committee, HEREBY GIVES NOTICE that pursuant to Chapter 29, the Resolution, and the Program Report, as initially approved and as amended to date, that:

1. **Record Owners and Legal Description of Property.** WRCOG and **John Smith,** the record owner(s) (the "Record Owners") of the real property described on Exhibit "A" to this Notice, attached hereto and incorporated herein by reference (the "Property") have entered into an assessment contract with WRCOG (the "Assessment Contract"), a copy of which is contained in Exhibit "C" to this Notice, attached and incorporated herein by this reference. Pursuant to the Assessment Contract and the Act, the Record Owners have requested and voluntarily agreed to WRCOG's imposition of a contractual assessment against the Property (the "Contractual Assessment"), which is generally collected by the County of_____, on behalf of WRCOG, through the consolidated property tax bill.

2. **Purpose for Which Funds Will Be Used.** The funds from the Contractual Assessment will finance the acquisition and construction and/or installation on the Property of the renewable energy system(s), energy efficiency and/or water efficiency improvement(s) that are permanently affixed to the Property and identified in the Assessment Contract.

3. **Total and Annual Amount of Contractual Assessment.** Pursuant to the Assessment Contract, WRCOG is making a disbursement in the principal amount of $_____. (the "Disbursement") to the Record Owners of the Property to finance the acquisition and installation and/or construction on the Property of the Improvements identified in the Assessment Contract. Pursuant to the Assessment Contract, the Record Owners agree that the Property is subject to an assessment levied against the Property pursuant to Chapter 29 in the principal amount of the Disbursement, as provided in the Assessment Contract, together with fees and capitalized interest thereon, for a total Contractual Assessment in the amount of $. as set forth in the payment schedule on Exhibit "B" attached hereto.

4. **Expiration of the Contractual Assessment.** So long as the Assessment is unpaid, the Record Owners agree that the Property is subject to an annual administrative assessment levied against the Property to pay costs of WRCOG which result from the administration and collection of the Assessment and from the administration or registration of any associated bonds or other financing arrangement, as described in the Program Report, and from the administration of any reserve fund and other related funds (the "Annual Administrative Assessment"). The Annual Administrative Assessment shall not exceed the amount authorized pursuant to the HERO Residential Program Handbook.

NOTICE IS FURTHER GIVEN that upon the recording of this notice in the office of the County Recorder, the Assessment shall become a lien upon the Property. In addition, the Annual Administrative Assessment shall become a lien upon the Property at the same time as property taxes upon the Property become a lien each year.

The specific contact information for WRCOG and more information regarding the Contractual Assessment may be obtained from the Program Manager at 4080 Lemon Street, 3rd Floor, Riverside, California (address), tel: (951) 955-7985.
Date of Assessment: 10/17/2014

Western Riverside Council of Governments Program Administrator
By: _____

Authorized Officer

EXHIBIT "A"

IDENTIFICATION OF PROPERTY OWNERS AND PROPERTY DESCRIPTION

Record Owner(s) Names: John
Smith

Address: 4141 Capital St, San Diego, CA 92115

APN(s): 123123124

County: San Diego

Legal Description:

THE FOLLOWING DESCRIBED REAL PROPERTY IN THE CITY OF SAN DIEGO, 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 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 10

Professional Administrative
Agreement with PACE Funding
Group, LLC

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PACEFUNDING PROGRAM

ADMINISTRATION AGREEMENT

1. PARTIES AND DATE.

This PACEfunding Program Administration Agreement is made and entered into as of _____, 2017, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and PACE Funding Group LLC, a California limited liability corporation ("PACEfunding"). WRCOG and PACEfunding are sometimes individually referred to as a "Party" and collectively as the "Parties." This agreement may be referred to herein as the "Administration Agreement" or the "Agreement."

2. RECITALS.

2.1 The Executive Committee of WRCOG (the "Executive Committee") has established a property assessed clean energy ("PACE") program designated as the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program" or "Program") pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the California Streets and Highways Code (commencing at Section 5898.12) ("Chapter 29"), the Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as further amended to date (as amended, the "JPA"), and separate Implementation Agreements entered into pursuant to the JPA by and between WRCOG and its member agencies that elected to participate in the WRCOG Program (the "Member Agencies"), to assist owners of commercial properties (the "Commercial Properties") or residential properties ("Residential Properties") within the jurisdictional boundaries of such Member Agencies to finance the cost of installation of distributed generation renewable energy sources or energy efficiency or water conservation improvements or electric vehicle charging infrastructure (the "Eligible Products") that are permanently fixed to the properties of such owners.

2.2 As a part of such proceedings, the Executive Committee initially approved and has subsequently amended a report prepared pursuant to and addressing all of the matters set forth in Streets and Highways Code Section 5898.22 and 5898.23 (as amended, the "Program Report"), including a map showing the boundaries of the territory within which the voluntary contractual assessments may be offered (the "WRCOG Program Area"), a form of contract specifying the terms and conditions that would be agreed to by an owner of property within such boundaries and WRCOG (each, a "WRCOG PACE Program Assessment Contract"), a statement of policies of WRCOG concerning such voluntary contractual assessments and a plan for raising a capital amount required to pay for the work performed pursuant to the voluntary contractual assessments.

2.3 As a further part of such proceedings, the Executive Committee provided that one or more series of limited obligation improvement bonds would be issued under the Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State of California (the "1915 Bond Act") or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.4 As a part of such proceedings, the Executive Committee provided that one or more Series of Bonds would be issued under the 1915 Bond Act or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.5 Additionally, the Executive Committee WRCOG authorized PACEfunding to administer and finance a separate program (the "PACEfunding Program") to finance the installation of Eligible Improvements on Residential Properties and Commercial Properties within the WRCOG Program Area.

2.6 WRCOG and PACEfunding now desire and intend to enter into this agreement pursuant to which PACEfunding shall provide administrative services for the PACEfunding Program (the "Administration Agreement") 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 PACEfunding and PACEfunding shall purchase from WRCOG the limited obligation improvement bonds issued by WRCOG (the "Bonds") to finance the installation of Eligible Improvements on Residential Properties and Commercial Properties the owners of which elect to participate in one of the PACEfunding Program.

2.7 The Parties hereto desire and that this Administration Agreement and this Master BPA taken together represent the operating relationship between the parties pertaining to the PACEfunding Program.

3. THE PURPOSE OF THE AGREEMENT.

WRCOG and PACEfunding desire to enter into the Agreement to establish the terms and conditions pursuant to which PACEfunding shall provide administration services to WRCOG for both the PACEfunding 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, PACEfunding desires to perform and assume responsibility for the provision of such Program Administration Services on the terms and conditions set forth in this Agreement. PACEfunding represents that it is legally qualified to provide such Program Administration Services, and has or will obtain all necessary licenses and authorizations from the State of California and any agency of the federal government with the authority to regulate the provision of such Program Administration Services. The Parties intend that terms and conditions providing for the purchase of the limited obligation improvement bonds to be issued by WRCOG to finance the installation of Eligible Products on Commercial Properties and Residential Properties located within the Program Areas shall be incorporated in the Master BPA to be entered into between the Parties concurrently with this Agreement.

WRCOG desires to engage PACEfunding 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. PACEfunding promises and agrees to provide Program Administration Services and to furnish financing necessary to provide labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately implement the provision of the Program Administration Services. All Program Administration Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

In the event that the Program Administration Services conflict with the Program Report, the provisions of the Program Report shall prevail; *provided that* any changes to the Program Report subsequent to the date hereof, shall be provided to PACEfunding and PACEfunding 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 October 2, 2017 and shall terminate on December 31, 2019 and shall automatically extend for an additional year at the end of each succeeding year provided PACEfunding has at all times performed pursuant to and is in compliance with the terms and conditions of this Agreement or, unless earlier terminated as provided herein.

4.2 Responsibilities of PACEfunding and WRCOG.

4.2.1 Control and Payment of Subordinates; Independent Contractor and Other Costs. The Program Administration Services shall be performed by PACEfunding or one of its affiliates, provided that PACEfunding may delegate to a third party services provider its duties and obligations with respect to the Program Administration Services upon obtaining the written consent of WRCOG, provided that (a) any such delegation by PACEfunding shall not relieve PACEfunding of the duties or obligations so delegated and (b) PACEfunding remain liable for the activities of such affiliate or third party service provider to whom PACEfunding delegates any such duties or obligations, *provided further however*, in any case, PACEfunding may use third party services providers to perform support services. PACEfunding will determine the means, methods and details of performing the Program Administration Services subject to the requirements of this Agreement. WRCOG retains PACEfunding on an independent contractor basis and not as an employee. Any personnel performing Program Administration Services under this Agreement on behalf of PACEfunding shall not be employees of WRCOG and shall at all times be under PACEfunding's exclusive direction and control. PACEfunding shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Program Administration Services under this Agreement and as required by law. PACEfunding shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers compensation insurance.

4.2.2 Rights to provide Program Administration Services to other entities and limitations thereon.

(a) PACEfunding shall market the PACEfunding Program to cities within the WRCOG Program Area and the County of Riverside (the "County") only on behalf of WRCOG.

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

(c) WRCOG hereby acknowledges that PACEfunding has entered into a professional services agreement dated September 10, 2015 (the "CSCDA Agreement") with the California Statewide Communities Development Authority ("CSCDA") to provide program administration services to a competing PACE program.

(d) PACEfunding may continue to provide administrative services to CSCDA outside of the WRCOG Program Area. In the event PACEfunding is required to originate assessment contracts through CSCDA for any Member Agency pursuant to the terms of the CSCDA Agreement or any consent obtained thereof, PACEfunding shall immediately cease originating assessment contracts until such time PACEfunding has obtained approval to originate assessment contracts through CSCDA from the governing board of the Member Agency at a special or regular meeting of such governing board.

(e) Additionally, PACEfunding may enter into agreements to provide administrative services to other PACE programs within WRCOG's jurisdiction (each an "Other Issuer"); provided, however, PACEfunding must (a) obtain prior written consent of WRCOG and (b) any term of such agreement shall not limit PACEfunding's ability to originate WRCOG PACE Assessment Contracts through the WRCOG Program.

(f) If a city or county currently part of the WRCOG Program requests, of its own accord, PACEfunding to provide services similar to Program Administration Services for such city or county through an Other Issuer, PACEfunding 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) PACEfunding shall provide WRCOG with prior notice of such a request, (ii) WRCOG shall have the right to meet with such city or the County to discuss such request any time within 30 days of such notice and (iii) PACEfunding shall use commercially reasonable efforts to facilitate and attend such meetings, provided that such right of WRCOG to have such meeting shall not impair PACEfunding's efforts to provide the requested services to a city or county 30 days after notice to WRCOG.

4.2.3 Schedule of Responsibilities. PACEfunding shall perform Program Administration Services and WRCOG shall perform the WRCOG Responsibilities (defined in 4.2.3 below) upon and pursuant to a Schedule of Responsibilities to be agreed upon by the WRCOG Representative (defined in 4.2.7 below) and the PACEfunding Representative (defined in 4.2.8 below) which Schedule of Responsibilities shall be executed by both the WRCOG Representative and PACEfunding 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. PACEfunding 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 PACEfunding's performance of Program Administration Services, WRCOG shall respond to PACEfunding's requests and submittals as set forth in the Schedule of Responsibilities, or otherwise is 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. Except as set forth in the Schedule of Responsibilities or otherwise agreed to by the Parties, WRCOG has no responsibility to directly pay PACEfunding and the only payment to PACEfunding for the provision or the performance of its Program Administration Services shall be from the proceeds of the Bonds to be issued to finance the Eligible Improvements for a property participating in one of the PACEfunding Program. PACEfunding will be compensated for its Program Administration Services performed relating to the administration of the PACEfunding Program as follows: at the time of the issuance of a Bond or a Series of Bonds to fund Eligible Improvements for a Residential Property or Commercial Property participating in the PACEfunding Program, PACEfunding will receive a one-time fee for its Program Administration Services in the amounts as shall be mutually agreed to by the Parties from time to time and payable solely from the proceeds of the Bonds. As of the effective date of this Agreement, the Parties agree that such fee shall be equal to 5.95% of the project cost financed by the Bonds.

4.2.6 Conformance to Applicable Requirements. At the beginning of each calendar year, PACEfunding shall meet with the WRCOG Representative and other WRCOG representatives to review and approve PACEfunding's marketing and customer service plans for the PACEfunding Program. To the extent there are material changes to the marketing and customer service plans, PACEfunding shall meet with the WRCOG Representative and other WRCOG representatives to review and approve the revised marketing and customer service plans. PACEfunding and WRCOG shall schedule monthly meetings at PACEfunding offices, a location otherwise mutually agreed to by the Parties or via teleconference, for an update on the PACEfunding 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. PACEfunding 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 PACEfunding of the appointment or the rescission of the appointment of any designee of the WRCOG Representative hereunder.

4.2.8 The PACEfunding Representative. PACEfunding hereby designates James Vergara, Managing Director, or his or her designee**,** to act as its representative for the performance of this Agreement (the "PACEfunding Representative"). The PACEfunding Representative shall have full authority to represent and act on behalf of PACEfunding for all purposes under this Agreement. The PACEfunding 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 PACEfunding Representative shall provide written notice to the WRCOG Representative of the appointment or the rescission of the appointment of any designee of the PACEfunding Representative hereunder.

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

4.2.10 Standard of Care. PACEfunding 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. PACEfunding represents and maintains that it is skilled in the professional calling and has the financial resources necessary to perform Program Administration Services. PACEfunding warrants that all employees and/or agents of PACEfunding shall have sufficient skill and experience to perform Program Administration Services assigned to them. Finally, PACEfunding 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. PACEfunding 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 PACEfunding's failure to comply with the standard of care provided for herein.

4.2.11 Laws and Regulations. PACEfunding 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 PACEfunding 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. PACEfunding shall be liable for all violations of such laws, rules and regulations in connection with Program Administration Services. If PACEfunding performs or fails to perform any work contrary to such laws, rules and regulations, PACEfunding shall be solely responsible for all costs arising therefrom. PACEfunding 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 PACEfunding to comply with such laws, rules or regulations.

4.3 Accounting Records – Maintenance and Inspection.

PACEfunding shall maintain complete and accurate records, consistent with its records retention policy, which policy shall be commercially reasonable and shall take into account the nature and duration of the instruments to be issued in connection with the Programs. All such records shall be clearly identifiable. PACEfunding shall, during PACEfunding's 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. PACEfunding shall, during PACEfunding's 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. PACEfunding shall cooperate with WRCOG to facilitate WRCOG's compliance with its responsibilities under the California Public Records Act in relation to the Program Administration Services.

4.4 General Provisions.

4.4.1 Grounds for Termination – At Will. Either WRCOG or PACEfunding 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. Upon termination by WRCOG, PACEfunding shall be compensated only for those services which have been adequately rendered to WRCOG, and PACEfunding shall be entitled to no further compensation.

4.4.1.1 Effect of Termination. Upon notification of termination PACEfunding shall be required to notify WRCOG of all pending applications for WRCOG Assessment Contracts to fund Eligible Improvements to be installed on Residential and Commercial Properties originated by PACEfunding during the course of PACEfunding's provision of Program Administrative Services hereunder (each, a "Pending PACEfunding Program Assessment Contract") and PACEfunding 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, PACEfunding shall be compensated in the amount and from the sources set forth in Section 4.2.4 only for those Program Administration Services which have been adequately rendered, and PACEfunding shall be entitled to no further compensation. If this Agreement is terminated as provided in this Section 4.4, WRCOG may require PACEfunding to provide all finished or unfinished documents and data and other information of any kind prepared by PACEfunding in connection with the performance of services under this Agreement. PACEfunding 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.

4.4.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

PACEfunding:	PACEfunding LLC 750 University Avenue, Suite 240 Los Gatos, CA 95032 Attn: Robert Giles, CEO
WRCOG:	Western Riverside Council of Governments 4080 Lemon Street, 3rd Floor, MS 1032 Riverside, CA 92373 Attn: Rick Bishop Facsimile: (951) 787-7991
With copy to:	Best Best & Krieger LLP 3390 University Avenue, 5th Floor Riverside, CA 92502 Attn: Steven DeBaun, Esq., General Counsel, WRCOG Facsimile: (951) 686-3083

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

4.4.2 Confidentiality, Intellectual Property and Data Compilation.

(a) *Confidentiality.* Except as otherwise set forth in this Agreement, all ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other documents and data provided 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 PACEfunding Program in connection with the performance of this Agreement shall be held confidential by the other Party. Nothing furnished to either Party which is otherwise known to the receiving Party prior to such disclosure or is generally known, or has become known, to the related industry not in violation of this Agreement, shall be deemed confidential. PACEfunding 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 PACEfunding Program that PACEfunding 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 PACEfunding ("Proprietary Software") in performing the Services is proprietary to PACEfunding or one of its

affiliates and PACEfunding 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 PACEfunding 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 PACEfunding (or such licensors) for their own purposes, including, without limitation, sale or distribution to third parties; provided, however, that PACEfunding will not, and shall ensure that its licensors will not, sell or distribute any of WRCOG's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

4.4.3 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be reasonably necessary, appropriate or convenient to attain the purposes of this Agreement.

4.4.4 Arbitration and Equitable Relief. This Section shall govern the resolution of all controversies or claims between WRCOG and PACEfunding 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, PACEfunding 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 PACEfunding's performance of the Program Administration Services under this Agreement or the termination of this Agreement, including any breach of this Agreement by either Party, shall be subject to binding arbitration in accordance with the Comprehensive Arbitration Rules & Procedures (the "Rules") of the Judicial Arbitration and Mediation Services ("JAMS"), as they may be amended from time to time where not inconsistent with the further provisions hereof. The Parties hereby agree that judgment upon the award rendered by the arbitrator(s) may be entered in Riverside Superior Court. The Parties submit to the jurisdiction of the Riverside Superior Court for purposes enforcing any such award and entering judgment thereon.

(b) *Procedure.* Appointment of the arbitrator pursuant to this Section shall be in accordance with the provisions of the Rules, which Rules provide a procedure for the selection of an arbitrator, or arbitration panel if agreed to by the Parties. PACEfunding 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.

PACEfunding and WRCOG also agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the arbitrator shall award attorneys' fees and costs to the prevailing Party except as prohibited by law. Costs shall be allocated as set forth in the Rules. PACEfunding and WRCOG agree that the decision of the arbitrator shall be in writing. The written opinion of the arbitrator or arbitrators, as the case may be, shall be governed by the Rules. The arbitrator(s) shall have the powers established by JAMS, as delineated in the Rules, but shall have no authority to revise or vary the terms of this Agreement or the Parties' respective rights and obligations hereunder. Except as provided by the Rules and this Agreement, arbitration shall be the sole, exclusive and final remedy for any dispute between PACEfunding and WRCOG. Accordingly, except as provided for by the Rules and this Agreement, neither PACEfunding nor WRCOG will be permitted to pursue court action regarding claims that are subject to arbitration.

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

4.4.5 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. However, the Parties acknowledge that the Master Bond Purchase Agreement executed between the Parties is dated concurrently herewith and contains related subject matter, which the Parties intend to respect and be bound by.

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

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

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

4.4.9 Assignment or Transfer. PACEfunding shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG, provided, however, PACEfunding may assign this Agreement in connection with a merger or the sale of all or substantially all of its assets provided that the successor entity expressly assumes all of the obligations and confirms all of the representations and warranties of PACEfunding hereunder to the extent applicable to such successor or assign. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

4.4.10 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be

construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not workdays unless otherwise noted. All references to PACEfunding include all personnel, employees, agents, and subcontractors of PACEfunding, 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.

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

4.4.12 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

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

4.4.14 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

4.4.15 Prohibited Interests. PACEfunding maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for PACEfunding or independent contractors and consultants engaged by PACEfunding 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, PACEfunding 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 PACEfunding, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

4.4.16 Equal Opportunity Employment. PACEfunding represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

4.4.17 Labor Certification. By its signature hereunder, PACEfunding certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every

employer to be insured against liability for Workers Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of Program Administration Services.

4.4.18 Authority to Enter Agreement. PACEfunding 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. PACEfunding shall not subcontract any portion of Program Administration Services, except as expressly stated herein (including Section 4.2.1), without prior written approval of WRCOG; *provided that* PACEfunding is not prohibited from hiring individuals that act as independent contractors or consultants with respect to the work such individuals perform for PACEfunding. 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. PACEfunding 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, PACEfunding 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. PACEfunding 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 PACEfunding, its agents, representatives, employees or subcontractors. PACEfunding 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.* PACEfunding 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. PACEfunding 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. PACEfunding 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 PACEfunding 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 PACEfunding, 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 PACEfunding's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of PACEfunding'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 PACEfunding or for which PACEfunding 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 PACEfunding's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its directors, officials, officers, employees, agents and volunteers shall be excess of PACEfunding'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 PACEfunding.

(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 PACEfunding) 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. PACEfunding 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) PACEfunding 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. PACEfunding 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.

PACEfunding shall defend, indemnify and hold WRCOG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any allegedly negligent or wrongful acts or omissions or willful misconduct of PACEfunding, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the PACEfunding Program or this Agreement, 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 including without limitation the payment of all consequential damages and attorneys' fees and

other related costs and expenses. PACEfunding shall defend, at PACEfunding'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. PACEfunding 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. PACEfunding 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. PACEfunding'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.

WRCOG shall defend, indemnify and hold PACEfunding, 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 PACEfunding Program or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. WRCOG shall defend, at WRCOG's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against PACEfunding, its directors, officials, officers, employees, agents or volunteers. WRCOG shall pay and satisfy any judgment, award or decree that may be rendered against PACEfunding or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. WRCOG shall reimburse PACEfunding 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 PACEfunding, its directors, officials, officers, employees, agents or volunteers.

No third party shall be a direct beneficiary of this Section 4.7.

4.8 Press Release. PACEfunding 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.

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IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Rick Bishop, Executive Director

PACEFUNDING LLC

By: _____
Robert Giles, Chief Executive Officer

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

PACEfunding shall provide the following Program Administrative Services:

Program Design	As part of Program Administration Services, PACEfunding shall provide program design services which include: (1) review and edit all policies relating to commercial and residential projects; (2) provide documentation, processes and procedures required for registering contractors, accepting, processing and approving property owner applications, reviewing eligibility of and approving proposed improvements, providing and tracking all financing disclosures and accepting, processing and approving funding requests, issuing and executing contractual assessment agreements (property owner and issuer), recording or causing to be recorded lien documents, issuing and executing Bond documents, and instructing the bond trustee when to issue payment for funding requests, including PACEfunding Program Guidelines, Eligible Improvement Lists, contractor registration/approval forms, commercial applications, all financing disclosure forms, all forms required to approve improvements, , funding request form(s), and contractual assessment agreement and lien recordation documents (unless provided by municipality); (3) design and build the PACEfunding Program' website; (4) integration of PACEfunding's origination systems with the PACEfunding Program website.
Origination	As part of Program Administration Services, PACEfunding shall provide origination services which include: (1) process all commercial and residential 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) obtaining or assisting property owners to obtain consent of the first mortgage holder, if any; (3) process all funding requests for Residential Parcels and Commercial Parcels participating in the PACEfunding Program, including accepting funding request forms, reviewing submitted forms and attachments, providing notification of funding request approval, denial or incomplete status; (4) process and finalize all contractual assessment documentation, including issuance of contractual assessment and financing disclosures; (4) provide telephone and email customer service support; (5) track and report

to WRCOG key PACEfunding Program statistics, including applications received, approved, assessment contracts issued and signed; (6) periodically assess and/or adjust policies and procedures of the PACEfunding Program as needed to resolve any recurring issues.

Marketing of Program: As part of Program Administration Services, PACEfunding shall work with WRCOG and its Members jurisdictions to promote the PACEfunding Program including notices on appropriate governmental web sites, press interviews and public meetings and announcements. PACEfunding shall also publicize the PACEfunding Program on its web site as well as through direct contact with property owners. PACEfunding shall maintain sufficient resources to answer any questions by potential participants in the PACEfunding Program. PACEfunding shall also work with WRCOG and Members within the WRCOG Program Area in order to utilize the PACEfunding Program to help bring industry and developments to the areas in which the PACEfunding Program are offered.

Documentation: As part of Program Administration Services, PACEfunding shall work with WRCOG to develop and produce a standard set of documents suitable to the parties that shall document the legal obligations associated with the contractual assessments and the issuance of Bonds, and any other legal requirements of the transaction.

Assessment
Tax Roll Management: PACEfunding shall work with the Program Assessment Administrator, and the counties within which the PACEfunding 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 PACEfunding shall provide weekly reports to WRCOG showing all complaints and claims made by property owners who have applied and/or are participants in the PACEfunding Program and any resolution thereto. In addition, PACEfunding shall promptly notify WRCOG of any suits that have been filed against PACEfunding relating to the Program Administration Services.

EXHIBIT "C"

SCHEDULE OF RESPONSIBILITIES

Responsibilities of PACEfunding

PACEfunding will prepare closing package and send to owner(s) of a Commercial Property or Residential Property participating in one of the PACEfunding Program (each, a "Owner") for signature (the "PACEfunding Closing Documents"), which package shall include:

Financing Summary
Application
Assessment Contract
    Exhibit A – Description of Property
    Exhibit B – List of Documents
Right to Cancel
Program Handbook

Upon receipt of signed documents from Owner, PACEfunding will deliver original documents to WRCOG.

PACEfunding will electronically send the Contractual Assessment Data File for each Bond or Series of Bonds to be issued, along with all 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.

PACEfunding shall execute and deliver the PACEfunding Closing Documents (as such term is defined in this Exhibit C above) to Bond Counsel at the Closing Location on or before the Closing Date.

Upon receipt of verification that all Closing Documents have been properly executed and, if applicable, recorded, PACEfunding or any assign, affiliate, subsidiary, or any other person or entity that PACEfunding designates will purchase the Bond or Series of Bonds pursuant to the Master Bond Purchase Agreement. Said purchase will be accomplished via a wire transfer to the Trustee.

Responsibilities of WRCOG

WRCOG shall prepare, or cause to be prepared, the following documents:

Supplemental Indenture
Improvement Bond
Notice of Assessment
Payment of Contractual Assessment Required
Omnibus Closing Certificate of WRCOG
Certificate of Trustee
Instructions to Trustee Regarding Disbursement of Proceeds of Bond

Receipt for Bond Proceeds
Receipt for Improvement Bond
Opinion of Bond Counsel
Supplemental Opinion of Bond Counsel
Reliance Letter of Bond Counsel

WRCOG will cause recordation of and notification to the financing team electronically of recordation of:

Notice of Assessment and Assessment Contract
Payment of Contractual Assessment Required

WRCOG will execute and deliver all WRCOG Closing Documents (as such term is defined in the Master Bond Purchase Agreement) to Bond Counsel at the Closing Location or shall cause all such WRCOG Closing Documents to be so executed and delivered, as applicable, on or before the Closing Date.

WRCOG will execute, by facsimile or original signatures, and deliver the Bond or Series of Bonds to the Trustee for authentication (with electronic copy to remainder of financing team) and delivery to PACEfunding.

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Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 11

Residential 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 _____, 2017

Relating to:

ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
PACEfunding

(Series No. ____)

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Appendix 1 Covered Jurisdictions

MASTER INDENTURE

THIS MASTER INDENTURE (this "**Master Indenture**") is made and entered into as of _____, 2017, between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California (the "**WRCOG**"), and 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**"),

B A C K G R O U N D:

WHEREAS, WRCOG is authorized to act under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "**Act**") pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, the Executive Committee of WRCOG (the "**Executive Committee**") previously adopted Resolution No. 09-10 on March 1, 2010 (the "Resolution of Intention") to initiate proceedings under the Act in and for the territory within the County of Riverside (the "County") and the cities listed in Appendix 1 (collectively, the "**Covered Jurisdictions**," each a "**Covered Jurisdiction**") (the "**Program Area**") to establish the Energy Efficiency and Water Conservation Program for Western Riverside County (the "**Program**"), pursuant to which WRCOG would enter into contractual assessments to finance the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements as described in the Resolution of Intention;

WHEREAS, by the Resolution of Intention, the Executive Committee declared its intention to issue one or more series of bonds under the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (as amended, the "**Bond Law**"), and reference to the Resolution of Intention is hereby expressly made for further particulars;

WHEREAS, after holding a duly noticed public hearing at which interested persons were allowed to object to or inquire about the proposed Program within the Program Area or any of the Program's particulars, the Executive Committee adopted Resolution No. 13-10 on June 7, 2010 (the "**Resolution Confirming Program Report**"), pursuant to which the Executive Committee, among other things, (i) confirmed and approved a report (as subsequently amended as described below, the "**Program Report**") addressing all the matters required by the Act, including a draft agreement between WRCOG and property owners participating in the Program providing for payment of contractual assessments, (ii) established the Program, and (iii) authorized Authorized Officers (as defined herein) to execute agreements ("**Assessment Contracts**") with the owners of property in the Program Area to provide for the levy of contractual assessments to finance installation of distributed generation renewable energy, energy efficiency and water efficiency improvements;

WHEREAS, under the Act and the Bond Law, the Executive Committee adopted Resolution No. 03-12, which has been subsequently amended (the "**Resolution of Issuance**"), which among other matters, authorized the issuance of one or more series of improvement bonds of WRCOG upon the security of assessments levied on the participating parcels within the Program Area under the Act and the Bond Law, and provided that the issuance of the Bonds (as

defined herein) would be in accordance with the Bond Law and a master indenture and authorized the execution thereof;

WHEREAS, on _____, 2017, WRCOG entered into the Master Indenture (as defined herein) to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the Assessments securing the Bonds and the administration and payment of the Bonds;

WHEREAS, WRCOG has determined that it is in the public interest and for the benefit of WRCOG and the owners of the Bonds that WRCOG enter into this Master Indenture, and that all things necessary to cause the Bonds, when authenticated by the Trustee and issued as provided in the Bond Law, the Resolution of Issuance, as amended and supplemented by one or more Supplemental Resolutions of Issuance (as defined in this Master Indenture) and this Master Indenture, to be legal, valid and binding limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Master Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. WRCOG for this Master Indenture. This Master Indenture is entered into under the Act, the Bond Law and the Resolution of Issuance.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 will, for all purposes of this Master Indenture, of any Supplemental Indenture (as herein defined), and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

"***ABS Trustee***" means the entity specified by an Owner in a written notice to WRCOG and the Trustee as acting as trustee in respect of an issuance of asset-backed securities by such Owner, where such asset-backed securities are secured in whole or in part by one or more Bonds.

"***Accredited Investor***" means an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the United States Securities Act of 1933, as amended,

"***Act***" has the meaning ascribed to it in the recitals in this Master Indenture.

"***Administrative Expense Fund***" means the fund designated "WRCOG PACEfunding Limited Obligation Improvement Bonds (Series No. ____), Administrative Expense Fund," established and administered pursuant to Section 4.03.

"***Administrative Expenses***" means costs directly related to the administration of the Program, as determined by WRCOG in its sole discretion or, with respect to the Trustee's fees and expenses, in accordance with the Trustee's fee schedule, including but not limited to: the actual costs of preparing the annual Assessment installment collection schedules (whether by an employee of WRCOG or a consultant or both) and the actual costs of collecting the Assessment installments (whether by a County or otherwise); the actual costs of remitting the Assessment installments to the Trustee; fees and actual costs of the Trustee (including its legal counsel) in the discharge of its duties under the Indenture; the actual costs of WRCOG or its designee of complying with the disclosure provisions of the Act, the Bond Law, federal securities laws and the Indenture, including those related to public inquiries regarding the Assessments and disclosures to Owners of the Bonds; the actual costs of WRCOG or its designee related to an appeal or challenge of the Assessment; any amounts required to be rebated to the federal government; an allocable share of the salaries of WRCOG staff directly related to the foregoing and a proportionate amount of WRCOG general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by WRCOG for any administrative purpose relating to the Program, including costs related to prepayments of Assessments and the costs of prosecuting foreclosure of delinquent Assessment installments.

"***Affiliate***" means, with respect to any Person, any other person that (i) directly or indirectly controls, is controlled by or is under common control with such person or (ii) is an officer or director of such person. A Person shall be deemed to be "controlled by" another person if such other person possesses, directly or indirectly, power to (a) vote more than 50% of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing partners of such other person or (b) direct or cause the direction of the management and policies of such other person whether by contract or otherwise.

"***Assessment*** **_or_** "***Assessments***" means the unpaid contractual assessment(s) levied on the Participating Parcel(s) pursuant to an Assessment Contract(s), including the principal component, interest component, Administrative Expense component, any proceeds of the redemption or sale of property, sold as a result of foreclosure of the lien of the unpaid contractual assessment(s), and Penalties and Interest.

"***Assessment Administrative Fee***" means, as to each Participating Parcel, the administrative fee due and payable pursuant to an Assessment Contract that shall be collected on the property tax bill pertaining to such Participating Parcel.

"***Assessment Administrator***" means David Taussig & Associates, and its successors, or any financial consultant or firm of such financial consultants judged by WRCOG to have experience in the administration for and on behalf of public agencies of assessments similar to the Assessments levied by such public agencies in the State of California.

"**Assessment Collection Account**" means the account within the Redemption Fund designated as the "WRCOG PACEfunding Limited Obligation Improvement Bonds (Series No. ____) Assessment Collection Account," established and administered by the Trustee pursuant to Section 4.01 hereof.

"***Assessment Contract***" means a contract between WRCOG and the owner of a Participating Parcel pursuant to which the owner agrees to pay Assessments and WRCOG agrees to finance the installation of Improvements on the Participating Parcel.

"***Assessment Installment***" means, as to each Participating Parcel, the portion of the principal amount of the Assessment, together with the interest on the Assessment, due and payable pursuant to an Assessment Contract that shall be collected on the property tax bill pertaining to such Participating Parcel.

"***Assignment***" has the meaning given to it in Section 3.07(A).

"***Assignment Confirmation***" has the meaning given to it in Section 3.07(A)(i).

"***Assignment Date***" means, for a particular Transferred Interest, the date on which an Assignment becomes effective pursuant to Section 3.07(A).

"***Assignment Term***" means, with respect to any Transferred Interest, the period beginning on (and including) the applicable Assignment Date and ending on (but excluding) the applicable Assignment Termination Date.

"***Assignment Termination Date***" means, with respect to a Transferred Interest, the earlier of the (i) Three-Year Anniversary or (ii) re-conveyance of the Transferred Interest from the Program Administrator to WRCOG in exchange for a Take-Out Bond or cash, as applicable.

"***Auditor***" means the auditor/controller or tax collector of the applicable County, or such other official of the County who is responsible for preparing real property tax bills.

"***Authorized Denominations***" means, for each series of Bonds, an amount equal to the least of (a) $100,000 and any increment of $5,000 in excess of $100,000 (provided, however, one

Bond of the series may be in an odd amount in excess of $100,000) and (b) the initial principal amount of the Outstanding Bonds of the series.

"***Authorized Officer***" means an Authorized Signatory as designated by a resolution of the Executive Committee of WRCOG.

"***Bond***" or "***Bonds"*** means all series of WRCOG's bonds entitled "WRCOG PACEfunding Limited Obligation Improvement Bonds (Series No. ____)," as authorized, executed and delivered under the Indenture.

"***Bond Counsel***" means Best Best & Krieger LLP, and its successors, and any other attorney or firm of bond counsel selected by WRCOG.

"***Bond Law***" has the meaning ascribed to it in the recitals to this Master Indenture.

"***Bond Register***" means the books maintained by the Trustee pursuant to Section 2.07 for the registration and transfer of ownership of the Bonds.

"***Bond Year***" means, with respect to any series of Bonds, the twelve-month period beginning on September 3 in each year and ending on September 2 in the following year except that (i) the first Bond Year will begin on the date of delivery of such series of Bonds and end on the next September 2, and (ii) the last Bond Year may end on a Payment Date or on such other date on which the Bonds are fully redeemed.

"***Business Day***" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in California or in the state in which the Trustee has its principal corporate trust office are authorized or obligated by law or executive order to be closed.

"***Capitalized Interest Account***" means the account within the Redemption Fund and designated "WRCOG PACEfunding Limited Obligation Improvement Bonds (Series No. ____), Capitalized Interest Account," established and administered under Section 4.01 hereof.

"***Closing Date***" means, with respect to any series of Bonds, the date of the initial issuance and delivery of such series of Bonds.

"***Collateral***" has the meaning set forth in Section 3.01 of this Master Indenture.

"***Collection Account***" means the Collection Account established under the Depositary and Account Control Agreement.

*"**Complying Take-Out Bonds**" means with respect to any Transferred Interests as of* any date of determination, Take-Out Bonds having the Take-Out Bond Parameters with respect to such Transferred Interests.

"***Costs of Issuance***" means all items of expense directly or indirectly payable by or reimbursable to WRCOG relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to, origination fees; printing expenses; rating agency fees, if any; filing and recording fees; expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee; fees, charges and disbursements of attorneys, financing advisors, accounting firms, consultants and other professionals; fees and charges for preparation,

execution and safekeeping of the Bonds; and any other cost, charge or fee in connection with the original issuance of the Bonds.

"***Costs of Issuance Fund***" means the Costs of Issuance Fund established and administered pursuant to Section 4.05.

"***County***" has the meaning ascribed to it in the recitals hereto.

"***County Teeter Plan***" means an alternative method of distribution of tax levies and collection of tax sales proceeds pursuant to Section 4701 *et seq.* of the California Revenue and Taxation Code.

"***Covered Jurisdiction***" has the meaning ascribed to it in the recitals hereto.

"***Debt Service***" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the principal of the Outstanding Bonds is paid as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year.

"***Depositary***" means The Bank of New York Mellon Trust Company, N.A., acting depositary under the Depositary and Account Control Agreement.

"***Depositary and Account Control Agreement***" means that certain Depositary and Account Control Agreement by and among WRCOG, Program Administrator, Depositary and Transferee in connection with Section 3.07 hereof.

"***Event of Default***" means any event described as an Event of Default in Section 9.01.

"**Excess Program Fund Proceeds**" means the proceeds from the issuance of a Bond deposited in the Program Fund for the payment or reimbursement of Improvement Costs for the installation of Improvements on a Participating Parcel that remain following the payment of all such Improvement Costs.

"**Exchange Bonds**" shall have the meaning prescribed to such term in Section 2.02(B) hereof.

"**Executive Committee**" means the governing board of WRCOG.

"**Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds)**" means the account within the Redemption Fund designated as the "WRCOG PACEfunding Limited Obligation Improvement Bonds (Series No. ____) Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds)," established by the Trustee pursuant to Section 4.01(A)(3).

"***Federal Securities***" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Trustee:

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the timely payment of principal of and interest on which are, directly or indirectly,

fully and unconditionally guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

(ii) any of the following obligations of the following agencies of the United States of America:

(a) direct obligations of the Export-Import Bank,

(b) certificates of beneficial ownership issued by the Farmers Home Administration,

(c) participation certificates issued by the General Services Administration

(d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association,

(e) project notes issued by the United States Department of Housing and Urban Development, and

(f) public housing notes and bonds guaranteed by the United States of America.

"***Improvements***" means the distributed generation renewable energy, energy efficiency and water efficiency improvements to be installed on the Participating Parcels pursuant to the Assessment Contacts and as authorized under the Act, the Bond Law and the Program Report.

"***Indenture***" means the Master Indenture, as it may be amended or supplemented from time to time by any Supplemental Indenture executed under the provisions of the Master Indenture.

"**Joint Exercise of Powers Agreement**" means the WRCOG Joint Exercise of Powers Agreement dated as of April 1, 1991, as subsequently amended.

"***Master Indenture***" means this Master Indenture.

"***Member Agency***" means each party to WRCOG, as determined pursuant to Section 2.1 of the Joint Exercise of Powers Agreement.

"***Officer's Certificate***" or "***Certificate of WRCOG***" means a written certificate of WRCOG signed by an Authorized Officer of WRCOG.

"***Outstanding***" when used as of any particular time with reference to Bonds, means, subject to the provisions of Section 8.03, all Bonds except:

(i) Bonds canceled by the Trustee or surrendered to the Trustee for cancellation;

(ii) Bonds paid or deemed to have been paid within the meaning of Article X;

(iii) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by WRCOG pursuant to the Indenture.

"***Owner***" or "***Bond Owner***" means the registered owner of any Outstanding Bond as shown on the Bond Register of the Trustee under Section 2.07.

"***Participating Parcel Value***" means, with respect to a Participating Parcel, the sum of (a) any one of the following: (i) the market value based on an automated valuation model value provided an independent third party selected by the Program Administrator, (ii) if the related Property Owner has obtained an appraisal from a licensed appraiser acceptable to the Program Administrator, such appraised value or comparable report, (iii) the most recent assessed value of the Participating Parcel as listed in the related district records of the County, or (iv) a real estate broker price opinion that states the real estate broker's opinion as to property value with respect to the Participating Parcel and (b) the value of the eligible improvement multiplied by a factor determined by the Program Administrator.

"***Participating Parcels***" means the parcels within a Covered Jurisdiction's Program Area that are subject to the lien of an Assessment pursuant to an Assessment Contract and that are specified in a Supplemental Indenture.

"***Payment Dates***" means March 2 and September 2 of each year, commencing on the date designated in the Supplemental Indenture for the applicable series of Bonds.

"***Penalties and Interest***" means, with respect to a Participating Parcel, any (i) penalties on any delinquent contractual assessment installment levied on the Participating Parcel pursuant to an Assessment Contract, excluding any such penalties that are payable to the County and (ii) interest on a contractual assessment levied on the Participating Parcel pursuant to an Assessment Contract in excess of (A) the scheduled interest installments provided in the Assessment Contract and (B) the interest accrued on any past-due principal installments at the same interest rate reflected by the scheduled interest installments provided in the Assessment Contract.

"***Permitted Investments***" means any of the following:

(a) Federal Securities.

(b) Federal Housing Administration debentures.

(c) Unsecured certificates of deposit (including those placed by a third party pursuant to a separate agreement between WRCOG and the Trustee), bank deposit products, time deposits, demand deposits, overnight bank deposits, trust funds, trust accounts, interest-bearing deposits, overnight bank deposits, interest-bearing money market accounts, and bankers' acceptances (having maturities of not more than 30 days) of any bank (including those of the Trustee and its affiliates) the short-term obligations of which are rated "A-1" or better by S&P.

(d) Deposits, including unsecured certificates of deposit (including those placed by a third party pursuant to a separate agreement between WRCOG and the Trustee), bank deposit products, time deposits, demand deposits, overnight bank deposits, trust funds, trust accounts, interest-bearing deposits, overnight bank deposits, interest-bearing money market accounts, and bankers' acceptances, the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million (including those of the Trustee and its affiliates).

(e) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(f) State Obligations, which means

(i) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(ii) Direct, general short-term obligations of any state agency or subdivision described in (i) above and rated "A-1+" by S&P and "Prime-1" by Moody's.

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(g) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or United States Treasury Obligations that may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a United States Treasury Obligation will be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(vi) the cash or the United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(h) Investments in (i) the Wilmington Trust Government Money Market Account, or (ii) a money market mutual fund rated AAAm or AAAm-G or better by S&P and having a rating in the highest investment category granted thereby from Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (2) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(i) Repurchase and reverse repurchase agreements collateralized with securities described in (a) and (b) above, including those of the Trustee or any of its affiliates.

(j) California's Local Agency Investment Fund ("LAIF").

"***Person***" means an individual, partnership, corporation (including a business or statutory trust), limited liability company, joint stock company, trust, unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

"***Prepayment Account***" means the account within the Redemption Fund and designated "WRCOG PACEfunding Limited Obligation Improvement Bonds (Series No. ____), Prepayment Account," established and administered under Section 4.01 hereof.

"***Prepayments***" means prepayments of any scheduled payments of Assessments received by WRCOG, including the principal component, the interest component and any prepayment premium, but excluding any Administrative Expense component of such prepayments (which shall be deposited into the Administrative Expense Fund).

"***Principal Office***" means the corporate trust office of the Trustee in 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 Administrator***" means PACEfunding LLC, as administrator of the Program, or its successors and assigns.

"***Program Area***" has the meaning ascribed to it in the recitals hereto.

"***Program Fund***" means the fund designated "WRCOG PACEfunding Limited Obligation Improvement Bonds (Series No. ____), Program Fund," established and administered under Section 4.02.

"***Program Report***" has the meaning ascribed to it in the recitals hereto.

"***Purchase Notice***" has the meaning given to it in Section 3.07(A).

"***Re-Conveyance Instrument***" means an assignment instrument substantially in the form attached hereto as Exhibit D.

"***Record Date***" means the 25th day of the calendar month immediately preceding the applicable Payment Date, and any date established by the Trustee as a Record Date for the payment of defaulted interest on the Bonds, if any.

"***Redemption Fund***" means the fund designated "WRCOG PACEfunding Limited Obligation Improvement Bonds (Series No. ____), Redemption Fund," established and administered under Section 4.01.

"***Release***" has the meaning given to it in Section 3.07(A).

"***Release Account***" means the account within the Redemption Fund and designated "WRCOG PACEfunding Limited Obligation Improvement Bonds, Release Account," established and administered under Section 4.01 hereof.

"***Release Redemption Price***" has the meaning given to it in Section 3.07(A).

"***Reserve Fund***" means the debt service reserve fund established for the Bonds in Section 4.04 hereof.

"***Reserve Fund Cap***" means, as of the date of calculation, the amount that equals 10% of the Outstanding principal amount of all Bonds.

"***Reserve Fund Deposit Amount***" means, as to any Bond on the Closing Date thereof, 0.25% of the original principal amount thereof.

"***Reserve Fund Surplus***" means, as of September 3rd of any Bond Year, the amount by which the moneys on deposit in the Reserve Fund exceed the Reserve Fund Cap.

"***Resolution of Issuance***" has the meaning ascribed to it in the recitals to this Master Indenture.

"***Series COI Deposit Amount***" has the meaning set forth in Section 4.05.

"***Sole Owner***" means the Owner of the Bonds if all the Bonds (except any Bonds owned by the Program Administrator or its Affiliates or their respective successors and assigns) are owned by such owner or its Affiliates or their respective successors and assigns.

"***Supplemental Indenture***" means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Executive Committee under the Bond Law and which agreement is amendatory of or supplemental to this Master Indenture (as previously amended or supplemented), but only if and to the extent that such agreement is specifically authorized hereunder.

"***Supplemental Resolution of Issuance***" has the meaning given that term in a Supplemental Indenture.

"***Take-Out Bond***" means a bond issued by WRCOG, under a bond indenture (a "**Take-Out Bond Indenture**") that is secured by WRCOG's right to receive payment pursuant to specified Assessment Contracts.

"***Take-Out Bond Issue Date***" has the meaning given to it in Section 3.07(F).

"***Take-Out Bond Parameters***" means, as of any date of determination, with respect to any Take-Out Bonds issued in connection with Section 3.07 on such date of determination in exchange for the reassignment of one or more Transferred Interests on such date of determination, and/or in connection with Transferred Interests whose Assignment Terms are expiring on such date of determination, one or more Take-Out Bonds:

(i) whose principal amount, maturity date(s), amortization schedules and interest rates, in the aggregate, produce cash flows that replicate the remaining scheduled principal and interest components of the contractual assessment installments under the Assessment Contract(s) relating to such Transferred Interest(s) after such date of determination;

(ii) that complies or comply with WRCOG's bond issuance policies as of the applicable Assignment Date;

(iii) any purchaser of which must be an Accredited Investor and execute and deliver to WRCOG an investor letter in substantially the form and substance attached as Exhibit B to this Agreement;

(iv) with respect to which bond counsel to WRCOG shall have issued an unqualified bond counsel opinion addressed to WRCOG, a reliance letter addressed to the purchaser and a supplemental opinion addressed to the trustee under the indenture and the purchaser; for the avoidance of doubt, such opinions shall be substantially identical to the corresponding opinions provided under the Master Indenture in connection with the issuance of Bonds (including the analogous addressees), but will exclude any opinion regarding the validity of, or the lien of, any Assessment, and contain appropriate modifications to reflect the law under which such Take-Out Bond is (or Take-Out Bonds are) being issued; and

(v) that is or are substantially identical to the Bonds issued under the Master Indenture.

If any payments under the Assessment Contracts relating to the Transferred Interest(s) referred to above are delinquent as of such date of determination, for purposes of determining the applicable Take-Out Bond Parameters with respect to such Transferred Interest(s), such delinquent payments (including principal and interest) will be included in the principal amount of the Take-Out Bond(s) for purposes of clause (i) above.

"***Take-Out Election Notice***" has the meaning given to it in Section 3.07(F).

"***Tax Code***" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

"***Transferee***" has the meaning given to it in Section 3.07(A).

"***Transferee Payment***" has the meaning given to it in Section 3.07(A).

"***Transferred Interest***" means, with respect to an Assessment Contract as to which an Assignment has occurred pursuant to Section 3.07, all right, title and interest to receive payment from the applicable Assessment Installments; provided that notwithstanding anything in the applicable Assessment Contract to the contrary, the portion of the Assessment Installments representing interest on the Assessment shall accrue to the benefit of the Transferee from the date the Transferred Interest is assigned to the Transferee pursuant to the terms of this Agreement.

"***Trustee***" means 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 Counsel***" means the general counsel of WRCOG or designated counsel to WRCOG with respect to the Bonds.

Section 1.03. Interpretation.

(A) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(B) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(C) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.04. Indenture Constitutes Contract. In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract among WRCOG, the Trustee and the Owners of the Bonds. The pledge made in the Indenture and the provisions, covenants and agreements set forth in the Indenture to be performed by or on behalf of WRCOG shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by the Indenture.

ARTICLE II

THE BONDS

Section 2.01. Bonds Authorized. WRCOG hereby authorizes the issuance of one or more series of Bonds in Authorized Denominations under and subject to the terms of the Resolution of Issuance, the Indenture, the Act and other applicable laws of the State of California. Pursuant to the Resolution of Issuance, the Authorized Officers of WRCOG are authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of the Act, the Bond Law, the Resolution of Issuance and the Indenture.

Section 2.02. Procedures for Issuance of Bonds.

(A) General. WRCOG may at any time issue a series of the Bonds in Authorized Denominations payable from the Assessments and secured by a lien upon the Collateral equal to and on a parity with the lien and charge securing Outstanding Bonds previously issued hereunder, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such series of the Bonds:

(1) All the requirements of Section 3.03 have been met.

(2) The issuance of such series of the Bonds has been duly authorized pursuant to the Bond Law and all applicable laws, and the issuance of such series of the Bonds has been provided for by a Supplemental Indenture, in substantially the form attached hereto as Exhibit A, duly executed by WRCOG and the Trustee.

(3) The initial principal amount of such series of Bonds shall not cause the aggregate initial principal amount of Bonds issued pursuant the Indenture to exceed the maximum amount permitted in the Program Report, as may be amended from time to time.

(**B**) **Payment of Interest.** Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day calendar months, and will be payable on each Payment Date. The Bonds will bear interest from the Payment Date next preceding the date of authentication thereof, unless they are authenticated (i) during the period from the 26th day of the month next preceding a Payment Date to such Payment Date, both days inclusive, in which event they will bear interest from such Payment Date or (ii) on or before the 25th day of the month next preceding the first Payment Date, in which event they will bear interest from the date of delivery of such Bonds; provided, however, that in the case of a newly authenticated series of Bonds for which one or more existing series of Bonds, or bonds that are deemed issued under this Master Indenture pursuant to the provision of another master indenture that is substantially similar to Section 8.08(B) ("**Original Bonds**"), are exchanged ("**Exchange Bonds**") pursuant to an exchange agreement among WRCOG, the Trustee and the Sole Owner, the accrual of interest on the Exchange Bonds will be calculated, for the portion of outstanding principal represented by each series of Original Bonds, from the later of the dated date or most recent Payment Date of such series of Original Bonds. Notwithstanding the foregoing, in connection with a newly authenticated replacement Bond pursuant to Sections 2.05, 2.06, 2.08 and 2.09, if interest on any Outstanding Bond is in default at the time of authentication of such newly authenticated replacement Bond, such newly authenticated replacement Bond will bear interest from the Payment Date to which interest had previously been paid or made available for payment on the Outstanding Bond.

(C) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America by check of the Trustee mailed on the applicable Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the Bond Register maintained by the Trustee at the close of business on the Record Date preceding the Payment Date (or by wire transfer made on such Payment Date upon the written instructions of any Owner of $1,000,000 or more in aggregate principal amount of the Bonds delivered to the Trustee prior to the applicable Record Date).

The principal of a series of Bonds is payable in lawful money of the United States of America on each September 2 (except in the case of a redemption pursuant to Section 2.03(A)(ii), in which case it may be paid on any Payment Date, or pursuant to Section 2.03(A)(i) or 2.03(A)(iii), in which case it may be paid on any date) and in the amounts shown in the applicable Supplemental Indenture for such series of Bonds (except in the case of a redemption, in which case it must be paid in the applicable redemption amount, including any related premium), and, solely in the case of the redemption in whole or the maturity date of a series of Bonds, upon surrender of the Bonds at the Principal Office of the Trustee. All Bonds the principal of which is entirely paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Section 2.03. Redemption.

(A) General. The Bonds will be subject to (i) mandatory redemption from amounts received by WRCOG as Prepayments as provided further in the applicable Supplemental Indenture, (ii) mandatory redemption from Excess Program Fund Proceeds as provided for below, (iii) with respect to any series of Bonds with a maturity of greater than ten years, optional redemption of such series of Bonds by WRCOG, from a source other than Prepayments or amounts deposited into the Release Account, in whole, but not in part, after ten years have elapsed since the issuance of such series of Bonds, as provided further in the applicable Supplemental Indenture and (iv) optional redemption by WRCOG in whole or in part from amounts deposited into the Release Account, if provided further in the applicable Supplemental Indenture. Any redemption of the Bonds pursuant to clauses (i), (ii), (iii) and (iv) of the previous sentence must be accompanied by accrued interest on the principal of the Bonds to be redeemed in addition to any applicable premium as calculated in accordance with the related Supplemental Indenture(s).

WRCOG will provide written directions at the time of any redemption, including any directions as to the provisions of Part 11.1 of the Bond Law that will apply to the advance payment of Assessments and to the calling of any series of the Bonds. WRCOG will advise the Trustee of such provisions to the extent not specified herein.

Whenever less than all of the Outstanding Bonds of a series are called for redemption pursuant to Sections 2.03(A)(i) or 2.03(A)(iii), WRCOG shall direct the Trustee as to the maturity of Bonds from which the Trustee shall select the Bonds for redemption, and the amounts of such Bonds to be redeemed, on a pro rata basis (based on the outstanding principal amounts of such Bonds) among the Bonds of that series. Upon the occurrence of a partial redemption of a series of Bonds, the debt service schedule for such series shall be reduced in a manner that maintains, as closely as practicable, level annual debt service, and WRCOG shall deliver such revised debt service schedule in writing to the Trustee.

(B) Extraordinary Mandatory Redemption from Excess Program Fund Proceeds. A Bond identified in an Officer's Certificate delivered to the Trustee will be subject to extraordinary mandatory redemption, in whole or in part, from Excess Program Fund Proceeds transferred by the Trustee to the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) pursuant to such Officer's Certificate directing the Trustee to utilize such funds for the extraordinary mandatory redemption of such Bond. Such extraordinary mandatory redemption shall occur on the date designated for redemption in an Officer's Certificate.

(C) Notice to Trustee. In the case of redemptions pursuant to Section 2.03(A)(i), the Program Administrator will give the Trustee written notice of the aggregate amount of Bonds to be redeemed pursuant to a Supplemental Indenture not less than 35 days prior to the applicable redemption date. In the case of redemptions pursuant to Section 2.03(A)(i), 2.03(A)(ii) or 2.03(A)(iv), the Program Administrator will give the Trustee written notice of the aggregate amount of Bonds to be redeemed pursuant to a Supplemental Indenture not less than seven Business Days prior to the applicable redemption date.

(D) Redemption Procedure by Trustee.

(i) Mailing of Notice. If any series of Bonds is designated for redemption under the terms of a Supplemental Indenture, the Trustee will cause notice of any redemption to be mailed to the respective Owners of any Bonds of such series designated for redemption, at their addresses appearing on the Bond Register in the Principal Office of the Trustee, at least 30 days (or in the case of a redemption pursuant to Section 2.03(A)(i), 2.03(A)(ii) or 2.03(A)(iv), at least one Business Day) but no more than 60 days before the date designated for redemption.

Any failure to so mail any redemption notice or the failure of any person or entity to receive any such redemption notice, or any defect in any notice of redemption, will not affect the validity of the proceedings for the redemption of such series of Bonds.

(ii) Contents of Notice. Such notice will state the following:

(1) the applicable Payment Date that will be the redemption date,

(2) the redemption price,

(3) the date of issue of the series of the Bonds,

(4) the identities of the Bonds to be redeemed,

(5) as to any series of Bonds redeemed in part pursuant to Section 2.03(A)(i), the principal amount thereof to be redeemed,

(6) that any series of Bonds redeemed in whole must be then surrendered at the Principal Office of the Trustee for redemption at the redemption price, and

(7) that further interest on the Bonds (or portion thereof) called for redemption will not accrue from and after the redemption date.

(iii) Rescission of Redemption. For any redemption described in Sections 2.03(A)(ii) or 2.03(A)(iv), WRCOG may provide conditional notice of redemption that is subject to receipt of sufficient funds to accomplish the redemption and it may rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason adequate funds are not on deposit in the Redemption Fund on the redemption date, and such cancellation will not constitute an Event of Default hereunder. The Trustee will mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(iv) Identification of Bonds Redeemed. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the Bond number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(E) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds or portion of Bonds so called for redemption have been deposited into the Redemption Fund (with respect to optional redemption pursuant to Section 2.03(A)(ii)), the Release Account (with respect to optional redemption pursuant to Section 2.03(A)(iii)), the Prepayment Account (with respect to mandatory redemptions pursuant to Section 2.03(A)(i)) on the date fixed for redemption, or the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) then such Bonds or portion of Bonds so called for redemption will become due and payable at the redemption price specified in the redemption notice, and such Bonds or portion of Bonds will be defeased and will cease to be entitled to any benefit or security under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed in full by the Trustee pursuant to this Section 2.03 will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Section 2.04. Execution of Bonds. The Bonds of each series will be executed on behalf of WRCOG by the manual or facsimile signature of the Treasurer, or its duly authorized designee, and attested by the manual or facsimile signature of the Secretary, or its duly authorized designee. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the Owner, such signature will nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the Owner. Any Bond may be signed and attested on behalf of WRCOG by such persons who, as of the actual date of the execution of such Bond will be the proper officers of WRCOG although at the nominal date of such Bond any such person will not have been such officer of WRCOG.

Only such Bonds as bear thereon a certificate of authentication in substantially the form set forth in the applicable Supplemental Indenture, executed and dated by the Trustee, will be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of authentication of the Trustee will be conclusive evidence that the Bonds registered hereunder have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.05. Transfer of Bonds.

(A) General. Any Bond may, in accordance with its terms, be transferred, upon the Bond Register under Section 2.07 hereof by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Trustee. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such transfer will be paid by the Bond Owner. The Trustee will collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond is or Bonds are surrendered for transfer, WRCOG will execute and the Trustee will authenticate and deliver a new Bond or Bonds of the same series, for like aggregate principal amounts, maturities, and interest rates in the denominations herein authorized. Neither WRCOG nor the Trustee will be required to make such transfer of Bonds on or after a Record Date and before the next ensuing Payment Date.

(B) Transfer Restrictions. Unless the Trustee shall have been otherwise directed in an Officer's Certificate that is accompanied by an opinion of Bond Counsel to the effect that such transfer is consistent with federal securities law, (i) each purchaser of a Bond must be an Accredited Investor and (ii) the Bond(s) of a series may only be transferred in an Authorized Denomination to an Accredited Investor as long as there will not be more than 35 owners of such series of Bonds (when considered in the aggregate with all other owners of Bonds of such series), each of whom delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to this Master Indenture.

Section 2.06. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of Authorized Denominations and of the same maturity and series. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such exchange will be paid by WRCOG. The Trustee will collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

Neither WRCOG nor the Trustee will be required to make such exchange of Bonds after a Record Date and before the next ensuing Payment Date.

Section 2.07. Bond Register. The Trustee will keep, or cause to be kept, at its Principal Office the Bond Register for the registration and transfer of the Bonds. The Bond Register will show the series number, date, maturity amount, rate of interest and last registered Owner of each Bond and will at all times be open to inspection by WRCOG during regular business hours on any Business Day, upon reasonable notice; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bonds as hereinbefore provided.

Section 2.08. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, will be of such Authorized Denominations as may be determined by WRCOG, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by WRCOG and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If WRCOG issues temporary Bonds it will execute and furnish definitive Bonds without delay and

thereupon the temporary Bonds will be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Trustee or at such other location as the Trustee will designate, and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations. Until so exchanged, the temporary bonds will be entitled to the same benefits under the Indenture as definitive bonds authenticated and delivered hereunder.

Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated, WRCOG, at the expense of the Owner of that Bond, will execute, and the Trustee will authenticate and deliver, a new Bond of the same series and of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee will be canceled by it and destroyed by the Trustee who will, upon request of WRCOG, deliver a certificate of destruction thereof to WRCOG.

If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee will be given, WRCOG, at the expense of the Owner, will execute, and the Trustee will authenticate and deliver, a new Bond of the same series and of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. WRCOG may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section 2.09 and of the expenses that may be incurred by WRCOG and the Trustee for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of WRCOG whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and will be equally and proportionately entitled to the benefits of the Indenture with all other Bonds issued under the Indenture.

ARTICLE III

SECURITY; ISSUANCE OF BONDS

Section 3.01. Security for the Bonds; Pledge of Assessments and Funds. WRCOG hereby grants, assigns, conveys, pledges, charges and transfers to the Trustee, for the equal and ratable benefit of the Bond Owners, a first priority security interest (which security interest will be effected and perfected in the manner and to the extent herein provided) in and to: (i) the Assessment or Assessments (except amounts required hereunder to be deposited into the Administrative Expense Fund); (ii) the Redemption Fund and all moneys, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited into, the Redemption Fund (including the Capitalized Interest Account, the Assessment Collection Account, the Prepayment Account, the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) and the Release Account), or owed to, or collected, received or held by, any other person that is required to credit to or deposit such moneys or securities into the Redemption Fund by the Act, the Bond Law or the terms of this Master Indenture in each case, derived from the Assessment Installments, Prepayments, the foreclosure on a Participating Parcel on which an Assessment has been levied or payments pursuant to the County's Teeter Plan; and (iii) the Reserve Fund and all moneys, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited into the Reserve Fund, except as provided in Section 4.04(D). So long as any of the Bonds are Outstanding, the Collateral shall not be used for any other purpose except as provided in this Master Indenture.

The Assessments (except amounts required hereunder to be deposited into the Administrative Expense Fund) together with all Assessment Installments and Penalties and Interest received by WRCOG or any other entity acting on WRCOG's behalf with respect to the Assessments shall constitute a trust fund for the redemption and payment of the principal of and premium, if any, on the Bonds and the interest thereon.

WRCOG hereby transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Assessments and all of the right, title and interest of WRCOG or any other person acting on behalf of WRCOG to the receipt of all Assessment Installments and Penalties and Interest owed to or received by WRCOG or any other person acting on WRCOG's behalf with respect to the Assessments hereunder. The Trustee shall be entitled to and shall receive all of the Assessment Installments and any Penalties and Interest, and any Assessment Installments or Penalties and Interest received by WRCOG or any other person acting on WRCOG's behalf with respect to the Assessments shall be deemed to be held, and to have been received, by WRCOG or such other person as the agent of the Trustee and shall forthwith be paid by WRCOG or such other person to the Trustee.

The amounts that have been or, pursuant to the terms of this Master Indenture, should have been deposited into the Redemption Fund derived from the Assessment Installments, Prepayments or Penalties and Interest are hereby dedicated to the payment of the principal of, and interest and premium, if any, on, the Bonds as provided herein and in the Bond Law until such Bond has been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 10.01 hereof.

Amounts on deposit in the Redemption Fund and the Reserve Fund shall be considered as Collateral pledged to payment of Debt Service on the Bonds and shall be used only for such purpose.

Notwithstanding anything to the contrary contained in this Section 3.01, the pledge of amounts on deposit in the Redemption Fund, and the accounts contained therein, as security for the Bonds is subject to the final paragraph of Section 4.01(B). Subject to the previous sentence, the items in clauses (i) through (iii) of this Section 3.01 are collectively referred to as the "**Collateral.**"

Section 3.02. Limited Obligation. All obligations of WRCOG under the Indenture and the Bonds are not general obligations of WRCOG, but are limited obligations, payable solely from the Collateral and the funds pledged therefor hereunder. None of the faith and credit of WRCOG, any Covered Jurisdiction or the State of California or any political subdivision thereof, is pledged to the payment of the Bonds. WRCOG has no taxing power.

The Bonds are "Limited Obligation Improvement Bonds" under section 8769 of the Bond Law and are payable solely from and secured solely by the Collateral as provided in this Master Indenture. Notwithstanding any other provision of the Indenture, WRCOG, any Member Agency or any Covered Jurisdiction are not obligated to advance available surplus funds from WRCOG treasury to cure any deficiency in the Redemption Fund; provided, however, WRCOG is not prevented, in its sole discretion, from so advancing funds.

Section 3.03. Requirements for Issuance of Bonds. All series of Bonds issued under Supplemental Indentures will constitute Bonds hereunder and will be secured by a lien on the Collateral and funds pledged for the payment of the Bonds hereunder on parity with all other Bonds Outstanding. The Trustee may establish subaccounts within any of the funds or accounts established under this Master Indenture at the written request of WRCOG or if the Trustee determines that such subaccounts are beneficial for record-keeping purposes. WRCOG may issue a series of Bonds subject to the following specific conditions precedent:

(A) Compliance. WRCOG will be in compliance with all covenants set forth in the Indenture, and issuance of the series of Bonds will not cause WRCOG to exceed the bonded indebtedness limit established for the Program. Neither WRCOG nor anyone acting on its behalf shall have taken, or will take, any action that would subject the issuance or sale of the Bonds to the registration requirements set forth in the Securities Act of 1933, as amended, or to the registration requirements of any securities or "Blue Sky" laws of the applicable jurisdiction, and the Bonds issued hereunder shall be subject to a valid exemption from all such registration requirements.

(B) Same Payment Dates. The Supplemental Indenture providing for the issuance of such Bonds will provide that interest thereon will be payable on the Payment Dates, and principal thereof will be payable on September 2 in any year in which principal is payable on any outstanding series of Bonds (except as provided in Section 2.03(A), with respect to redemptions).

(C) Reserve Fund and Capitalized Interest Account Deposits. The Supplemental Indenture providing for the issuance of such Bonds shall provide for deposits into the (i) Reserve Fund in an amount equal to the Reserve Fund Deposit Amount and (ii) Capitalized Interest Account in an amount, if any, equal to the capitalized interest provided for in the Assessment Contracts underlying the series of Bonds issued pursuant to such Supplemental Indenture. The amount deposited into the Reserve Fund pursuant to any Supplemental Indenture shall be available to pay debt service for all Outstanding Bonds as provided for in Section 4.04. The amount deposited into the Capitalized Interest Account pursuant to any Supplemental Indenture shall be available to make interest payments on the related series of Bonds, as provided in Section 2.01 of that Supplemental Indenture.

(D) Value. For each Participating Parcel the installation of Improvements on which will be financed as a result of issuance of the series of Bonds, the Participating Parcel Value of such parcel shall be no less than the minimum required value determined pursuant to the Program Report for residential properties.

(E) Coverage. The total principal and interest components of the Assessment installments payable under the Assessment Contracts executed in connection with the issuance of such series of Bonds shall be sufficient to pay the scheduled Debt Service on such series of Bonds through the final maturity date of such series of Bonds.

In addition, the principal and interest components of the Assessment installments that would be delinquent on December 10 and April 10 in each Bond Year under the Assessment Contracts executed in connection with the issuance of such series of Bonds shall be sufficient to pay the scheduled Debt Service on such series of Bonds on the Payment Dates during such Bond Year.

(F) Notice of Assessment. A notice of assessment shall have been duly recorded against each Participating Parcel pursuant to the Act and the Bond Law, and there shall have been created a perfected first priority security interest in and to the Collateral pledged for the payment of each Bond pursuant to the applicable Assessment Contract, the Bond Law, the Act and this Master Indenture.

(G) Certificates. WRCOG will deliver to the Trustee an Officer's Certificate certifying that the conditions precedent to the issuance of such series of Bonds set forth in subsections (A), (B), (C), (D), (E) and (F) of this Section 3.03 have been satisfied.

(H) Opinions of Bond Counsel. WRCOG will deliver:

(i) An opinion of Bond Counsel substantially to the effect that (a) WRCOG has the right and power under the Bond Law to execute and deliver the Supplemental Indenture, and the Supplemental Indenture has been duly and lawfully executed and delivered by WRCOG, is in full force and effect and is valid and binding upon WRCOG and enforceable in accordance with its terms (except as enforcement may be limited by bankruptcy, moratorium, insolvency, reorganization, fraudulent conveyance and other similar laws relating to the enforcement of creditor's rights), (b) the Bonds of such series are a valid and binding limited obligation of WRCOG, enforceable in accordance with the terms thereof (except as enforcement may be limited by bankruptcy, moratorium, insolvency, reorganization, fraudulent conveyance and other similar laws relating to the enforcement of creditor's rights) and the terms of the Indenture and the Bond Law, and (c) the Bonds of such series have been duly and validly authorized and issued in accordance with the Bond Law and the Indenture. Bond Counsel shall provide a reliance letter addressed to the Trustee, the initial purchaser of the series of Bonds and the entities providing funding for the purchase of such series of Bonds to the initial purchaser on the related Closing Date indicating that Bond Counsel has delivered the opinion to WRCOG on that date and the Trustee, the initial purchaser and such funding entities may rely on the opinion as if it had been addressed to them.

(ii) A supplemental opinion of Bond Counsel addressed to the Trustee, the initial purchaser of the series of Bonds and the entities providing funding for the purchase of such series of Bonds to the initial purchaser substantially to the effect that (a) the

Resolution of Issuance and Supplemental Resolution of Issuance relating to the Bonds of such series were duly adopted at meetings of the governing board of WRCOG that were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; (b) the Bonds of such series are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and (c) the Assessments levied on the Participating Parcels are valid assessments under California law, each Assessment constitutes a lien on the applicable Participating Parcel, and the lien of the Assessments is (i) coequal to and independent of the lien for general taxes and, except as provided in Government Code Section 53936, not subject to extinguishment by the sale of the property on account of the nonpayment of any taxes, and (ii) prior and superior to all liens, claims and encumbrances except (1) the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency, (2) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment related to a Participating Parcel, (3) easements constituting servitudes upon or burdens to the applicable Participating Parcel, (4) water rights, the record title to which is held separately from the title to the applicable Participating Parcel, and (5) restrictions of record; and that the lien of each Assessment has the same priority as the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency, if any, within which the applicable Participating Parcel is located.

Notwithstanding the foregoing, WRCOG may issue a series of Bonds as refunding bonds without the need to satisfy the requirements of clauses (D) or (E) above, and, in connection therewith, the Officer's Certificate in clause (G) above need not make reference to said clauses (D) and (E).

Section 3.04. No Acceleration. The principal of the Bonds will not be subject to acceleration hereunder. Nothing in this Section 3.04 will in any way prohibit the redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of the Indenture under Article X hereof.

Section 3.05. Refunding of Bonds. To the extent set forth in a Supplemental Indenture, the Bonds may be refunded on an optional basis by WRCOG pursuant to Divisions 11 or 11.5 of the California Streets and Highways Code, or any other applicable law, upon the conditions as set forth in appropriate proceedings therefor and in accordance with Sections 2.03(A)(ii) or 2.03(A)(iii) hereof. This Section will not apply to or in any manner limit advancement of the maturity of any of the Bonds as provided in Parts 8, 11, or 11.1 of the Bond Law.

Section 3.06. Indenture for Benefit of Bond Owners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of WRCOG will be for the equal benefit, protection and security of the registered owners of the Bonds.

Section 3.07. Release and Assignment of Assessments.

(A) Release and Assignment. Solely for the purpose of removing an Assessment from the lien of this Master Indenture to comply with the underwriting requirements of the Owners, a purchaser designated by the Program Administrator ("**Transferee**") may notify the Trustee that it wishes to purchase an assignment of an Assessment (an "**Assignment**"), and such notice shall

be provided in a certificate of the Transferee in substantially the form attached as Exhibit C (the "**Purchase Notice**").

The Assignment shall become effective upon satisfaction of the following conditions precedent:

(i) the Trustee providing written confirmation to WRCOG, Transferee and Program Administrator by electronic mail or facsimile transmission of its receipt of the Transferee's payment of an amount equal to the Release Redemption Price (defined below) plus those amounts that relate to the Assessment that are then on deposit in the Redemption Fund, Capitalized Interest Account, Payment Account and Program Fund (the "**Transferee Payment**") prior to the date and time indicated in the Purchase Notice (which date will be no later than five days following the date of delivery of the Purchase Notice) (an "**Assignment Confirmation**").

(ii) Counsel to WRCOG delivering an opinion addressed to the Trustee, WRCOG and Transferee that is substantially to the effect that:

(1) WRCOG is a joint powers authority, duly organized and validly existing under the laws of the State of California, with the power to adopt the Resolution of Intention, Resolutions Confirming Program Report, Resolution of Issuance and the Supplemental Resolution of Issuance, enter into the Master Indenture, Depositary and Account Control Agreement and perform the agreements on its part contained therein.

(2) The Master Indenture and Depositary and Account Control Agreement have been duly approved by WRCOG pursuant to the Supplemental Resolution of Issuance, and assuming due execution and delivery by each of the other parties thereto, each constitutes a valid and binding obligation of WRCOG enforceable upon WRCOG, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to equitable principles, whether considered at law or in equity.

(3) The interest component of the Transferred Interest(s) identified in the related Purchase Notice is subject to federal taxation.

(4) Paragraph 3 of the opinion delivered for the Assessment relating to each Transferred Interest (rendered as required pursuant to Section 3.03(H)(ii)(c) of the Master Indenture) may be relied upon by the Trustee, WRCOG and Transferee (collectively, the "**Addressees**") to the same extent as if such opinion had been addressed to the Addressees on the date thereof; provided, however, that no update to or reconfirmation of such opinion is intended hereby.

The date upon which the Assignment becomes effective is referred to as the "**Assignment Date**." The Assignment will cause a simultaneous release from the pledge of this Master Indenture of the Assessment and all related amounts on deposit in the funds and accounts held by the Trustee under this Indenture other than the Release Account (a "**Release**").

The "**Release Redemption Price**" consists of the amount that would be sufficient to fully prepay the Assessment according to the terms of the related Assessment Contract on the date of

the scheduled redemption pursuant to Section 2.03(A)(iii) (i.e., the outstanding principal component plus interest component accrued to the date of prepayment).

For any Release and Assignment of an Assessment, the related Purchase Notice shall direct the Trustee to transfer the amounts that relate to such Assessment that are then on deposit in the Redemption Fund, Capitalized Interest Account, Prepayment Account and Program Fund, in each case as identified in Schedule 1 of the Purchase Notice, into the Release Account for purposes of partially redeeming the series of Bonds that financed such Assessment pursuant to Section 2.03(A)(iii). The remainder of the Release Redemption Price shall be derived from the proceeds of the Transferee Payment. Amounts related to the Assessment that are on deposit in the Reserve Fund, which shall be identified in Schedule 1 of the Purchase Notice, will be transferred by the Trustee from the Reserve Fund to WRCOG for deposit into the Reserve Account established pursuant to the Depositary and Account Control Agreement.

The portion of the Transferee Payment remaining after effecting the redemption pursuant to Section 2.03(A)(iii), and the amounts transferred by the Trustee to WRCOG from the Reserve Fund and Administrative Expense Fund pursuant to Schedule 1 of a Purchase Notice, shall be immediately allocated by the Depositary among the Program Account, Administrative Expense Account, Collection Account (and Prepayment Subaccount and Capitalized Interest Subaccount therein) and Reserve Account established pursuant to the Depositary and Account Control Agreement. If applicable, WRCOG covenants and agrees that amounts will be disbursed from the Program Account from time to time to pay for the costs of installing improvements pursuant to Assessment Contracts in accordance with the Program Report.

The Program Administrator shall retain each Purchase Notice and Assignment Confirmation as a record of the Assignment described therein. The Purchase Notices will be made available to WRCOG for inspection upon reasonable prior notice on any Business Day. Each such Purchase Notice 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.

(B) Assignment Transaction. An Assignment constitutes the sale, assignment and transfer to the Transferee, and the purchase by the Transferee from WRCOG, for the Assignment Term of all of WRCOG's right, title, and interest in and to the Transferred Interest that is the subject thereof. The Assignment is solely of a Transferred Interest, and in no event shall the Transferee, or any other entity (including WRCOG, except as permitted under applicable law), be permitted to initiate or prosecute any judicial foreclosure action with respect to any Assessment Contract associated with the Transferred Interest. Without limiting WRCOG's obligations under Section 3.07(F) and (G), as of each Assignment Termination Date with respect to a Transferred Interest, the Transferee will, without any further action, cease to have any right, title or interest in and to such Transferred Interest.

(C) Term of Assignment. Pursuant to Section 5898.28(b) of the Act, an Assignment shall constitute a true and absolute transfer of such Transferred Interest for the period of the transfer and not a pledge or grant of a security interest by WRCOG for any borrowing, and such assignment shall remain in full force and effect until the Assignment Termination Date applicable to such Transferred Interest, notwithstanding any obligation of WRCOG contained in Section 3.07(G) hereof. Without in any way limiting the preceding sentence, for the protection of the Transferee, if the transfer is held not to be a true and absolute conveyance, or the Three-Year Anniversary of a Transferred Interest occurs before a Complying Take-Out Bond has been issued with respect to such Transferred Interest, WRCOG shall, within 30 days of the date on which such event occurs, (x) pay to the Transferee the unpaid principal amount of such Transferred Interest,

(y) issue a Complying Take-Out Bond or (z) notify the Transferee in writing of the renewal of three three-year Assignment for the benefit of the Transferee under the terms hereof, with the choice of (x), (y) or (z) being in WRCOG's sole and absolute discretion.

The covenants of WRCOG in the previous paragraph are duties imposed by law, and it is the duty of each and every public official of WRCOG to take such action and do such things as are required by law in the performance of the official duty of such officials to enable WRCOG to carry out and perform such covenants. The parties intend for WRCOG's covenants in the previous paragraph to be enforceable by a writ of mandamus issued pursuant to California Civil Code Section 1084 et seq. In the event the Transferee obtains such a writ of mandamus from a court of applicable jurisdiction, WRCOG shall pay the Transferee's reasonable attorneys' fees and costs.

(D) Representations and Agreements of Transferee. The Transferee will be deemed to make the following representations and agreements to WRCOG on each Assignment Date:

(i) Transferee is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(ii) Transferee has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other obligations similar to the Transferred Interest(s), to be capable of evaluating the merits and risks of an investment in the Transferred Interest, and the Transferee is able to bear the economic risks of such an investment.

(iii) Transferee is purchasing the Transferred Interest for not more than one account for investment purposes and not with a view to distributing the Transferred Interest.

(iv) Transferee recognizes that an investment in the Transferred Interest involves significant risks, that there is no established market for the Transferred Interest and that none is likely to develop and, accordingly, that Transferee must bear the economic risk of an investment in the Transferred Interest for an indefinite period of time.

(v) Transferee (1) has conducted its own independent inquiry, examination, and analysis with respect to the Transferred Interest, (2) has had the opportunity to ask questions of and receive answers from WRCOG regarding the Transferred Interest and the matters, transactions, and documents relating to the foregoing; (3) has been provided by WRCOG with all documents and information regarding the Transferred Interest and the matters, transactions, and documents relating to the foregoing that it has requested, and (4) has been provided with information sufficient to allow it to make an informed decision to purchase the Transferred Interest.

(vi) Transferee (1) is not relying upon WRCOG, or any of its affiliates, officers, employees, or agents, for advice as to the merits and risks of investment in the Transferred Interest, and (2) has sought such accounting, legal, and tax advice as it has considered necessary to make an informed investment decision.

(vii) Transferee understands and acknowledges (1) that the transaction contemplated hereby is neither subject to the requirements of Rule 15c2-12 promulgated

under the Securities Exchange Act of 1934, as amended, nor being registered under the Securities Act or any state securities laws and (2) that WRCOG has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Transferred Interest.

(viii) Transferee is able to bear the economic risk of the investment represented by its purchase of the Transferred Interest.

Transferee agrees to defend, indemnify and hold harmless WRCOG and the Trustee 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 or the Trustee in any way relating to or arising out of a transfer of the Transferred Interest to which the representations contained in paragraphs (i) through and including (viii) above relate in violation of the restrictions contained in this Master Indenture.

Furthermore, in connection with the Transferee's purchase of each Transferred Interest, the Transferee shall be deemed to make the following representations and agreements to WRCOG on each Assignment Date:

(ix) No applicable law would prevent or make unlawful its holding of (1) any Transferred Interest and (2) a Take-Out Bond to otherwise be conveyed to it pursuant to the terms of Section 3.07(F).

(x) Except for the representation in Section 3.07(E)(iv), (1) WRCOG shall not be responsible to the Transferee for (a) the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of any Assessment Contract, (b) any representations, warranties, recitals or statements made therein or in connection with any Assessment Contract and the transactions contemplated thereby or (c) the financial condition of any owner of a Participating Parcel, and (2) WRCOG is under no obligation to the Transferee to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any Assessment Contract or as to the use of the proceeds of the financing evidenced by the Assessment Contracts.

(xi) (1) It has full power and authority to execute the Purchase Notice, consummate the Assignment with respect to the Transferred Interest and perform its obligations hereunder in accordance with the terms of such Purchase Notice, (2) the Purchase Notice has been duly authorized, executed and delivered by such party and (3) the Master Indenture constitutes a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity.

(xii) The execution and delivery of a Purchase Notice and the consummation of the transactions contemplated thereby (1) will not conflict with any law or order applicable to such party or any of its properties or assets and (2) require no consent from any party not already obtained.

(xiii) WRCOG has no legal WRCOG to initiate or prosecute any foreclosure action with respect to any Assessment Contract until Take-Out Bonds have been issued with respect to such Assessment Contract.

(xiv) The Transferee acknowledges that it has no legal rights under the Master Indenture except pursuant to Section 3.07 hereof and is not otherwise a third party beneficiary of the Master Indenture.

(E) Representations and Agreements of WRCOG. WRCOG shall be deemed to make the following representations and agreements to the Transferee on each Assignment Date:

(i) WRCOG has, (i) pursuant to the Resolution of Intention, Resolutions Confirming Program Report and Resolution of Issuance (collectively the "**Program Resolutions**") – each of which was adopted by a majority of the members of the Executive Committee of WRCOG at a regular meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, and remains in full force and effect, and none of which has been amended, modified or rescinded – taken all official action necessary to be taken by it to establish the Program; (ii) approved the execution and delivery of the Master Indenture and Depositary and Account Control Agreement pursuant to Resolution No. _____ adopted on _____, 2017 (the "**Agreements Resolution**"; together with the Program Resolutions, the "**Resolutions**"), and the Agreements Resolution was adopted by a majority of the members of the Executive Committee at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, remains in full force and effect, and has not been amended, modified or rescinded; and (iii) taken any and all such action as may be required on the part of WRCOG to carry out, give effect to and consummate the transactions contemplated in Section 3.07 of the Master Indenture and the Depositary and Account Control Agreement. The Resolutions are in full force and effect on the date hereof and have not been amended, modified or supplemented, except as provided herein and except as agreed to by WRCOG and Transferee.

(ii) WRCOG is a joint powers authority, duly organized and validly existing under the laws of the State of California, with the power to adopt the Resolutions, enter into the Master Indenture and Depositary and Account Control Agreement and perform the agreements on its part contained therein.

(iii) Assuming due authorization, execution and delivery by the other parties thereto, each of the Master Indenture and Depositary and Account Control Agreement constitutes a legal, valid and binding obligation of WRCOG enforceable in accordance with its terms.

(iv) The execution and delivery of the Master Indenture and Depositary and Account Control Agreement and the sale of such Assignment in accordance therewith (1) will not conflict with any law or order applicable to such party or any of its properties or assets and (2) require no consent from any party not already obtained.

(v) Each Assessment Contract will have been duly authorized, executed and delivered by WRCOG as of the Assignment Date and each Assessment Contract and Assignment will constitute, as of the Assignment Date, the legal, valid and binding obligation of WRCOG enforceable against WRCOG in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization,

moratorium or other similar laws affecting creditors' rights generally and by general principles of equity.

(vi) It will comply with all applicable provisions of the Act in connection with the Assignment of such Transferred Interest.

(vii) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over WRCOG that has not been obtained is or will be required for the execution and delivery of the Master Indenture and Depositary and Account Control Agreement, or the consummation by WRCOG of the transactions contemplated by Section 3.07 of the Master Indenture, except as such may be required for state securities or blue sky laws.

(viii) The execution and delivery of the Master Indenture and Depositary and Account Control Agreement, and compliance with the provisions on WRCOG's part contained in such agreements, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, lease, indenture, bond, note, resolution, agreement or other instrument to which WRCOG is party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of WRCOG under the terms of any such law, administrative regulation, judgment, decree, lease, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Master Indenture and Depositary and Account Control Agreement.

(ix) WRCOG is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any lease, indenture, bond, note, resolution, agreement or other instrument to which WRCOG is a party or is otherwise subject that would have an adverse impact on WRCOG's ability to perform its obligations under the Agreements, and no event has occurred and is continuing, that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(x) As of the date hereof, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board of body is pending or threatened, in any way affecting the existence of WRCOG or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the execution and delivery of the Master Indenture and Depositary and Account Control Agreement, or the consummation by WRCOG of the transactions contemplated thereby, the application of the proceeds thereof in accordance therewith, the collection or application of the voluntary contractual assessment(s) levied pursuant to the Assessment Contract(s) that is or are identified in the related Purchase Notice, or the assignment thereof, or in any way contesting or affecting the lien status, validity or enforceability of such assessments, the Master Indenture and Depositary and Account Control Agreement, any other applicable agreements, or any action of WRCOG contemplated by any of those documents, or in any way contesting the powers of WRCOG or its authority with respect to the Master Indenture and Depositary and Account Control Agreement, any other applicable agreements, or any action of WRCOG contemplated by any of those documents; nor, to our current actual knowledge, as described above, is there any basis for any of the foregoing actions.

(xi) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over WRCOG required for the execution and delivery of the Master Indenture and Depositary and Account Control Agreement, or the consummation by WRCOG of any other transactions contemplated by the Agreements that has not been obtained.

(xii) WRCOG has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date hereof under the Master Indenture and Depositary and Account Control Agreement.

(xiii) WRCOG has not been notified by the city or County, as applicable, in which a relevant Participating Parcel is located that it has revoked its resolution authorizing participation in the Program.

(xiv) Upon the occurrence of the Release of an Assessment on such Assignment Date, WRCOG will be the legal and beneficial owner of the related Transferred Interest, free and clear of any liens, claims or encumbrances.

(F) Take-Out Bonds.

(i) *Optional Issuance of Take-Out Bonds by WRCOG*.

(1) In accordance with the procedures set forth below, WRCOG (a) may on any Business Day issue one or more Complying Take-Out Bonds and sell them to the Transferee or its designee in accordance with Section 3.07(F)(i)(2) in exchange for one or more Transferred Interests and (b) shall, no later than the Three-Year Anniversary of any Transferred Interest, use good faith efforts to issue a Complying Take-Out Bond with respect to the Transferred Interest. In furtherance of the foregoing, WRCOG shall, no later than four weeks before the date that it elects to issue and sell Complying Take-Out Bonds (in the case of clause (a)) or the Three-Year Anniversary of the related Transferred Interest (in the case of clause (b)) deliver to the Transferee a notice ("**Take-Out Election Notice**") specifying (I) the Business Day on which the Complying Take-Out Bonds will be issued, which will be no later than the applicable Three-Year Anniversary of a Transferred Interest (the "**Take-Out Bond Issue Date**"), (II) the applicable Transferred Interests that will be exchanged for such Complying Take-Out Bonds (the "**Exchanged Transferred Interests**"), (III) the number of Complying Take-Out Bonds that will be issued, (IV) the principal amount, maturity date, interest rate and debt service schedule of each Complying Take-Out Bond and (V) a reconciliation of the scheduled debt service on such Complying Take-Out Bonds and the remaining scheduled principal and interest components of the applicable Transferred Interests (including any adjustments for overdue assessments) to enable such Transferee to verify that such Complying Take-Out Bonds meet the applicable Take-Out Bond Parameters (and such verification shall occur, and be notified to WRCOG, at least five Business Days prior to the scheduled Take-Out Bond Issue Date).

(2) On each Take-Out Bond Issue Date, WRCOG shall issue the applicable Complying Take-Out Bond(s) to the Transferee or its designee, the Transferee will, as full consideration for the issuance of such bond(s), re-convey

any Exchanged Transferred Interests to WRCOG or its designee pursuant to a Re-Conveyance Instrument and execute and deliver any documents required to be executed and delivered by a purchaser of the Take-Out Bonds under the applicable Take-Out Bond Indenture, and WRCOG and the Transferee shall execute and deliver such instructions to the Depositary as are necessary to ensure that all future payments under the applicable Assessment Contracts are paid into the account required by the applicable Take-Out Bond Indenture; provided that if any of the Transferee's representations in Sections 3.07(D)(i) through and including (viii), (ix)(2) and (x) hereof is untrue as of the applicable Take-Out Bond Issue Date, WRCOG shall have no obligation to convey such Take-Out Bond to the Transferee or its designee.

(3) WRCOG agrees that it shall neither issue nor convey any Take-Out Bond secured in whole or in part by any Assessment Contract, with respect to which the Transferee has acquired a Transferred Interest, and sell such Take-Out Bonds to any party other than the Transferee without the prior written consent of the Transferee.

(ii) *Request for Take-Out Bonds by Transferee*. The Transferee may at any time request that WRCOG issue Complying Take-Out Bonds with respect to any Transferred Interests, and WRCOG agrees to use good faith efforts to issue such bonds as soon as practicable after such request, subject to applicable law.

(G) Covenants of WRCOG.

(i) WRCOG, or Program Administrator on WRCOG's behalf, will direct all payments of Assessment Installments or Penalties and Interest received by the Depositary in connection with a Transferred Interest during the related Assignment Term to the appropriate Collection Account. If WRCOG receives any such payment, WRCOG agrees to promptly deposit such amount into the applicable Collection Account.

(ii) In the event that a County files a petition under Chapter 9 of the United States Bankruptcy Code or is otherwise unable or unwilling to include the Assessment Contract installments on the County's tax roll and to collect such amounts on the property tax bill, WRCOG covenants to take such actions as shall be necessary to enforce the statutory obligations of such County to include the Assessment Contract installments on the tax roll, and to collect such amounts on the property tax bills of the participating properties. In addition, in the event that a County does not collect the Assessment Contract installments on its tax roll for any twelve-month period, and to the extent permitted by law, WRCOG shall take such actions as shall be necessary to collect such Assessment Contract installments by directly billing the owners of the participating properties for their respective Assessment Contract installments. For purposes of complying with this paragraph, WRCOG may utilize any amounts made available to it by the Transferee or that are on deposit in the Administrative Expense Account, or reimburse itself from amounts added to the Administrative Expense component of the Assessment Contract installments.

Furthermore, in the event that the County files a petition under Chapter 9 of the United States Bankruptcy Code, WRCOG shall seek post-petition relief (1) to obtain a relief from the automatic stay applicable in bankruptcy cases with respect to all Assessment Contract installments received by the County prior to such petition being filed

to enable such Assessment Contract installments to be paid to the Depositary, and (2) to ensure that all Assessment Contract installments received by the County following such petition being filed are timely paid to the Depositary.

(H) Covenants of Transferee. On an Assignment Date, the Transferee will be deemed to covenant to WRCOG as follows with respect to the purchased Transferred Interest:

(i) It shall hold each Transferred Interest acquired hereunder throughout the applicable Assignment Term or until such date as such Transferred Interest is required to be re-conveyed under Section 3.07(F) and not transfer any Transferred Interest to any party other than WRCOG or the other Transferee; provided, that the Transferee may convey a Transferred Interest to a wholly-owned subsidiary or other special purpose entity (an "**SPE**") in connection with a financing transaction of the applicable SPE, or to the holder of a lien or encumbrance on any Transferred Interest, as contemplated under Section 3.07(F), on the enforcement of such lien or encumbrance, but only to the extent that the applicable transferee certifies to the representations set forth in Sections 3.07(D)(i) through and including (viii), (ix)(2) and (x) hereof, as of the date of transfer to such transferee.

(ii) If a Transferred Interest is subject to a lien or encumbrance at the time that such Transferred Interest is designated an Exchanged Transferred Interest in a Take-Out Election Notice, the Transferee shall use commercially reasonable efforts to obtain the release of such lien or encumbrance from the third-party in whose favor such lien or encumbrance has been granted prior to or at the same time such Transferred Interest is to be exchanged for Complying Take-Out Bonds; provided, however, that the Transferee shall notify WRCOG (A) within 10 Business Days of the delivery of a Take-Out Election Notice if the Transferee is unable to obtain such release, and the delivery of the Transferee's notification to that effect shall cancel the Take-Out Election Notice, and (B) promptly upon obtaining such release.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Redemption Fund.

(A) Establishment of Redemption Fund. The Redemption Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made as required by Section 5.01(A), and any other amounts required to be deposited therein by the Indenture or the Bond Law. Moneys in the Redemption Fund will be held by the Trustee for the benefit of the Owners of the Bonds, will be disbursed for the payment of the principal of, and interest and any premium on, the Bonds as provided below.

(1) Within the Redemption Fund there are hereby established the following accounts:

(i) the Prepayment Account, which will be used exclusively for the administration of any Prepayments pursuant to Section 8767 of the Bond Law to assure the timely mandatory redemption of Bonds and closed if all the Assessments are paid in full;

(ii) the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds), which will be used exclusively for the administration of any Excess Program Fund Proceeds:

(iii) the Release Account, which will be used exclusively for redemption of Bonds in connection with Section 3.07 hereof;

(iv) the Capitalized Interest Account, to the credit of which deposits will be made from the proceeds of any series of Bonds for which interest has been capitalized to pay interest on such series of Bonds; and

(v) the Assessment Collection Account, to the credit of which deposits will be made as described below.

(2) **Assessment Collection Account**. Except for Prepayments which shall be deposited in the Prepayment Account, Excess Program Fund Proceeds which shall be deposited into the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds), amounts in the Release Account or as otherwise provided in this paragraph (b), the Trustee shall, as specified and directed in an Officer's Certificate, deposit into the Assessment Collection Account all proceeds and payments with respect to each Assessment, including, without limitation:

(i) Assessment Installments;

(ii) any amounts transferred to the Assessment Collection Account from the Reserve Fund;

(iii) any proceeds from the collection of delinquent Assessment Installments as a result of a foreclosure proceeding conducted pursuant to Section 5.02 against the Participating Parcel on which the applicable Assessment has

been levied or otherwise (excluding (A) amounts identified as representing attorney's fees and costs incurred by WRCOG or such other person in prosecuting such foreclosure proceeding and (B) amounts required to be transferred hereunder to replenish the Reserve Fund);

(iv) any amounts received pursuant to the County's Teeter Plan with respect to the Assessments securing the Bonds; and

(v) any amount transferred to the Assessment Collection Account from the Program Fund pursuant to an Officer's Certificate delivered to the Trustee.

All amounts in the Assessment Collection Account shall be used and withdrawn by the Trustee solely for the purpose of:

(i) paying the Debt Service on the Bonds on a Bond Payment Date;

(ii) the payment of remaining principal with respect to the Bonds on the respective maturity date thereof;

(iii) the payment of the principal of and the accrued but unpaid interest and premium, if any, on any Bond upon the redemption thereof as provided in a Supplemental Indenture (excluding mandatory redemptions occurring as a result of a Prepayment or application of Excess Program Fund Proceeds); or

(iv) reimbursing WRCOG or a third party from the proceeds of payments representing the redemption of delinquent Assessment Installments for which advances were made by WRCOG or such third party as set forth in an Officer's Certificate.

All amounts in the Assessment Collection Account, including any earnings on the amounts held in the Assessment Collection Account, shall be held in trust for the benefit of the Bond Owners.

(3) **Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds)**. The Trustee shall, upon receipt of an Officer's Certificate directing the Trustee to transfer Excess Program Fund Proceeds to the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) from the Program Fund, deposit such proceeds in such account. Amounts deposited in the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) shall be credited to the Bond specified in such Officer's Certificate and used and withdrawn by the Trustee solely for the purpose of redeeming such Bond, in whole or in part, on the next authorized redemption date. The principal amount of the Bond to be redeemed shall equal the amount of the Excess Program Fund Proceeds plus the amount, if any, as specified in such Officer's Certificate that is then on deposit in the Assessment Collection Account and to be credited to the payment of principal amount of such Bond; provided, however, such principal amount shall be decreased if and to the extent that the amount on deposit in the Assessment Collection Account and/or the Capitalized Interest Account is insufficient to pay the accrued interest on such Bond to the date of redemption. The redemption price for such Bond shall be equal to the amount of the Excess Program Fund Proceeds, plus the amount, if any, on deposit in the Assessment Collection Account to be credited to the payment of principal amount of such Bond, plus interest to the date of redemption to be

paid from the Assessment Collection Account and/or the Capitalized Interest Account, without premium. Interest shall cease to accrue on such Bond, or the principal amount of such Bond that is subject to redemption, from and after the date of redemption. All amounts in the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds), including any earnings on the amounts held therein, shall be held in trust for the benefit of the applicable Bond Owners.

(B) Disbursements. On each Payment Date, the Trustee will withdraw amounts from the Redemption Fund sufficient to pay to the Owners of the Bonds the principal of, and interest and any premium then due and payable on, the Bonds; provided, however, that the Trustee shall withdraw and apply amounts on deposit in the: (i) Prepayment Account, in accordance with Section 2.02 of the relevant Supplemental Indenture or Section 3.07 hereof, or the Capitalized Interest Account, in accordance with Section 2.01 of the relevant Supplemental Indenture or Section 3.07 hereof, only on the Trustee's receipt of an Officer's Certificate indicating which series of Bonds shall be paid with such amounts and (ii) Release Account for purposes of a redemption in accordance with Section 2.03(A)(iii). WRCOG shall cause the Assessment Administrator to provide to the Trustee written information, upon which the Trustee may conclusively rely, as to amounts that are for the credit of each Bond for purposes of this Master Indenture. Funds on deposit in the Redemption Fund (and any account established thereunder) and credited to a Bond shall not be used to pay the principal of, or interest or any premium on, any other Bond.

If on any Payment Date there are insufficient funds in the Redemption Fund (and the Capitalized Interest Account for the purpose provided in this Section 4.01) to pay to the Owners of the Bonds the principal of, and interest and any premium (relating to an optional redemption) then due and payable on, the Bonds, the Trustee shall transfer available funds from the Reserve Fund to the Redemption Fund in an amount equal to the insufficiency of funds. If, following such transfer there remains an insufficiency in the Redemption Fund to pay Owners of the Bonds the principal and interest and any premium (relating to an optional redemption) then due and payable on the Bonds, the Trustee will apply the available funds first to the payment of accrued and unpaid interest on the Bonds, then to the payment of principal and premium (relating to an optional redemption) due on the Bonds, and then to payment of principal due on the Bonds by reason of Bonds called for optional redemption.

On each September 2, the Trustee will use any amounts remaining in the Redemption Fund (excluding the accounts therein) after payment of interest on the Bonds through such September 2 and the payment of principal and premium due on the Bonds through such September 2 for the following purposes in the following priority:

(i) *first,* deposit into the Reserve Fund an amount equal to previously unreimbursed draws on such fund;

(ii) *second,* pay or reimburse the payment of Administrative Expenses incurred by WRCOG that relate to any delinquent Assessment installment and exceed the estimated Administrative Expenses shown in the related Assessment Contract, as such excess amounts are identified in a Certificate of WRCOG; and

(iii) *third*, pay any amounts allocable to amounts received as Penalties and Interest (as identified to the Trustee pursuant to the second paragraph of Section 5.01(A)) as interest in excess of the scheduled interest payable to the Owners of the Bonds on a pro rata basis, based on the outstanding principal amount of Bonds owned by each Owner on the Business Day immediately prior to such Payment Date.

Any remaining amounts on deposit in the Redemption Fund (excluding the accounts therein) shall remain in the Redemption Fund and shall be available for the payment of principal, interest and premium on the Bonds in accordance with this Section 4.01(B) on the next Payment Date.

If a series of Bonds is called for redemption pursuant to Sections 2.03(A)(i) or 2.03(A)(iii) at a time when amounts funded from the proceeds of such series remain on deposit in the Capitalized Interest Account, the Trustee shall transfer the portion of such amounts that is no longer required to pay interest for such series, after giving effect to the redemption, to the Prepayment Account or Release Account, respectively, for application toward the payment of the applicable redemption price.

Notwithstanding the provisions of this Section 4.01, and prior to any disbursements described thereby, the Trustee shall return by check to the owner of a Participating Parcel or to the County on behalf of the owner of a Participating Parcel, any amounts on deposit in the Redemption Fund that the Program Administrator determines (as notified to the Trustee in writing) to constitute an overpayment by the owner.

(C) Investment. Moneys in the Redemption Fund (and the accounts therein) will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit will be retained in the Redemption Fund and the accounts therein, as applicable and maybe disbursed for payment of the principal of and/or interest on any Bond or series of Bonds in accordance with Section 4.02(B).

(D) Transfers from Reserve Fund. Amounts transferred to the Redemption Fund from the Reserve Fund in accordance with Section 4.04(A) will be used in accordance with Part 16 of the Bond Law as directed in an appropriate Officer's Certificate.

Section 4.02. Program Fund.

(A) Establishment of Program Fund. The Program Fund is hereby established as a separate fund to be held by the Trustee. Deposits will be made to the Program Fund from the proceeds of each series of Bonds in an amount set forth in the applicable Supplemental Indenture. Moneys in the Program Fund will be held by the Trustee and will be disbursed as provided in paragraph (B) of this Section.

(B) Disbursement. Amounts in the Program Fund will be disbursed from time to time to pay for the costs of installing the Improvements in accordance with the Program Report, as set forth in an Officer's Certificate containing the amounts to be paid to the designated payees and delivered to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

Upon receipt of notice from WRCOG that the remainder of funds on deposit in the Program Fund with respect to a particular Assessment Contract will not be required to be applied to completion of the related Improvement(s), the Trustee shall transfer any amounts that were previously deposited into the Program Fund related to the related Participating Parcel (and investment earnings thereon) to the Extraordinary Mandatory Redemption Account (Excess Program Fund Proceeds) of the Redemption Fund. The Trustee will maintain the Program Fund until WRCOG (with 30 days' advance notice to the Program Administrator) directs the Trustee to

close it, and then the Trustee will transfer any moneys remaining therein, including any investment earnings thereon, to the Redemption Fund to make payments on the Bonds as they come due.

(C) Investment. Moneys in the Program Fund will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment will be retained by the Trustee in the Program Fund.

Section 4.03. Administrative Expense Fund.

(A) Establishment of Administrative Expense Fund. The Administrative Expense Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which deposits will be made as required by Section 5.01(A) and as otherwise required by the Bond Law.

Moneys in the Administrative Expense Fund shall be disbursed as provided below.

(B) Disbursement Upon Receipt of an Administrative Expenses Requisition in the Form of Exhibit E. Amounts in the Administrative Expense Fund shall be used by WRCOG to pay Administrative Expenses. The Trustee may rely on such requisition with no date to investigate or inquire as to the authenticity of such requisition.

(C) Closing the Administrative Expense Fund. WRCOG shall close the Administrative Expense Fund following the final maturity date of the Bonds and payment of all outstanding Administrative Expenses. Upon closing the Administrative Expense Fund, any remaining funds shall be transferred to WRCOG and shall be used for any lawful purpose.

(D) Investment. Moneys in the Administrative Expense Fund shall be invested in Permitted Investments, and earnings and profits resulting from such investment shall be retained by WRCOG in the Administrative Expense Fund to be used for the purposes of such fund.

Section 4.04. Reserve Fund.

(**A**) **General.** The Reserve Fund is hereby established as a separate fund to be held by the Trustee. Moneys in the Reserve Fund will be held by the Trustee for the benefit of the Owners of the Bonds. Except as provided below, all moneys in the Reserve Fund shall be used and withdrawn by the Trustee solely on a Payment Date for the purpose of paying the interest and premium on and the principal of the Bonds in the event that insufficient moneys are available in the Redemption Fund for such purposes in accordance with Section 4.01(B).

(**B**) **Investment.** Moneys in the Reserve Fund will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from said investment will be retained by the Trustee in the Reserve Fund.

(**C**) **Reserve Fund Surplus**. If the amount on deposit in the Reserve Fund on September 3 of any Bond Year exceeds the Reserve Fund Cap, the Trustee shall, within 10 business days of such determination, transfer the amount equal to the Reserve Fund Surplus for deposit into the Administrative Expense Fund.

(**D**) **Transfers in Connection with Prepayments**. Notwithstanding paragraph (C) or anything else contained herein to the contrary, if any portion of the amounts on deposit in the Reserve Fund, including any Reserve Fund Surplus, is attributable to a Prepayment, the Trustee

shall transfer such portion to the Prepayment Account in accordance with Section 8884 of the Bond Law.

Section 4.05. Costs of Issuance Fund.

(A) Establishment of the Costs of Issuance Fund; Deposit. The Costs of Issuance Fund is hereby established as a separate fund to be held by the Trustee, to the credit of which a deposit will be made from the proceeds of each series of Bonds (with respect to the related series of Bonds, the "**Series COI Deposit Amount**"). Moneys in the Costs of Issuance Fund will be held in trust by the Trustee and disbursed as provided in paragraph (B) of this Section for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the Costs of Issuance Fund will be disbursed from time to time to pay Costs of Issuance with respect to each series of Bonds up to the Series COI Deposit Amount, as set forth in a Certificate of WRCOG identifying the series of Bonds and containing respective amounts to be paid to the designated payees and delivered to the Trustee concurrently with the delivery of that series of Bonds, or in any future requisition submitted by WRCOG to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein, and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Costs of Issuance after receipt of an invoice from any such payee that requests payment in an amount that is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of WRCOG requesting payment of Costs of Issuance. At the direction of WRCOG or Program Administrator, the Trustee will transfer the remainder of the related Series COI Deposit Amount, including any investment earnings thereon, to the Redemption Fund. The Trustee will maintain the Costs of Issuance Fund until WRCOG directs the Trustee to close it.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested in Permitted Investments in accordance with Section 6.01 hereof, and earnings and profits resulting from such investment shall be retained by the Trustee in the Costs of Issuance Fund to be used for the purposes of such fund.

ARTICLE V

REPRESENTATIONS AND COVENANTS OF WRCOG

Section 5.01. Collection of Assessments. WRCOG will comply with all requirements of the Act, the Bond Law and the Indenture to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent Assessments. To that end, the following will apply:

(A) The Assessments will be payable in the installments specified in the Assessment Contracts. Each Assessment installment will be payable in the same manner and at the same time as the general taxes on real property are payable, and become delinquent at the same times and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property, except as otherwise provided by law. All sums received by WRCOG from the collection of the Assessments will be transferred directly from the County to the Trustee for deposit into the Assessment Collection Account as and when received, except those amounts in respect of the Administrative Expense component thereof, as identified in an Officer's Certificate, which will be transferred to the Trustee for deposit into the Administrative Expense Fund.

All sums received by WRCOG from the collection of Penalties and Interest, as identified to the Trustee in an Officer's Certificate, will be transferred to the Trustee for deposit into the Redemption Fund.

(B) WRCOG will, before the final date on which the Auditor will accept the transmission of the Assessment installments for the Participating Parcels for inclusion on the next tax roll, prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the installments of the Assessments on the next secured tax roll. WRCOG is hereby authorized to employ consultants to assist in computing the installments of the Assessments hereunder.

(C) In the event that the County files a petition under Chapter 9 of the United States Bankruptcy Code or is otherwise unable or unwilling to include the Assessment installments on the County's tax roll and to collect such amounts on the property tax bill as set forth in Section 5.01(B), WRCOG covenants to take such actions as shall be necessary to enforce the statutory obligations of the County to include the Assessment installments on the tax roll, and to collect such amounts on the property tax bills of the Participating Parcels. In addition, in the event that the County does not collect the Assessment installments on its tax roll for any Bond Year, and to the extent permitted by law, WRCOG shall take such actions as shall be necessary to collect such Assessment installments by directly billing the owners of the Participating Parcels for their respective Assessment installments. For purposes of complying with this clause (C), WRCOG may utilize any amounts made available to it by the Program Administrator or that are on deposit in the Administrative Expense Fund, or reimburse itself from amounts added to the Administrative Expense component of any levy of Assessment installments.

(D) In the event that the County files a petition under Chapter 9 of the United States Bankruptcy Code, WRCOG shall seek post-petition relief (i) to obtain a relief from the automatic stay applicable in bankruptcy cases with respect to all Assessment installments received by the County prior to such petition being filed to enable such Assessment installments to be paid to the Trustee, and (ii) to ensure that all Assessment installments received by the County following such petition being filed are timely paid to the Trustee.

Section 5.02. Foreclosure.

(A) WRCOG hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 through 8835, inclusive, of the Bond Law and the conditions specified in this Section 5.02

No later than October 1 each year, WRCOG will determine whether any single Participating Parcel is delinquent in the payment of two or more semi-annual installments of Assessment payments and, if so, will notify WRCOG Counsel of any such delinquencies. WRCOG Counsel will commence, or cause to be commenced, the foreclosure proceedings against each such delinquent Participating Parcel, including collection actions preparatory to the filing of any complaint, but will file the complaint by the succeeding December 1. WRCOG Counsel is hereby authorized to employ counsel to conduct any such foreclosure proceedings.

However, notwithstanding the foregoing, WRCOG may elect, in its sole discretion, to defer foreclosure proceedings on any Participating Parcel if WRCOG has received funds equal to the delinquent Assessments from any other source, and those funds are available to contribute toward (i) Administrative Expenses and (ii) the payment of the principal of and interest and premium on the Bonds when due (including without limitation funds from the sale of the receivables associated with delinquent Assessments).

(B) In the event that a foreclosure judgment is entered in favor of WRCOG in any foreclosure proceeding undertaken pursuant to this Section 5.02 and the applicable Participating Parcel fails to sell for the minimum price required by Streets & Highways Code Section 8832, WRCOG shall not petition the court to modify the judgment and authorize such Participating Parcel to be sold at a lower minimum price or without a minimum price, pursuant to Streets & Highways Code Section 8836, without the prior written consent of the Owner(s) of 75% or more of the principal amount of the Outstanding Bonds.

(C) WRCOG shall assign the causes of action and the foreclosure proceedings to a trustee upon (i) receipt of a written request for assignment from the Owner(s) of all the Outstanding Bonds, (ii) identification of the trustee to which such assignment is to be made and (iii) the agreement by such Owner(s) to assume all costs and expenses of such foreclosure proceedings and the release of WRCOG of its obligations under this Section 5.02 to prosecute such foreclosure proceedings with respect to the relevant Participating Parcel. In no event shall the Trustee be required to foreclose on, or participate in the foreclosure proceedings regarding, the lien of any Assessment or any other property.

(D) WRCOG shall provide an electronic Officer's Certificate to the Trustee (who will be required to provide such Officer's Certificate to the Program Administrator and Bond Owners) no earlier than the first Business Day of the month preceding each Payment Date and no later than the Record Date prior to such Payment Date, which Officer's Certificate shall contain the following information with respect to any delinquent Assessment installment or Assessment installments:

(i) the identity of the Participating Parcel for which each such Assessment installment is delinquent;

(ii) the date upon which each such Assessment installment became delinquent;

(iii) the amount of each such delinquent Assessment installment;

(iv) the date upon which the complaint initiating judicial foreclosure proceedings against each such Participating Parcel was filed or if such complaint has not been filed, the date on which such complaint is required to be filed pursuant to Section 5.02;

(v) the date that judgment in judicial foreclosure proceedings was entered against any such Participating Parcel and the party in whose favor such judgment was entered; and

(vi) the date that any such Participating Parcel was sold at a judicial foreclosure sale.

Section 5.03. Punctual Payment. WRCOG will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds.

Section 5.04. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, WRCOG will not, directly or indirectly, extend or consent to the extension of the time for the payment of any interest on any of the Bonds and will not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding any claims for interest on any of the Bonds, or in any other manner.

Section 5.05. Against Encumbrance. WRCOG will not encumber, pledge or place any charge or lien upon any of the Collateral pledged to the Bonds.

Section 5.06. Books and Accounts. WRCOG will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of WRCOG, in which complete and correct entries will be made of all transactions relating to the Assessments and the application of amounts disbursed from the funds and accounts held by WRCOG or Trustee hereunder, which records will be subject to inspection by the Trustee (the Trustee having no duty to inspect such records) upon reasonable prior notice on any Business Day.

Section 5.07. Protection of Security and Rights of Owners. WRCOG will preserve and protect the security of the Bonds and the rights of the Owners thereto, and will warrant and defend their rights to such security against all claims and demands of all persons. From and after the delivery of any of the Bonds by WRCOG, the Bonds will be incontestable by WRCOG.

Section 5.08. Compliance with Law; Completion of Improvements. WRCOG will comply with all applicable provisions of the Act and the Bond Law in providing financing for the Improvements, but WRCOG will have no obligation to advance any funds to complete the Improvements in excess of the proceeds of the Bonds available therefor.

Section 5.09. Further Assurances. WRCOG will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

Section 5.10. Representations of WRCOG. WRCOG hereby agrees and represents on the date hereof as follows:

(A) WRCOG is a joint powers authority duly organized, duly constituted and validly existing under the laws of the State of California, and has the full legal right, WRCOG and power to enter into and carry out the terms and conditions of this Master Indenture.

(B) No approval of, or consent from, any governmental authority (other than WRCOG's governing body) is required for the execution, delivery or performance by WRCOG of this Master Indenture.

(C) This Master Indenture, when executed and delivered by WRCOG, shall be duly and validly authorized, executed and delivered by WRCOG.

(D) The execution, delivery and performance by WRCOG of this Master Indenture and the performance by WRCOG of its obligations under this Master Indenture and the transactions contemplated hereby and thereby,

(i) do not contravene any provisions of law applicable to WRCOG, and

(ii) do not conflict with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which WRCOG is a party, by which WRCOG may be bound, to which WRCOG or its property may be subject.

(E) This Master Indenture constitutes the legal, valid and binding obligation of WRCOG, enforceable against WRCOG in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and by applicable laws and judicial decisions which may affect the remedies provided in this Master Indenture.

(F) All Assessment Contracts and transactions related thereto shall comply in all material respects with, and be completed and entered into in material compliance with the applicable requirements of the Act, the Program Report and all other relevant and applicable laws and regulations of federal government and the State of California, and all relevant and applicable resolutions of WRCOG in effect as of the date any such Assessment Contract is entered into or any such transaction is undertaken. As of the date such Assessment Contract is entered into, WRCOG shall have caused the Program Administrator to determine that the related Participating Parcels and owners of such Participating Parcels shall satisfy, in all material respects, all applicable eligibility criteria under and applicable underwriting requirements of the Act, the Program Report and all other relevant and applicable laws and regulations of federal government and the State of California, and all relevant and applicable resolutions of WRCOG necessary to participate in the Program.

(G) All Bonds shall be limited obligation improvement bonds governed by the provisions of the Indenture, the Act and the Bond Law and shall be issued in accordance with and in satisfaction of all applicable terms and underwriting criteria for such bonds of the Indenture, the Act, the Bond Law and all other relevant and applicable laws and regulations of the federal

government and the State of California, the Program Report and all relevant and applicable resolutions of WRCOG, except to the extent any such issuance not in compliance with this clause would not have a material and adverse effect on the payment obligations of the Bonds.

(H) WRCOG, either directly or through the Assessment Administrator or its other agents, shall adhere to all required procedures and processes of WRCOG and shall take all commercially reasonable steps necessary to ensure that all Assessment Installments and Penalties and Interest owed under any and all Assessment Contracts are accurately and timely entered on the tax roll of the relevant County.

(I) The Assessment Installments and all fees, premiums, if any, and other amounts collected with respect to the Assessment Contracts, including, but not limited to, Prepayments, penalties and interest on delinquent Assessment Installments and corrections to Assessment Installments, that are payable to the Owners shall be determined, assessed, if applicable, and collected in appliance with all relevant and applicable laws and regulations.

(J) All notices required to be provided by WRCOG to the Owners shall be provided to the ABS Trustee by WRCOG pursuant to the same terms and provisions of the Indenture that are applicable to the provision of such notices to the Owners.

(K) In any case in which WRCOG refuses or is unable to renew or extend the contract of the Assessment Administrator or Program Administrator (each, a "**Program Service Provider**"), WRCOG shall retain the services of a replacement for such Program Service Provider in sufficient time prior to the termination of the contract of the Program Service Provider to be replaced to ensure the continuity of the services of the Program Service Provider to be replaced without interruption. In addition, WRCOG shall diligently enforce its contractual rights against its Program Service Providers and seek any available contract damages from any of such Program Service Provider in the case of a breach of contract by such Program Service Provider that has a material adverse effect on the amount or timing of collections in respect of the Assessments.

ARTICLE VI

INVESTMENTS; LIABILITY OF WRCOG

Section 6.01. Deposit and Investment of Moneys in Funds. The following will apply to the investment of funds held by the Trustee:

(i) Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Trustee shall hold such moneys uninvested.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

(ii) The Trustee may act as principal or agent in the acquisition or disposition of any investment. The Trustee will incur no liability for losses arising from any investments made pursuant to this Section. The Trustee will be entitled to rely upon any investment directions from WRCOG as a conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State of California.

In no event will the Trustee be liable for the selection of investments.

(iii) Investments in any and all funds and accounts may at the discretion of the Trustee be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee hereunder, provided that the Trustee will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

(iv) The Trustee will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited. The Trustee will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

(v) WRCOG acknowledges that regulations of the Comptroller of the Currency grant WRCOG the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, WRCOG specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

Section 6.02. Limited Liability of WRCOG. WRCOG will not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than from the amounts pledged in Section 3.01.

Section 6.03. Employment of Agents by WRCOG. In order to perform its duties and obligations hereunder, WRCOG may employ such persons or entities as it deems necessary or advisable. WRCOG will not be liable for any of the acts or omissions of such persons or entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE VII

THE TRUSTEE

Section 7.01. Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A., at the Principal Office, is hereby appointed trustee and paying agent for the Bonds. The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture, and no implied covenants or obligations will be read into the Indenture against the Trustee. With respect to the appointment of the Trustee, the following will apply:

(A) Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this Section 7.01) will be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Trustee will give WRCOG written notice of any such succession hereunder.

(B) WRCOG may remove the Trustee initially appointed and any successor thereto, and may appoint a successor thereto, but any Trustee will be a national banking association or trust company, or a banking association or corporation or trust company established under the laws of any state of the United States of America, having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000 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, state banking association, or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(C) The Trustee may at any time resign by giving written notice to WRCOG and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, WRCOG will promptly appoint a successor Trustee, satisfying the requirements of Section 7.01(B) above, by an instrument in writing. Any resignation or removal of the Trustee will become effective upon acceptance of appointment by the successor Trustee.

(D) If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, WRCOG will promptly appoint a successor Trustee by an instrument in writing.

(E) If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section within 45 days after the Trustee has given to WRCOG written notice or after a vacancy in the office of the Trustee has occurred by reason of its inability to act, the Trustee or any Bond Owner may apply to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Section 7.02. Liability of Trustee. With respect to the liability of the Trustee, the following will apply:

(A) The recitals of facts, covenants and agreements herein and in the Bonds contained will be taken as statements, covenants and agreements of WRCOG, and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of the Indenture or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee assumes no responsibility or liability for any information, statement, or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(B) The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture on their face.

Except as provided above in this paragraph, Trustee will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Indenture, and the Trustee will not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

(C) The Trustee will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(D) No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers unless the Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it.

(E) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Owners pursuant to the Indenture unless such Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(F) The Trustee 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 Indenture or for the use and application of money received by any paying agent. 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 Indenture and delivered using Electronic Means ("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); provided, however, that WRCOG and/or Program Administrator shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by WRCOG and/or the Program Administrator whenever a person is to be added or deleted from the listing. If WRCOG and/or Program Administrator 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 and Program Administrator understand and agree 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 Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. WRCOG and Program Administrator shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that WRCOG, Program Administrator 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/or Program Administrator. 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 and Program Administrator agree: (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 and Program Administrator; (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 permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(L) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder (except defaults under Sections 9.01(A) or (B) hereof) unless the Trustee shall be specifically notified in writing of such default by WRCOG or by the owners of at least 25% in aggregate principal amount of all Bonds then outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(M) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

Section 7.03. Reporting; Books and Accounts. The Trustee will provide to WRCOG (solely as to clauses (ii) and (iii) below), Program Administrator and Bond Owners the following reports:

(i) Upon the remittance by WRCOG to the Trustee of any amounts specified by WRCOG in an Officer's Certificate representing an Assessment installment (including delinquent installments) or Prepayment, the amount of such Assessment installment or Prepayment to be deposited to each fund and account established in the Indenture (each, an "**Account**").

(ii) Not later than five (5) Business Days after each Record Date: (a) the amounts to be credited to the payment of outstanding principal, interest and premium on the outstanding Bonds from each Account on the next succeeding Payment Date and (b) the balances in each Account immediately prior to and after the distributions from each Account on the next succeeding Payment Date.

(iii) Such other information relating to the Bonds and the funds and accounts maintained by the Trustee hereunder as WRCOG and Bond Owners may reasonably request.

The Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Trustee, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts disbursed from the Redemption Fund and the accounts therein, the Program Fund and the Reserve Fund. Such books of record and accounts, as well as electronic copies of executed Assessment Contracts, will, upon reasonable notice, at all times during the Trustee's business hours on any Business Day be subject to the inspection of WRCOG and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 7.04. Consultation with Counsel; Notice to Trustee. The Trustee may consult with counsel, who may be counsel to WRCOG, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee will not be bound to recognize any person as the Owner of a Bond unless and until such person is the registered Owner of such Bond and such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Officer of WRCOG, and such certificate will be full warrant to the Trustee for any action taken or suffered under the provisions of the Master Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation; Indemnification. WRCOG will pay to the Trustee as an Administrative Expense from time to time reasonable compensation for all services rendered as Trustee under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's in house or other attorneys and agents, incurred in and about the performance of their powers and duties under the Indenture, but the Trustee will not have a lien therefor on any funds at any time held by it under the Indenture.

WRCOG further agrees, to the extent permitted by applicable law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including without limitation legal fees and expenses) which are not due to its negligence or willful misconduct.

The obligations of WRCOG under this Section will survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 8.01. Conditions for Amendment.

(A) Amendment with Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture with the written consent of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.03.

No such modification or amendment may without the consent of the Owners 100% of the aggregate principal amount of the Bonds then Outstanding:

(i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of WRCOG to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond;

(ii) permit the creation by WRCOG of any pledge or lien upon the Collateral other than the lien created for the benefit of the Bonds (except as provided in Sections 2.02 and 3.03);

(iii) reduce the percentage of Bonds required for the amendment hereof; or

(iv) amend this Section 8.01.

Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(B) Amendment without Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) Additions. To add to the covenants and agreements of WRCOG contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon WRCOG.

(ii) Not Adversely Affecting Bonds. To make modifications not materially adversely affecting any outstanding Bonds in any respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(iii) Corrections. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as WRCOG may deem necessary or desirable and not inconsistent with the Indenture, and which will not adversely affect the rights of the Owners of the Bonds, as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(iv) Issuance of Bonds. To issue additional series of Bonds in accordance with the Indenture, except as provided in Section 8.08.

(v) Credit Enhancements. To provide for the delivery of credit enhancements for one or more series of the Bonds.

(vi) Reserve Fund Deposits. To provide for the satisfaction with funds other than Bond proceeds of the obligation to make a deposit into the Reserve Fund in an amount equal to the Reserve Fund Deposit Amount with respect to each series of Bonds.

(vii) Federal Tax Law. To comply with applicable provisions of the Tax Code relating to tax-exempt bonds or federal tax credit bonds.

Section 8.02. Procedure for Amendments. WRCOG and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of the Indenture, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. With respect to such Supplemental Indenture under this Section, the following will apply:

(A) A copy of such Supplemental Indenture, together with, if applicable, a request to Owners for their consent thereto, will be mailed by first class mail, by the Trustee to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Indenture and request will not affect the validity of the Supplemental Indenture when assented to as provided in this Section.

(B) With respect to Supplemental Indentures pursuant to Section 8.01(A), such Supplemental Indenture will not become effective unless there has been filed with the Trustee the written consents of the Owners of the required principal amount of the Bonds then Outstanding as determined in accordance with Section 8.01(A) (exclusive of Bonds disqualified as provided in Section 8.03) and a notice has been mailed as described in subsection (A) above. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by Section 10.04.

Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(C) With respect to Supplemental Indentures pursuant to Section 8.01 (and in the case of Section 8.01(A), after the Owners of the required percentage of Bonds have filed their consents to the Supplemental Indenture), the Trustee will mail a notice to the Owners, by first class mail, stating in substance, as applicable, that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section; provided, however, that failure to mail copies of this notice will not affect the validity of the Supplemental Indenture or consents thereto.

Proof of the mailing of such notice will be filed with the Trustee. A record, consisting of the papers required by this Section 8.02 to be filed with the Trustee, will be proof of the matters therein stated until the contrary is proved.

The Supplemental Indenture will become effective upon the filing with the Trustee of (a) the proof of the required notice and (b) an approving opinion of Bond Counsel to the effect that the Supplemental Indenture complies with this Article VIII. The Supplemental Indenture will be deemed conclusively binding (except as otherwise specifically provided in this Article) upon

WRCOG and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Notwithstanding anything contained in this Section 8.02, if the unanimous consent of Owners is obtained, the foregoing provisions of this Section 8.02 may be waived in their entirety.

Section 8.03. Disqualified Bonds. Bonds owned or held for the account of WRCOG, excepting any pension or retirement fund, will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and will not be entitled to consent to, or take any other action provided for in this Article VIII; except that in determining whether the Trustee will be protected in relying upon any such approval or consent of an Owner, only Bonds which a responsible officer of the Trustee having direct responsibility for the administration of the Indenture actually knows to be owned by or held for the account of WRCOG (excepting any pension or retirement fund) will be disregarded unless all Bonds are so owned, in which case such Bonds will be considered Outstanding for the purpose of such determination.

Upon request of the Trustee, WRCOG will specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 8.04. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VIII, the Indenture will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Indenture of WRCOG and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 8.05. Endorsement or Replacement of Bonds Issued After Amendment. WRCOG may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII will bear a notation, by endorsement or otherwise, in form approved by WRCOG, as to such action. In that case, upon request of the Owner of any Bond Outstanding at such effective date and presentation of his or her Bond for that purpose at the Principal Office of the Trustee or at such other office as WRCOG may select and designate for that purpose, a suitable notation will be made on such Bond.

WRCOG may determine that new Bonds, so modified as in the opinion of WRCOG is necessary to conform to such Owners' action, will be prepared, executed and delivered. In that case, upon request of the Owner of any Bonds then Outstanding, such new Bonds will be exchanged at the Principal Office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.06. Amendatory Endorsement of Bonds. The provisions of this Article VIII will not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.07. Execution of Supplemental Indenture. Prior to executing any Supplemental Indenture hereunder, the Trustee will be entitled to receive an opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized and permitted

by the Indenture and that all conditions precedent to the execution of such Supplemental Indenture have been met.

Section 8.08. Special Amendments. Notwithstanding anything to the contrary herein, this Master Indenture and any Supplemental Indentures may be amended and modified in the following manner at any time the Owner of the Bonds is the Sole Owner:

(**A**) The Sole Owner may direct the Trustee and WRCOG in writing to divide any Outstanding series of Bonds (notwithstanding whether any Bonds of such series are owned by the Program Administrator or its affiliates or their respective successors and assigns) into two or more series of Bonds and allocate, in its sole discretion, the Assessments that would have been allocated to the Outstanding series upon mandatory redemption (in accordance with Section 2.03(A)(i)), or for any payments of interest from the Capitalized Interest Account, among the series resulting from such division. The Trustee and WRCOG agree to enter into a new Supplemental Indenture for each series of Bonds resulting from the division and any other related documentation.

(**B**) The Sole Owner may direct any series of Bonds (notwithstanding whether any Bonds of such series are owned by the Program Administrator or its affiliates or their respective successors and assigns) to be deemed issued under a separate master indenture and related supplemental indenture that are substantially identical to this Master Indenture and the related Supplemental Indenture(s) for such series of Bonds. As a result, the Assessments that secure the series of Bonds under the separate master indenture and related supplemental indenture(s) will secure only the series of bonds deemed issued under that separate master indenture and related supplemental indenture(s). The Trustee and WRCOG agree to enter into any such separate master indentures and supplemental indentures and any other related documentation.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

Section 9.01. Events of Default. Any one or more of the following events will constitute an "Event of Default":

(**A)** Default in the due and punctual payment of the principal of or premium, if any, on any Bond when and as the same will become due and payable, whether on any Payment Date on which principal is due, the maturity date with respect to such Bond or on the date of a redemption thereof;

(B) Default in the due and punctual payment of the interest on any Bond when and as the same will become due and payable, whether on any Payment Date, the maturity date with respect to such Bond or on the date of a redemption thereof;

(C) Default by WRCOG in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after WRCOG has knowledge of such default or has been given notice in writing of such default by the Trustee or any Owner; *provided, however,* if in the reasonable opinion of WRCOG the default can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default if corrective action is instituted by WRCOG within such thirty (30) day period and WRCOG shall thereafter diligently and in good faith cure such failure within thirty (30) days after such original thirty (30) day period;

(D) Failure of the Owners to have a perfected first priority security interest in the Collateral; or

(E) The filing by WRCOG of a voluntary petition in bankruptcy, or failure by WRCOG promptly to lift any execution, garnishment or attachment, or adjudication of WRCOG as bankrupt, or assignment by WRCOG for the benefit of creditors, or the entry by WRCOG into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to WRCOG in any proceedings instituted under the provisions of the United States Bankruptcy Code.

Section 9.02. Remedies of Owners. Following the occurrence of an Event of Default, any Owner will have the right for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit or proceeding at law or in equity to enforce such Owner's rights against WRCOG and any of the members, officers and employees of WRCOG, and to compel WRCOG or any such members, officers or employees to perform and carry out their duties under the Act or the Bond Law and their agreements with the Owners as provided in the Indenture; or

(B) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners.

Nothing in this article or in any other provisions of the Indenture or in the Bonds will affect or impair the obligation of WRCOG, which is absolute and unconditional, to pay the interest and premium (if any) on and principal of the Bonds to the respective owners of the Bonds when due, as herein provided, out of the Collateral pledged for such payment, or affect or impair the right of

action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver by any Owner of any default or breach of duty or contract will not (i) affect any subsequent default or breach of duty or contract, (ii) impair any rights or remedies on any such subsequent default or breach or (iii) affect any other Owner's rights hereunder with respect to such default or breach of duty or contract. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power and it will not be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Act or the Bond Law or by this article may be enforced and exercised from time to time and as often as will be deemed expedient by any Owner.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, WRCOG and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act, the Bond Law or any other law.

Section 9.03. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all monies held or thereafter received by the Trustee, and any other funds then held or thereafter received by the Trustee under any of the provisions of the 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 the Bonds and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its accountants and counsel) incurred in and about the performance of its powers and duties under the Indenture;

(b) To the payment of Administrative Expenses;

(c) To the payment of the principal of and interest then due on the Bonds, in accordance with the provisions of the 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 the 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 any Bond, as applicable, which shall have become due, whether at maturity or by acceleration or redemption, and, if the amount available shall not be sufficient to pay in full all the 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 the Authority as directed in an Officer's Certificate.

ARTICLE X

MISCELLANEOUS

Section 10.01. Discharge of Indenture. Subject to the provisions of Section 2.03 hereof regarding redemption, if WRCOG pays and discharges the entire outstanding principal, interest and premium on all of the Bonds Outstanding in any one or more of the following ways:

(A) by paying or causing to be paid the principal of and interest and any premium on, all Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Trustee, in trust for deposit, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Section 4.01, is fully sufficient to pay all Bonds Outstanding, including all principal, interest and any applicable premiums; or

(C) by irrevocably depositing with the Trustee, in trust, cash and Federal Securities in such amount as WRCOG may determine, as confirmed by an independent certified public accountant in writing, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Section 4.01, be fully sufficient to pay all Bonds Outstanding, including all principal, interest and any applicable premiums, at or before their respective maturity dates;

and if the Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as required by the Indenture (or provision satisfactory to the Trustee has been made for the giving of such notice), then, at the election of WRCOG, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the Collateral provided for in the Indenture and all other obligations of WRCOG under the Indenture with respect to all Bonds Outstanding will cease and terminate, except only: (i) the obligation of WRCOG to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, and (ii) the obligation of WRCOG to pay or cause to be paid all amounts owing to the Trustee pursuant to Section 7.05 hereof.

If all Bonds outstanding are discharged pursuant to this Section, thereafter Assessments will not be payable to the Trustee. Notice of election to discharge the Indenture in accordance with this Section 10.01 will be filed with the Trustee by WRCOG.

Any funds thereafter held by the Trustee upon payment of all fees and expenses of the Trustee, which are not required for said purpose, will be paid over to WRCOG to be used by WRCOG as provided in the Act and the Bond Law.

Section 10.02. Benefits of Indenture Limited to Parties. Nothing in the Indenture, expressed or implied, is intended to give to any person other than WRCOG, the Trustee and the Owners, any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements in the Indenture contained by and on behalf of WRCOG will be for the sole and exclusive benefit of the Owners and the Trustee.

Section 10.03. Successor is Deemed Included in All Reference to Predecessor. Whenever in the Master Indenture or any Supplemental Indenture either WRCOG or the Trustee is named or referred to, such reference will be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of

WRCOG or the Trustee will bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument that the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of registered bonds and the amount, maturity, number and date of holding the same will be proved by the registry books.

Any consent, request, declaration or other instrument or writing of the then registered Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by WRCOG or the Trustee in good faith and in accordance therewith.

Section 10.05. Waiver of Personal Liability. No member, officer, agent or employee of WRCOG will be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.06. Notices to and Demand on WRCOG and Trustee. All notices or communications herein required or permitted to be given to WRCOG or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

WRCOG:	Western Riverside Council of Governments 4080 Lemon Street, 3rd Floor, MS 1032 Riverside, CA 92501-3609 Attn: 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 Attn: Corporate Trust

Section 10.07. Partial Invalidity. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid

or illegal or unenforceable provision had never been contained herein. WRCOG hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 10.08. Unclaimed Moneys. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest or premium on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon redemption as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to WRCOG (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 Bond Register, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to WRCOG of the moneys held for the payment thereof.

Section 10.09. Applicable Law. The Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 10.10. Conclusive Evidence of Regularity. The issuance of Bonds pursuant to the Indenture will constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Assessments.

Section 10.11. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Indenture is other than a Business Day, the payment of interest or principal (and any premium) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no additional interest will accrue from such Payment Date until such Business Day.

Section 10.12. Counterparts. This Master Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as WRCOG and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

****

IN WITNESS WHEREOF, WRCOG and the Trustee have caused this Master Indenture to be executed, all as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Signatory

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

Consented to for purposes of Sections 7.02(H), 7.05 and 8.01(A)
of the Original Master Indenture, and
acknowledged and agreed, by all Owners
as of the date hereof, being:

PACEfunding LLC

By: _____
Authorized Signatory

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 [ ], 2017

Relating to

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PACEfunding

Limited Obligation Improvement Bonds
(Series No. ____)
Series ___

(Supplemental to the MASTER INDENTURE, dated as of _____, 2017, and thereafter supplemented)

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SUPPLEMENTAL INDENTURE NO. [__]

THIS SUPPLEMENTAL INDENTURE NO. [__], dated as of [ ], 2017 (this "**Supplemental Indenture"),** is made by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the "**WRCOG**"), and 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 _____, 2017 (the "**Master Indenture**"), and thereafter supplemented, to provide for the terms and conditions of the issuance by WRCOG of one or more series of Bonds (as defined in the Master Indenture) from time to time;

WHEREAS, under the Act and the Bond Law (as such terms are defined in the Master Indenture), the Executive Committee of WRCOG adopted the supplemental resolution(s) of issuance listed in Exhibit C (the "**Supplemental Resolution(s) of Issuance**") for the Counties (as defined in the Master Indenture), which among other matters, authorized the issuance of the Series ___ Bonds and the execution hereof;

WHEREAS, in order to provide for the authentication and delivery of the Series ___ Bonds, to establish and declare the terms and conditions upon which the Series ___ Bonds are to be issued, to secure the Series ___ Bonds by a lien and charge upon the Assessments and the funds and accounts established under the Master Indenture equal to and on parity with the lien and charge securing all outstanding Bonds, the Executive Committee has authorized the execution and delivery of this Supplemental Indenture;

WHEREAS, all acts and proceedings required by law and the Master Indenture necessary to make the Series ___ Bonds, when executed by WRCOG and authenticated and delivered by the Trustee, the duly issued, valid, binding and legal special obligations of WRCOG, and to constitute this Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Supplemental Indenture have been in all respects duly authorized; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF SERIES ___ BONDS; EQUAL SECURITY; COVENANTS

Section 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined in this Supplemental Indenture, the capitalized terms in this Supplemental Indenture will have the respective meanings that such terms have in the Master Indenture.

"***Closing Date***" means the date of initial issuance and delivery of the Series ___ Bonds hereunder.

"***Payment Dates***" means March 2 and September 2 of each year, commencing as of the date indicated in Appendix 1.

Section 1.02. Interpretation. Section 1.03 of the Master Indenture shall govern interpretation of this Supplemental Indenture.

Section 1.03. Authorization. Each of the parties represents and warrants that it has full legal 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. Equal Security. As Bonds issued pursuant to Section 2.02 of the Master Indenture, the Series ___ Bonds will be secured by a lien and charge upon the Assessments and the respective funds and accounts established under the Indenture equal to and on parity with the lien and charge securing all outstanding Bonds.

Section 1.05. Representations of WRCOG. WRCOG hereby warrants and represents on the date hereof as follows:

(A) WRCOG is a joint powers 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 the 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 the Indenture.

(C) The Indenture, when executed and delivered by WRCOG, shall be duly and validly authorized, executed and delivered by WRCOG.

(D) The execution, delivery and performance by WRCOG of the Indenture and the performance by WRCOG of its obligations under the Indenture and the transactions contemplated hereby and thereby:

(i) do not contravene any provisions of law applicable to WRCOG, and

(ii) do not conflict with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust,

security agreement, lease, guarantee or other instrument to which WRCOG is a party, by which WRCOG may be bound or to which WRCOG or its property may be subject.

(E) The Indenture constitutes the legal, valid and binding obligation of WRCOG, enforceable against WRCOG in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and by applicable laws and judicial decisions which may affect the remedies provided in the Indenture.

(F) WRCOG has complied with Section 3.03 of the Master Indenture in connection with the issuance of the Series ___ Bonds, and the aggregate initial principal amount of Bonds issued under the Indenture, after giving effect to the Series ___ Bonds, will be as indicated in Appendix 1.

(G) Each of the Assessment Contracts related to the Series __ Bonds was executed and delivered by WRCOG in compliance with the requirements of the Act, the Program Report, all relevant and applicable laws and regulations of the federal government and the State of California and all relevant and applicable resolutions of WRCOG.

(H) Based on the information provided to WRCOG by, and representations of, the owners of the relevant Participating Parcels, the transactions represented by the Assessment Contracts, the related Participating Parcels and owners of such Participating Parcels satisfy all eligibility criteria under and underwriting requirements of the Act, the Program Report and all other relevant and applicable laws and regulations of the federal government and the State of California, and all relevant and applicable resolutions of WRCOG necessary to participate in the Program.

(I) The Series __ Bonds are limited obligation improvement bonds governed by the provisions of the Indenture, the Act and the Bond Law and have been issued in accordance with and in satisfaction of all applicable terms and underwriting criteria for such bonds set forth in the Indenture, the Act, the Bond Law and all other relevant and applicable laws and regulations of the federal government and the State of California, the Program Report and all relevant and applicable resolutions of WRCOG.

(J) Without limiting Section 5.01(C) of the Master Indenture, WRCOG, either directly or through the Program Administrator or its other agents, has taken and shall continue to take all commercially reasonable steps necessary to ensure that all amounts owed under any and all Assessment Contracts are accurately and timely entered on the tax roll of the County.

ARTICLE II

ISSUANCE OF SERIES ___ BONDS

Section 2.01. Terms of Series ___ Bonds.

(A) The Series ___ Bonds authorized to be issued by WRCOG under and subject to the Bond Law and the terms of the Master Indenture, as supplemented and amended, and this Supplemental Indenture will be designated the "WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS PACEfunding Limited Obligation Improvement Bonds (Series No. ____) Series ___", and will be issued in the original principal amount as indicated in Appendix 1.

The Series ___ Bonds shall be issued as fully registered Bonds without coupons.

(B) The Series ___ Bonds will be dated the Closing Date and will be payable on the Payment Dates and in the principal amounts, and will bear interest at the rate per annum (with accrued and unpaid interest payable on each Payment Date in accordance with Sections 2.02(B) and (C) of the Master Indenture), set forth in the schedule indicated in Appendix 1.

Except as otherwise set forth in this Section 2.01, Article II of the Master Indenture will govern the Series ___ Bonds.

Section 2.02. Redemption of Series ___ Bonds.

(A) [**5- and 10-year maturities only:** The Series __ Bonds are subject to mandatory redemption from Prepayments and optional redemption from amounts on deposit in the Release Account, in each case as set forth in Appendix 1, but are not otherwise subject to optional redemption prior to maturity.]

[**15-, 20- and 25-year maturities only:** The Series __ Bonds are subject to optional redemption from any source of funds other than Prepayments or amounts on deposit in the Release Account, mandatory redemption from Prepayments and optional redemption from amounts on deposit in the Release Account, in each case as set forth in Appendix 1.]

(B) Applicability of the Master Indenture. Except as otherwise set forth in this Section 2.02, Section 2.03 of the Master Indenture will govern redemption of the Series ___ Bonds.

Section 2.03. Form of Series ___ Bonds. The Series ___ Bonds, the Trustee's certificate of authentication, and the assignment to appear thereon, will be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Supplemental Indenture, the Resolution of Issuance, the Supplemental Resolutions of Issuance and the Bond Law.

Section 2.04. Validity of Bonds. The validity of the authorization and issuance of the Bonds will not be dependent upon the installation or operation of the Improvements or upon the performance by any person of such person's obligation with respect to the Improvements.

Section 2.05. Registration of Series ___ Bonds. The Series __ Bonds shall be registered in the name of the bond purchaser indicated in Appendix 1.

ARTICLE III

USE OF PROCEEDS

Section 3.01. Issuance of Series ___ Bonds. Upon the execution and delivery of this Supplemental Indenture and satisfaction of the requirements for issuance of a new series of Bonds under Section 2.02 of the Master Indenture, WRCOG will execute and deliver the Series ___ Bonds in the aggregate principal amount of as indicated in Appendix 1 to the Trustee for authentication and delivery to the purchaser thereof as indicated in Appendix 1.

Section 3.02. Application of Proceeds of Sale of Series ___ Bonds. Upon the receipt of payment for the Series ___ Bonds on the Closing Date, the Trustee will apply the proceeds of sale thereof (being an amount equal to the principal amount of the Series ___ Bonds) as indicated in Appendix 1.

ARTICLE IV

ADDITIONAL PROVISIONS

Section 4.01. Applicable Law. This Supplemental Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 4.02. Conflict with Bond Law. In the event of a conflict between any provision of this Supplemental Indenture with any provision of the Bond Law as in effect on the Closing Date, the provision of the Bond Law will prevail over the conflicting provision of this Supplemental Indenture.

Section 4.03. Conclusive Evidence of Regularity. Series ___ Bonds issued pursuant to this Supplemental Indenture will constitute conclusive evidence of the regularity of all proceedings under the Bond Law relative to their issuance and the levy of the Assessments.

Section 4.04. Confirmation of Master Indenture; Conflict With Master Indenture. All representations, covenants, warranties and other provisions of the Master Indenture, as previously amended and supplemented, unless specifically amended, modified or supplemented by this Supplemental Indenture, are hereby confirmed as applicable to this Supplemental Indenture. In the event of any conflict between the provisions of this Supplemental Indenture and the Master Indenture, as previously amended and supplemented, the provisions of this Supplemental Indenture will govern.

Section 4.05. Counterparts. This Supplemental Indenture may be executed in counterparts, each of which will be deemed an original.

IN WITNESS WHEREOF, WRCOG and the Trustee have caused this Supplemental Indenture to be executed, all as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Signatory

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

Payment Dates: Interest on the Series __ Bonds is due and payable on March 2 and September 2 of each year, commencing on [DATE].

Principal of the Series __ Bonds is due on September 2 in the years identified below.

Article II

Section 2.01. Terms of Series ___ Bonds.

(a) Original principal amount for this Bond series is $_____

(b) Interest Rate: _____

Payment Date	Interest	Principal	Total
	*		

* Represents amounts payable from Capitalized Interest Account, as provided in Section 4.01(B) of the Master Indenture.

Section 2.02. Redemption of Series ___ Bonds.

(a) **[This paragraph (a) is applicable to 15-, 20- and 25-year maturities only.]** Optional Redemption. The Series ___ Bonds are subject to optional redemption, as a whole but not in part, on any Payment Date on or after September 2, 20__, from funds derived by WRCOG from any source other than Prepayments or amounts on deposit in the Release Account, at a redemption price equal to the then-outstanding principal balance of the Series ___ Bonds together with the redemption premium shown below, plus accrued interest thereon to the date of redemption.

Payment Date	Redemption Premium
September 2, 20__ or March 2, 20__	3%
September 2, 20__ or March 2, 20__	2
September 2, 20__ or March 2, 20__	1
September 2, 20__ or any Payment Date thereafter	0

(b) Mandatory Redemption. On any date and as directed in an Officer's Certificate pursuant to Section 4.01(B) of the Master Indenture, the Trustee will apply the Prepayments and other amounts on deposit in the Prepayments Account, in each case, relating to Assessments financed as a result of the issuance of the Series __ Bonds, and the investment earnings on such Prepayments and other amounts, to prepay the principal balance of the Series __ Bonds, without premium, plus accrued interest thereon to the date of redemption, all in the manner and as provided in the Bond Law.

(c) Optional Redemption from Amounts in Release Account. The Series ___ Bonds are subject to optional redemption in whole or in part, on any date, from funds derived by WRCOG from amounts on deposit in the Release Account in connection with the Release of any Assessment financed as a result of the issuance of the Series ___ Bonds, at a redemption price equal to the then-outstanding principal balance of the Series ___ Bonds, plus accrued interest thereon to the date of redemption, without premium.

Section 2.05. Registration of Series ___ Bonds.

The name of the Bond purchaser is _____.

Article III

Section 3.02. Application of Proceeds of Sale of Series ___ Bonds.

(a) $_____ to the Capitalized Interest Account of the Redemption Fund representing capitalized interest on the Series ___ Bonds.

(b) $_____ to the Costs of Issuance Fund established pursuant to the Master Indenture.

(c) $_____ to the Reserve Fund established pursuant to the Master Indenture, being equal to the Reserve Fund Deposit Amount.

(d) $_____ to the Program Fund.

(e) $_____ to the Administrative Expense Fund established pursuant to the Master Indenture.

EXHIBIT A

FORM OF SERIES ___ BOND

***** THE BONDS ARE SUBJECT TO TRANSFER RESTRICTIONS PURSUANT TO SECTION 2.05 OF THE MASTER INDENTURE. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY BE TRANSFERRED ONLY IN AN AUTHORIZED DENOMINATION BY THE REGISTERED OWNER SOLELY TO AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED) AND ONLY UPON THE EXECUTION AND DELIVERY BY THE TRANSFERREE OF A TRANSFER LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT B TO THE MASTER INDENTURE AND BY THIS REFERENCE INCORPORATED HEREIN.*****

Number _____ ***$_____***

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PACEfunding
Limited Obligation Improvement Bonds
(Series No. ____)
Series ___

INTEREST RATE: [ ] MATURITY DATE: [ ] DATED DATE: [ ]

REGISTERED OWNER: [Name of Accredited Investor]

PRINCIPAL AMOUNT: *** DOLLARS***

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the California Streets and Highways Code (the "**Bond Law**"), the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (the "**WRCOG**"), will, out of the Redemption Fund established pursuant to a MASTER INDENTURE, dated as of _____, 2017, and thereafter supplemented, by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**"), as supplemented and amended (the "**Master Indenture**"), including as supplemented by a Supplemental Indenture No. [__] (collectively, the "**Indenture**"), and other funds available pursuant to the Master Indenture, pay to the registered owner named above or registered assigns, the principal amount stated above, in lawful money of the United States of America and in like manner will pay interest at the rate per annum stated above, payable semiannually on March 2 and September 2 (each a "**Payment Date**") in each year commencing on _____ in accordance with Section 2.01 of Supplemental Indenture No.

[ ]. Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture.

This Series __ Bond bears interest from the Payment Date next preceding its date of authentication and registration unless it is authenticated and registered (i) prior to a Payment Date and after the close of business of the 15th day of the calendar month preceding such Payment Date, in which event it will bear interest from such Payment Date, or (ii) prior to the close of business on the 15th day of the calendar month preceding the first Payment Date above, in which event it will bear interest from its date of delivery, until payment of such principal sum has been discharged.

Interest on the Series ___ Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America by check of the Trustee mailed on the applicable Payment Date by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the Bond Register maintained by the Trustee at the close of business on the Record Date preceding the Payment Date (or by wire transfer made on such Payment Date upon the written instructions of any Owner of $1,000,000 or more in aggregate principal amount of the Bonds delivered to the Trustee prior to the applicable Record Date).

The principal of the Series __ Bonds is payable in lawful money of the United States of America on each September 2 (except in the case of (i) an optional redemption from a source other than amounts deposited into the Release Account, in which case it may be paid on any Payment Date, (ii) a mandatory redemption, in which case it may be paid on any date or (iii) an optional redemption from amounts in the Release Account, in which case it may be paid on any date, all as described below) and in the amounts shown in Section 2.01 of Supplemental Indenture No. [__] for the Series __ Bonds (except in the case of a redemption, in which case it must be paid in the applicable redemption amount, including any related premium) and, solely in the case of the redemption in whole or the maturity date of the Series __ Bonds, upon surrender of the Series __ Bonds at the Principal Office of the Trustee. All Series __ Bonds the principal of which is entirely paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Series __ Bonds and, upon request of WRCOG, issue a certificate of destruction of such Series __ Bonds to WRCOG.

This Series __ Bond will continue to bear interest after maturity at the rate above stated if this Series __ Bond is presented at maturity and payment hereof is refused upon the sole ground that there are not sufficient moneys in the Redemption Fund with which to pay same. If this Series __ Bond is not presented at maturity, interest hereon will run only until maturity.

This Series __ Bond will not be entitled to any benefit under the Bond Law or the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon are dated and signed by the Trustee.

This Series __ Bond is one of several series of Bonds issued by WRCOG under the Bond Law and the Indenture for the purpose of providing means for paying for the Improvements described in the Indenture, and is secured as described in Section 3.01 of the Master Indenture.

This Series __ Bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Trustee, subject to the terms and conditions provided in the Supplemental Resolution of Issuance and the Indenture, including the payment of certain charges, if any, upon surrender and cancellation of this Series __ Bond. Upon

such transfer, a new registered Series __Bond or Bonds , of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This Series __ Bond may only be transferred to (i) an Accredited Investor as long as there will not be more than 35 owners of the Series __ Bonds (when considered in the aggregate with all other owners of the Series __ Bonds), each of whom delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to the Master Indenture or (ii) WRCOG (or the Trustee at the direction of WRCOG).

Series __ Bonds will be registered only in the name of an individual (including joint owners), a corporation, a partnership, a limited liability company, a limited partnership or a trust.

Neither WRCOG nor the Trustee will be required to make such exchange or registration of transfer of Series __ Bonds on or after a Record Date and before the next ensuing Payment Date.

WRCOG and the Trustee may treat the registered owner hereof as the absolute owner for all purposes, and WRCOG and the Trustee will not be affected by any notice to the contrary.

[**5- and 10-year maturities only:** Except as provided below, the Series __ Bonds are not subject to optional redemption prior to maturity.]

[This paragraph and the table that follows apply to 15-, 20- and 25- year maturities only] *Optional Redemption.* The Series ___ Bonds are subject to optional redemption, as a whole but not in part, on any Payment Date on or after September 2, 20__, from funds derived by WRCOG from any source other than Prepayments or amounts on deposit in the Release Account, at a redemption price equal to the then-outstanding principal balance of the Series ___ Bonds together with the redemption premium shown below, plus accrued interest thereon to the date of redemption.

Payment Date	Redemption Premium
September 2, 20__ or March 2, 20__	3%
September 2, 20__ or March 2, 20__	2
September 2, 20__ or March 2, 20__	1
September 2, 20__ or any Payment Date thereafter	0

Mandatory Redemption. On any date, and as directed in an Officer's Certificate pursuant to Section 4.01(B) of the Master Indenture, the Trustee will apply the Prepayments and other amounts on deposit in the Prepayments Account, in each case, relating to Assessments financed as a result of the issuance of the Series __ Bonds, and the investment earnings on such Prepayments and other amounts, to prepay the principal balance of the Series __ Bonds, without premium, plus accrued interest thereon to the date of redemption, all in the manner and as provided in the Bond Law.

Optional Redemption from Amounts in Release Account. The Series ___ Bonds are subject to optional redemption in whole or in part, on any date, from funds derived by WRCOG from amounts on deposit in the Release Account in connection with the Release of any Assessment financed as a result of the issuance of the Series ___ Bonds, at a redemption price equal to the then-outstanding principal balance of the Series ___ Bonds, plus accrued interest thereon to the date of redemption, without premium.

IN WITNESS WHEREOF, WRCOG has caused this Series __ Bond to be executed in its name and on its behalf by the facsimile signatures of its Treasurer and Secretary all as of the date identified above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Treasurer

Attest:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Series __ Bonds described in the within mentioned Indenture.

Dated: _____, 20__

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.

EXHIBIT B

LIST OF PARTICIPATING PARCELS

EXHIBIT C

SUPPLEMENTAL RESOLUTION(S) OF ISSUANCE

Resolution Number	Date of Adoption

EXHIBIT B

FORM OF TRANSFER LETTER

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
Sacramento, CA

The Bank of New York Mellon Trust
Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attn: Corporate Trust

Re: [name of bonds]

Ladies and Gentlemen:

The WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (the “Issuer”) has issued the above-referenced bonds (the "Bonds"). Capitalized terms used in this letter but not defined have the meaning given them in the MASTER INDENTURE, dated as of _____, 2017, and thereafter supplemented (the “Master Indenture”), as amended or supplemented by one or more Supplemental Indentures (the Master Indenture as supplemented, the “Indenture”) relating to the Bonds.

In connection with our purchase on the date hereof of $____ principal amount of the Bonds, the undersigned (the "Bond Purchaser") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”).

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Bonds for not more than one account for investment purposes and not with a view to distributing the purchased Bonds.

(d) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(e) The Bond Purchaser understands and acknowledges that, subject to satisfaction of certain conditions set forth in the Indenture, the Issuer may issue subsequent series of bonds secured by Assessments on a parity with the Bonds.

(f) The Bond Purchaser (i) has conducted its own independent inquiry, examination and analysis with respect to the Bonds, (ii) has had an opportunity to ask questions of and receive answers from the Issuer regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing, (iii) has been provided by the Issuer with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested, and (iv) the Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds.

(g) The Bond Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(h) The Bond Purchaser understands and acknowledges (i) that the offering of the Bonds is neither subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, nor being registered under the Securities Act or any state securities laws, and (ii) that the Issuer has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds.

(i) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bonds.

(j) In the event that the Bond Purchaser wishes to sell the Bonds in the future, the Bond Purchaser agrees and acknowledges that the Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including but not limited to providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

Bond Purchaser agrees to defend, indemnify and hold harmless WRCOG from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against WRCOG in any way relating to or arising out of a transfer of the Bonds to which this letter relates in violation of the restrictions contained in Section 2.05(B) of the Master Indenture.

EXHIBIT C

FORM OF PURCHASE NOTICE

PURCHASE NOTICE

NOTICE DATE: [DATE AT LEAST 2 DAYS BEFORE DATE OF ASSIGNMENT]
DATE OF ASSIGNMENT: [DATE OF ASSIGNMENT CLOSING]

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attention: Corporate Trust

Re: Section 3.07(A) of MASTER INDENTURE, dated as of _____, 2017, between WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Ladies and Gentlemen:

I am an authorized representative of PACEfunding LLC, which is a Transferee under the MASTER INDENTURE referred to above (the "Master Indenture"). Capitalized terms used, but not defined, herein have the meanings given them in the Master Indenture.

Pursuant to Section 3.07(A) of the Master Indenture, I hereby notify you of Transferee's intention to purchase a Transferred Interest with respect to the Assessment(s) identified on the attached Schedule 1 on the date of assignment reflected above (the "Assignment Date"), and that Transferee will pay the Transferee Payment to you by wire transfer of immediately available funds no later than 3:00 p.m. Pacific Time on such date. This will result in a redemption of the affected Bonds pursuant to 2.03(A)(iii) on the date and in the amounts indicated in the attached Schedule 1.

Upon receipt of the Transferee Payment, the Trustee is directed to make the transfers shown in the attached Schedule 1.

As of the Assignment Date, the Transferee shall be deemed to make the representations and warranties under Section 3.07(D) of the Master Indenture, and the covenants provided under Section 3.07(H) of the Master Indenture, to WRCOG. Such sections of the Master Indenture are incorporated herein by this reference. The Transferee also confirms that it has read and understands Section 3.07 of the Master Indenture and, by its execution below, agrees that, as of the Assignment Date, the Assignment that is the subject of this Purchase Notice will be governed by the terms of Section 3.07, which are incorporated herein by reference.

The agreements represented by this Purchase Notice will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

[*Signature page follows.*]

[NAME]

By: _____
Authorized Signatory

Acknowledged:

PACEfunding LLC

By: _____
Authorized Signatory

Schedule 1

Redemption of Bonds due to Release pursuant to Section 2.03(A)(iii) and 3.07(A):

Purchase of Transferred Interest pursuant 3.07(A):

EXHIBIT D

FORM OF RE-CONVEYANCE INSTRUMENT

RE-CONVEYANCE INSTRUMENT

As of [DATE]

Reference is made to that certain MASTER INDENTURE, dated as of _____, 2017 (the "Master Indenture"), between WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("Re-Conveyance Transferee") and The Bank of New York Mellon Trust Company, N.A., as trustee, and the Transferred Interests listed on the attached Schedule 1, which were purchased by _____ ("Re-Conveyance Transferor") on the date indicated in such Schedule 1.

As evidenced by the signature of each party hereto, pursuant to Section 3.07(F) of the Master Indenture, in exchange for the cash or bond consideration indicated below, Re-Conveyance Transferor hereby assigns and transfers to Re-Conveyance Transferee, and Re-Conveyance Transferee assumes from Re-Conveyance Transferor, all of Re-Conveyance Transferor's right, title, and interest in, to, and under each Exchanged Transferred Interest specified on the attached Schedule 1.

Each of the parties hereto acknowledges and agrees that the terms of Section 3.07 of the Master Indenture are incorporated by reference hereto and shall apply as though the same were included in this Re-Conveyance Instrument (this "Instrument"). Re-Conveyance Transferor hereby reaffirms the representations in Sections 3.07(D)(i) through and including (ix) of the Master Indenture as of the date hereof.

This Instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This Instrument shall be governed by, and construed in accordance with, the law of the State of California.

[*Signature page follows.*]

Acknowledged and Accepted as of [_____]:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT WRCOG

By: _____
Authorized Signatory

[RE-CONVEYANCE TRANSFEROR]

By: _____
Authorized Signatory

Schedule 1

Property Owner	APN	Address	Date of Transfer	Principal Amount	Date of Assessment Contract

EXHIBIT E

FORM OF ADMINISTRATIVE EXPENSES REQUISITION

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM
FOR WESTERN RIVERSIDE COUNTY
PACEFUNDING
MI
OFFICER'S CERTIFICATE NO. __
REQUISITION FOR DISBURSEMENTS
FROM THE ADMINISTRATIVE EXPENSE FUND FOR PAYMENT OR REIMBURSEMENT OF ADMINISTRATIVE EXPENSES

The undersigned hereby states and certifies:

(i) that the undersigned is an Authorized Representative of WRCOG within the meaning of such term as set forth in the Master Indenture hereinafter defined;

(ii) that, pursuant to Section 4.03(B) of the Master Indenture, dated as of _____, 2017 4.03(B) (the "Master Indenture"), by and between Western Riverside Council of Governments ("WRCOG") and The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee"), as amended, the undersigned hereby requests that the Trustee disburse from the Administrative Expense Fund established for the above referenced Series of Bonds pursuant to the Master Indenture to each of the payees designated on Attachment "A" attached hereto and incorporated herein by this reference, the respective sums set forth opposite such designated payees, in payment or reimbursement of actual Administrative Expenses; and

(iii) that the amounts to be disbursed are properly chargeable to the Administrative Expense Fund.

Capitalized terms used in this Officer's Certificate shall have the meaning given such terms in the Master Indenture unless specified otherwise herein.

Dated: _____, 2017

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Officer

Attachment "A"

OFFICER'S CERTIFICATE NO. __

ADMINISTRATIVE EXPENSE FUND
DISBURSEMENT INFORMATION

Payee	Payment Instructions	Amount
Total		

APPENDIX 1

Covered Jurisdictions

1. **City of Banning**
2. **City of Calimesa**
3. **City of Canyon Lake**
4. **City of Corona**
5. **City of Eastvale**
6. **City of Hemet**
7. **City of Jurupa Valley**
8. **City of Lake Elsinore**
9. **City of Menifee**
10. **City of Moreno Valley**
11. **City of Murrieta**
12. **City of Norco**
13. **City of Perris**
14. **City of Riverside**
15. **City of San Jacinto**
16. **City of Temecula**
17. **Wildomar**
18. **Certain portions of Unincorporated Riverside County**

Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 12

PACE Funding Bond Purchase
Agreement

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WRCOG PROGRAM
MASTER BOND PURCHASE AGREEMENT

1. PARTIES AND DATE

THIS MASTER BOND PURCHASE AGREEMENT, dated as of _____, 2017 (the "Master BPA"), is entered into by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a California public agency ("WRCOG") and PACE Funding Group, LLC, a California limited liability company ("PACEfunding") to arrange for the sale by WRCOG and the purchase by PACEfunding or its designee of all of the Bonds described below, which are being issued by WRCOG.

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 residential properties (the "Residential 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, provide that one or more series of bonds would be issued under the Bond Act of 1915, being Division 10 of the Streets & Highways Code of the State of California (the "1915 Bond Act") (the "Bonds" or "Series of Bonds") or other financing relationships would be entered for the purpose of financing the installation of Eligible Products.

2.3 As a further part of such proceedings, the Executive Committee initially approved on June 7, 2010, by the adoption of Resolution Number 13-10, and has subsequently amended a report prepared pursuant to and addressing all of the matters set forth in Streets and Highways Code Section 5898.22 and 5898.23 (as amended, the "WRCOG Program Report"), including a map showing the boundaries of the territory within which the voluntary contractual assessments may be offered (the "WRCOG Program Area"), a form of contract specifying the terms and conditions that would be agreed to by an owner of property within such boundaries and WRCOG (each, a "WRCOG Program Assessment Contract"), a statement of policies of WRCOG concerning such voluntary contractual assessments and a plan for raising a capital amount required to pay for the work performed pursuant to the voluntary contractual assessments.

2.4 On June 6, 2016, WRCOG's Executive Committee authorized WRCOG to engage with additional program administrators under the WRCOG Program.

2.5 On _____, 2017, the Executive Committee did, by the adoption of Resolution No. _____ (the "Resolution of Issuance"), authorize the issuance of the Western Riverside Council of Governments Limited Obligation Improvement Bonds (WRCOG Program) PACEfunding (the "Bonds") in one or more series pursuant to Chapter 29, the 1915 Bond Act, Resolution Numbers 08-11, 03-12, 07-12 and 08-13, as amended and supplemented by the Resolution of Issuance, 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 Residential (as such term is defined in the WRCOG Program Report) parcels that are participating in the WRCOG Programs and are located in the WRCOG Program Area within which such WRCOG Program has been implemented, 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").

2.6 WRCOG and PACEfunding desire and intend to enter into this Master BPA to provide for and establish the terms and conditions pursuant to which WRCOG will sell to PACEfunding and PACEfunding shall purchase from WRCOG the Bonds issued by WRCOG. WRCOG and PACEfunding further desire and intend that this Master BPA shall supercede and replace those provisions of the BPAA pertaining to the purchase by PACEfunding of improvement bonds to be issued by WRCOG pursuant to such BPAA.

3. DEFINITIONS.

Capitalized terms that are used in this Master BPA and not otherwise defined herein shall have the respective meanings ascribed to them in the Master Indenture.

4. PURCHASE AND SALE AND DELIVERY OF THE BONDS.

4.1 Subject to the terms and conditions set forth in this Master BPA and any supplement to this Master BPA entered into by and between the parties hereto (each, a "Supplement to Master BPA"), and in reliance upon the representations, warranties and agreements set forth herein and in any Supplement to Master BPA, PACEfunding hereby agrees to purchase, or cause its designee to purchase (as used herein the term "PACEfunding" shall include any designee thereof), all (but not less than all) of the Bonds, from WRCOG and WRCOG hereby agrees to sell to PACEfunding, when as and if issued, the Bonds associated with the WRCOG Program as administered by PACEfunding or any similar program that the Parties may develop, implement or offer (collectively, the "Programs") in an aggregate principal amount not to exceed $_____.

WRCOG understands that PACEfunding, before and in reliance upon WRCOG's issuance of Bonds associated with Residential Properties, will be advancing funds to owners of such

Properties (including but not limited to their contractors, equipment suppliers, installers and other service and materials providers) who have sought and who qualify for financing under one of the Programs. Accordingly and in recognition of such reliance, WRCOG agrees promptly and timely, upon receipt of duly executed Notices of Completion, to issue Bonds in the amount of any financing for the Properties PACEfunding and WRCCOG have approved under any such Program.

4.2 WRCOG and the Trustee shall enter into a Supplemental Indenture pertaining to each Bond or Series of Bonds which Supplemental Indenture shall set forth and establish the Closing Date for such Bond or Series of Bonds, the date from which such Bond or Series of Bonds shall bear interest and the dates on which the principal of and interest on such Bond or Series of Bonds shall be payable, the rate of interest per annum payable on such Bond or Series of Bonds, the maturity date of such Bond or Series of Bonds, the redemption provisions pertaining to such Bond or Series of Bonds and the Purchase Price (defined below) for such Bond or Series of Bonds. Each such Supplemental Indenture shall be subject to the approval of PACEfunding and WRCOG.

4.3 Each Bond or Series of Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable and be subject to redemption as provided in, the Master Indenture and the Supplemental Indenture pertaining to such Bond or Series of Bonds.

4.4 The "Purchase Price" of a Bond or Series of Bonds shall be the sum equal to the principal amount of such Bond or Series of Bonds.

4.5 At 10:00 A.M., Pacific Daylight Time, on the Closing Date for each Bond or Series of Bonds, or at such other time as shall be agreed upon by WRCOG and PACEfunding, (i) WRCOG will deliver or cause to be delivered the Bond or Series of Bonds to PACEfunding, duly executed by WRCOG and authenticated by the Trustee as provided in the Master Indenture, (ii) WRCOG will deliver the WRCOG Closing Documents (as designated in Exhibit "H" for delivery by or on behalf of WRCOG) to Bond Counsel at the offices of Bond Counsel or another place to be mutually agreed upon by WRCOG and PACEfunding (the "Closing Location") and PACEfunding shall accept such delivery and pay the purchase price of the Bond or Series of Bonds in federal funds payable to the order of WRCOG or its designee and deliver PACEfunding's Closing Documents (as designated in Exhibit "H" for delivery by PACEfunding or such individual or entity to which PACEfunding has assigned its rights hereunder to purchase such Bond or Series of Bonds) to Bond Counsel at the Closing Location. This payment and these deliveries, together with the delivery of the WRCOG Closing Documents and the PACEfunding Closing Documents, are herein called the "Closing." Each Bond or Series of Bonds shall be made available to PACEfunding for inspection not later than two (2) days before the Closing Date.

5. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF WRCOG. WRCOG represents, warrants and covenants to and agrees with PACEfunding as to each Bond or Series of Bonds that:

5.1 WRCOG is a joint exercise of powers authority duly organized and existing under the Constitution of the State of California (the "Constitution") and laws of the State of California (the "State"), and has, and at each Closing Date will have, full legal right, power and authority,to adopt the Resolution of Issuance:

5.1.1 to enter into this Master BPA and the Supplement to Master BPA, if any, pertaining to each Bond or Series of Bonds;

5.1.2 to enter into the Master Indenture and the Supplemental Indenture with respect to each Bond or Series of Bonds;

5.1.3 to issue, sell and deliver each Bond or Series of Bonds to PACEfunding as provided herein;

5.1.4 to enter into each Assessment Contract as such term is defined in the Master Indenture and that is identified in a Supplemental Indenture; and

5.1.5 to carry out and consummate the transactions as to each Bond or Series of Bonds on its part contemplated by this Master BPA and the Supplement to Master BPA, if any, the Master Indenture, the Supplemental Indenture and such Bond or Series of Bonds.

As to each Bond or Series of Bonds, this Master BPA, the applicable Supplement to Master BPA, if any, the Master Indenture, the applicable Supplemental Indenture and such Bond or Series of Bonds are collectively referred to herein as the "WRCOG Documents."

5.2 By all necessary official action of WRCOG, WRCOG has duly authorized and approved the adoption or execution and delivery by WRCOG of, and the performance by WRCOG of the obligations contained in, the WRCOG Documents and the Resolution of Issuance and such authorizations and approvals are and shall, as of each Closing Date, be in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, each Bond or Series of Bonds and the WRCOG Documents will constitute the legally valid and binding obligations of WRCOG enforceable against WRCOG in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. WRCOG has complied, and as of each Closing Date, shall be in compliance in all respects, with the obligations on its part to be performed on or prior to each Closing Date under the WRCOG Documents.

5.3 The Executive Committee has duly established the Program pursuant to Chapter 29. The Executive Committee has duly authorized the issuance and sale of each Bond or Series of Bonds pursuant to the Resolution of Issuance, adopted by the Executive Committee, the Master Indenture and the applicable Supplemental Indenture.

5.4 WRCOG is not and, as of each Closing Date, will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which WRCOG is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on WRCOG's ability to perform its obligations under each Bond or Series of Bonds or the WRCOG Documents; and, as of such times, the authorization, execution and delivery of each Bond or Series of Bonds

and the WRCOG Documents and compliance by WRCOG with the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which WRCOG (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the WRCOG Documents.

5.5 There is, and as of each Closing Date, there shall be 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 WRCOG has been served with process or to the best knowledge of WRCOG threatened, in which any such Action (i) in any way questions the corporate existence of WRCOG or the titles of the officers of WRCOG to their respective offices, (ii) in any way questions the establishment of the Program or the titles of the Executive Committee of WRCOG, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of each Bond or Series of Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on each Bond or Series of Bonds, or in any way contests or affects the validity of the WRCOG Documents or the consummation of the transactions on the part of WRCOG contemplated thereby, or contests the exclusion of the interest on any Bond from state income taxation or contests the powers of WRCOG, or its authority, to levy and collect the applicable Assessments, (iv) may result in any material adverse change relating to the financial condition of WRCOG; and as of the time of acceptance hereof and as of each Closing Date, to the knowledge of WRCOG, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

5.6 Each Bond or Series of Bonds, when issued, executed and delivered in accordance with the Master Indenture and the applicable Supplemental Indenture and sold to PACEfunding, will be validly issued and an outstanding limited obligation of WRCOG, entitled to the benefits of the Master Indenture and the applicable Supplemental Indenture and the security of the pledge of the proceeds of the levy of the applicable Assessment or Assessments. The Master Indenture and the applicable Supplemental Indenture create a valid pledge of the moneys in certain funds and accounts established pursuant to such Master Indenture, including the investments thereof subject in all cases to the provisions of such Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

5.7 Each Assessment constituting the security for a Bond has been duly and lawfully authorized and levied under Chapter 29 and the Constitution and the applicable laws of the State, and pursuant to Chapter 29 such Assessment, when levied, will constitute a valid and legally binding lien on the Participating Parcel upon which it has been levied.

5.8 All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by each Closing Date for the due authorization of, or which would constitute a condition precedent to or the absence of which would adversely affect the due performance by WRCOG of its obligations in connection with the WRCOG Documents have been duly obtained or made and are in full force and effect.

5.9 WRCOG will apply the proceeds of each Bond or Series of Bonds in accordance with the Master Indenture and the applicable Supplemental Indenture.

6. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PACEFUNDING. The obligations of PACEfunding to accept delivery of and pay for each Bond or Series of Bonds on the Closing Date thereof shall be subject, at the option of PACEfunding, to the accuracy in all material respects of the representations and warranties on the part of WRCOG contained herein, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of WRCOG made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by WRCOG of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

6.1 At each such Closing Date, the WRCOG Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by PACEfunding, and there shall have been taken in connection therewith, with the issuance of each Bond or Series of Bonds and with the transactions contemplated thereby and by this Master BPA, all such actions as, in the opinion of Best, Best & Krieger, LLP, as Bond Counsel for WRCOG, shall be necessary and appropriate;

6.2 Between the date hereof and the Closing Date applicable to each Bond or Series of Bonds, the market price or marketability of such Bond at the prices set forth in the Supplemental Indenture applicable thereto shall not have been materially adversely affected, in the judgment of PACEfunding (evidenced by a written notice to WRCOG terminating the obligation of PACEfunding to accept delivery of and pay for the Bonds), which judgment shall be formed (to the maximum extent reasonably practicable under the circumstances) only after consultation with WRCOG's financial advisor, by reason of any of the following:

6.2.1 legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or such Bond, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Master Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, or of the Bonds as contemplated hereby or otherwise is or

would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

6.2.2 any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the validity or enforceability of the Assessments or the ability of WRCOG to construct or acquire the improvements as contemplated by WRCOG Documents.

6.3 On each Closing Date, PACEfunding shall have received counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to PACEfunding:

6.3.1 WRCOG Documents, together with a certificate dated as of the Closing Date of WRCOG Secretary to the effect that each such document is a true, correct and complete copy of the one duly approved by the Executive Committee; provided, however, the Master BPA and the Master Indenture need not be provided so long as such certificate specifies that such document or documents have not be amended since such document or documents were previously received by PACEfunding;

6.3.2 Unqualified approving opinion for each Bond or Series of Bonds delivered on such Closing Date, dated such Closing Date and addressed to WRCOG, of Best Best & Krieger LLP, Bond Counsel for WRCOG, in the form attached as Exhibit A hereto and a reliance letter dated such Closing Date and addressed to PACEfunding, or any assign, affiliate, subsidiary, or any other person or entity and the Trustee that in the form attached as Exhibit B hereto, to the effect that such approving opinion addressed to WRCOG may be relied upon by PACEfunding and the Trustee to the same extent as if such opinion was addressed to them;

6.3.3 Supplemental opinion, dated the Closing Date and addressed to WRCOG, PACEfunding and the Trustee, of Best Best & Krieger LLP, Bond Counsel for WRCOG, in the form attached as Exhibit C hereto;

6.3.4 A certificate, dated such Closing Date and signed by an authorized representative of WRCOG, in substantially the form attached hereto as Exhibit D;

6.3.5 A certificate of the Trustee dated such Closing Date in substantially the form attached hereto as Exhibit E;

6.3.6 An executed copy of the Assessment Contract pertaining to the Participating Property upon which the Assessment securing such Bond has been levied.

6.3.7 A conformed copy of the Notice of Assessment pertaining to the Assessment levied against the Participating Parcel as recorded in the office of the Auditor-County Clerk-Recorder of the County of Riverside (the "County Recorder").

6.3.8 A conformed copy of the Notice of Payment of Assessment Required pertaining to the Participating Parcel as recorded in the office of the County Recorder.

7. CONDITIONS OF WRCOG'S OBLIGATIONS. WRCOG's obligations hereunder as to the sale of any Bond are subject to PACEfunding's performance of their obligations hereunder, and are also subject to the following conditions:

7.1 As of the Closing Date, no litigation shall be pending or, to the knowledge of the duly authorized officer of WRCOG executing the certificate referred to in Section 6.3.4 hereof, threatened, to restrain or enjoin the issuance or sale of such Bond or in any way affecting any authority for or the validity of such Bond or WRCOG Documents or the existence or powers of WRCOG;

7.1.1 As of the Closing Date, WRCOG shall receive the approving opinions of Bond Counsel referred to in Section 6.3.2 and 6.3.3 hereof, dated as of the Closing Date;

7.1.2 Receipt by WRCOG of a duly executed letter of PACEfunding dated as of the Closing Date and in substantially the form attached hereto as Exhibit F;

7.1.3 Receipt by WRCOG of a duly executed certificate of PACEfunding regarding the receipt of the Bond in substantially the form attached as Exhibit G hereto.

8. EXPENSES. Whether or not the Bonds are delivered to PACEfunding as set forth herein:

8.1 The PACEfunding shall be under no obligation to pay, and WRCOG shall pay or cause to be paid (out of the proceeds of each Bond or Series of Bonds all expenses incidental to the performance of WRCOG's obligations hereunder in the following amounts or percentages of the principal amount of each such Bond:

8.1.1 _____% payable to WRCOG as issuer of the Bonds;

8.1.2 _____% payable to David Taussig & Associates as assessment administrator;

8.1.3 _____% payable to Best Best & Krieger LLP as bond counsel;

8.1.4 _____% payable to PACEfunding in payment for the provision by PACEfunding of its Residential HERO Program Administrative Services as defined in and payable pursuant to the WRCOG Program by and between WRCOG and PACEfunding; and in payment for the purchase of the Bonds by PACEfunding.

8.1.5 $_____ per Bond payable to _____, as Trustee.

8.2 WRCOG shall be under no obligation to pay, and PACEfunding shall pay any and all expenses incurred by PACEfunding, including but not limited to, the fees and disbursements of its counsel pertaining to the issuance of any Bond.

8.3 Neither WRCOG nor PACEfunding shall be under any obligation to pay, and the Placement Agent shall pay, any fees of the California Debt and Investment Advisory Commission pertaining to any Bond.

9. AUTHORITY OF PACEFUNDING TO ISSUE ASSET BACKED SECURITIES AND SELL IMPROVEMENT BONDS.

PACEfunding will purchase the Bonds by utilizing source of funds as PACEfunding may in its discretion elect to utilize. From time to time PACEfunding may elect at its own expense to securitize its interest in Bonds and sell such securities to the investment community or sell any Bond, provided that any such sale is to an Accredited Investor (as such term is defined in Regulation D – Rules Governing the Limited Offer and sale of Securities Without Registration under the Securities Act of 1933, being 17 CFR 230.501 through 230.508) and that all subsequent buyers of such Bond agree to be bound by this provision. No further action or acknowledgment by WRCOG will be required to authorize such securitization or sale by PACEfunding. All fees, costs and liabilities arising directly or indirectly from or associated with PACEfunding's issuance of asset-backed securities or selling the Bonds, including without limitation costs of issuance and annual disclosure costs, will be borne by PACEfunding.

WRCOG will provide any reasonable assistance requested by PACEfunding, including without limitation, the provision of relevant WRCOG Program data and reports as may be deemed reasonably necessary by PACEfunding for the securitization or other sale of Bonds by PACEfunding. Nothing contained in this paragraph shall, however, require WRCOG to prepare any disclosure documents pertaining to such securitization or other sale of Bonds as may be required pursuant to securities laws and regulations of the federal government or the State of California or any agency, department or office of either such government. The PACEfunding shall pay all reasonable expenses incurred by WRCOG in providing such data and reports.

1. General Provisions.

(a) Termination of Agreement. Should (a) PACEfunding (i) breach one or more of its material obligations as outlined herein or in the PACEFUNDING PROGRAM ADMINISTRATION AGREEMENT (the "Services Contract") or (ii) fail during any calendar year to purchase Bonds which have met the underwriting guidelines identified in the Program Report applicable to Residential Properties participating in the Program with an aggregate principal amount of $1 million or more by December 30, 2018 or (b) WRCOG terminate the Services Contract pursuant to the provisions thereof, WRCOG may, by written notice to PACEfunding, terminate the whole or any part of this Master BPA by giving written notice to PACEfunding of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. PACEfunding may, by written notice to WRCOG, terminate this Master BPA for cause which shall include, but not be limited to, the determination by PACEfunding, in the exercise of its reasonable professional judgment after consultation with the WRCOG Representative, that WRCOG cannot reasonably be expected to be able to issue Bonds pursuant to this Master BPA.

(b) Delivery of Notices. All notices permitted or required under this Master BPA 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:

PACEfunding: PACEfunding
750 University Avenue, Suite 240
Los Gatos, CA 95032

With copy to:

WRCOG: Western Riverside Council of Governments
1170 W. 3rd St., 2nd Floor
Riverside, CA 92410
Attn: Rick Bishop, Executive Director

and

Best Best & Krieger LLP
3390 University Avenue, 5th Floor
Riverside, CA 92501
Attn: Mrunal Shah

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.

(c) 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 Master BPA.

(d) Availability of Injunctive Relief. PACEfunding and WRCOG agree that either PACEfunding or WRCOG may petition a court for provisional relief, including injunctive relief, as permitted by the Rules, including, but not limited to, where either PACEfunding or WRCOG alleges or claims a violation of this Master BPA between WRCOG and PACEfunding. PACEfunding and WRCOG understand that any breach or threatened breach of such an agreement (including this Master BPA) will cause irreparable injury and that money damages will not provide an adequate remedy therefor and both WRCOG and PACEfunding hereby consent to the issuance of an injunction.

(e) Indemnification and Hold Harmless. PACEfunding shall defend, indemnify and hold WRCOG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent or wrongful acts, omissions or willful misconduct of PACEfunding, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance of the Program Administration Services, the Program or this Agreement, including without limitation the payment of all consequential damages and attorneys'

fees and other related costs and expenses. PACEfunding shall defend, at PACEfunding'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. PACEfunding 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. PACEfunding 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. PACEfunding'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 8(e).

(f) Entire Agreement. This Master BPA contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Master BPA may only be modified by a writing signed by both Parties.

(g) Governing Law. This Master BPA shall be governed by the laws of the State of California. Venue shall be in Riverside County.

(h) Time of Essence. Time is of the essence for each and every provision of this Master BPA.

(i) Successors and Assigns. This Master BPA shall be binding on the successors and assigns of the Parties.

(j) Assignment or Transfer. PACEfunding shall not assign, hypothecate, or transfer, either directly or by operation of law, this Master BPA or any interest herein without the prior written consent of WRCOG; provided, however, PACEfunding may assign this Master BPA in connection with the merger or the sale of all or substantially all of its assets provided that the successor entity expressly assumes all of the obligations and confirms all of the representations and warranties of PACEfunding hereunder. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

(k) Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Master BPA, the language of this Master BPA shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not workdays. All references to PACEfunding include all personnel, employees, agents, and subcontractors of PACEfunding, except as otherwise specified in this Master BPA. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Master BPA. 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 Master BPA.

(l) Amendment; Modification. No supplement, modification, or amendment of this Master BPA shall be binding unless executed in writing and signed by both Parties.

(m) 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.

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

(o) Invalidity; Severability. If any portion of this Master BPA is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

(p) Prohibited Interests. PACEfunding maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for PACEfunding, or independent contractors and consultants engaged by PACEfunding to perform PACEfunding's obligations and duties under this Master BPA to solicit or secure this Master BPA. Further, other than its outside counsel, PACEfunding 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 PACEfunding, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Master BPA. For breach or violation of this warranty, WRCOG shall have the right to rescind this Master BPA without liability. For the term of this Master BPA, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Master BPA, or obtain any present or anticipated material benefit arising therefrom.

(q) Survival of Representations, Warranties and Agreements. The representations, warranties and agreements of WRCOG set forth in or made pursuant to this Master BPA shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of PACEfunding (or statements as to the results of such investigations) concerning such representations and statements of WRCOG and regardless of delivery of and payment for the Bonds.

(r) Equal Opportunity Employment. PACEfunding 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.

(s) Authority to Enter Master BPA. PACEfunding has all requisite power and authority to conduct its business and to execute, deliver, and perform the Master BPA Each Party warrants that the individuals who have signed this Master BPA have the legal power, right, and authority to make this Master BPA and bind each respective Party.

2. Effective. This Master BPA shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by WRCOG and shall be valid and enforceable as of the time of such acceptance.

3. Counterparts. This Master BPA may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Master BPA as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	PACE FUNDING GROUP, LLC
By: _____	By: _____
Title: _____, Chair	Title: _____

EXHIBIT A

FORM OF BOND COUNSEL OPINION

[Closing Date]

Executive Committee
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor Annex
Riverside, California

Re: Western Riverside Council of Governments
Limited Obligation Improvement Bonds
(WRCOG Program) PACEfunding (Series No. _____)

Bond Counsel Opinion

Ladies and Gentlemen:

We have acted as bond counsel to the Western Riverside Council of Governments ("WRCOG") in connection with the issuance by WRCOG of those Western Riverside Council of Government Limited Obligation Improvement Bonds (WRCOG Program) PACEfunding (Series No. _____) listed on the attached Schedule I (the "Bonds"). In such capacity we have examined the proceedings taken by WRCOG for the levy of assessments and the authorization and issuance of the Bonds with respect to the WRCOG Program (collectively, the "Program Proceedings"). Additionally, we have examined such law, certifications, and other documents as we have deemed necessary to render this opinion.

The Program Proceedings were taken pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the Streets and Highways Code of the State of California ("Chapter 29"). Each Bond has been issued pursuant to Chapter 29, the Municipal Improvement Act of 1915 (Division 10 of the Streets and Highways Code of the State of California), Resolution No. 08-11 adopted by the Executive Committee of WRCOG (the "Executive Committee") on January 12, 2011 (the "WRCOG Program Resolution of Issuance"), Resolution No. 03-12 adopted by the Executive Committee on July 29, 2011, Resolution No. ____ adopted by the Executive Committee on April 3, 2016 (collectively, the "Resolutions of Issuance"), Resolution No. _____ adopted by the Executive Committee on _____, 2017, approving the form of a new Master Indenture for the Western Riverside Council of Governments Limited Obligation Improvement Bonds PACEfunding (Series No. _____), the Master Indenture, dated as of _____, 2017 (the "Master Indenture"), by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), and the Supplemental Indenture, dated as of [CLOSING DATE] (the "Supplemental Indenture"), by and between WRCOG and the Trustee, pertaining to the Bonds. Capitalized terms used herein and not defined herein shall have the meanings given such terms in the Master Indenture or the Supplemental Indenture, as appropriate.

As to questions of fact material to our opinion, we have relied upon representations of WRCOG, the certified proceedings and other certifications or documents furnished to the WRCOG or to us, including, without limitation, the Investor Letter dated as of [CLOSING DATE] from [BOND OWNER], without undertaking to verify the same by independent investigation.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, including the default judgments rendered on: July 1, 2011, by the Superior Court of the County of Riverside in the validation action entitled Superior Court of the County of Riverside as *Western Riverside Council of Governments v. All Persons Interested, etc.*, Case No. RIC 1103280 and cover certain matters not directly addressed by such authorities. We call attention to the fact that the opinions contained herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. This opinion is given as of the date hereof and we assume no obligation to revise and supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may thereafter occur.

Based upon the foregoing, we are of the opinion that the Program Proceedings have been undertaken in accordance with the law and the Constitution of the State of California and that the Bonds, having been duly issued, executed and delivered in the manner provided by law, and the Master Indenture and the Supplemental Indenture having been duly authorized and executed by the proper official, constitute the legally valid and binding limited obligations of WRCOG, enforceable in accordance with their terms subject to the qualifications specified below. Each Bond is secured by a first pledge of the Assessment or Assessments, as applicable, securing such Bond levied upon the Participating Parcel or Participating Parcels (except amounts deposited into the Administrative Expense Fund established pursuant to the Master Indenture) as identified and set forth in the Supplemental Indenture and all moneys deposited in the Redemption Fund (including the Capitalized Interest Account and the Prepayment Account therein) established pursuant to the Master Indenture derived from the installments of such Assessment or Assessments, as applicable, or from the prepayment of such Assessment or Assessments, as applicable, received by WRCOG.

We are further of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of California, however, we observe that interest on the Bonds is not excludable from gross income for federal income tax under Section 103 of the Internal Revenue Code of 1986 (the "Code"). We express no opinion regarding other federal tax consequences with respect to the Bonds.

Any federal tax advice contained herein with respect to the Bonds is not intended or written to be used, and it cannot be used, for the purpose of avoiding penalties under the Code. The federal tax advice contained herein with respect to the Bonds was written to support the promoting and marketing of the Bonds. Before purchasing the Bonds, all potential purchasers should consult their independent tax advisors with respect to the tax consequences relating to the Bonds and the taxpayer's particular circumstances.

We are admitted to the practice of law only in the State of California and our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction

and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

The rights of the owner of the Bonds and the enforceability of the Bonds, the Master Indenture and the Supplemental Indenture may be subject to bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted, and their enforcement may be subject to the exercise of judicial discretion in accordance with general principals of equity.

Respectfully submitted,

BEST BEST & KRIEGER LLP

EXHIBIT B

FORM OF RELIANCE LETTER OF BOND COUNSEL

[Closing Date]

Executive Committee
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor
Riverside, California 92501

[Purchaser of the Bonds]

The Bank of New York Mellon Trust
Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attn: Corporate Trust

Re: Western Riverside Council of Governments Limited Obligation Improvement Bonds (WRCOG Program) PACEfunding (Series No. _____)

RELIANCE LETTER

Ladies and Gentlemen:

We are delivering to you on the date of this letter a copy of our opinion dated [Closing Date] that is attached hereto, and addressed to the Executive Committee of the Western Riverside Council of Governments with respect to the bonds listed on the attached Schedule I (the "Bonds"). This is to confirm that you may rely on that opinion as though it were addressed to you.

Respectfully submitted,

BEST BEST & KRIEGER LLP

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[Closing Date]

Executive Committee
Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor Annex
Riverside, California

The Bank of New York Mellon Trust
Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attn: Corporate Trust

[Purchaser of the Bonds]

Re: Western Riverside Council of Governments
Limited Obligation Improvement Bonds
(WRCOG Program) PACEfunding (Series No. _____)

Supplemental Opinion of Bond Counsel

Ladies and Gentlemen :

This opinion is rendered in our capacity as bond counsel for Western Riverside Council of Governments ("WRCOG") and in conjunction with and pertaining to the proceedings conducted by WRCOG for the levy of assessments and the authorization and in connection with the issuance of the Western Riverside Council of Governments Limited Obligation Improvement Bonds (WRCOG Program) PACEfunding (Series No. _____) listed on the attached Schedule I (the "Bonds"), with respect to the WRCOG Program (the "Program") taken pursuant to the provisions of Chapter 29 of Part 3, Division 7 of the Streets and Highways Code of the State of California ("Chapter 29") and the sale and delivery of the Bonds by WRCOG pursuant to the provisions of Chapter 29, the Improvement Bond Act of 1915 (Division 10 of the Streets and Highways Code of the State of California) (the "Bond Act"), Resolution No. 08-11 adopted by the Executive Committee of WRCOG (the "Executive Committee") on January 12, 2011 (the "WRCOG Program Resolution of Issuance") and Resolution No. 03-12 adopted by the Executive Committee on July 29, 2011, Resolution No. ____ adopted by the Executive Committee on April 3, 2016 (collectively, the "Resolutions of Issuance"), Resolution No. _____ adopted by the Executive Committee on _____, 2017, approving the form of a new Master Indenture for the Western Riverside Council of Governments Limited Obligation Improvement Bonds PACEfunding (Series No. _____), the Master Indenture, dated as of _____, 2017 (the "Master Indenture"), by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") and the Supplemental Indenture, dated as of

[CLOSING DATE] (the "Supplemental Indenture"), by and between WRCOG and the Trustee, pertaining to such Bonds.

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") to validate the WRCOG Program and all proceedings relating to or leading up to the WRCOG 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 (the "Defaulted Judgment") in which the Superior Court ordered, judged and decreed, in part, that all proceedings by and for WRCOG in connection with the WRCOG 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.

Capitalized terms used herein and not defined herein shall have the meanings given such terms in the Master Indenture or the Supplemental Indenture.

As to questions of fact material to our opinion, we have relied upon representations of WRCOG, the certified proceedings and other certifications or documents furnished to the WRCOG or to us, including, without limitation, the Investor Letter, dated as of [CLOSING DATE], from [BOND OWNER], without undertaking to verify the same by independent investigation.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, including the Default Judgments, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof.

As used in this opinion, the phrase "current actual knowledge" means knowledge of facts or other information that is in the conscious awareness of lawyers currently in our firm who have performed legal services for WRCOG.Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. WRCOG is duly created and validly existing as a joint exercise of powers authority organized and existing under the Constitution and laws of the State of California.

2. WRCOG has full legal power and lawful authority to adopt the Resolutions of Issuance and approve and enter into the Master Indenture and the Supplemental Indenture, and the Resolutions of Issuance, Resolution No. _____, the Master Indenture, the Supplemental Indenture and such Bonds were duly approved by the Executive Committee of

WRCOG.

3. The execution of the Supplemental Indenture relating to the Bonds is authorized and permitted by the terms of the Master Indenture and that all conditions precedent to the execution of the Supplemental Indenture have been met.

4. Each Bond has been duly authorized, issued, executed and delivered by WRCOG and constitutes the legal, valid and binding agreement of WRCOG, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles and the exercise of judicial discretion in appropriate cases. The Master Indenture and the Supplemental Indenture have been duly authorized, executed and delivered by WRCOG, and, assuming due authorization, execution and delivery where applicable by the other parties thereto, constitute the legal, valid and binding agreements of WRCOG, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles and the exercise of judicial discretion in appropriate cases.

5. The Validation Action was duly filed and the Default Judgments duly entered in accordance with all applicable, laws, rules and regulations of the State of California.

6. Notice of the Validation Action was duly made in accordance with the Validation Statute and the order of the Superior Court.

7. The Default Judgment is final and in full force and effect

8. Pursuant to its terms and the Validation Statute, the Default Judgments are, notwithstanding any other provisions of law, forever binding and conclusive, as to all matters adjudicated or which could have been adjudicated, against all persons interested, and such Default Judgments shall permanently enjoin the institution by any person of any proceeding raising any issue as to which the judgments are binding and conclusive.

9. Each Assessment, as specified in the Supplemental Indenture, has been duly and validly authorized in accordance with the laws of the State of California and a lien to secure payment of such Assessment has been imposed on the applicable Participating Parcel.

10. The lien of each Assessment is 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 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 of California, the County of Riverside or the city, special district or other local agency, if any, within which the applicable Participating Parcel is located; (b) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of such Assessment; (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 of California, the County of Riverside or the city, special district or other local agency, if any, within which the applicable Participating Parcel is located.

11. To our actual knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body (except for the Validation Actions) is pending or threatened, in any way affecting the existence of WRCOG or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Master Indenture and the Supplemental Indenture, the collection or application of the Assessments pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Assessments, the Bonds, the Master Indenture, the Supplemental Indenture, any other applicable agreements, or any action of the WRCOG contemplated by any of those documents, or in any way contesting the powers of the WRCOG or its authority with respect to the Bonds, the Master Indenture, the Supplemental Indenture, any other applicable agreements, or any action of the WRCOG contemplated by any of those documents, or which would adversely affect the exemption of interest on the Bonds from California personal income taxation; nor to our actual knowledge, is there any basis for any of the foregoing actions.

12. The Programs, the Assessment Contracts, the levy of the Assessments and the issuance of the Bonds do not violate the prohibition against "impairing the obligation of contracts" as provided in the United States Constitution, Article I, Section 10, clause 1, or the California Constitution, Article I, Section 9, do not constitute a taking of a pre-existing lender's property and do not constitute a taking of private property without due process of law in violation of the Fifth and Fourteenth Amendments to the United States Constitution or the California Constitution, Article I, Section 19.

13. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Master Indenture and the Supplemental Indenture are exempt from qualification under the Trust Indenture of 1939, as amended.

The opinions expressed above do not constitute a guarantee of the outcome of any particular litigation, and there can be no assurance that no action may be taken in federal or state court challenging the constitutionality of Chapter 29 and/or the Bond Act relating to the Bonds. Furthermore, given the lack of judicial precedent directly on point, and the novelty of the transactions pertaining to Chapter 29, the Programs and/or the Bonds, the outcome of any such litigation cannot be predicted with certainty. In the event of any claim and/or action which adversely impacts the rights of the holder of the Bonds, costly and time-consuming litigation could ensue, adversely affecting, at least temporarily, the price and liquidity of the Bonds.

The opinions set forth herein is intended for the information solely of the addressees hereof and is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or other administrative agency or other person or entity for any purpose without our prior express written consent. We do not undertake to advise you of matters that may come to our attention subsequent to the date hereof that may affect the opinions expressed herein.

Respectfully submitted,

BEST BEST & KRIEGER LLP

EXHIBIT D

OMNIBUS CERTIFICATE OF WRCOG

Name and address of purchaser of Bond — The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attn: Corporate Trust

Re: Western Riverside Council of Governments
Limited Obligation Improvement Bonds
(WRCOG Program)
PACEfunding (Series No. _____)

The undersigned hereby certifies that he is an Authorized Representative of the Western Riverside Council of Governments ("WRCOG") and that the undersigned is authorized to execute this Omnibus Certificate of WRCOG on behalf of WRCOG in connection with the issuance of the Western Riverside Council of Governments Limited Obligation Improvement Bonds (WRCOG Program) PACEfunding (Series No. _____) listed on the attached Schedule I (the "Bonds"). All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Master Indenture, dated as of _____, 2017 (the "Master Indenture"), by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

1. The Western Riverside Council of Governments ("WRCOG") is a joint exercise of powers authority duly organized and existing under the Constitution of the State of California (the "Constitution") and laws of the State of California (the "State"), and has, and at the Closing Date will have, full legal right, power and authority, for and on behalf of the Member Agencies:

(a) to adopt the Resolutions of Issuance;

(b) to enter into the Master Bond Purchase Agreement, dated as of _____, 2017 (the "Bond Purchase Agreement"), by and between WRCOG and PACEfunding LLC ("PACEfunding");

(c) to enter into the Master Indenture, dated as of _____, 2017 and the Supplemental Indenture, dated as of [CLOSING DATE], (the "Supplemental Indenture"), by and between WRCOG and the Trustee with respect to the Bonds;

(d) to issue, sell and deliver the Bonds to [BOND OWNER] as provided herein;

(e) to enter into the Assessment Contract for each Participating Parcel as identified in the Supplemental Indenture; and

(f) to carry out and consummate the transactions on its part contemplated by the Bond Purchase Agreement, the Master Indenture, the Supplemental Indenture, the Bonds and the Assessment Contracts.

The Bond Purchase Agreement, the Master Indenture, the Supplemental Indenture and the Assessment Contracts are collectively referred to herein as the "WRCOG Documents."

2. By all necessary official action of WRCOG, WRCOG has duly authorized and approved the adoption or execution and delivery by WRCOG of, and the performance by the WRCOG of the obligations on its contained in, the Bonds, the WRCOG Documents and the Resolutions of Issuance and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. The Bonds and, when executed and delivered by the parties thereto, the WRCOG Documents will constitute the legally valid and binding obligations of WRCOG enforceable against WRCOG in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. WRCOG has complied, and will at the Closing (as such term is defined in the Bond Purchase Agreement, be in compliance in all respects, with the obligations on its part to be performed on or prior to the Closing Date under the Bonds and the WRCOG Documents.

3. The Executive Committee has duly established the Programs pursuant to the Resolutions Confirming Program Report and Chapter 29. The Executive Committee has duly authorized the issuance and sale of the Bonds pursuant to Resolutions of Issuance, adopted by the Executive Committee, the Master Indenture and the Supplemental Indenture.

4. As of the Closing Date, WRCOG is not or will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which WRCOG is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have an adverse effect on WRCOG's ability to perform its obligations under the Bonds or the WRCOG Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the WRCOG Documents and compliance by WRCOG with the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which WRCOG (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of

any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the WRCOG Documents.

5. As of the Closing Date 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 WRCOG has been served with process or to the best knowledge of WRCOG threatened, in which any such Action: (i) in any way questions the corporate existence of WRCOG or the titles of the officers of WRCOG to their respective offices; (ii) in any way questions the establishment of the Programs or the titles of the Executive Committee of WRCOG; (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the WRCOG Documents or the consummation of the transactions on the part of WRCOG contemplated thereby, or contests the exclusion of the interest on the Bonds from state income taxation or contests the powers of WRCOG, or its authority, to levy and collect the Assessments; and (iv) may result in any material adverse change relating to the financial condition of WRCOG; and as of the time of acceptance hereof and as of the Closing Date, to the knowledge of WRCOG, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

6. The Bonds, when issued, executed and delivered in accordance with the Indenture and sold to [BOND OWNER], will be validly issued and an outstanding limited obligation of WRCOG, entitled to the benefits of the Master Indenture and the Supplemental Indenture and the security of the pledge of the proceeds of the levy of the applicable Assessments identified in the Supplemental Indenture. The Indenture creates a valid pledge of the moneys in certain funds and accounts established pursuant to such Indenture, including the investments thereof subject in all cases to the provisions of such Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

7. Each Assessment constituting security for the applicable Bond has been duly and lawfully authorized and levied under Chapter 29 and the Constitution and the applicable laws of the State, and pursuant to Chapter 29 such Assessment, when levied, will constitute a valid and legally binding lien on the Participating Parcel upon which it has been levied.

8. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, or which would constitute a condition precedent to or the absence of which would adversely affect the due performance by WRCOG of its obligations in connection with the WRCOG Documents have been duly obtained or made and are in full force and effect.

9. WRCOG will apply the proceeds of each of the Bonds in accordance with the Master Indenture and the Supplemental Indenture.

Respectfully submitted,

By:_____
Authorized Representative

EXHIBIT E

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BONDS
(WRCOG Program)
PACEfunding
(Series No. _____)

Certificate of Trustee

I, an authorized signer of The Bank of New York Mellon Trust Company, N.A. ("BNY Mellon"), the Trustee under the Master Indenture, dated as of _____, 2017 (the "Master Indenture"), by and between Western Riverside Council of Governments (the "Issuer") and BNY Mellon, and the Supplemental Indenture, dated as of [CLOSING DATE] (the "Supplemental Indenture"), by and between the BNY Mellon, as Trustee and Issuer related to the bonds listed in the attached Schedule I (the "Bonds"), hereby certify the following information. Capitalized terms used but not defined herein shall have the meanings set forth in the Master Indenture.

(a) BNY Mellon is a national banking association duly organized, validly existing and in good standing under the laws of the United States and is authorized to execute the Master Indenture and Supplemental Indenture (collectively, the "Transaction Documents"), and accept the trust and perform its obligations under the Transaction Documents.

(b) The individuals listed on the attached Exhibit A are duly authorized to execute the Agreement and are the duly elected and qualified incumbents of the office set forth opposite his or her name.

(c) The Bonds dated the date hereof and provided for by the Transaction Documents have been authenticated by Authorized Officers of BNY Mellon.

(d) The Bonds have, on or before this date, been delivered by BNY Mellon to or upon the Issuer Order.

IN WITNESS WHEREOF, The Bank of New York Mellon Trust Company, N.A. has caused this certificate to be executed in its name by a duly authorized officer, as of the [CLOSING DATE].

DATED:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Title:

EXHIBIT F

LETTER OF PURCHASER

Western Riverside Council of Governments
4080 Lemon Street
3rd Floor, MS 1032
Riverside, California 92501-3609
Attention: Executive Director

The Bank of New York Mellon Trust
Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attn: Corporate Trust

Re: Western Riverside Council of Governments
Limited Obligation Improvement Bonds
(WRCOG Program)
PACEfunding
(Series No. _____)

Ladies and Gentlemen:

The undersigned (the "Investor") proposes to purchase the limited obligation improvement bonds as listed on the attached Schedule I (the "Bonds") from the Western Riverside Council of Governments ("WRCOG"). Capitalized terms used in this Investor Letter and not otherwise defined herein shall have the meanings ascribed to such terms in the Master Indenture, dated as of _____, 2017 (the "Master Indenture"), by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

In connection with the sale of the Bonds to the Investor, the Investor hereby makes the following representations upon which you may rely:

2. The Investor has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

3. The Investor is an "accredited investor" under Regulation D of the Securities Act of 1933 and, therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

4. The Bonds are being acquired by the Investor for investment and not for more than one account or with a view to distribution of the Bonds, except as provided for in paragraph 8 below. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

5. The Investor understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds: (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (b) will not be listed on any stock or other securities exchange; (c) will not carry a rating from any rating service; and (d) will be delivered in a form which may not be readily marketable.

6. The Investor understands that: (a) the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the State of California or any political subdivision thereof and that WRCOG has no taxing power; (b) the Bonds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of WRCOG, the State of California or any political subdivision thereof; and (c) the liability of WRCOG with respect to each Bond is limited to first priority perfected security interest granted in the applicable Assessment and all other Collateral securing such Bond and all moneys deposited in the Redemption Fund (including the Capitalized Interest Account, the Assessment Collection Account and the Prepayment Account therein) are derived from the issuance of the Bonds, the installments of such Assessments or from the prepayment of such Assessment received by WRCOG as set forth in the Indenture.

7. The Investor acknowledges that it has either been supplied with or been given access to such information, to which a reasonable investor would attach significance in making investment decisions, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning WRCOG, the Programs, the Assessment Contract, the Assessments, the Participating Parcels, the Master Indenture, the Supplemental Indenture, the Bonds and the security therefor, and the Side Letter Agreement so that, as a reasonable investor, the Investor has been able to make its decision to purchase the Bonds.

8. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Investor, with assistance of counsel, has reviewed the Bonds, the Master Indenture and the Supplemental Indenture. The Investor acknowledges, consents and agrees to all terms of such documents including, without limitation, the provisions relating to the redemption of the Bonds and the sale of Assessment Security Interests in Assessments securing the Bonds as provided for in the Master Indenture.

9. The Investor acknowledges that it has the right to sell and transfer the Bonds, in accordance with the terms of the Master Indenture and the Supplemental Indenture, subject to the delivery to the Trustee of a letter from the transferee, in the form attached to the Master Indenture as Exhibit C, with no material revisions except as may be approved in writing by WRCOG. Failure to deliver such letter shall cause the purported transfer to be null and void.

The Investor acknowledges that it has received a copy of the Side Letter Agreement and agrees and obligates itself to provide a copy of the Side Letter Agreement to any subsequent purchaser or assignee of the Bonds.

10. The Investor understands that neither the members, directors, officers, employees, or agents of the WRCOG, nor any person executing the Bonds, the Master Indenture or the Supplemental Indenture, shall be subject to any personal liability or accountability by reason of or in connection with the issuance, offering, execution, and delivery of the Bonds.

11. The Investor has obtained what it considers adequate information regarding WRCOG, the Programs, the Assessment Contracts, the Assessments, the Participating Parcels, the Master Indenture, the Supplemental Indenture and the Bonds to make an informed investment decision to purchase the Bonds. Except as set forth in the Indenture, the Investor acknowledges that WRCOG and its agents, representatives and attorneys are under no duty to provide, and the Investor acknowledges that it is not entitled to receive, (i) any additional information regarding WRCOG, the Programs, the Assessment Contract, the Assessments, the Participating Parcels, the Master Indenture, the Supplemental Indenture or the Bonds, or (ii) an update to the information previously provided by such persons to the Investor; provided, however, that such acknowledgement does not extend to information provided by WRCOG, its agents, representatives and/or attorneys that would have the effect of correcting, (a) any untrue statement of a material fact made in the Bonds, the Master Indenture or the Supplemental Indenture or in any of the other information provided to the Investor by WRCOG or its agents, representatives or attorneys, or (b) any omission of a material fact necessary to make a statement made in such documents not misleading in light of the circumstances under which it was made.

[BOND OWNER]

By: _____
Authorized Representative

EXHIBIT G

RECEIPT FOR BONDS

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
LIMITED OBLIGATION IMPROVEMENT BOND
(WRCOG Program)
PACEfunding
(Series No. _____)

Receipt is hereby acknowledged of the Western Riverside Council of Governments Limited Obligation Improvement Bonds (WRCOG Program) PACEfunding (Series No. _____) listed on the attached Schedule I (the "Bonds") by [BOND OWNER] (the "Purchaser"), as the initial purchaser of such Bonds.

The undersigned hereby states and certifies on behalf of the Purchaser that the Purchaser has received on this date from The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), under the Master Indenture, dated as of _____, 2017 (the "Master Indenture"), by and between the Trustee and the Western Riverside Council of Governments ("WRCOG"), as supplemented by the Supplemental Indenture pertaining to the applicable Bond, dated as of [CLOSING DATE] (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), by and between the Trustee and WRCOG, such Bonds, as authenticated and delivered by the Trustee pursuant to the Indenture.

The undersigned further states and certifies that all certificates, opinions and agreements requested by the Purchaser as the assignee of PACEfunding ("PACEfunding") under the Master Bond Purchase Agreement, dated _____, 20___ (the "Bond Purchase Agreement"), between PACEfunding and WRCOG, have been delivered and that all conditions precedent for the Purchaser to accept delivery of such Bonds under the Master Bond Purchase Agreement and the Indenture have been met or waived.

Dated: [CLOSING DATE]

[BOND OWNER]

By:_____
Authorized Representative

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Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 13

PACE Funding Master Assignment
and Assumption Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PACE FUNDING GROUP PROGRAM

MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT

This Master Assignment and Assumption Agreement (this "Assignment Agreement") is made as of _____, 2017 ("Effective Date"), by and between Western Riverside Council of Governments, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California ("Transferor"), and PACE Funding Group, LLC, a California limited liability company ("Transferee").

WITNESSETH

WHEREAS, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29"), the Joint Powers Agreement of the Western Riverside Council of Governments ("Transferor") originally made and entered into April 1, 1991, as further amended to date (as amended the "JPA"), and separate Implementation Agreements by and between Transferor and its participating member agencies as authorized pursuant to the JPA, Transferor is authorized and proposes to establish a voluntary contractual assessment program to assist property owners within the jurisdictional boundaries of Transferor's participating member agencies (each, a "Member Agency" and, together, the "Member Agencies") with the cost of installing distributed generation renewable energy sources or energy or water efficient improvements that are permanently fixed to their property; and

WHEREAS, on March 1, 2010, pursuant to Resolution No. 09-10 (the "Resolution of Intention"), the Executive Committee of the Transferor (the "Executive Committee") declared its intention to establish a voluntary contractual assessment program to be known as the "WRCOG Energy Efficiency and Water Conservation for Western Riverside County" (the "Program"), pursuant to which WRCOG would enter into contractual assessments to finance the installation of distributed generation renewable energy sources or energy or water efficient improvements within the jurisdictional boundaries of the Member Agencies; and

WHEREAS, the Resolution of Intention ordered the Executive Director to prepare, or direct the preparation of, and file with the Executive Committee a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 of Chapter 29; and

WHEREAS, on June 7, 2010, pursuant to Resolution No. 13-10 (the "Resolution Confirming Report"), the Executive Committee of the Transferor confirmed the Program Report and established the Program in the Member Agency, subject to the limitations set forth in the Resolution of Intention; and

WHEREAS, pursuant to Chapter 29 and the Resolution Confirming Report, the Transferor is authorized to enter into contractual assessments to finance or refinance the installation of Improvements in the Member Agency, subject to the limitations set forth in the Resolution of Intention; and

WHEREAS, pursuant to Resolution No. 03-11 adopted on July 29, 2011 as subsequently amended, and Resolution No. ____ adopted on October 2, 2017 (the "Resolution of Issuance"), the Executive Committee of the Transferor authorized the issuance of one or more series of limited obligation improvement bonds from time to time pursuant to Chapter 29, the Bond Act and one or more master indentures for the purpose, among others, of financing or refinancing the installation of Improvements; and

WHEREAS, the Transferor has determined to issue its WRCOG PACEfunding Limited Obligation Improvement Bonds, (Series No. ____) (the "Bonds") in series from time to time as provided in the Master Indenture of Trust, by and between the Transferor 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, as trustee (the "Trustee"), dated as of _____, 2017 (the "Master Indenture") for the purpose, among others, of financing or refinancing the installation of Improvements; and

WHEREAS, Transferee acts as a Program Administrator with respect to the Program, and, as such, generates the Assessment Contracts securing the Bonds, which are issued from time to time pursuant to the Master Indenture, as supplemented; 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 Bonds under the Act and pursuant to the Master Indenture, as supplemented, Transferee wishes to enter into this Assignment Agreement to establish an interim financing mechanism for the Assessment Contracts;

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. All capitalized terms used in this Assignment Agreement that are not defined herein but are defined in the Master Indenture, shall have the same meanings ascribed to them as in the Master Indenture. The following capitalized terms shall have the following definitions:

"Assessment Contract Bond Issuance Date" means, with respect to any Assessment Contract, the date on which Bonds related to and secured by such Assessment Contract are issued.

"Assignment Date" means, with respect to any Assessment Contract, the period beginning on (and including) the date on which such the Assessment Contract is originated.

"Assignment Term" means with respect to any Assessment Contract, the period beginning on (and including) the Assignment Date and ending on (but excluding) the applicable Assignment Termination Date.

"Assignment Termination Date" means, with respect to any Assessment Contract, the earlier of (i) the Three-Year Anniversary or (ii) the date Bonds related to and secured by such are issued. "Three-Year Anniversary" means, with respect to any Assessment Contract, the third (3rd) anniversary of the Assignment Date of such Assessment Contract (in accordance with Section 5898.28(b) of the Act).

2. Assignment of Pre-Bond Issue Assessment Contracts. Transferor hereby assigns and transfers to Transferee on each Assignment Date with respect to the Assessment Contracts, and Transferee accepts from Transferor, for the Assignment Term, all of Transferor's right, title, and interest in and to each Assessment Contract. Transferee hereby acknowledges and agrees that the assignment of the Assessment Contracts is only for the Assignment Term, and shall automatically revert back to the Transferor on the applicable Assessment Contract Bond Issuance Date. Further, Transferee acknowledges that in no event shall Transferee or any other entity other than Transferor be permitted to initiate or prosecute any foreclosure action with respect to any Assessment Contract. Transferee also acknowledges and agrees that Transferor has no legal authority to initiate or prosecute any foreclosure action with respect to any Assessment Contract until the Assessment Contract Bond Issuance Date with respect to such Assessment Contract. As of each Assignment Termination Date with respect to any Assessment Contract, Transferee will, without any further action, cease to have any right, title or interest in and to such Assessment Contract.

3. Continuing Assignment. Pursuant to Section 5898(b) of the Act, the assignment of the Assessment Contracts for the Assignment Term pursuant to this Assignment Agreement shall constitute a true and absolute transfer of such Assessment Contracts for the Assignment Term 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 Assessment Contracts.

The covenants of the 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.

4. Representations and Agreements.

(a) Each party represents to and agrees with the other that (i) it has full power and authority to enter into this Assignment Agreement and perform its obligations hereunder in accordance with the provisions hereof, (ii) this Assignment Agreement has been duly authorized, executed and delivered by such party, and (iii) this Assignment 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 to and agrees with the other that the execution and delivery of this Assignment Agreement and the consummation of the transactions contemplated hereby will not, in any material respect, conflict with or constitute a breach or default under any agreement or instrument to which such party is a party, or any existing law, regulation, court order or consent decree to which such party is subject.

5. Entirety of Agreement. This Assignment 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.

6. Indemnity. Transferee agrees to defend, indemnify and hold harmless Transferor from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against the Transferor in any way relating to or arising out of the transfer of any interest in the Assessment Contracts by the Transferee prior to the Assignment Termination Date.

7. Severability. Every provision of this Assignment 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 Assignment Agreement.

8. Amendment. This Assignment Agreement may be amended, waived or terminated only by a written instrument referencing this Assignment Agreement and signed by the parties to this Assignment Agreement.

9. Counterparts; Signatures. This Assignment 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.

10. Further Assurances. To the extent permitted by law, the parties hereto agree that from time to time, they shall execute, acknowledge and deliver or cause to be executed, acknowledged and delivered, such further acknowledgments, agreements, supplements and further instruments as may be reasonably required for carrying out the intention of or facilitating the performance of this Assignment Agreement and to do or cause to be done such further acts and things as may be reasonably necessary or appropriate to give effect to the provisions hereof and to confirm intention of the parties under this Assignment Agreement.

11. Headings. The headings of the sections of this Assignment Agreement are for convenience only and shall not be used to interpret or construe this Assignment Agreement.

12. Governing Law. This Assignment Agreement shall be governed by, and construed in accordance with, the law of the State of California, and venue shall be in Sacramento County, California.

(Signature pages follow)

IN WITNESS WHEREOF, Transferor and Transferee have executed this Assignment Agreement by one of its officers thereunto duly authorized, as of the date first above written.

TRANSFEROR:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Signatory

-Signature Page-
Western Riverside Council of Governments
PACE Funding Group Program
Master Assignment and Assumption Agreement

TRANSFEREE:

PACE FUNDING GROUP, LLC, a California limited liability company

By: _____

Name: _____

Title: _____

-Signature Page-
Western Riverside Council of Governments
PACE Funding Group Program
Master Assignment and Assumption Agreement

Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 14

PACE Funding/ WRCOG
Depositary and Account Control
Agreement

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DEPOSITARY AND ACCOUNT CONTROL AGREEMENT
dated as of _____, 2017

among

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS,

PACE FUNDING GROUP, LLC

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Depositary

DEPOSITARY AND ACCOUNT CONTROL AGREEMENT

This DEPOSITARY AND ACCOUNT CONTROL AGREEMENT (this "**Agreement**") is made this ____ day of _____ 2017, by and among the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a joint exercise of powers authority duly organized and existing under the Constitution and laws of the State of California ("**WRCOG**"), PACE FUNDING GROUP, LLC, a California limited liability corporation ("**Transferee**" or "**PACEfunding**"), acting in its capacity as administrator of the CaliforniaFIRST program (the "**Program**"), and The Bank of New York Mellon Trust Company, N.A. ("**Depositary**").

Recitals

WHEREAS, WRCOG and Depositary, acting as trustee, have entered into that certain master indenture in connection with the Program (each, a "**Master Indenture**") in order to provide financing for Improvements (as defined in each Master Indenture) for residential property containing three or fewer units;

WHEREAS, each of Transferee, PACEfunding and WRCOG desires to establish the Accounts (defined herein) to streamline the process of collection and disbursement of amounts received by WRCOG in connection with the assignment contemplated in Section 3.07 of each Master Indenture; and

WHEREAS, The Bank of New York Mellon Trust Company, N.A., has agreed to act as Depositary hereunder;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth, the parties to this Agreement hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 will, for all purposes of this Agreement, have the meanings herein specified. Capitalized terms used, but not defined, in this Agreement shall have the respective meanings given to them in each Master Indenture.

"**Agreement**" is defined in the Recitals hereto.

"**Accounts**" means one of, or collectively, the Program Account, Administrative Expense Account, Cost of Issuance Account, Collection Account, Reserve Account or Assignment Funding Account.

"**Administrative Expense Account**" is defined in Section 3.01(b)(i) hereof.

"**Administrative Expenses**" means costs directly related to the administration of the Program, as determined by WRCOG in its sole discretion.

"**Authorized Signatory**" means an Authorized Signatory as designated by a resolution of the Commission of WRCOG.

"**Business Day**" means any day other than a Saturday, a Sunday, or any other day upon which banks in the state of California are authorized or permitted to close.

"**Capitalized Interest Subaccount**" is defined in Section 3.01(d)(i) hereof.

"**Collection Account**" is defined in Section 3.01(d)(i) hereof.

"**Conversion**" means the exchange of one or more Transferred Interests for one or more Complying Take-Out Bonds

"**Cost of Issuance Account**" is defined in Section 3.01(c)(i) hereof.

"**Costs of Issuance**" means all items of expense directly or indirectly payable or reimbursable to WRCOG relating to the authorization, sale and delivery of the Transferred Interests.

"**Depositary**" is defined in the preamble hereof.

"**Master Indenture**" has the meaning given to it in the recitals hereof.

"**Owner**" means the contractual counterparty to WRCOG under an Assessment Contract.

"**Participating Parcel**" means the land and improvements on or within which a Project is developed or constructed and to which the Project is permanently affixed in compliance with Chapter 29 of Part 3 of Division 7 of the California Streets and Highway Code.

"**Payment Date**" means March 2 and September 2 of each year.

"**Penalties and Interest**" means, with respect to a Participating Parcel, any (i) penalties on any delinquent contractual assessment installment levied on the Participating Parcel pursuant to an Assessment Contract, excluding any such penalties that are payable to the applicable county and (ii) interest on a contractual assessment levied on the Participating Parcel pursuant to an Assessment Contract in excess of (A) the scheduled interest installments provided in the Assessment Contract and (B) the interest accrued on any past-due principal installments at the same interest rate reflected by the scheduled interest installments provided in the Assessment Contract.

"**Permitted Investments**" means any investments authorized under California law for the funds to be invested.

"**Prepayment**" means a prepayment of an Assessment Contract, less any Administrative Expenses collected as part of such prepayment.

"**Prepayment Subaccount**" is defined in Section 3.01(d)(i) hereof.

"**Program**" is defined in the preamble hereof.

"**Program Account**" is defined in Section 3.01(a)(i) hereof.

"**Project**" means an improvement authorized under Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code and the Program Guidelines.

"**Reserve Account**" is defined in Section 3.01(e)(i) hereof.

""**Transferee**" is defined in the preamble hereof.

"**Transferee Payment**" means the Assignment Purchase Price received from the Transferee pursuant to Section 3.07(A) of a Master Indenture.

"Transferred Interest" shall have the meaning prescribed to such term in the Master Indenture.

"**WRCOG**" is defined in the preamble hereof.

ARTICLE II
APPOINTMENT OF DEPOSITARY

Section 2.01 Acceptance of Appointment of Depositary. The Depositary hereby agrees to act as such and as a securities intermediary (within the meaning of Section 8102(a)(14) of the California UCC) and to accept all cash, payments, other amounts and investments to be delivered to or held by the Depositary pursuant to the terms of this Agreement and Section 3.07 of a Master Indenture. The Depositary shall hold and maintain the Accounts during the term of this Agreement.

The Collections Account and Reserve Account and the cash, instruments and investments in such accounts shall be held in the custody of the Depositary, as agent solely for the benefit of Transferee, but subject to the control and direction of WRCOG.

The Costs of Issuance Account, Program Account and Administrative Expense Account and the cash, instruments and investments in such accounts shall be held in the custody of the Depositary, as agent solely for the benefit of WRCOG.

Section 2.02 Authority. WRCOG shall have no right to withdraw or transfer funds from the Accounts, as third party beneficiary or otherwise, other than the rights set forth in Sections 3.02(b), (c) and (d) hereof.

Section 2.03 Successors. With respect to the appointment of the Depositary, the following will apply:

(i) Any bank or company into which the Depositary may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Depositary may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this Section 2.03) will be the successor to such Depositary without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Depositary will give each of WRCOG and Transferee written notice of any such succession hereunder.

(ii) WRCOG and Transferee may jointly agree to remove the Depositary initially appointed and any successor thereto, and may appoint a successor thereto, but

any Depositary will be a national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least $75,000,000 and subject to supervision or examination by federal or state authority. If such national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section, combined capital and surplus of such national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(iii) The Depositary may at any time resign by giving written notice of such resignation to each of WRCOG and Transferee. Upon receiving notice of such resignation, the WRCOG and Transferee will promptly and jointly appoint a successor Depositary, satisfying the requirements of Section 2.03(ii) above, by an instrument in writing. Any resignation or removal of the Depositary will become effective upon acceptance of appointment by the successor Depositary and the transfer of all Accounts to such successor.

(iv) If, by reason of the judgment of any court, the Depositary is rendered unable to perform its duties hereunder, WRCOG and Transferee will promptly and jointly appoint a successor Depositary by an instrument in writing.

(v) If no appointment of a successor Depositary is made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Depositary has given to each of WRCOG and Transferee written notice or after a vacancy in the office of the Depositary has occurred by reason of its inability to act, the Depositary or any other party hereto may apply to any court of competent jurisdiction to appoint a successor Depositary. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Depositary.

ARTICLE III
THE ACCOUNTS

Section 3.01 Establishment of Accounts.

(a) Program Account.

(i) The Program Account is hereby established as a separate account (the "**Program Account**") to be held by the Depositary, to the credit of which deposits will be made from the Transferee Payment with respect to each Transferred Interest pursuant to Section 3.01(f). Funds in the Program Account shall be held by the Depositary and disbursed as provided in Section 3.02(a).

(ii) The Depositary will maintain the Program Account until WRCOG and Transferee direct the Depositary to close the Account, and then the Depositary will transfer any moneys remaining therein, including any investment earnings thereon, to the Collection Account.

(iii) Funds in the Program Account will be invested in accordance with Article IV, and earnings and profits resulting from said investment will be retained by the Depositary in the Program Account to be used for the purposes of such Account.

(b) Administrative Expense Account.

(i) The Administrative Expense Account is hereby established as a separate account (the "**Administrative Expense Account**") to be held by the Depositary, to the credit of which deposits will be made from (A) amounts transferred to WRCOG from the Administrative Expense Fund, held under a Master Indenture, in connection with a Release and (B) payments received in respect of each Transferred Interest, in each case, in the amount identified for the payment of Administrative Expenses pursuant to Section 3.01(f). Funds in the Administrative Expense Account shall be held by the Depositary and disbursed as provided in Section 3.02(b).

(ii) The Depositary shall close the Administrative Expense Account following the Conversion of the final Transferred Interest pursuant to Section 3.07(F) of a Master Indenture (as notified to the Depositary by WRCOG) and payment of all Administrative Expenses associated with such Conversion. Upon closing the Administrative Expense Account, any remaining funds shall be transferred to the Authority and used for any lawful purpose.

(iii) Moneys in the Administrative Expense Account shall be invested in accordance with Article IV, and earnings and profits resulting from such investment shall be retained by the Depositary in the Administrative Expense Account to be used for the purposes of such Account.

(c) Cost of Issuance Account.

(i) The Cost of Issuance Account is hereby established as a separate account (the "**Cost of Issuance Account**") to be held by the Depositary, to the credit of which deposits will be made from amounts contributed by a Property Owner in relation to a Release pursuant to Section 3.01(f). Funds in the Cost of Issuance Account will be held by the Depositary and disbursed as provided in Section 3.02(c).

(ii) The Depositary will maintain the Cost of Issuance Account until WRCOG and Transferee direct the Depositary to close the account, and then the Depositary will transfer any moneys remaining therein, including any investment earnings thereon, to the Collection Account.

(iii) Moneys in the Cost of Issuance Account shall be invested in accordance with Article IV, and earnings and profits resulting from such investment shall be retained by the Depositary in the Cost of Issuance Account to be used for the purposes of such account.

(d) Collection Account.

(i) The Collection Account is hereby established as a separate account (the "**Collection Account**") to be held by the Depositary, to the credit of which deposits will be made from the (A) Transferee Payment with respect to each Transferred Interest pursuant to Section 3.01(f) and (B) collection of all amounts due pursuant to each of the Transferred Interests, including Penalties and Interest (other than amounts allocable to the payment of Administrative Expenses pursuant to Section 3.01(f)).

Within the Collection Account there are hereby established the following subaccounts:

(1) the Prepayment Subaccount (the "**Prepayment Subaccount**") to the credit of which deposits will be made from the (A) Transferee Payment with respect to each Transferred Interest pursuant to Section 3.01(f) and (B) collection of any payment identified to the Depositary as a Prepayment; and

(2) the Capitalized Interest Subaccount (the "**Capitalized Interest Subaccount**"), to the credit of which deposits will be made from the Transferee Payment with respect to any Transferred Interest for which interest was capitalized.

Funds in the Collection Account, and the subaccounts therein, will be held by the Depositary and disbursed as provided in Section 3.02(d) hereof.

(ii) The Depositary will maintain the Collection Account until WRCOG and Transferee direct the Depositary to close the Collection Account, and the subaccounts therein, whereupon the Depositary will transfer any moneys remaining therein, including any investment earnings thereon, to Transferee.

(iii) Funds in the Collection Account, and the subaccounts therein, will be promptly distributed to Transferee in accordance with Section 3.02(d).

(e) Reserve Account.

(i) The Reserve Account is hereby established as a separate account (the "**Reserve Account**") to be held by the Depositary, to the credit of which deposits will be made from amounts transferred to WRCOG from the Reserve Fund, held under a Master Indenture, in connection with a Release.

Amounts on deposit in the Reserve Account will be held in escrow by the Depositary and disbursed only at the written direction of WRCOG (signed by an Authorized Signatory) in connection with the issuance of Take-Out Bonds.

(ii) The Depositary will maintain the Reserve Account until WRCOG and Transferee direct the Depositary to close the Reserve Account, whereupon the Depositary will transfer any moneys remaining therein, including any investment earnings thereon, to the Collections Account.

(iii) Moneys in the Reserve Account shall be invested in accordance with Article IV, and earnings and profits resulting from such investment shall be retained by the Depositary in the Reserve Account to be used for the purposes of such account.

(f) Deposits to the Accounts.

(i) On each Assignment Date, the Depositary will deposit into the (A) Program Account and Collection Account (and Prepayment Subaccount and Capitalized Interest Subaccount therein) the applicable portions of the Assignment Purchase Price remaining after redeeming Bonds pursuant to Section 2.03(A)(iii) of a Master Indenture, (B) Reserve Account the amounts indicated in Sections 3.01(b)(i) and (e)(i), as applicable and (C) Cost of Issuance Account, the amount received from a Property Owner in relation to a Release. WRCOG will advise the Depositary in writing on each such date as to the amount of the Transferee Payment to be deposited into each of the Accounts.

(ii) On or before the date on which payment is due to be received under the Assessment Contracts, WRCOG will advise the Depositary in writing as to the amount of each payment to be deposited into the Collection Account and Administrative Expense Account. The Depositary will accept from PACEfunding an aggregate schedule of installments under the Assessment Contracts and a direction to deposit into the Administrative Expense Account, on each date on which payment is received, the amount identified as being paid for Administrative Expenses. If a payment, including a Prepayment, is received before PACEfunding has notified the Depositary of the amount to be deposited into each account, the Depositary shall deposit the entire amount into the Collection Account pending receipt of instructions from PACEfunding.

Section 3.02 Disbursement of Accounts.

(a) Program Account. Amounts in the Program Account will be disbursed from time to time to pay authorized expenses in respect of Projects upon the written request of WRCOG (signed by an Authorized Signatory). Such written notice will be sufficient evidence to the Depositary of the facts stated therein, and the Depositary will have no duty to confirm the accuracy of such facts. If WRCOG (in a written certificate signed by an Authorized Signatory) or PACEfunding (acting in its capacity as administrator of the Program) notifies the Depositary that amounts remaining in the Project Account exceed authorized but unpaid expenses with respect to a particular Project, such excess amounts, and any earnings thereon, shall be transferred to the Collection Account.

Notwithstanding the foregoing under this Section 3.02(a), amounts on deposit in the Program Account will be disbursed at the written direction of WRCOG (signed by an Authorized Signatory) in connection with the issuance of Take-Out Bonds.

(b) Administrative Expense Account. Unless otherwise directed in writing by WRCOG (signed by an Authorized Signatory), amounts in the Administrative Expense Account will be disbursed to WRCOG from time to time to pay Administrative Expenses upon the written request of WRCOG (signed by an Authorized Signatory). Alternatively, WRCOG may direct the Depositary to make payment of Administrative Expenses directly from the Administrative Expense Account to the applicable payees. Such written notice (signed by an Authorized Signatory) will be sufficient evidence to the Depositary of the facts stated therein, and the Depositary will have no duty to confirm the accuracy of such facts. The Depositary will pay all Administrative Expenses after receipt of such notice or an invoice from any such payee, which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the notice requesting payment of Administrative Expenses.

Notwithstanding the foregoing under this Section 3.02(b), amounts on deposit in the Administrative Expense Account will be disbursed at the written direction of WRCOG (signed by an Authorized Signatory) in connection with the issuance of Take-Out Bonds.

(c) Cost of Issuance Account. Amounts in the Cost of Issuance Account will be disbursed from time to time to pay Costs of Issuance, upon the written request (signed by an Authorized Signatory) of WRCOG specifying the respective amounts to be paid to the designated payees and delivered to the Depositary concurrently with the closing of an Assignment under a Master Indenture and the payment to the Depositary of the related Transferee Payment, or in any future requisition submitted by WRCOG (signed by an Authorized Signatory) to the Depositary. Each such written notice (signed by an Authorized Signatory) will be sufficient evidence to the Depositary of the facts stated therein and the Depositary will have no duty to confirm the accuracy of such facts. The Depositary will pay all Costs of Issuance after receipt of such written notice, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the written notice requesting payment of Costs of Issuance.

(d) Collection Account. Amounts in the Collection Account and Prepayment Subaccount will be disbursed to Transferee on each Payment Date during the term of this Agreement.

Amounts in the Capitalized Interest Subaccount will be disbursed to Transferee on each Payment Date pursuant to a payment schedule provided in writing to the Depositary by WRCOG (in a written certificate signed by an Authorized Signatory).

Depositary shall make such distribution, without notice or request from any party, to the account identified at Exhibit A attached hereto, unless Transferee shall by written notice designate a different account.

Notwithstanding the foregoing under this Section 3.02(d), amounts on deposit in the Collection Account will be disbursed at the written direction of WRCOG (signed by an Authorized Signatory) in connection with the issuance of Take-Out Bonds.

(e) Reserve Account. Amounts on deposit in the Reserve Account will be disbursed only as expressly provided 3.01(e).

ARTICLE IV
INVESTMENTS; LIABILITY OF THE AUTHORITY

Section 4.01. Deposit and Investment of Moneys in Funds. The following will apply to the investment of funds held by the Depositary:

(a) Moneys in any Account created or established by this Agreement and held by the Depositary will be invested by the Depositary in Permitted Investments, as directed pursuant to a written notice (signed by an Authorized Signatory) delivered by WRCOG or, with respect to the Collection Account and Reserve Account, the Transferee to the Depositary at least two Business Days in advance of the making of such investments. In the absence of any such notice, the Depositary shall invest any such moneys in following investment, or such other investment identified in writing by WRCOG to the Depositary from time to time: _____.

Obligations purchased as an investment of moneys in any Account will be deemed to be part of such Account, subject, however, to the requirements of this Agreement for transfer of earnings and profits resulting from investment of amounts in any Accounts.

(b) The Depositary may act as principal or agent in the acquisition or disposition of any Permitted Investment. The Depositary will incur no liability for losses arising from any investments made pursuant to this section. The Depositary will be entitled to rely upon any investment directions from WRCOG or Transferee (as applicable) as conclusive certification to the Depositary that the investments described therein are so authorized under the laws of the State of California. The Depositary will not invest any cash held by it hereunder in the absence of timely and specific written direction from the WRCOG or Transferee (as applicable). In no event will the Depositary be liable for the selection of investments.

(c) Investments in any and all Accounts may at the discretion of the Depositary be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Accounts of amounts received or held by the Depositary hereunder, provided that the Depositary will at all times account for such investments strictly in accordance with the Accounts to which they are credited and otherwise as provided in this Agreement.

(d) The Depositary will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or Account to which such investment security is credited. The Depositary will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Section 4.02 Limited Liability of WRCOG. WRCOG will not be obligated to make any payments required hereunder or under any Transferred Interest, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than as specifically provided herein.

Section 4.03 Employment of Agents by WRCOG. In order to perform its duties and obligations hereunder, WRCOG may employ such persons or entities as it deems necessary or advisable. WRCOG will not be liable for any of the acts or omissions of such persons or entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE V
DUTIES AND LIABILITY OF DEPOSITARY

Section 5.01 Liability of Depositary. With respect to the liability of the Depositary, the following will apply:

(a) The recitals of facts, covenants and agreements herein and in the Transferred Interests will be taken as statements, covenants and agreements of WRCOG, and the Depositary assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of this Agreement or any Master Indenture, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein, or in any Master Indenture, assigned to or imposed upon it. The Depositary will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Depositary assumes no responsibility or liability for any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the Transferred Interests.

(b) The Depositary may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Depositary and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Depositary, the Depositary will be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement on their face.

Except as provided above in this paragraph, the Depositary will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Depositary will not be under any duty to make any investigation or inquiry as to-any statements contained or matters referred to in any such instrument.

(c) The Depositary will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Depositary was negligent in ascertaining the pertinent facts.

(d) No provision of this Agreement will require the Depositary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers unless the Transferee has offered to the Depositary security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it.

(e) The Depositary will be under no obligation to exercise any of the rights or powers vested in it hereunder at the request or direction of Transferee unless Transferee has offered to the Depositary security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(f) The Depositary will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in

the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of god or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Depositary.

(g) The Depositary agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Depositary has received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate will be amended and replaced whenever a person is to be added or deleted from the listing. If WRCOG or Transferee elects to give the Depositary e-mail or facsimile instructions (or instructions by a similar electronic method) and the Depositary in its discretion elects to act upon such instructions, the Depositary's understanding of such instructions will be deemed controlling. The Depositary will not be liable for any losses, costs or expenses arising directly or indirectly from the Depositary's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Each of WRCOG and Transferee agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Depositary, including without limitation the risk of the Depositary acting on unauthorized instructions (absent negligence on the part of the Depositary), and the risk of interception and misuse by third parties.

(h) The Depositary will have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Transferred Interests.

(i) The Depositary may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Depositary will not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

Section 5.02 Information; Books and Accounts. The Depositary will provide to the each of WRCOG and Transferee (i) such information relating to the Accounts maintained by the Depositary hereunder as either may reasonably request, including but not limited to a statement reporting the amounts of any Assessment installment (including delinquent installments) or Prepayment deposited into the Collection Account since the previous statement, (ii) balances in each Account immediately prior to and after the distribution from the Collection Account on the next succeeding Payment Date and (iii) such other information relating to the Assessments and the funds and the accounts maintained by the Depositary hereunder as the Transferee may reasonably request.

The Depositary will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Depositary, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts disbursed from all of the Accounts. Such books of record and accounts will, upon reasonable notice, at all times

during business hours on any Business Day be subject to the inspection of each of WRCOG and Transferee.

Section 5.03 Notice to Depositary. The Depositary may conclusively rely, without undertaking any investigation or inquiry, and will be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or proper parties.

The Depositary may consult with counsel, who may be counsel to WRCOG, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties hereunder the Depositary 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 Depositary, be deemed to be conclusively proved and established by a certificate of an Authorized Signatory of WRCOG or Transferee, as applicable.

Section 5.04 Compensation; Indemnification. WRCOG will pay to the Depositary from time to time reasonable compensation for all services rendered as Depositary hereunder, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the Depositary's in house or other attorneys and agents, incurred in and about the performance of their powers and duties hereunder, but the Depositary will not have a lien therefor on any funds at any time held by it hereunder.

WRCOG further agrees, if permitted by applicable law, to indemnify and save the Depositary, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including without limitation legal fees and expenses) which are not due to its negligence or willful misconduct.

The obligations of WRCOG under this Section will survive resignation or removal of the Depositary hereunder, Conversion of the Transferred Interests, and discharge of the Assessment Contracts.

ARTICLE VI
MISCELLANEOUS

Section 6.01 Notices. All notices or communications herein required or permitted to be given to a party hereto shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to WRCOG:

Western Riverside Council of Governments
4080 Lemon Street, Third Floor
Riverside, California 92501
Attention: Executive Director

If to Transferee:	PACE Funding Group, LLC [TO COME]
If to the Depositary:	The Bank of New York Mellon Trust Company, N.A. [TO COME]

Section 6.02 Partial Invalidity. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. WRCOG hereby declares that it would have entered into this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the Assessment Contracts and Assignments irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 6.03 Applicable Law. This Agreement will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 6.04 Payment on Business Day. In any case where a payment hereunder is to be made on a day which is not a Business Day, such payment need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest will accrue from such date until such Business Day.

Section 6.05 Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as shall be preserved undestroyed, shall together constitute but one and the same instrument.

Section 6.06 Binding Effect; Amendment. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors, assigns, and personal representatives; provided, that no party hereto may assign its rights hereunder without the prior written consent of the other parties hereto, except to an Affiliate. The terms and conditions of this Agreement may not be superseded, modified, or amended except in writing stating that it is such a modification and signed by an authorized representative of each party hereto.

Section 6.07 Further Assurances. Each of the parties hereto shall promptly deliver to the other upon reasonable request all such other and further documents, agreements, and instruments to enforce and confirm the transactions contemplated hereunder, and shall file any notices and obtain any consents as may be reasonably necessary or appropriate in connection therewith.

Section 6.08 Complete Agreement. This Agreement constitutes the entire agreement between the parties as to the subject matter hereof, and supersedes and replaces all prior and contemporaneous agreements, written or oral, regarding such subject matter.

Section 6.09 Negotiated Instrument. This Agreement was freely negotiated by the parties hereto, and no provision hereof shall be construed against any party on the grounds that such party or its counsel was the drafter thereof.

Section 6.10 No Partnership or Joint Venture. Nothing herein shall be deemed or construed to create a joint venture or partnership between the parties.

Section 6.11 No Third Party Beneficiaries. No person not a party hereto shall have any rights hereunder, it being intended that there shall be no third party beneficiaries.

[signature pages follow]

IN WITNESS WHEREOF, the parties have executed this DEPOSITARY AND ACCOUNT CONTROL AGREEMENT as of the date hereof.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Signatory

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____
Authorized Signatory

PACE FUNDING GROUP, LLC

By: _____
Authorized Signatory

EXHIBIT A

ACCOUNT INFORMATION FOR COLLECTION ACCOUNT DISBURSEMENTS PURSUANT TO SECTION 3.02(D)

[TO COME]

Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 15

PACE Funding Residential
Assessment Contract

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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 ("PACEfunding") to serve as a program administrator for the WRCOG Program (the "WRCOG PACEfunding 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 PACEFunding, 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 Riverside County Administrative
Center Annex
4080 Lemon St, 3rd Floor, MS1O32
Riverside, CA 92501-3609

[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.



Item 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 16

David Taussig & Associates
Professional Services Agreement

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT
(PACE FUNDING)

1. PARTIES AND DATE.

This Agreement is made and entered into this 2nd day of October, 2017, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and David Taussig and Associates, Inc., a California corporation ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing services for the formation and annual administration of an assessment district and micro-bond sales to fund authorized PACE program facilities, is licensed in the State of California, and is familiar with the plans of WRCOG.

2.2 Project.

WRCOG desires to engage Consultant to render such professional services for Assessment Administration for the WRCOG Energy Efficiency and Water Conservation Program administered by PACE Funding Group LLC ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the services necessary for the formation and annual administration of an assessment district and micro-bond sales to fund authorized PACE program facilities for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and which are stated in the proposal to WRCOG and approved by WRCOG's Executive Committee. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from the date first hereinabove written and shall end three (3) year later, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other

established schedules and deadlines. The term of this Agreement may be extended by written agreement between the Consultant and the Executive Director of WRCOG.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, to ensure timely implementation of the Project. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of WRCOG.

3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of WRCOG. In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key personnel for performance of this Agreement are as follows: 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
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Executive Director
Facsimile: (951) 787-7991

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that WRCOG is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG's sole risk.

Notwithstanding the previous paragraph, all computer software (including without limitation financial models, compilations of formulas and spreadsheet models), inventions, designs, programs, improvements, processes and methods (collectively, the "Proprietary Models") used or development by Consultant in performing its work is proprietary and shall remain property owned solely by, or licensed by a third party to the Consultant. WRCOG acknowledges that any Proprietary Model that Consultant uses to generate reports pursuant to the Services is owned by, or is duly licensed from a third party to Consultant and is not being provided to WRCOG hereunder.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of WRCOG.

Notwithstanding the previous paragraph, WRCOG acknowledges and agrees that Consultant has the right to use reports and analyses that Consultant authors pursuant to this Agreement as base works or templates for reports and analyses that Consultant authors for Consultant's other clients, provided, however, that Consultant shall not use any confidential information provided by Consultant in such future reports and analyses. In addition, WRCOG acknowledges and agrees that Consultant has spent substantial time and effort in collecting and compiling data and information (the "Data Compilations") in connection with the Services and that such Data Compilations may be used by Consultant for its own purposes, including, without limitation, sale or distribution to third parties; provided, however, that Consultant shall not sell or distribute any of WRCOG's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify and hold the WRCOG, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent or wrongful acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors and subcontractors, arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against WRCOG, its directors, officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against

WRCOG or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the WRCOG, its directors, officials, officers, employees, agents or volunteers. No third party shall be a direct beneficiary of this Section 3.5.6. The covenants contained in this Section 3.5.6 shall survive the termination of this Agreement.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

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

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

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves right to employ other consultants in connection with this Project.

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

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

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

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit,

privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

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

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of any WRCOG's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written

approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	DAVID TAUSSIG AND ASSOCIATES, INC.
By: _____ Rick Bishop Executive Director	By: _____ Name: _____ Title: _____

APPROVED AS TO FORM:

By: _____
General Counsel
Best Best & Krieger LLP

EXHIBIT "A"

SCOPE OF WORK

Consultant'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 PACE Funding Group 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 PACE Funding Group 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, PACE Funding Group 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 PACE Funding Group LLC will cooperatively develop the form of the delinquency notice to be mailed to property owners that are delinquent in the payment of assessment installments. Unless otherwise specified by mutual agreement, 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 PACE Funding Group LLC. Consultant will provide the trustee and/or PACE Funding Group 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 PACE Funding Group 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]

[1] One-time fee paid at bond closing.
[2] To be paid by PACE Funding Group 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 5.A

PACE Program Activities Update and
PACE Program Public Hearing

Attachment 17

PACE Funding Residential
Handbook

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Residential Property Owner Program Handbook

October 2, 2017

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1. Introduction

1.1 Program Overview

PACE Funding Group's Property Assessed Clean Energy ("PACE"), Program, offered through the Western Riverside Council of Governments ("WRCOG or Program Sponsor"), is an innovative way for Property Owners to finance the installation of solar, energy efficiency, water efficiency, and electric vehicle charging infrastructure improvements to their homes ("Eligible Products") as a way to reduce their energy and/or water usage which would lower their utility bill and carbon footprint.

Property Owners in participating cities within the County of Riverside (the "County") and certain unincorporated portions of the County may borrow money through the PACE Funding Program (the "Program") to finance Eligible Products. Participation in the Program is completely voluntary, requiring full consent of all owners on the property title. Property Owners agree to repay the amount financed over either a 5-, 10-, 15-, 20- or 25-year period dependent upon the expected useful life of the Eligible Products being financed. Property Owners repay the financing through annual payments collected on their property taxes through a voluntary property tax assessment lien ("PACE Assessment"). The PACE Assessments are payable annually and collected bi-annually on the Property Owner's property tax bill in accordance with the County Treasurer-Tax Collector's collection procedures.

Property Owners are required to be on the property title and meet all the eligibility requirements to qualify for financing.

1.2 Contacts

Program Sponsor – Western Riverside Council of Governments (WRCOG)

Phone	951-955-7985
Email	PACE@wrcog.us
Address	4080 Lemon Street, 3rd Floor | Riverside, CA 92501-3609
Website	http://www.wrcog.cog.ca.us/230/PACE-Programs

Program Administrator – PACE Funding Group

Program Phone	(844) USE-PACE
Program Email	contact@PACEfunding.com
Eligible Contractor Email	operations@PACEfunding.com
Address	750 University Ave, Suite 240 Los Gatos, CA 95032

Website	www.PACEfunding.com

1.3 Call Center Hours

Applications, Eligible Contractor and Program Information

Approved Contractors will initiate an application request and homeowners will receive a secured link to a web-based application form. Once submitted, the application will be underwritten and a decision will be rendered and communicated to the applicant(s).General questions about the Program can be answered by visiting http://www.pacefunding.com or by calling PACE Funding Group at (844) USE – PACE. Program call center hours are:

Monday – Friday:	8:00AM (PST) – 9:00PM (PST)

1.4 Energy Efficiency and Water Conservation Program for Western Riverside County

In July 2008, the State of California approved Assembly Bill 811, authorizing cities and counties to establish voluntary contractual assessment programs as a new financing mechanism used to pay for energy efficiency and renewable energy products which are permanently attached to property. In 2009, the State of California approved Assembly Bill 474, which added water efficiency Improvements and allowed Joint Powers Authorities such as WRCOG to establish this type of program. The WRCOG Executive Committee voted to commission a program in 2009.

The Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") was created and approved by WRCOG and its participating members to assist property owners who want to improve the energy and/or water usage of their home or building while lowering utility bills and greenhouse gas emissions. WRCOG has authorized PACE Funding Group to serve as a program administrator for the WRCOG Program. As such, the PACEfunding residential PACE Financing Program (the "Program") provides this financing for residential property owners. Through the Program, property owners may borrow money to finance the installation of eligible, permanently fixed, renewable energy systems, energy efficiency products, and/or water efficiency products on their property ("Eligible Products") and repay the financing through an assessment on their property tax bill. Participation in the Program is voluntary and requires the full consent of the property owner. Property owners sign contractual assessment agreements, and agree to repay the amount financed over a 5-, 10-, 15-,20-, or 25-year period, depending on the type of property, the financing amount, and the expected useful lifetime of the installed Eligible Products. An assessment lien is recorded on the property to secure the financing.

Property owners in the following communities are eligible to apply for assessments: the western portion of the unincorporated area of the County of Riverside and the Cities of Banning,

Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula and Wildomar.

In addition, property owners must meet all of the eligibility requirements and agree to comply with all the Program rules for the application and funding processes, installment of Eligible Products, and repayment of the assessment.

1.5 Future Program Changes and Disclaimers

The Program Administrator reserves their right to change the Program and its terms at any time; however, any such change will not affect a Property Owner's existing annual PACE Assessment Obligation agreed to in an executed PACE Assessment Contract.

All applicants **must** (and interested parties such as Eligible Contractors should) read the Handbook with a focus on the Section 5, Additional Terms and Requirements, which describes many of the legal issues associated with the Program, including the responsibilities and obligations of both participating Property Owners, Eligible Contractors, and the Program Administrator. **Applicants will be required to certify that they have read the Handbook as a precondition to participating in the Program.**

2. Program Eligibility Requirements

A summary of eligibility requirements is listed below with details on each requirement provided in sections 2.1 – 2.9. General questions about the Program can be answered by visiting the Program Website at www.pacefunding.com or calling the Program's toll free hotline 1-844 USE – PACE.

PROPERTY
Property must be Residential and pay property taxes.
Property must be in a participating community.
New construction is not eligible unless a certificate of occupancy has been obtained.
Manufactured and mobile homes can be approved if permanent affixed to real property and if the mobile/manufactured homeowner also own the underlying land and pay real property taxes.
Properties within Homeowners Associations ("HOA") are eligible, subject to HOA restrictions.
Mortgage-related debt on the property must not exceed 90% of the value of the property.
Property is held in a trust or owned by another legal entity are eligible subject to the conditions contained herein.

The Property cannot have any current liens or judgments greater than $1,000 other than lender debt or liens recorded by community facilities districts or similar financing districts.
The Property cannot be subject to any notices of default.
PROPERTY OWNERS
Applicant(s) must be the owner(s) of record of the subject property.
All Property Owners must sign all required documentation, including but not limited to the application, the Completion Certificate and the PACE Assessment Contract with all other required Financing Documents.
Must be current on all property debt f 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 taxes must be current. Property Owner(s) must certify that property taxes have not been paid late more than once during the prior 3 years (or since purchase if owned by them for less than 12 months).
The subject property may not be subject to any default.
Property Owner has not been involved in a bankruptcy proceeding during the preceding 7 years and the property may not be an asset in a bankruptcy proceeding, provided, however, that this criterion can be met if the bankruptcy was discharged between two and seven years before the application date, and the homeowner(s) have had no payments (mortgage and non-mortgage) past due for more than 60 days in the most recent 24 months.
Property title cannot be subject to power of attorney, easements or subordination agreements restricting authority of the Property Owner(s) to a PACE lien.
Property Owners must be working with an approved Eligible Contractor, no self-installation is permitted.
The property may have no more than one other PACE assessment on the property.
The property may not be subject to a reverse mortgage.
ELIGIBLE PRODUCTS
Eligible Products are identified by the Eligible Products guidelines attached as Appendix 6.4.
All products and materials must be new; used, refurbished or remanufactured products are not eligible.
ELIGIBLE CONTRACTORS
Only Eligible Contractors that have been approved by a Program Administrator may complete Projects financed by the Program.
Eligible Contractor must be in good standing with the California State License Board ("CSLB").
Eligible Contractors may only perform work for which they have the appropriate CSLB license.
Eligible Contractors must have general liability and workers compensation insurance and are required to carry a bond that adequately protects the Property Owner for the Project costs.
PACE ASSESSMENT AMOUNTS

The minimum PACE Assessment amount is five thousand dollars ($5,000).
The Maximum Assessment amount shall not exceed the 15% on the first $700,000 of value of the property and, if applicable, 10% of any value of the property in excess of $700,000. The combined amount financed under the program plus mortgage related debt may not exceed 100% of the Property Value.
The total annual property tax, including the PACE assessment on a subject property may not exceed five percent (5%) of the subject property's market value, as determined at the time of approval of the Contractual Assessment..
The Term(s) cannot exceed the useful life of the Eligible Product.

2.1. Eligible Property Types & Requirements

To be eligible, the Property must be Residential, pay property taxes, and meet the requirements as set forth below:

Eligible Community

The Property must be located within the jurisdiction of WRCOG, including certain portions of the unincorporated area of the County and the Cities of Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula and Wildomar.

New Construction

New construction is not eligible unless ownership has transferred from the developer to an individual property owner.

Mobile & Manufactured Homes

Mobile homes and manufactured homes are eligible if the homes are permanently attached to the real property, and if the mobile/manufactured home owner(s) also own the underlying land and pay real property taxes (not DMV fees).

Homeowners Associations

Properties within Homeowners Associations ("HOA") are eligible, subject to HOA restrictions. It is the Property Owner(s) sole responsibility to ensure that the installed products meet all HOA requirements. The Program and Program Administrators are not responsible for any claims made by an HOA. If a HOA requires a Property Owner to remove and or modify any improvements financed by the Program, the Property Owner is still responsible for making payments as agreed in the PACE Assessment Contract.

Equity Requirements

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.

Properties held in Trusts and Corporate Entities

If the property is held in a trust or owned by a legal entity such as a corporation or LLC, the property may be eligible for Program participation provided that the applicant(s) produce documentation from the legal entity granting the applicant(s) the authority to enter into such a transaction.

Liens

The subject property must not have any Federal, State, involuntary liens or other liens with a balance greater than one thousand dollars ($1,000). Prohibited liens do not include community facilities district assessments or other financing district liens placed on all properties in that particular financing district.

Bankruptcy

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.

2.2. Property Owners

To be eligible, the Property Owner(s) must meet the following criteria:

Owner of Record

Applicant(s) must be the owner(s) of record according to the property's title records recorded with the Participating County.

Mortgage Status

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 Tax Status

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).

Approval

All Property Owners of record must sign the Required Program Documents as described in the Required Documents sections of this Program Handbook.

2.3 Eligible Products

The Program offers a way for Property Owners to finance the installation of solar, energy efficiency, water efficiency, and electric vehicle charging infrastructure that will be permanently fixed to property. The PACE Assessment Contract can be used to cover the cost of a Project to include but not limited to: products, materials, professional installation, analysis, design, drafting, engineering, permitting, inspections and fees. Neither the Installation Contract nor PACE Assessment can include products that are not eligible for PACE nor any labor charges that are not directly related to the installation of Eligible Products. The initial Eligible Products are identified by the initial Eligible Products and Useful Life Schedule attached as Appendix 6.4, and the Program Administrator may update the product eligibility guidelines and, accordingly, the list of Eligible Products authorized for financing from time to time. To be eligible the Project must meet the following criteria:

Approved Products

Products must be approved by the Program Administrator, and meet minimum energy production, energy efficiency, water conservation, water efficiency and/or other requirements. Product guidelines and eligibility criteria is attached as Appendix 6.4 and available on the Program website at http://www.pacefunding.com/eligibleprojects.pdf.

New Products and Custom Projects

Property Owners who would like to install a product that is not on the Eligible Product List can fill out and submit a New Product Application Form. This form is typically filled out by the Eligible Contractor. The Program will review the new product request and determine if the product meets necessary energy efficiency performance attributes, and business objectives of PACE Funding. A decision will be made by the Program to add the new product to the Eligible Product and Useful Life Schedule, not approve the new product, or consider it a Custom Project (defined below). All such decisions are made at the sole discretion of the Program Administrator.

A Custom Project is defined to be a one-time requirement whereby the circumstances are such that the Project (product included) passes the energy and/or water efficiency scrutiny in the specific case that is being requested. Approval of a Custom Project for one property will not be considered to establish a precedent that would necessarily be applied to other homes such that it should be considered a new product or placed on the Eligible Product schedule. The Program Administrator reserves the sole right to approve or disapprove of new products and Custom Projects.

No Used Products

All products and materials must be new. Used, refurbished or remanufactured products are not eligible for PACE financing.

Permanently Affixed

Eligible products must be permanently affixed to the subject property.

Third Party Transactions

The Program may be used in conjunction with third party transactions, including, but not limited to, leases and PPAs as long as such transactions do not require any further payment obligations to the PPA or lease provider by the home owner for the Term of the Assessment Contract. If the financing of the Eligible Products are structured through a power purchase agreement ("PPA") or lease, the PPA or lease must be prepaid in whole, and include no further payment obligations to the PPA or lease provider by the Property Owner for the Term of the PACE Assessment Contract, and the power purchase agreement or lease must contain all of the following provisions:

(a) The term of the power purchase agreement or lease is at least as long as the Term of the related Assessment Contract.

(b) The owner of the attached system agrees to install, maintain, and monitor the system for the entire term of the power purchase agreement or lease.

(c) The owner of the attached system is not permitted to remove the system prior to completion of the term of the assessment.

(d) After installation, the power purchase agreement or lease is paid, either partially or in full, using the funds from the PACE Assessment.

(e) The right to receive the electricity from the system, through a power purchase agreement or lease or the right to the system itself, is tied to the ownership of the Real Property and is required to be automatically transferred with the title to the Real Property whether the title is transferred by voluntary sale, judicial or nonjudicial foreclosure, or by any other means.

(f) The power purchase agreement or lease identifies WRCOG as a third-party beneficiary of the power purchase agreement or lease until the assessment lien on the property has been fully paid and, only until that time, prohibits amendments to the power purchase agreement or lease without the consent of WRCOG.

(g) In order to ensure that the Property Owner is guaranteed the electric power from the system for the length of the Assessment, the system shall not be removed if the owner of the attached system is not performing its obligations under the contract, and the owner of the attached system does both of the following:

(A) Covenants in its contract with the Property Owner that neither the owner of the attached system nor any successor in interest will remove or permanently decommission the attached system during the term of the contract.

(B) Warrants in the contract with the Property Owner that no assignee, creditor, partner, or owner of the attached system's owner has, as of the date of the contract or during the remaining term of the contract, the right to remove or permanently decommission the attached system.

Installation

A licensed Eligible Contractor that is approved by the Program Administrator must complete all installations. No self-installations are permitted. Installation costs may include, but are not limited to, energy/water audit costs, appraisals, labor, design, drafting, engineering, permit fees, and inspection charges.

2.4 Eligible Product Costs

Eligible costs under the program include both the cost of eligible equipment and the installation costs. Installation costs may include, but aren't necessarily limited to, energy/water audit costs, appraisals, labor, design, drafting, engineering, permit fees, and inspection charges. The cost of installing Eligible Products must be reasonable and accomplished within industry guidelines. If the costs reflected in the Completion Certificate exceed industry guidelines, the Program Administrator has the right to refuse to finance any excessive costs and/or request additional documentation to determine the reasonableness of the Completion Certificate.

In addition to financing the eligible equipment and installation costs, this Program also finances the financing costs, referenced in section 3.2.

All available up-front federal, state, or utility rebates that are assignable to the Eligible Contractor must be deducted from the PACE Assessment amount at the time of financing. The Property Owner and the Eligible Contractor are responsible for notifying the Program of the qualification, award or grant of the Eligible Products for any such assignable rebates.

Performance-based incentives which are paid over time are not required to be deducted. State or federal tax credits and rebates that are not assignable to the Eligible Contractor are not required to be deducted from the PACE Assessment amount; however, Property Owners may wish to consider these additional benefits in determining the amount of their financing request.

2.5 Participating Eligible Contractors

Eligible Contractors

Only Eligible Contractors that have been approved by the Program Administrator may complete Projects financed by the Program. New Eligible Contractors may apply to participate in the Program by contacting the Program Administrator and requesting a new Eligible Contractor application. Upon receiving a completed new Eligible Contractor application, the Program Administrator will review and determine if the Eligible Contractor meets the necessary criteria for Program eligibility. Approval or denial of a new Eligible Contractor shall be at the sole discretion of the Program Administrator.

For interest parties, please apply either via the hotline at (844) USE-PACE or visit the Program Website at

http://www.pacefunding.com/contractor.html. Typical response time for approval of a complete application is 3-5 business days.

PROPERTY OWNERS ARE SOLELY RESPONSIBLE FOR SELECTING AND ENTERING INTO AN INSTALLATION CONTRACT WITH THE ELIGIBLE CONTRACTOR(S) TO WORK ON THE INSTALLATION OF THEIR PRODUCTS. THE PROGRAM AND THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENTS AND ASSIGNS DO NOT ENDORSE OR RECOMMEND ELIGIBLE CONTRACTORS WHO REGISTER WITH THE PROGRAM, NOR DO THEY GUARANTEE, WARRANTY OR OTHERWISE INSURE THE COMPLETION OF THE INSTALLATION OF THE ELIGIBLE PRODUCTS BY SUCH ELIGIBLE CONTRACTORS OR THE OPERATION OF THE ELIGIBLE PRODUCTS 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.

In addition to meeting the Program Administrator's application requirements, an Eligible Contractor must meet the following minimum criteria to be register with a Program Administrator:

Good Standing

Eligible Contractor must be in good standing with the California State License Board ("CSLB").

Qualified to Install

Eligible Contractors may only perform work for which they have the appropriate CSLB license.

Installation Warranty

Eligible Contractors must provide a reasonable warranty as determined by the Program Administrator for all work performed.

Quality Control

The Program Administrator may at their own discretion conduct quality control procedures to ensure that every Project financed by the Program meets the Program and Program Administrator's eligibility requirements.

Inspection

The Program Administrator reserves the right to schedule an on-site validation visit to confirm that the approved Eligible Product was fully and permanently installed either before or after Assessment proceeds have been dispersed.

2.6 PACE Assessment Amounts

Minimum PACE Assessment

The minimum PACE Assessment is five thousand dollars ($5,000).

Maximum PACE Assessment

The maximum Assessment is equal to the lesser of up to 14.99% of the first $700,000 of the market value of the collateral property and 10% of the remaining market value of the property above $700,000, up to a maximum Assessment of $200,000.

The contractual PACE Assessment, real property tax and any other special assessments must be less than 15% of the market value of the property.

The Property must have at least 10% equity after all mortgage debt is considered.

The combined Assessment plus the property's mortgage related debt must not exceed 100% of the market value of the property. However, in the event a municipality has a more conservative limitation, then the Maximum Assessment will be no greater than the requirements imposed by the municipality.

The total annual real property tax and assessments, including the PACE 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.

Determination of Property Value

The value of the property will be the market value based on an automated valuation model ("AVM") provided by a third party independent vendor selected by the Program. If an AVM value is not available for a particular property, the Program will use the Assessed Value unless the Property Owner can provide an appraisal prepared by a licensed appraiser with a date of value not older than 6 months for the date of application. In addition, if a Property Owner disagrees with the AVM value, the Property Owner may choose to pay for an appraisal from a licensed appraiser approved by the Program Administrator and the Program Administrator will review the appraisal and provide a determination at its sole discretion, which shall be final, whether such appraised value may be used for eligibility calculations.

2.7 PACE Assessment Terms

The Program offers flexible financing Terms from five (5) to twenty-five (25) years. The financing Term may not exceed the useful life of the installed Eligible Product. The Program Administrator at its sole discretion determines the useful life and maximum financing term offered for each PACE Assessment, which is set forth in Appendix 6.4, and may be changed from time to time. If the Eligible Products used have a different useful life, the useful life that is applicable to the greatest percentage of the Project will pertain.

2.8 Rebates and Tax Credits

Federal, state, or local laws or rebate programs may change at any time. The Program Administrator 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 federal tax credits to their personal tax situation.

2.9 Number of PACE Assessments

Property Owner(s) may apply for multiple PACE Assessments under the Program for the same property, or another Property, provided that the sum of all PACE Assessments for that particular property meet all Program guidelines described herein, including but not limited to maximum PACE Assessment amounts.

2.10 Local Building Permitting and Inspection Requirements

Property owners are required to verify whether or not a permit is required by the applicable jurisdiction**. Permit costs will be paid by the property owner and are an eligible cost to include in the financing**.

2.11 Fraudulent Activity

Any misrepresentations made to the Program in the application, the Installation Contract or any other document at any time during the Program may cause the Property Owner and/or the Eligible 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, result in a denial of an application, a notification that any

installed Eligible Products will be ineligible to be financed by the Program, or a legal proceeding, civil or criminal, to recover any fraudulently obtained funds.

3. Financial Terms

Below are the costs associated with the PACE Assessment. All Interest Rates and fees are subject to change. Interest rates and fees for a PACE Assessment are set at the time that Financing Documents are issued. If work is not completed by the Expiration Date indicated on the Financing Documents, then the Program Administrator reserves the right to require you to enter into a new PACE Assessment. The new contract may have a different Interest Rate and costs.

3.1 Interest Rates

The Interest Rate on the PACE Assessment is set at the sole discretion of the Program Administrator. The final Interest Rate will be established in the Financing Documents. The Interest Rates will remain fixed for the entire term of the PACE Assessment.

Interest before First Payment

An amount equal to the interest between the Funding Date and the first payment date ("Capitalized Interest") will be added to the Principal balance of the PACE Assessment.

Based on the Funding Date of your PACE Assessment Contract, payments on your assessment may not be due until the following tax year. Capitalized Interest is the amount of interest that is added to the PACE Assessment amount for the period prior to when the first PACE Assessment installment payment is made. The amount of Capitalized Interest will be included on your Financing Documents.

3.2 PACE Assessment Costs

Application

There are no costs to apply for the Program.

Program Origination Fee

A Program Origination Fee is a one-time fee that can be financed or paid by the Property Owner(s). The Program Origination Fee covers the cost of issuing the bonds. The Program Origination Fee is identified on the Program Website and included in the Financing Documents.

Lien Recording Fee

The Lien Recording Fee is a one-time fee used to record the recording documents at the county recorder's office. The estimated Lien Recording Fee is identified on the Program Website with the actual county Lien Recording Fee included in the Financing Documents.

Annual Ongoing Administrative Fee

The annual ongoing administrative fee is an annual fee for ongoing administrative expenses incurred by the Program in connection with collecting PACE Assessments and the administration and management of the Program. The amount of such fee, if any, will be provided in the Financing Documents.

Loan Loss Reserve Fund

The Program Administrator requires Property Owner(s) to finance a one-time fee into a reserve fund or account, which would be used to pay debt service on a related series of bonds in the event of PACE Assessment Contract installment delinquencies.

Foreclosure Expense Reserve Fund

The Program Administrator requires Property Owner(s) to finance a one-time fee into a foreclosure expense reserve fund or account, which would be used to pay expenses on a related series of bonds in the event of foreclosure.

Refinancing Expenses

Costs and expenses associated with refinancing activities, including but not limited to Principal repayment, processing fees, accrued interest and prepayment penalties.

Additional Fees

Additional fees may be applied to each PACE Assessment as specified in the Financing Documents and provided to the Property Owner upon application approval.

3.3 Annual Repayments

Property Owners will repay the principal, interest and applicable fees over the financing term as agreed to and specified in the PACE Assessment Contract, any Addendum, and plus the Notice of Assessment. Payment will be billed and paid as a line item on the property tax bill. Failure to repay as agreed will result in additional interest and penalties and may result in foreclosure and sale of the Property.

3.4 Prepayments and Re-amortization

Prepayment

The PACE Assessment may be prepaid in full or in part at any time with a minimum partial prepayment of $2,500.

However, if you do prepay the PACE Assessment (i) the whole or portion of the unpaid PACE Assessment and (ii) the accrued but unpaid interest relating to the whole or applicable portion of the unpaid PACE Assessment through the date which the related bonds will be redeemed must be paid. All prepayments must be received by the Program Administrator 30 days prior to the date on which the related bonds will be redeemed.

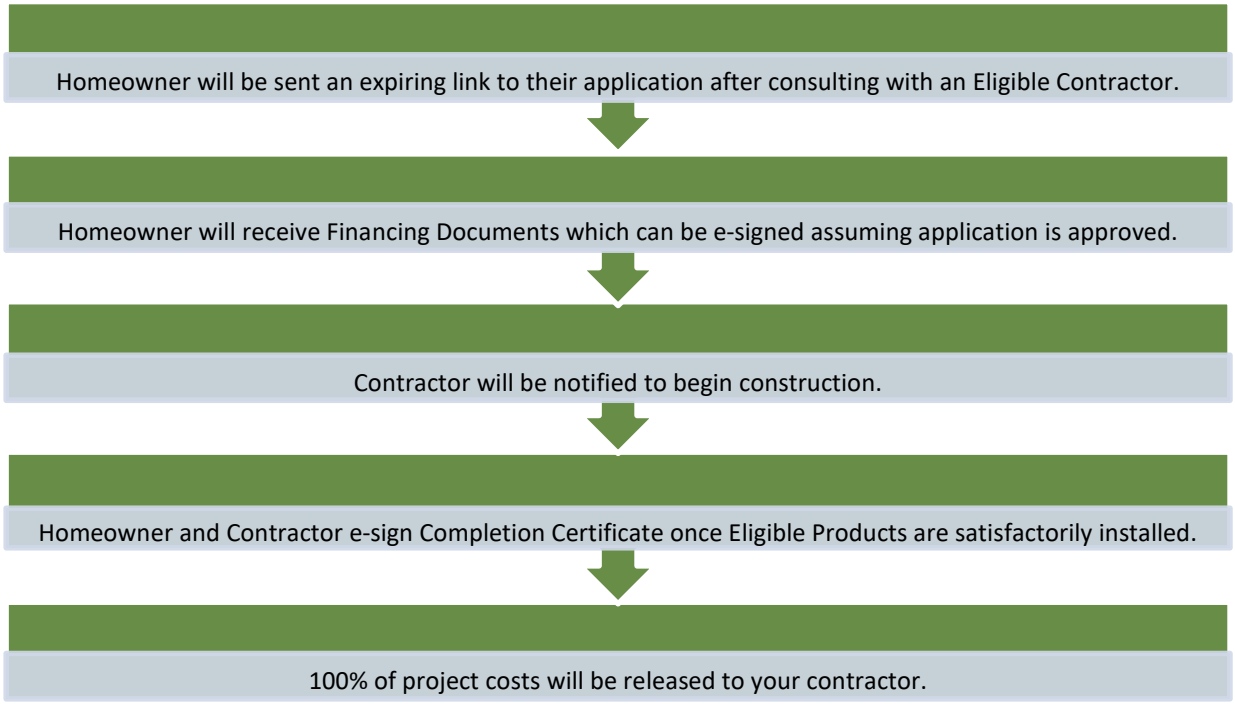
Re-amortization

Property Owner(s) that make partial prepayments may elect to re-amortize their PACE Assessment, which will create a lower payment.

4. Program Process

The Program Process section describes the entire process for Residential Property Owners, Eligible Contractors, and Program Representatives from before the Project begins, though all steps of the financing process.

4.1. Process Overview



4.2. Application

Property Owner Application

Property Owner(s) will need to complete an application to receive financing. Approved Contractors will initiate an application request and homeowners will receive a secured link to a web-based application form. Once submitted, the application will be underwritten and a decision will be rendered and communicated to the applicant(s).

Submission of an application does not guarantee that you will be approved for financing. Additionally, if you proceed with installing your Project prior to receiving approval, you assume the risk that your project, property or Eligible Contractor may not be eligible for financing. Furthermore, if a Property Owner is approved for financing but then installs products that are not eligible, those products will not be funded.

By submitting an application, you are specifically authorizing and agreeing that the Program Administrator has permission to obtain a credit report for each Property Owner and any other informational reports needed to verify bankruptcy and current property debt, obtain a property valuation, verify your declarations regarding title to the property and current and historical property tax status, and complete any other necessary record checks to verify information in the application or confirm eligibility for the Program.

FHFA Disclosure

Property Owner(s) will be provided information in the form of a signature-required disclosure that serves as Exhibit D of the PACE Assessment Contract:

> *In May 2010, Fannie Mae and Freddie Mac issued new instructions to lending institutions on how to treat properties with assessments under Property Assessed Clean Energy (PACE) programs such as the WRCOG PACE Program. These letters and addition statements issued by the Federal Housing Finance Agency instruct lenders to treat energy assessments as "loans" instead of "assessments." On August 31, 2010, the agencies issued additional instructions to lenders that Fannie Mae and Freddie Mac "will not purchase mortgage loans secured by properties with an outstanding PACE obligation."*

Property Owner(s) must sign this disclosure, regardless of whether their property is encumbered by a lien or is owned by them free and clear.

Due to this the position of FHFA, the Property Owner may need to prepay the Assessment Contract in the event of a sale or refinancing of the subject property.

Truth In Lending Act Disclosure

A Truth in Lending Act disclosure (TILA) in the application is provided to Property Owner(s) and it must be signed when signing the PACE Assessment Contract. If the amount of requested financing changes during the application process such that it changes the interest rate reported on the original TILA disclosure by 0.125% or more, the Property Owner(s) must sign a new TILA disclosure prior to the Program Administrator approving the application for contract signing.

Lender Acknowledgement

The Program Administrator recommends Property Owner(s) review their mortgage loan documents and contact their mortgage lender if they have questions. By signing the application, Property Owner(s) declare that they have reviewed applicable mortgage loan documents and that the entry into an Assessment Contract under the PACEfunding Program will not constitute a default under those applicable mortgage loan documents.

4.3 Application Results

Approved

An application will be approved if an underwriter has verified all of the items listed in the Eligibility Requirements for properties and Property Owners. An approved applicant will receive an Approval Letter with instructions about the next steps for obtaining Program approval of Eligible Products, signing Financing Documents, installation of Eligible Products, satisfying any pre-closing stipulations and submitting the Completion Certificate. An approved applicant must comply with all Program requirements for these items, or will not be approved for funding at a later date.

Under Review

An application will be reviewed if the underwriter and/or the automated underwriting system is unable to connect the property with the Property Owner using the information that was submitted by the applicant or any issues arise during verification of eligibility requirements. Under review applicants will be notified of the issues that need to be resolved before the application can be advanced. If the applicant has any questions, he or she can always call the underwriter to discuss the status of his/her application. If an applicant fails to address the issues associated with the application, it may result in the application being subsequently declined.

Declined

An application will be declined if an underwriter determines that the applicant(s) or the property do not meet the eligibility requirements. A Property Owner/applicant will be notified in writing by mail of the specific reason(s) why his or her application was denied.

4.4. Financing Documents

After products are approved, Property Owners will be emailed their Financing Documents, which must be e-signed and returned to the Program by the date stated on the signature page of the PACE Assessment Contract. The following individual documents are included in the Financing Documents:

Application

To be submitted at the beginning of the process, used by the Program Administrator to determine eligibility and Approval Amount.

PACE Assessment Contract

A contract between the Property Owner(s) and Program to provide financing for approved projects. The PACE Assessment Contract specifies the terms and conditions that would be agreed to by a Property Owner and WRCOG.

Work Estimate

A document that describes the scope, products, and costs of each project being financed in the PACE Assessment Contract.

Right to Cancel

A document that allows the Property Owner(s) to cancel a PACE Assessment Contract prior to start of construction, provided to the Property Owner(s) with the PACE Assessment Contract. Under federal law, Property Owner(s) have a legal right to cancel a PACE Assessment Contract, without cost, within three (3) business days from whichever of the following events occurs last:

(1) The date on which the PACE Assessment Contract has been signed by the Property Owner(s);

(2) The date Property Owner(s) received its Truth in Lending disclosure; or

(3) The date Property Owner(s) received a Notice of Right to Cancel.

If the Property Owner(s) cancels the PACE Assessment Contract, no assessment lien will be placed on the property and The Program Administrator must return to the Property Owner(s) the money given to The Program Administrator in connection with Property Owner(s)' application for financing, if any.

Property Owner(s) may keep any money The Program Administrator has given Property Owner(s) until The Program Administrator has done the things mentioned above, but Property Owner(s) must then offer to return the money. Money must be returned to the Program Administrator's current address.

If Property Owner(s) decided to cancel their PACE Assessment Contract, Property Owner(s) must do so by notifying The Program Administrator in writing at its current address provided on www.pacefunding.com

Property Owner(s) may use any written statement that is signed and dated by Property Owner(s) and states Property Owner(s) intention to cancel or Property Owner(s) may use the notice provided in the application. Property Owner(s) shall keep one copy of this notice because it contains important information about Property Owner(s) rights.

If Property Owner(s) cancel by mail, Property Owner(s) must send the notice no later than midnight of the latest of the three (3) events listed above. If Property Owner(s) deliver written notice to cancel in person, it must be delivered to The Program Administrator's current address no later than that time.

Completion Certificate

A document signed by the Eligible Contractor and Property Owner upon acceptable completion of each Project; submitted to the Program Administrator upon completion of each Project.

PACE Assessment Contract Addendum

This document may be created to account for any changes in the PACE Assessment Contract. Such changes may include changes to the scope and/or cost of the project, and/or changes to the amount of capitalized interest due to the actual date of project completion and must be executed by the Property Owner and WRCOG.

Recording Documents

The following documents are recorded with the County of Riverside as public record.

Notice of PACE Assessment

A notice to be sent with the next annual Property Tax statement sent by County revenue authorities to taxpayers detailing the amount of property tax they owe.

Payment of PACE Assessment Contract Required

A notice to be sent to the Auditor-Controller-Treasurer-Tax Collector describing the assessment and PACE Assessment Contract.

Additional Documents

The Program Administrator may at its own discretion require additional documents for Program financing.

Verbal Terms Confirmation

The Program and Administrator and WRCOG will conduct verbal confirmation of terms calls during the financing. An inability to complete these calls to the Program Administrator and WRCOG's satisfaction may result in the cancellation of an assessment contract.

4.5. Installation

A licensed Eligible Contractor that is approved by the Program Administrator must complete all installations within 120 days. No self-installations are permitted. Installation costs may include, but are not limited to, energy/water audit costs, appraisals, labor, design, drafting, engineering, permit fees, and inspection charges. Eligible Contractors must provide a reasonable warranty as determined by a Program Administrator for all work performed.

4.6. Payment Issued

Once the work of the Installation Contract has been completed by the Eligible Contractor, the Property Owner must submit an executed Completion Certificate to the Program for approval.

4.7. Record Lien on Property

After receiving the executed Completion Certificate, the Program will record the PACE Assessment lien documents with Riverside County. Bonds are then issued to finance the PACE Assessment and Program Administrator will have payment made to the Eligible Contractor(s) listed on the Completion Certificate.

4.8. PACE Assessment added to Property Taxes

For all Property Owner(s) who sign Financing Documents, the Program will submit to the county a tax roll that identifies the PACE Assessment lien and the PACE Assessment due. This PACE Assessment payment will appear as a separate line item on a Property Owner's annual property tax bills for the term of the financing.

Recordation of the PACE Assessment lien on the property will establish a continuing annual lien. As with other property taxes, the Property Owner may pay the entire Annual Assessment Obligation amount on the date the first installment is due OR he or she may pay in two installments on the dates such installments are due.

If the Property Owner wishes to sell the property, under California law, property taxes typically stay with the property when it is sold and the same is true with all assessments. Under the PACE Funding Program, when a Property Owner sells or refinances their property, the Program will permit their PACE Assessment to stay with the property; however, the Program make no representations or warranties regarding any other lenders or buyers requirements or practices pertaining to tax assessments, PACE Assessments, and/or liens. Property Owners should consult with their lenders at the time of refinance or sale of the property to determine whether their PACE Assessment will need to be paid in full. In addition, by law, Property Owners must provide notice of the PACE Assessment to the buyer prior to sale of the property.

If a Property Owner uses an impound account to pay his or her property taxes, Property Owner can contact the impound account administrator to increase monthly impound payments by an amount equal to the total annual PACE Assessment divided by twelve (12) months.

5. Additional Terms and Requirements

Agree to all Program Terms

By execution of the Financing Documents, each executing Property Owner certifies that they have read, understood and agreed to the terms of the Program as outlined in this Program Handbook in addition to

the terms of the PACE Assessment Contract. Property Owner also thereby certifies that the Property Owner(s), the Property, and the Installation Contract meet all Program eligibility requirements.

Property Owner Representations

By submitting an application the Property Owner represents that He or She:

- Is the legal Property Owner;
- Has the authority to install Eligible Products on the property;
- Has received a copy of this Program Handbook;
- Is authorizing the Program Administrator to obtain credit information;

Tax Matters

The Program and Program Administrators do not offer any tax advice or related services. Property Owners should consult with a qualified tax advisor or accountant on any tax matters including whether or not Property Owner(s) may claim deductions of any part of the Annual Assessment Obligation on tax returns.

Fraudulent Activity

Any misrepresentations made to the Program or Program Administrator by a Property Owner or Eligible Contractor at any time is likely to cause the Property Owner and/or the Eligible Contractor to be terminated from the Program and may result in legal action.

Marketing Guidelines

Use of any trademarks, logos or other branding collateral owned by the WRCOG or the Program Administrator requires prior written approval.

Collection & Use of Data

By submitting a Program application, Property Owner agrees that the Program Administrator may disclose his or her personal information to Program staff, and that the Program Administrator and Program staff may disclose that information to third parties when such disclosure is essential to the conduct of the Program Administrators' 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 regulators, (ii) enable the Program Administrator or the Program staff or third parties 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 the State of California's rebate program, Property Owner consents to the release of his or her name and contact information to the California Solar Initiative or 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 for twelve (12) months before installation of the improvements and throughout the Term, from the local utility company to the Program Administrator, Program staff, its grantors, and its designated Eligible Contractors for the purpose of conducting surveys and evaluating the Program and its impact. In addition, Property Owner understands that the WRCOG is a public agency which, in certain circumstances, may have an obligation to release information under the California Public Records Act or pursuant to court order

No Endorsement

The Program offer no endorsement of the Eligible Contractors, Products, or product claims of economic value, warranty, energy savings, safety or reliability of the products.

Defaults on PACE Assessment Payments

After written notification, defaults in payment of PACE Assessments could result in the initiation of foreclosure proceedings.

Releases and Indemnification

By submitting a Program application, Property Owner thereby acknowledges that WRCOG has established the Program solely for the purpose of assisting the Property Owners within its jurisdiction with the financing of approved products and that WRCOG, its member agencies and Program staff, including their officers, directors, employees and agents, and Program Administrators have no responsibility of any kind for, and shall have no liability of any kind arising out of, the installation, operation, financing, refinancing or maintenance of the products. Property Owner agrees that 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 the products. Participation in the Program does not in any way obligate WRCOG, its member agencies and Program staff and Program Administrators, including their officers, directors, employees and agents, to guarantee or ensure the performance of any products. Property Owner thereby acknowledges that the subject property will be responsible for payment of the Annual Financing Payment regardless of whether the products are properly installed or operate as expected.

Property Owner also agrees to release, defend, indemnify, and hold harmless WRCOG, its member agencies and Program staff and Program Administrators, including their officers, directors, employees and agents, from and against any claims, actions, demands, costs, damages or lawsuits, including the payment of attorneys' fees and cost of court, arising out of or in any way connected with his or her participation in this Program, including, without limitation, the installation, maintenance or repair of the products or compliance with any applicable federal, state or local laws.

Property Owners Are Responsible for Products, Building Permits and Inspections

The Property Owner is solely responsible for all products installed on his or her property, including the selection of any Eligible 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 Eligible Contractor(s). Neither WRCOG, Program staff, including their officers, directors, employees and agents nor the Program Administrator is responsible for the performance of the products. ***WRCOG and the Program Administrator disclaim any express or implied warranty of merchantability or fitness for a particular purpose in connection with the Property Owner's purchase or installation of any Product under the Program.***

Completion of all city and county permitting and inspections are the responsibility of the Property Owner. The Program Administrator will require a copy of the final approved permit to submit a Completion Certificate.

Dispute Resolution

Signed PACE Assessment Contract:

The parties who have signed an PACE Assessment Contract for the Program shall attempt in good faith to promptly resolve any dispute arising out of or relating to any PACE Assessment Contract under the Program by negotiations between the Program Administrator or his or her designated representative and the Property Owner. Either party must 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 Program Administrator, and the Property Owner shall meet at a mutually acceptable time and place, and shall attempt to resolve the dispute. 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. Each party is required to continue to perform its obligations under the PACE Assessment Contract pending final resolution of any dispute arising out of or relating to the PACE Assessment Contract. If a meeting and mediation is unsuccessful, the matter will be submitted to binding arbitration. The parties will mutually select an arbitrator. The arbitration will be decided using so-called "baseball arbitration" or "best last offer" where the arbitrator may only choose one of the final two offers.

No Signed Assessment Contract:

Property Owners who wish to dispute decision(s) made by the Program Administrator, but who have not signed a formal Assessment Contract, shall use a similar process. Written notice must be sent by certified mail to the Program Administrator at the Address indicated in the Contact section of this Program Handbook. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), the section in the Handbook that the issue(s) pertain(s) to, and a timeline of events. Within thirty

(30) calendar days after delivery of the notice, the Program Administrator with the Property Owner, and shall attempt to resolve the dispute. 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.

6. Appendix

6.1. Glossary of Terms and Other Useful Resources

Terms

Annual Assessment Obligation: The annual amount added to your property tax bill, which is equal to Principal, Interest, and Estimated Administrative Expenses for one tax year.

Annual Financing Installment: The annual Principal and interest paid for one tax year.

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.

Assessed Value: The value of a property that has been determined by the county assessor's office. This is the basis on which you pay property taxes.

Assessment: This is equal to the sum of the Project Amount and Upfront Costs.

Assessment Contract: The legal financing agreement between the Property Owner(s) and WRCOG.

Assessment Contract Addendum: An addendum to the Assessment Contract that is used to make corrections to the contract and/or modify the contract to make desired Project changes.

Assessment Contract Date: The date that the Assessment Contract was generated for the Property Owner(s) signature.

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).

California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA): A part of the California State Treasurer's Office that manages the PACE Loss Reserve Program.

Western Riverside Council of Governments(WRCOG): Is a joint powers authority representing its Associate Members in establishing the PACE Funding Program. WRCOG is serving as Agent to facilitate funding for owners of properties in within its jurisdiction that meet the Project approval and funding criteria provided herein for participation in the PACE Funding Program.

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 State Licensing Board (CSLB): The CSLB is the state entity in California that licenses and regulates all contractors. You may check the Eligible Contractor's license status, as well as their bonding and workers compensation information at any time on the CSLB website.

Capitalized Interest: The interest on the financed amount for the period prior to the first tax year (or initial tax year) in which payment is made.

Completion Certificate: A document signed by the Property Owner(s) and Eligible Contractor upon completion of the Project.

Cool Roof: roof that 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

Custom Project: A one-time requirement whereby the circumstances are such that the Project (product included) passes the energy and/or water efficiency scrutiny in the specific case that is being requested.

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 Contractor: The person or business entity who contracts to install Eligible Products and has signed a Eligible Contractor Agreement.

Eligible Products: All Eligible Products listed in Appendix 6.4.

ENERGY STAR: ENERGY STAR is a U.S. Environmental Protection Agency (EPA) voluntary program that helps businesses and individuals save money and protect our climate through superior energy efficiency.

Estimated Administrative Fee: The annual fee to cover the County of Riverside and WRCOG's cost of collecting the Assessment on your property tax bill.

Expiration Date: The date that all approved Eligible Products are must be installed and completed in order for the locked Interest Rate on the Assessment Contract to remain unchanged. (120 days after the Assessment Contract Date, depending on the installed Eligible Products).

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.

Funding Date: The latest possible date for disbursement of payments to the designated payee indicated on the Completion Certificate.

Interest Rate: The rate applied to the financed amount. This is not compounded.

Heat Seasonal Performance Factor (HSPF): HSPF is the most commonly used measure of a heat pump's 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.

Installation Contract: the contract signed by the Property Owner(s) and the Eligible Contractor wherein Eligible Contractor agrees to install Eligible Products on the Property and Property Owner(s) agree(s) to pay the Project Amount, which will be financed by the PACE Assessment. The Installation Contract cannot include products that are not eligible for PACE nor any labor charges that are not directly related to the installation of Eligible Products.

Participating Community: Areas in the jurisdiction of WRCOG, including certain portions of the unincorporated area of the County of Riverside and the Cities of Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula and Wildomar.

Principal: Also called PACE Assessment. This is equal to the sum of the Project Amount and Upfront Costs.

Project: The installation of Eligible Products on the Property by an Eligible Contractor.

Project Amount: The total amount requested by the Property Owner(s) to finance the Project.

Program: The PACE Funding Program.

Program Administrator: PACEfunding is designated as the Program Administrator by WRCOG.

Program Origination Fee: One-time fee that can be financed or paid by the Property Owner(s) that covers the cost of issuing the bonds. Annual Fee also. The Program Origination Fee is identified included in the Financing Documents. Separate from the one- time fee at time of issuance, there is also an annual fee which is paid on an annual basis

Program-Related Fees: One-time and annual fees incurred at Funding Date. Program-Related Fees include program administration, origination, program sponsor, bond counsel, and tax administration.

Property Value: A home's market value derived from an automation value model, the Assessed Value, or the appraised value.

Property: The Real Property where Eligible Products will be installed.

Property Owner: The record owner(s) of the fee title to the Property.

Real Property: A property in a city or county that is participating in the Program that is subject to a real property tax.

Residential: Single family home, with three (3) or fewer 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 SRCC currently administers a certification, rating, and labeling program for solar collectors and a similar program for complete solar water heating systems.

Term: The number of years to pay off the Assessment.

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.

Total Assessment Obligation: The sum total of Principal, interest, Estimated Administrative expenses over the Term.

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.

Upfront Costs: One-time fees incurred at Funding Date.

6.2. Program Forms and Financing Documents

- Program Handbook www.pacefunding.com/images/Handbook.pdf
- Sample PACE Funding Residential Application and Financing Documents
  http://www.pacefunding.com/Customer Agreement Contract/
- Sample PACE Funding Assessment Contract
  http://www.pacefunding.com/AssessmentContract
- Sample Completion Certificate www.pacefunding.com/CompletionCertificate.pdf
- Privacy Policy www.pacefunding.com/PrivacyPolicy.pdf

6.3. Eligible Communities

Eligible communities are within the jurisdiction of WRCG, including certain portions of the unincorporated area of the County of Riverside and the Cities of Banning, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula and Wildomar.

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. 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. Installed per 4. 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: a. AFUE = 90% Must replace an existing product. Installed 4. per manufacturer specs.	20	$11,000
Multi Zone Damper Systems	1. Must be installed per manufacturer 2. specifications. Must have at least 2 thermostats in the house.	10	$6,000

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; window installed product is not eligible. Must have separate ducting system – 3. independent of the air conditioning and heating duct system. 4. Installed per manufacturer specs.	10	$2,500
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 2. Must replace an 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. 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. Installed per manufacturer specs.	15	$1,500/kBTU
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 2. nominal flow 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 5. Certificate 6. Installed per manufacturer specs. 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 Installed per manufacturer specs. 2.	25	$1,500/ Door $7,500 for an entry 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.	10	$250/ window

		Installed per manufacturer specs.		
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 only 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 NOT eligible. Interior window shading products including, but not limited to, blinds, shutters, shades, or curtains are NOT eligible. Product is NOT 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	membrane PV: $6.15/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

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: $14/sf membrane PV: $14/sf modified bitumen: $14/sf metal: $14.55/sf asphalt shingle: $14/sf applied coating: $14/sf concrete tile: $20.00/sf clay tile: $20.65/sf wood shake bare: $14/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	Eligibility 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
Insulation, hot water pipe	R-value ≥ 3.0	20	$10/linear ft

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 Database. 2. COP ≥ 4.5. 3. Installed per manufacturer specs.	10	$10,000

Gas Pool Heater	1. Product must be listed in California Energy Commission Appliance Efficiency Database. 2. Thermal Efficiency ≥ 83%. 3. 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	Eligibilityy 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	Eligibilityy 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.	10 or 15	$15/sq ft

	4. Product installation must carry ≥ 10 year warranty. 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.

6.5 Additional Requirements and Terms

In addition to the Program eligibility criteria and requirements described above in the 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.

Authority to Install Products

By execution of the Assessment Contract documents, each property owner represents that he or she has the authority to install the approved products on the property named in the Assessment Contract documents.

No Endorsement by WRCOG or Program Administrator

The property owner(s) understand, acknowledge and agree that review of the proposed products, the determination that such products are Eligible Products 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 Eligible 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, Building Permits and Inspections

The property owner is solely responsible for all products installed on his or her property, including the selection of any Eligible 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 Eligible Contractor(s). Neither WRCOG nor the Program Administrator are responsible for the performance of the products. **WRCOG, , EACH OF THE PARTICIPATING ENTITIES, THE PROGRAM ADMINISTRATOR AND THEIR RESPECTIVE OFFICERS, EMPLOYEES AND AGENTS DO NOT ENDORSE OR RECOMMEND ELIGIBLE CONTRACTORS**
WHO REGISTER WITH THE PROGRAM, NOR DO THEY GUARANTEE, WARRANTY OR OTHERWISE INSURE THE COMPLETION OF THE INSTALLATION OF THE ELIGIBLE PRODUCTS BY SUCH ELIGIBLE CONTRACTORS OR THE OPERATION OF THE ELIGIBLE PRODUCTS 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 and county permitting and inspections are the responsibility of the property owner.

Defaults on Assessment Payments

After written notification, defaults in payment of Annual Assessment Obligation will result in the initiation of foreclosure proceedings on the October 1st following such default.

Tax Deductibility of Contractual Assessment

Please confer with your tax advisor as to whether he or she recommends deducting any part of your contractual assessment on your tax return.

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

By submitting a Program application, property owner thereby acknowledges that Agent has established the PACE Funding Program solely for the purpose of assisting the property owners in the Participating Entity where their property is located with the financing of Eligible Products and that Agent, each Participating Entity, PACE Funding 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 Products. Property owner agrees that 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 Products. Participation in the Program does not in any way obligate Agent, any Participating Entity, PACE Funding and/or their respective officers, employees, agents and assigns to guarantee or ensure the performance of any Eligible Products. Property owner thereby acknowledges that the subject property will be responsible for payment of the contractual assessment regardless of whether the products are properly installed or operate as expected.

Property Owner also agrees to release, defend, indemnify, and hold harmless Agent, 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.

Renewable Energy Certificates, Incentive Tax Credits, and other Green Attributes

Property Owner(s) may retain all rights to any available Investment Tax Credits ("ITCs"). WRCOG will retain rights to all other related green attributes, including Renewable Energy Certificates ("RECs") for qualifying renewable energy products.

Eligible Contractor Marketing Guidelines

The Agent has provided Eligible Contractor Trademark and Logo Usage Guidelines for any third party wishing to reference the Program in that third party's marketing materials. These guidelines should be strictly adhered to or such third party will risk being excluded from participating in the Program in the most severe instances.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Presentation by the Morongo Band of Mission Indians**

Contact: **Robert Martin, Tribal Chairman, Morongo Band of Mission Indians, rmartin@morongo-nsn.gov, (951) 849-4697**

Date: **October 2, 2017**

The purpose of this item is to *inform the Executive Committee of activities undertaken by the Morongo Band of Mission Indians.*

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the Tribal Chairman of the Morongo Band of Mission Indians.

Prior Action:

None.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **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: **October 2, 2017**

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:

September 11, 2017: The Executive Committee received report.

Fiscal Impact:

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

Attachment:

None.

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Regional Streetlight Program Activities Update**

Contact: **Tyler Masters, Program Manager, tmasters@wrcog.us, (951) 955-8378**

Date: **October 2, 2017**

The purpose of this item is to *provide the Committee with an update on the steps member jurisdictions are taking to acquire their streetlights and participate in the Regional Streetlight Program, provide an update on the regional financing option as well as the scheduling of finance meetings with jurisdictions, an update on the release of the RFQ for LED fixtures, and to update the Committee on the Professional Services Agreement between WRCOG and the selected O&M vendor Siemens Industry, Inc.*

Requested Action:

1. Direct the Executive Director, subject to legal counsel review and approval, to enter into a contract agreement with Siemens Industry, Inc., Intelligent Traffic Systems, for regional streetlight retrofit and ongoing operations & maintenance services in an amount not to exceed $5,913,073 over a five year contract period.

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 (O&M). The overall goal of the Program is to provide significant cost savings to the member jurisdictions.

Background

At the direction of the Executive Committee, WRCOG 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 goal is 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 O&M agreement that will enhance the level of service currently provided by SCE.

Regional Streetlight Acquisition Update

To date, eleven jurisdictions (listed below) have decided to move forward and have signed their 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. The CPUC approval process can take up to 12 months (depending on valuation price of the streetlights). Jurisdictions with estimated streetlight sales prices exceeding $5 million will move forward in the CPUC process as a "full filing," which requires further CPUC action and can take upwards of four to twelve months for approval. According to other southern California cities that successfully progressed through the process, the timeline was slightly quicker for CPUC approval of full filings; on average the timing is closer to four months. Jurisdictions with estimated streetlights sales prices of under $5 million will move forward in the CPUC process as an "advice filing," and can be administratively approved within two to six months.

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 and the remaining ten jurisdictions are nearing this stage. Staff will keep the Executive Committee 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. This timeline is tentative and subject to change depending on review conducted by SCE and the CPUC.

Acquisition Process	**Agreement Executed**	**SCE Review**	**SCE sends to CPUC**	**CPUC approval date**	**SCE transition start**	**Estimated retrofit start**
Retrofit, O&M, LED fixture, and financing GOALS				Retrofit, O&M service selection GOAL	Finance Closing and LED selection GOAL	LED fixture delivery date GOAL
Example City	*Start date*	*+ 30 days*	*+ 30 days*	*+ 45 days (120 for full)*	*+ 60 days*	*+ 30 days*
Eastvale	7/26/2017	Complete	8/25/2017	10/9/2017	12/8/2017	1/7/2018
Hemet	8/7/2017	Complete	10/6/2017	11/20/2017	1/17/2018	2/19/2018
Jurupa Community Services District	7/20/2017	Complete	8/19/2017	10/3/2017	12/2/2017	1/1/2018
Lake Elsinore	8/9/2017	Complete	9/8/2017	10/23/2017	12/22/2017	1/21/2018
Menifee	8/1/2017	Complete	8/31/2017	10/15/2017	12/14/2017	1/13/2018
Moreno Valley	9/19/17	Complete	10/19/2017	12/3/2017	2/1/2017	3/3/2017
Murrieta	7/27/2017	Complete	8/30/2017 (SCE date of submittal)	10/14/2017	12/13/2017	1/12/2018
Perris	8/8/2017	9/7/2017	10/7/2017	11/21/2017	1/20/2018	2/19/2018
San Jacinto	8/7/2017	9/6/2017	10/6/2017	11/20/2017	1/19/2018	2/18/2018
Temecula	7/24/2017	Complete	8/23/2017	12/21/2017	2/19/2018	3/21/2018
Wildomar	7/24/2017	8/23/2017	9/22/2017	11/6/2017	1/5/2018	2/4/2018
						One phase = 3,000/poles/month

WRCOG & Siemens Industry, Inc. Professional Services Agreement

At the September 11, 2017, Executive Committee meeting, the Committee approved a recommendation to direct the Executive Director to enter into contract negotiations with Siemens Industry, Inc., Intelligent Traffic Systems, for regional streetlight retrofit and ongoing O&M services. The WRCOG RFP Evaluation Committee (comprised of representatives from WRCOG and its financial advisors, and representatives from Lake Elsinore,

Murrieta, San Jacinto and Temecula) found Siemens to have demonstrated their experience in streetlight retrofit and maintenance projects, competitive pricing, and capacity to maintain and improve upon existing level of service for streetlight related tasks.

The Professional Services Agreement between WRCOG and Siemens Industry, Inc. (Attachment 1) provides the terms of contract services that Siemens will be conducting for the jurisdictions who elect to participate in the ongoing O&M services. The Scope of Work (SOW) included in the Agreement lists the services Siemens will provide to participating jurisdictions. The cities that participate in the Regional Program are also able to include their current city-owned streetlights and signalized intersection safety lights, etc.

The Professional Services Agreement is scheduled for a contract period of five years and has an option for additional extension if agreed upon by all parties. For the duration of the contract, the services provided by Siemens will include, but are not limited to the following:

Project Development / Implementation / Routine maintenance (Pre & Post LED conversion):

1. Installation of streetlight identification pole tags
2. LED streetlight retrofits
3. Installation of housing shields (if necessary)
4. Maintenance of HPS / LPS fixtures (prior to LED installation)
5. Installation of HPS / LPS housing shields (if necessary)
6. Maintenance of LED streetlights
7. Replacement of LED streetlights
8. Implementation and administration of a 24/7 customer service portal
9. LED fixtures warranty processing
10. Photocell, fuse, fuse holder, hand hole cover maintenance
11. Quarterly review of system operations (including night check of streetlight systems)

Extraordinary Maintenance:

1. Pole knockdown replacement (no foundation)
2. Pole knockdown replacement (with foundation)
3. Replacement of pull box lid
4. Graffiti abatement on poles
5. Replacement of overhead wiring
6. Painting of poles
7. USA Dig Alert service

The total contract amount for LED installation and routine operations and maintenance for 55,000 streetlights in Western Riverside County is not to exceed $5,913,073 over five years. This contract equates to roughly $1.79 per pole per month which will be collected from participating jurisdictions on a semi-annual basis and held in a separate bank account for WRCOG to pay the contractor. This amount represents the costs if all eleven cities participating in streetlight retrofit and operations & maintenance and is subject to change based upon the number of jurisdictions that actually participate in the Program.

In addition to the services listed above, staff worked with Siemens to include additional services within the Agreement to support procurement of LED lighting fixtures, as needed.

Staff is requesting the Executive Committee approve and direct the Executive Director to enter into a Professional Services Agreement with Siemens for a contract amount not to exceed $5,913,073 over a five-year period.

Streetlight Financing Update

In March 2016, WRCOG released a Request for Bids (RFB) to select a vendor that would provide a financing option to member jurisdictions for the acquisition process at a competitive rate. As part of the RFB process, WRCOG received four proposals for consideration. An evaluation committee comprised of WRCOG and its

financial advisors, Public Financial Management (PFM), conducted analysis and interviewed proposers on April 15 and 19, 2016. The evaluation committee selected Bank of America as the most responsive and best option for serving as the financing lender for the Regional Streetlight Program.

Bank of America demonstrates the following attributes:

1. Ability to provide financing to all participating jurisdictions in the Program
2. Provide financing for both purchase and LED retrofit
3. Streetlights accepted as sole collateral
4. Able to finance as either taxable or tax-exempt debt
5. Smart City usage permitted
6. The qualifications and experience of the proposing firm
7. Competitive fee proposal for all jurisdictions

WRCOG, PFM, and Bank of America are working to develop a regional financing structure and financial documents that will be reviewed, approved, and entered into by the jurisdictions interested in participating in the finance option of the Regional Streetlight Program. The next step in this process is to schedule financial meetings with the eleven jurisdictions currently in the process of acquiring their streetlights from SCE. The purpose of these financial meetings is to provide jurisdictions with the updates to their cash flow models, O&M prices and updated LED fixtures prices. The meetings will also provide the jurisdictions with a draft copy of the regional Finance Agreements for review and comment.

Upcoming Financial Meetings:

1. City of Eastvale: October 10, 2017
2. City of Hemet: October 4, 2017
3. City of Lake Elsinore, October 18, 2017
4. City of Menifee: October 16, 2017
5. City of Moreno Valley: October 16, 2017
6. City of Murrieta: October 16, 2017
7. City of Perris: October 17, 2017
8. City of San Jacinto: October 16, 2017
9. City of Temecula: October 5, 2017
10. City of Wildomar: October 10, 2017
11. Jurupa Community Services District: October 16, 2017

Streetlight Request for Quotation (RFQ)

On September 21, 2017, WRCOG released an RFQ to solicit suppliers interested in providing WRCOG's member jurisdictions with LED lights for the replacement of jurisdiction owned streetlights. This is the next step within the Regional Streetlight Program as many of the jurisdictions are in the process of acquiring their streetlights from SCE. Upon the closing of the RFQ, an evaluation committee (to be formed) will review the proposals and coordinate with the jurisdictions to identify the best LED lighting fixture(s) that meet the region's street lighting needs.

The specifications listed within the RFQ were extracted from WRCOG's LightSuite document (approved by the Executive Committee on September 11, 2017), the outdoor lighting resource developed using technical analysis and public input from the Regional Demonstration Area hosted in the City of Hemet. The LightSuite document is a guiding template for interested jurisdictions to apply to current street lighting standards and new developments. For the Demonstration Area, WRCOG and the City of Hemet installed over 150 different LED lighting fixtures from twelve different lighting vendors. The Demonstration Area helped identify public preference for lighting specifications through guided tours. At these tours, attendees voiced their opinion on what type of lighting style they preferred and on how much lighting is needed within their community. Attendees included elected officials, public safety officials, city staff, astronomers, lighting specialists, and residents from Riverside and San Bernardino Counties.

RFQ Timeline:

Event	Date
1. RFQ Distribution	September 21, 2017
2. Questions from Vendors about scope or approach due	October 4, 2017
3. Responses to questions posted on website	October 11, 2017
4. Quotation Due Date	October 18, 2017
5. Review of quotes	Week of October 23, 2017
6. Anticipated decision and selection of fixture(s)	Week of November 20, 2017

The RFQ is available on WRCOG's website at http://wrcog.us/253/Bid-OpportunitiesRFPs.

Prior Action:

September 11, 2017: The Executive Committee 1) directed the Executive Director to enter into contract negotiations with Siemens Industry, Inc., Intelligent Traffic Systems, for regional streetlight retrofit and ongoing operations & maintenance services once jurisdictional streetlights have been acquired; and 2) approved the LightSuite final document.

Fiscal Impact:

Activities for the Regional Streetlight Program are included in the Agency's adopted Fiscal Year 2017/2018 Budget in the Energy Department.

Attachment:

1. Professional Services Agreement between WRCOG and Siemens Industry, Inc.

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Item 5.D

Regional Streetlight Program Activities Update

Attachment 1

Professional Services Agreement Between WRCOG and Siemens Industry, Inc.

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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

1. PARTIES AND DATE.

This Agreement is made and entered into this _____ day of _____, 2017 ("Effective Date"), by and between the Western Riverside Council of Governments, a California public agency ("WRCOG") and Siemens Industry, Inc, Intelligent Traffic Systems, ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. DEFINITIONS, INCORPORATED DOCUMENTS, AND RECITALS.

2.1 Member Agency.

"Member Agency" means any and all member agencies participating in WRCOG's street light program in accordance with an Implementation Agreement. The following local agencies are Member Agencies for the purposes of this Agreement: [***LIST MEMBER AGENCIES PARTICIPATING***].

2.2 Incorporated Documents.

2.2.1 Request for Proposal. The Request for Proposal No. 17-04 ("RFP") issued by WRCOG on March 10, 2017 and the Consultant's response to the RFP dated May 11, 2017 are incorporated herein by this reference.

2.2.2 Appendices and Exhibits. Each Member Agency shall execute its own Appendix, which shall cover the following for that Member Agency: Scope of Services (Exhibit A), Schedule of Services (Exhibit B), and Compensation (Exhibit C). The following Appendices, including their Exhibits, are attached hereto and incorporated herein by this reference:

- Appendix 1 – [***INSERT MEMBER AGENCY NAME***]
- Appendix 2 – [***INSERT MEMBER AGENCY NAME***]
- Appendix 3 – [***INSERT MEMBER AGENCY NAME***]
- Appendix 4 – [***INSERT MEMBER AGENCY NAME***]
- Appendix 5 – [***INSERT MEMBER AGENCY NAME***]
- Appendix 6 – [***INSERT MEMBER AGENCY NAME***]
- Appendix 7 – [***INSERT MEMBER AGENCY NAME***]

2.3 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG and its Member Agencies on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing LED street light installation and ongoing operations and maintenance of street light systems, is licensed in the State of California, and is familiar with the plans of WRCOG and its Member Agencies.

2.4 Project.

WRCOG desires to engage Consultant to render such professional services for the installation of LED street lights and the ongoing operations and maintenance of the street light systems for Member Agencies. ("Project") as set forth in this Agreement and the RFP.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG and the applicable Member Agencies all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately perform LED street light installation and ongoing operations and maintenance of street light systems necessary for the Project ("Services"). The Services are more particularly described in the RFP and in Exhibit "A" to each Appendix 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 appendices and 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 Effective Date to **[INSERT ENDING DATE]**, 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.

3.1.3 Assignability of Agreement. WRCOG reserves the right to assign this Agreement to other entities. Assignment(s) will be subject to the same terms and conditions included in this Agreement. Other entities shall negotiate the pricing for the Services and supplies with the Consultant and include necessary provisions for management of their specific projects. WRCOG shall have no responsibility for the Consultant's performance under any assignments.

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 or any Member Agency 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 for WRCOG and the applicable Member Agencies expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" to each Appendix attached hereto and incorporated herein by reference. Consultant understands and agrees that in the event that the schedule for delivery of Services to any Member Agency, as identified in Exhibit "B" to any Appendix, is delayed, for any reason whatsoever including through the fault of WRCOG or the Member Agency, the delay shall not be used as a reason for delay on the part of the Contractor in meeting the schedule for delivery of Services to any other Member Agency. 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 and the applicable Member Agency shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG or any Member Agency, 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 and the applicable Member Agency.

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: **[INSERT NAME OF KEY PERSONNEL]**.

3.2.5 WRCOG's Representative. WRCOG hereby designates Rick Bishop, Executive Director, or his 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 **[INSERT NAME],** 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 or any Member Agency, 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 sub-consultants who is determined by WRCOG or the applicable Member Agency 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 or the applicable Member Agency, 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 WRCOG, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold WRCOG, its Member Agencies, and WRCOG's and the Member Agencies' 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 a form and with insurance companies acceptable to WRCOG. 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 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); 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 $2,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

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.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury/Advertising Injury; (3) Premises/Operations Liability; (4) Products/Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(iii) The policy shall give WRCOG, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from WRCOG's or any Member Agency's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability.

(i) The automobile liability policy shall be endorsed to state that: (1) WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' 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 Member Agencies, and WRCOG's and its Member Agencies' 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 Member Agencies, and WRCOG's and its Member Agencies' 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.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against WRCOG, its Member Agencies, and WRCOG's and its Member Agencies'

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.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of WRCOG and each Member Agency (if agreed to in a written contract or agreement) before WRCOG's or any Member Agency's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide WRCOG at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to WRCOG at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by WRCOG, is not intended to and shall not in any manner limit or qualify the liabilities and

obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, WRCOG and its Member Agencies have the right but not the duty to obtain the insurance they deems necessary and any premium paid by WRCOG and its Member Agencies will be promptly reimbursed by Consultant or WRCOG (and the applicable Member Agency) will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, WRCOG may cancel this Agreement. WRCOG may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither WRCOG, its Member Agencies, nor WRCOG's or its Member Agencies' directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

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 Member Agencies, and WRCOG's and its Member Agencies' 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 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 Member Agencies, and WRCOG's and its Member Agencies' 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.

3.2.10.9 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to WRCOG that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' directors, officials, officers, employees, agents and volunteers as an additional

insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, WRCOG may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

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.

3.3 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 "C" to each Appendix attached hereto and incorporated herein by reference. The total compensation shall not exceed Five million, nine hundred thirteen thousand, and seventy three dollars **(**$5,913,073**)** over a five-year contract period without written approval of WRCOG's Executive Director and the applicable Member Agency. 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 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. [**INSERT "IF" OR "SINCE" AS APPLICABLE**] the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and [**INSERT "IF" OR "SINCE" AS APPLICABLE**] 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 Member Agencies, and WRCOG's and its Member Agencies' 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 or any applicable Member Agency 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 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 and its Member Agencies 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: Siemens Industry Intelligent Traffic Systems
2200 W. Orangewood Ave
Orange, CA 92868
Attn: Alex Valenti
Facimile: 512-421-6617

WRCOG: Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor, MS 1032
Riverside, CA 92373
Attn: Rick Bishop
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 and its Member Agencies 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 and its Member Agencies are 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 or its Member Agencies. WRCOG and its Member Agencies shall not be limited in any way in their 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 and its Member Agencies' sole risk.

3.5.3.2 Intellectual Property. In addition, WRCOG shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

WRCOG shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by WRCOG, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of WRCOG.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the WRCOG.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

WRCOG further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.5.3.3 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.

3.5.3.4 Infringement Indemnification. Consultant shall defend, indemnify and hold WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by WRCOG or any Member Agency of the Documents & Data, including any method, process, product, or concept specified or depicted.

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 Member Agencies, and WRCOG's and its Member Agencies' officials, officers, consultants, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors 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 Member Agencies, and WRCOG's and its Member Agencies' directors, officials, officers, consultants, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' directors, officials, officers, consultants, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' directors, officials, officers, consultants, employees, agents and/or volunteers, for any and all legal expenses and costs, including reasonable attorneys fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, its Member Agencies, and WRCOG's and its Member Agencies' directors, officials, officers, consultants, employees, agents or volunteers. This section shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

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 Right to Employ Other Consultants. WRCOG reserves the right for itself and its Member Agencies 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. All references to Member Agencies include their 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 with the exception of the Member Agencies, which are expressly considered to be third party beneficiaries and are entitled to enforce any and all remedies held by WRCOG under this Agreement.

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.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE
TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES 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	Siemens Industry, Inc, Intelligent Traffic Systems
By: _____	By: _____
Rick Bishop Executive Director	Title: _____
APPROVED AS TO FORM:	ATTEST:
By: _____	By: _____
General Counsel Best Best & Krieger LLP	Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to WRCOG.

APPENDIX #__
[*MEMBER AGENCY NAME***]**

This Appendix #__ to Agreement ("Appendix") by and between WRCOG, Consultant, and [***MEMBER AGENCY ***] ("Member Agency") is made and entered into this __ day of _____, 201_. WRCOG, Consultant, and Member Agency are referred to herein as Parties.

1. Defined Terms. All terms used herein have the meanings ascribed to them in the Professional Services Agreement between WRCOG and Consultant dated _____ with the exception of the term Member Agency, which for the purposes of this Appendix #__ will refer to [***MEMBER AGENCY NAME***] only.

2. Agreement Incorporated. The terms and provisions of the Agreement are hereby incorporated into this Appendix.

3. Member Agency Exhibits. The Parties hereby agree that the Scope of Services, Schedule of Services, and Compensation for the Project as it relates to Member Agency are defined specifically in Exhibits A, B, and C, attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties hereby have made and executed this Appendix as of the date first written above.

WRCOG

By: _____
[Insert Name, Insert Title]

APPROVED AS TO FORM:

By: _____
General Counsel

Consultant

By: _____
[Insert Name, Insert Title]

By: _____
[Insert Name, Insert Title]

Member Agency

By: _____
[Insert Name, Insert Title]

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

EXHIBIT "A"
SCOPE OF SERVICES

Siemens Intelligent Traffic System proposes the following scope of work for services related to the street lights located in the Western Riverside Council of Governments (WRCOG) subregion. These services include the turnkey services related to installation of LED street lights and the ongoing operations and maintenance of the street light systems for member jurisdictions. These services are extended to the street lights currently owned by the member jurisdictions, those to be purchased from Southern California Edison and any additional assets that are installed within the contract period. Siemens extends this contract for 5 years for date of execution, with the option for additional extension if agreed upon by all parties. All services included in the Scope of Services will be billed per the rates outlined in Exhibit C.

Project Development

The Project Development phase includes several key elements that must take place for member jurisdictions to effectively acquire street lights from Southern California Edison (SCE), efficiently convert to LED technology and begin operating and maintaining the system.

1. SCE Coordination- Facilitate the "Cut-Over" Process with SCE

Siemens will assist WRCOG and member jurisdictions in communication and scheduling with Southern California Edison representatives during the acquisition phase. Siemens will coordinate the development of an agreed upon schedule and geographic plan for the associated field work and cutover of assets from SCE to member jurisdictions. Specific scope includes:

- Participation in SCE calls
- Develop cut over schedule and work flow with SCE subcontractors
- Provide review of "fielding" data from SCE and associated subcontractors
- Update Street light database to include new street lights previously not included in valuations and other associated data corrections/modification/additions.
- Track billing adjustments from SCE as street lights are acquired
- Support WRCOG and its member jurisdictions with the Inventory, Inspection and Transition Activities as identified in the City's Purchase and Sales Agreement (Agreement) with SCE

2. Street light pole tagging and field verification

Siemens will install street light pole tags during the installation of the LED street light fixture. The tags will either be furnished by WRCOG, member jurisdiction or by Siemens. The associated pole tags will be designed and approved with jurisdiction/regional street light numbering sequence by WRCOG and/or jurisdiction staff. Siemens will install pole tags and update the web based WRCOG database of information for each pole, referencing the associated pole number.

Siemens will verify street light asset attributes during the LED installation utilizing the web based WRCOG database. The information to be reaffirmed in the database upon conversion shall include condition of asset, GPS coordinates for each asset, pole type, pole height, arm length,

luminaire type, wattage, lamp type, voltage, general pole condition, service feed type: overhead or underground, city and SCE pole structure number (in the case the numbers are different) and description of point of demarcation between jurisdiction and SCE facilities.

3. Procurement Support- LED Material Selection and Design (optional)

Siemens can provide support in the process of selecting and procuring fixtures for the project and provide recommendations to the City for final approval. This service includes identifying material vendors, soliciting proposals from vendors and performing a detailed evaluation of material proposals submitted.

Fixture selection is typically based on a variety of factors that ultimately will lead to identification of the best solution for the customer. Some of the factors considered are:

- Fixture efficiency
- Demonstrated durability
- Material cost
- Availability/production lead times
- Design functionality
- SCE rebate eligibility
- Life-cycle cost

Concurrent with the evaluation of fixture alternatives, Siemens can provide additional design support. This includes evaluating basic standard lighting configurations which exist on various street types throughout a jurisdiction. This includes reviewing current existing light levels, performing photometric analysis and recommended replacement fixture standards to apply throughout the conversion process. The process of ordering and staging replacement LED fixtures will be greatly aided by establishing these conventions. These services will be billed at a time and material basis per the labor rates outlined in Exhibit C. In the event that Siemens provides procurement services, Siemens will waive the fees associated with this service.

Project Implementation

The implementation phase addresses the various tasks needed to convert each newly acquired street light with a suitable LED fixture and process all data, billing and rebate applications. Siemens will develop a City specific project plan which will include pre-construction meetings, staging of material, installation, and other acquisition and retrofit project milestones.

1. Procurement Support- LED Material Purchasing (optional)

Siemens can direct purchase associated material for the project as approved by the WRCOG and member jurisdiction. This procurement support extends to all associated materials, such as LED fixtures, photocells, pole tags, lighting controls, poles, mast arms and all other associated street light system components. Siemens can receive, warehouse and manage all material prior to installation and process all warranty information with manufacturers as needed. Warranty information will be retained by Siemens with appropriate copies provided to the member jurisdiction for future use.

2. LED Fixture Installation

Siemens will coordinate and complete all aspects of the conversion of HID fixtures to LED fixtures. This includes coordinating with WRCOG staff regarding procurement, receiving materials at a jurisdiction facility during typical working hours, providing equipment and labor for the complete installation of LED fixture and associated materials and field update of WRCOG provided web based GIS database.

Prior to beginning conversion efforts, Siemens will coordinate all traffic control requirements with the member jurisdiction to gain approval for approved methods for various street configurations, including allowable working hours on arterials, in commercial areas and in residential neighborhoods. MUTCD standards will be adhered to.

Installation progress will be tracked on a daily basis by the project's Siemens Field Supervisor and Project Manager, and a brief status report that includes project status and any current issues will be provided to WRCOG and the jurisdiction on a weekly basis.

3. House Side Shield Installation

Siemens will install manufacturer approved house-side shields on LED street lights, as instructed by member jurisdiction. All requests for shields will be reviewed and approved by member jurisdiction staff prior to installation. Siemens can collaborate with member jurisdiction on specific strategies for implementing house side shields during the LED conversion. Siemens will install house-side shield on up to 10% of new LED street lights upon request, within the first year. Full cost of material and labor included in retrofit costs.

Siemens recommends that house side shields for LEDs be installed at sites where HPS fixtures currently have them. The like-for-like replacement can increase customer satisfaction and reduce the amount of visits to the same location.

4. HID Fixture Disposal

Siemens will be responsible for all fixture disposal and recycling. Disposal of existing luminaries and any other discarded materials will follow all applicable California Recycle and Disposal Laws. Siemens will produce a recycling plan, to be approved by the member jurisdiction. Following disposal, a manifest of disposal will be provided to the member jurisdiction, that specifies what was recycled, what was sent to the landfill, and how hazardous material was disposed of. Siemens reserves the right to select disposal and recycling firms. This includes use of approved bins and locations for temporary holding locations of fixtures, etc. All disposal costs, fees, etc. are included in the retrofit costs.

5. Record Documents

Following the completion of the implementation phase and City acceptance, Siemens will generate project close out documentation. This includes (but is not limited to) the following:

- Final Installation Data

- A summary report of the LED installation database information updated throughout the installation. This is based on the WRCOG provided web based database.
- As-built documentation (as-needed)
- As-built schedule of the project and a comparison of the actual installation vs. the
- scheduled baseline.
- A summary of any scope changes that occurred

Siemens will prepare and submit the final rebate documentation to the utility. In addition, Siemens will verify that the billing rate change has been submitted and accepted, and that the utility bill is correct.

Once the rebate is secured, the billing is verified then a final project closeout report will be generated. This will consist of a complete inventory database of the installed system with GIS locations and attributed of the LED street light system. Furthermore, this report will also include the final results of the rebate allocation, the energy savings to date and the final estimated energy savings for future years, summarizing the final results of the project.

Maintenance Phase

This phase will begin once a member jurisdiction pays SCE for a group of assets. This will be done in phases to be determined by SCE, the City and Siemens.

The maintenance phase will transition from initial maintenance of the existing poles with HID fixtures to maintenance of existing poles with new LED fixtures as the project progresses. Siemens will provide maintenance services for all fixtures acquired by the City from SCE and provide a monthly bill prorating the fixtures acquired throughout the previous month, by technology and fixture type.

General Maintenance will consist of all operations and repairs starting at the pull box or bottom of street light pole where the fuse holder or secondary power source necessary to keep all street lights operations, and associated wiring within the street light circuit.

1. Customer Service

Siemens will develop and implement a customer service portal for each member jurisdiction to effectively manage all incoming street light inquiries from public and from the member jurisdiction. General customer services include:

- 24/7 telephone and web based reporting service
- Web portal access for member jurisdiction and designated representatives
- Quarterly reporting/summaries of customer inquiry activity
- Customer service feedback survey

2. Routine Street light Maintenance Duties

A base monthly fee is established for maintenance of the street light system on a per month, per light basis. Siemens will respond to standard maintenance calls within 5 working days. The fee will reflect the total number of lights being served along with and adjustments for special fixtures/poles.

Routine Maintenance tasks include but are not limited to:

- RMA of LED Fixture (Shipping and handling)
- Warranty management of defective LEDs
- Traffic Control
- General Cleaning During Call Out
- Outage Nights Checks
- Photocell Replacement
- Fuse Replacement
- Fuse Holders Replacement
- Hand Hole Covers (up to 0.05% of stock, annually)
- False Calls

The fee is expected to be all inclusive, with the sole exceptions being those items identified in the extraordinary maintenance section. Annual services include:

- System problem assessment/diagnostics
- Repair and replacement of damaged/inoperable fixture material
    - For HID fixtures this can include repair or replacement of constituent parts. Such as lamps, ballasts, starters, reflectors, diffusers, etc.
    - For LED fixtures this can include repair or replacement of constituent parts. Such as drivers, lenses, and LED arrays. Typically LED fixtures will be covered under warranty and will be processed accordingly.
- Photocell repair and maintenance
- Hand hole cover replacement of standard hand hole covers. Limited to 0.05% of stock annually.
- Coordination with 3rd party attachment licensees
- Quarterly review of system operation (night check)
- General cleaning of fixture during maintenance call out
- Customer service portal operations
- LED fixture warranty processing

3. Extraordinary Street light Maintenance Duties

Siemens recognizes that there will be situations that can and will occur during the maintenance phase of the project that are best addressed individually based on the actual occurrence and not covered under a monthly fixture price. Items such as accidents resulting in the street lights being damaged and replaced or the need for specialized shielding devices are expected to occur, though the frequency may vary considerably. These items are being defined as extraordinary

maintenance and not included in the base monthly fee for standard maintenance. The following items have specifically been identified as extraordinary maintenance:

- 24/7 emergency response and securing field location for basic public safety. This would typically include pushing pole out of the right-of-way or from private property, taping off the area of the debris, capping/taping live wires, checking street light circuit and documenting all work activities for insurance purposes.
- Pole knockdown repair. Services can include:
    - removal of all associated spoils and debris from original installation
    - installation of new street light pole and associated system components
    - installation of associated foundation
    - Adjacent concrete repair/cap replacement
- House side shield installation (if occurs after year one)
- Overhead wiring replacement
- Pole graffiti abatement
- Pole painting
- USA Dig Alert services

EXHIBIT "B"
SCHEDULE OF SERVICES

[INSERT]

EXHIBIT "C"
COMPENSATION

BILLING RATES

	Item	Description	Unit Cost
Project Development			
1	Street light pole ID tag	This includes the labor for installation of a unique pole ID tag for each pole. Pole tags will be affixed to poles with an adhesive, no riveting or drilling will be performed. The pole tags will be installed at the same time as the LED fixture conversion.	$10.00/pole
Project Implementation			
2	LED replacement Cobra head	This includes the costs for labor, equipment (trucks, lifts, tools, traffic control, etc.) and materials needed to replace existing cobra head fixtures with a new LED fixture. Includes update of WRCOG database with model number installed and installation date. This also included the cost for disposal of HID materials.	$57.00/ Each
3	LED replacement Decorative	This includes the costs for labor, equipment (trucks, lifts, tools, traffic control, etc.) and materials needed to replace existing post top fixtures with a new LED fixture. Includes update of database with model number installed and installation date. The cost per pole shall not include the cost of the actual fixture.	$114.00/ Each
4	House side shield installation As Separate call	This includes the costs for installation only of new house side shields including labor, equipment (trucks, tools, etc.) and incidental materials needed for the installation. Includes update of database. The cost does not include the cost of the shield itself.	$64.00/ Each
Routine Maintenance- Pre-LED Conversion			
5	HPS Fixture Maintenance – Cobra (labor, materials, equipment)	This includes the monthly costs for maintenance of all HPS cobra head fixtures during the period from acquisition of poles through retrofit with new LED fixture. Costs include all labor, materials and equipment needed to keep the existing fixtures functioning properly until the new LED fixtures are	$1.55/ each/month

		installed. This includes all anticipated costs for repairs and maintenance during that time including bulb replacements, ballast replacements, field calls etc. as assumed and prorated across the HPS inventory.	
6	HPS Fixture Maintenance – Post Top Acorn (labor, materials, equipment)	This includes the monthly costs for maintenance of all HPS post top fixtures during the period from acquisition of poles through retrofit with new LED fixture. Costs include all labor, materials and equipment needed to keep the existing fixtures functioning properly until the new LED fixtures are installed. This includes all anticipated costs for repairs and maintenance during that time including bulb replacements, ballast replacements, field calls etc. as assumed and prorated across the HPS inventory.	$3.50/ each/month
7	HPS House side shield installation (labor, materials, equipment)	This includes the cost for each HPS house side shield installation that may be requested during the pre-retrofit stage. Costs include all labor, equipment and materials including the cost of the shield. These would be billed on an individual basis (not monthly or per pole being maintained).	$64.00/ Each
Maintenance- Post LED Conversion			
8	LED Fixture Maintenance Cobra head	This includes the cost for all regular maintenance and associated tasks to maintain the cobrahead fixtures in the street light system. Detailed scope is included in the Part 1. Scope of Work document above.	$0.65/ each/month
9	LED Fixture Maintenance Decorative	This includes the cost for all regular maintenance and associated tasks to maintain the post top fixtures in the street light system. Detailed scope is included in the Part 1. Scope of Work document above.	$2.00/ each/month
10	LED Replacement Cobra head	This includes the costs for labor, equipment (trucks, lifts, tools, traffic control, etc.) and materials needed to replace existing cobra head fixtures with a new LED fixture. Includes update of WRCOG database with model number installed and installation date. This also included the cost for disposal of HID materials.	$57.00/ Each
11	LED Replacement Decorative	This includes the costs for labor, equipment (trucks, lifts, tools, traffic control, etc.) and materials needed to replace existing post top	$114.00/ Each

		fixtures with a new LED fixture. Includes update of database with model number installed and installation date. The cost per pole shall not include the cost of the actual fixture.	
12	House side shield installation	This includes the costs associated with the installation of a house side shield on a LED fixture excluding the cost of the actual shield. The costs should include labor, equipment, tools and incidental materials needed to complete a standard installation. This assumes a standard cobra head style fixture and a factory standard shield available for purchase (does not include custom installations and decorative fixtures).	$68.00/ Each
Extraordinary Maintenance **(Reference pricing only- this scope will be quoted on time and material basis)**			
13	Knockdown pole replacement No foundation	This includes the costs associated with the replacement of an entire street light pole, luminaire arm, fixture and wiring typically associated with a street light knockdown that does not require replacement of the foundation. This is based on the following assumptions: a 30 foot, marbelite pole with a standard 150 watt equivalent LED cobra head fixture. The City understands that there will be considerable variation in costs for these repairs under the contract and anticipates work being authorized individually through a quote process. These repairs will not be completed as part of an initial emergency response. Costs are based on a single replacement with work completed during normal work hours scheduled within the requested repair interval.	$4,600.00/ Each

14	Knockdown pole replacement with foundation	This includes the costs associated with the replacement of an entire street light pole, luminaire arm, fixture and wiring typically associated with a street light knockdown that does require replacement of the foundation. This is based on the following assumptions: a 30 foot, marbelite pole with a standard 150 watt equivalent LED cobra head fixture. The City understands that there will be considerable variation in costs for these repairs under the contract and anticipates work being authorized individually through a quote process. These repairs will not be completed as part of an initial emergency response. Costs are based on a single replacement with work completed during normal work hours scheduled within the requested repair interval.	$6,925.00/ Each
15	Pull box lid replacement	This includes the cost of labor, materials and equipment to purchase, supply and replace a pull box lid with a fiberlyte lid due to damage or missing lid.	$165.00/ Each
16	Pole graffiti abatement	This includes the estimated cost per pole to remove or cover reported graffiti. Costs include labor, equipment and materials needed to complete each individual abatement assuming 20 to 50 calls per year. Over 4SF and/or higher than 7ft.	$248.00/ Each
17	Overhead wiring replacement	Total cost to repair or replace damaged overhead wiring. Cost provided per foot of wire being replaced. Costs include labor, equipment and materials to complete the repair during normal working hours. The City understands that there will be considerable variation in costs for these repairs under the contract and anticipates work being authorized individually through a quote process.	$15/foot, or lump sum as quoted
18	Pole painting	This includes the costs on a per occurrence (per pole) basis for all labor, equipment and materials needed to prep and paint a standard metal street	$479.00/ Each

		light pole (assume 30 foot). It is assumed that a minimum of 5 poles and a maximum of 20 poles would be scheduled for painting as a group.	
19	USA Dig Alert	Siemens typically prices this service out on a per occurrence basis. This includes the following: Siemens technician identifies the point of demarcation on site using field equipment. This is typically limited to approximately 100-150 linear ft per call out.	$225.00/ Each

Siemens will evaluate maintenance contract values annually and discuss any needed adjustments with member jurisdictions. Siemens typically utilizes the US Consumer Price Index to calculate annual escalations.

Schedule of Values- Time and Material Rates

1. Labor	***Regular Time****	***Overtime****	***Premium Time****
Maintenance Superintendent	$105.00	$135.00	$160.00
Foreman	$105.00	$135.00	$160.00
Electrician	$98.00	$125.00	$145.00
Laborer	$85.00	$115.00	$135.00
Energy Engineer	$180.00	N/A	N/A
2. Equipment		***Rate per Hour***	
Bucket Truck		$28.00	
Service Truck		$25.00	
3. Material Mark up (from actual invoice cost)			
Street light LED Retrofit Installation Materials		15%	
Street light Maintenance Materials		15%	

* Work hours are as follows:

- Regular Hours – 7:30am to 4:00pm Monday Thru Friday except Holidays
- Overtime
    1. Monday thru Friday after 4:00pm (for the first four hours)
    2. Saturday for the first 12 hours worked
- Premium Time
    1. Monday thru Saturday After 12 working hours
    2. Sunday & Holidays all day (24 hours)

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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **Allocation of Funding for Regional Sustainability Demonstration Center Feasibility Study**

Contact: **Jennifer Ward, Director of Government Relations, jward@wrcog.us, (951) 955-0186**

Date: **October 2, 2017**

The purpose of this item is to *provide an update on planning efforts for a potential sustainability demonstration center, EXPERIENCE, to promote sustainable practices and showcase the assets and capabilities of the subregion, and to request a recommendation for WRCOG to enter into an agreement with PlaceWorks consulting to perform a feasibility analysis for EXPERIENCE.*

Requested Action:

1. Support the Administration & Finance Committee's recommendation to authorize and direct the Executive Director to enter into a contract agreement with PlaceWorks to perform the EXPERIENCE Feasibility Study in an amount not to exceed $249,823.

Background

Western Riverside County is one of the fastest growing subregions in the State of California and the United States. Subregional leaders have identified six interrelated components critically important to achieving a premier quality of life in Western Riverside County and incorporated these into the WRCOG Economic Development & Sustainability Framework (the Framework), which serves as a guide to grow strategically and achieve a vibrant and livable community. The six Framework goal areas pertain to 1) Economic Development, 2) Water and Wastewater, 3) Education, 4) Health, 5) Transportation, and 6) Energy and the Environment.

In August 2016, staff introduced the Administration & Finance Committee to the concept of EXPERIENCE, envisioned as a vibrant regional center with a variety of visitor attractions that would also serve as a sustainability demonstration center. The intent of EXPERIENCE is to showcase the strides inland southern California has made towards achieving a more sustainable quality of life, and to empower visitors to institute more sustainable practices into their homes, schools, and businesses. Though EXPERIENCE would be showcasing sustainable best practices, the center would be designed to draw audiences for a variety of purposes by including such elements as an education center, community farm, water efficient garden, walking loop, amphitheater, farm-to-fork café, and other public assets. EXPERIENCE would borrow inspiration from similar concepts from across the globe including:

- The Frontier Project – Rancho Cucamonga, CA
- Southern California Edison Energy Education Center – Irwindale, CA
- David Brower Center – Berkeley, CA
- Alliance Center – Denver, CO

Partnerships Identified

In January 2017, staff released an informal call for interested partners for EXPERIENCE, distributed among the Agency's broader network. Staff ultimately consulted with representatives from the following interested entities: the Cities of Perris, Riverside, and Temecula; Eastern Municipal Water District (EMWD); Western Municipal Water District (WMWD); Riverside Corona Resource Conservation District (RCRCD); Riverside County Flood Control and Water Conservation District (Flood Control); and Southern California Edison (SCE). EMWD, in partnership with the City of Perris, is committed to moving forward with development of a water-wise demonstration center at its offices in Perris and is interested in partnering with WRCOG to expand on that development by including additional concepts from EXPERIENCE. The Cities of Riverside and Temecula expressed interest in continuing discussions with WRCOG regarding EXPERIENCE, and have identified potential sites for the center. WMWD also expressed interest in providing a potential site for EXPERIENCE. RCRCD, Flood Control, and SCE have expressed interest in providing general support for EXPERIENCE as the idea evolves.

Financing

In 2016, an Agency Carryover Funds Ad Hoc Committee was established to discuss the allocation of the remaining Fiscal Year (FY) 2015/2016 Agency carryover funds. The Ad Hoc Committee met on August 22, 2016, and the discussion resulted in the following recommendation: to allocate $850,000 to Agency Reserves, with the caveat that some of these funds could be applied towards EXPERIENCE. The proposed allocation was considered by the Administration & Finance Committee on October 12, 2016, but no formal action was taken due to the fact that staff needed to bring back a more formal proposal for the EXPERIENCE concept.

Throughout the course of FY 2016/2017 and FY 2017/2018, WRCOG has built an Agency reserve of approximately $1.8 million, with a goal of reaching $4 million by FY 2019/2020. Should the Executive Committee allocate funding from reserves, as was discussed by both the Ad Hoc and Administration & Finance Committees, for a Feasibility Study to determine how a regional Sustainability Center might be implemented, the Agency would remain well on track to reach its financial goals given budget projections for FY 2018/2019.

Feasibility Analysis

In March 2017, WRCOG released a Request for Proposals (RFP) for a suite of on-call consulting services. Among the proposal categories was "Economic and Demographic Forecasting" which included an EXPERIENCE Feasibility task. Three firms (AECOM, PlaceWorks, and Michael Baker International) submitted for the category and, upon review by staff and representatives from both the Planning Directors' and Public Works Committees, were each found to have met the minimum criteria to serve on the bench of consultants for the on-call planning category. Staff then reviewed each proposal and determined that, factoring in the scope of work proposed, familiarity with the region and agency, price, credentials of the PlaceWorks team and relevant experience, PlaceWorks presented the most competitive proposal for the task of performing a feasibility analysis. The complete PlaceWorks proposal is included as an attachment to this staff report; the EXPERIENCE task can be found on page 24 of the attachment. As identified in the attachment, the task would include, but not be limited to, thorough research of relevant models, demand analysis for the center's and program elements, analysis of four potential sites, analysis of governance options and partnership opportunities, financial analysis, and final feasibility analysis and recommendation. Through follow up conversations with PlaceWorks, WRCOG staff agreed that $249,823 is an adequate amount to conduct this Study, which is a crucial phase of moving the EXPERIENCE concept forward. Additionally, the Study would review potential funding partners and mechanisms to ensure a viable implementation plan for the proposed Center.

Value of EXPERIENCE

If the feasibility analysis reveals favorable results, development of the EXPERIENCE concept offers a wide array of benefits to the subregion. EXPERIENCE would promote best practices in the areas of Water and Waste Water, Energy and the Environment, and Transportation through modeling and information sharing. EXPERIENCE would support Educational enrichment and Health outcomes, both with its on-site amenities and take-away lessons. Finally, EXPERIENCE would spur Economic Development with (1) job creation, starting with the initial construction and on-going operations positions, continuing with the promotion of energy efficient and water-wise home and business upgrades; (2) tourism generated by the site's varied social and professional attractions; and (3) reimaging the subregion's identity and brand as one that is cutting-edge, dynamic, and attractive for both businesses and families. EXPERIENCE would further the momentum generated by the announcement of the California Air Resources Board (CARB) Riverside facilities development and establish a beacon of the subregion's values and strengths for all to see.

Prior Action:

September 13, 2017: The Administration & Finance Committee recommended that the Executive Committee authorize and direct the Executive Director to enter into a contract agreement with PlaceWorks to perform the EXPERIENCE Feasibility Study in an amount not to exceed $249,823.

Fiscal Impact:

Funding for the EXPERIENCE feasibility study has been programmed accordingly under the Fiscal Year 2017/2018 Agency Budget, in the General Fund. If approved, the $249,823 for PlaceWorks will be transferred to the Government Relations Program under consulting fees as part of the 1st Quarter Budget Amendment for Fiscal Year 2017/2018.

Attachment:

1. PlaceWorks On-Call Services Proposal.

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Item 5.E

Allocation of Funding for Regional Sustainability Demonstration Center Feasibility Study

Attachment 1

PlaceWorks On-Call Services Proposal

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On-Call Planning Services

DISCIPLINE D. GENERAL PLAN/SUSTAINABILITY SUPPORT

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS | RFP NO. 17-08 | MAY 8, 2017

PLACEWORKS

PLACEWORKS

On-Call Planning Services for the Western Riverside Council of Governments

DISCIPLINE D. GENERAL PLAN/SUSTAINABILITY SUPPORT

RFP NO. 17-08 | DUE MAY 8, 2017

SUBMITTED TO:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
Mr. Christopher J. Gray, Director of Transportation
4080 Lemon Street, 3rd Floor, MS-1032
Riverside CA 92501
951.955.8304 | gray@wrcog.cog.ca.us

SUBMITTED BY:

PLACEWORKS
Ms. Karen Gulley, Principal and Vice President
3 MacArthur Place, Suite 1100
Santa Ana CA 92707
714.966.9220 | 714.966.9221 (fax)
kgulley@placeworks.com

AUTHORIZED SIGNATURE (PRIME CONTACT)

WITH:

HMC ARCHITECTS

Firm Capabilities

PLACEWORKS

Founded in 1975, PlaceWorks, Inc. (formerly The Planning Center) is a California S-Corporation serving clients nationwide. The firm employs approximately 130 staff members in seven offices and serves both public- and private-sector clients in the fields of community planning, urban design, economics, transportation planning, landscape architecture, environmental analysis and sciences, and GIS.

Communities don't stand still. As they grow and change, they need to balance diverse interests: the physical with the social, the governmental and economic with the environmental. PlaceWorks works with communities to design strong, sustainable futures. We are committed to collaboration across disciplines, workable solutions, and creating better places for people to live, work, learn, and play. We craft forward-thinking, inventive solutions around long-term consequences. Our talented, multidisciplinary team thrives on tackling complex problems and provides creativity grounded in research and systems-based thinking. Our services include, but are not limited to, the list of services at right.

TRACK RECORD

INLAND EMPIRE COMMITMENT

Since its founding nearly 42 years ago, PlaceWorks has invested in planning the future communities of the Inland Empire, including Western Riverside County. We have completed dozens of large-scale master plans, hundreds of specific plans, nearly a hundred general plans (including Riverside County's and now the second San Bernardino County update), housing elements, transit-oriented development plans, corridor plans, infill development plans, and other comprehensive planning projects for many of the cities in the Inland Empire. We firmly believe that *place matters in everything we do*. We are driven and motivated by the prospect of building healthy, vibrant places in Western Riverside County (and the entire Inland Empire) where culture, commerce, and community thrive.

Few planning consulting teams can demonstrate such a deep and award-winning presence in the Inland Empire.

PLACEWORKS' SERVICES

Community Planning
- Comprehensive Planning, including General Plans and Specific Plans
- Transit-Oriented Development Planning
- Corridor Planning
- Infill Planning and Design
- Zoning and Form-Based Code
- Transportation/Active Transportation Planning
- Housing Research and Analysis
- Transferable Development Rights
- Community Engagement
- Municipal Services
- Geographic Information Systems
- Creative Media, including Web-based Implementation Plans

Design
- Transit-Oriented Design
- Downtown Planning
- Design Standards/Guidelines
- Site Planning
- Large-Scale Planning and Design
- Strategic Plans

Economics
- Economic and Market Analysis
- Economic Development Planning
- Site Selection and Development
- Feasibility Studies

Landscape Architecture
- Streetscape Design
- Parks and Trails Planning
- Urban Agriculture and Urban Forestry
- Storm Water Management Planning
- Evidence-Based Design

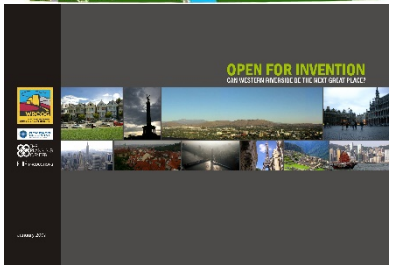
Environmental Services
- CEQA/NEPA Documentation
- Third-Party Review
- Technical Studies, including Air Quality and GHG Emissions/ Inventory, Noise, Traffic, Shade & Shadow Analysis
- Climate Action Planning
- Site Investigation
- Remedial Engineering Design
- Health Risk Assessment
- Regulatory Compliance











WESTERN RIVERSIDE PROJECT EXPERIENCE

PlaceWorks has led or been involved with regional sustainability projects, including the **SCAG Growth Vision** project—the plan that led to **SCAG's Compass Blueprint Demonstration Plan**, which has been successfully implemented over the past 15 years—and the **Compass Blueprint Reality Check**. PlaceWorks has also led more than two dozen Demonstration projects under this program, including the following—many of which are award-winning (noted with asterisk):

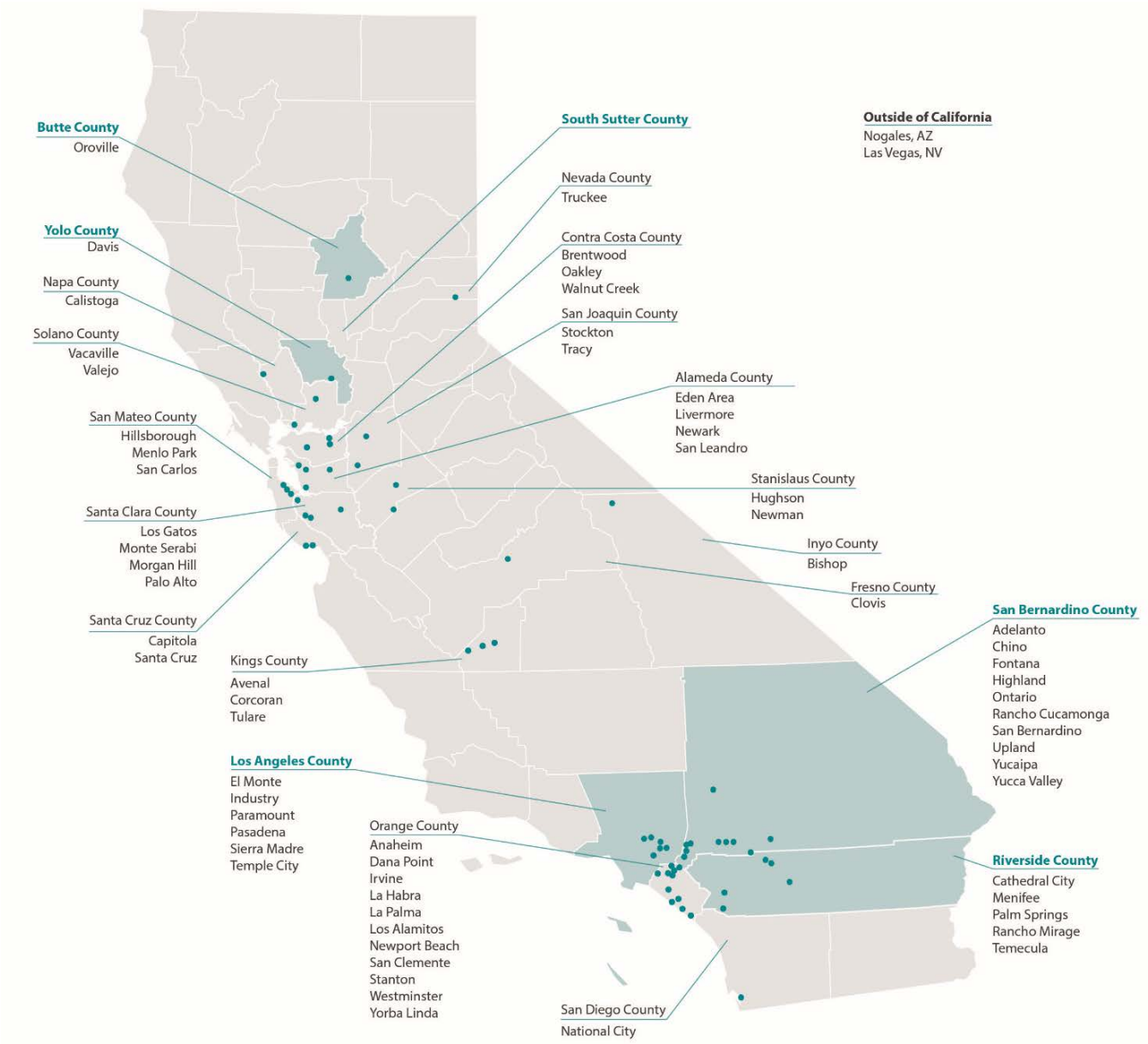
- **WRCOG's Subregional Sustainability Plan Framework (a Compass Blueprint Project).*** Sustainability framework, committee facilitation, policy guidance.
- **WRCOG Non-Motorized Transportation Plan.** Existing conditions analysis, bike/pedestrian routes planning, design guidelines, implementation, outreach.
- **Western Riverside BRT Route Planning.** Transit-oriented design development, land use planning, public outreach.
- **Downtown Riverside Metrolink Station Area Planning/Design and Economic Analysis (a Compass Blueprint Project).** Visioning, transportation and circulation planning, economic studies, feasibility analysis and technical studies, corridor planning, transit-oriented design, site planning, public outreach/community workshops, creative media.
- **Calimesa Boulevard Corridor Revitalization Project (a Compass Blueprint Project).** Corridor planning, architectural design guidelines, downtown corridor district zoning code preparation, public outreach.
- **Perris Metrolink Station Area Planning/Design and Economic Analysis (a Compass Blueprint Project).** Visioning, transportation and circulation planning, economic studies, feasibility analysis and technical studies, corridor planning, transit-oriented design, site planning, public outreach and community workshops, creative media.
- **North Main Corona Station Area Plan/Design and Economic Analysis (a Compass Blueprint Project).** Visioning, transportation and circulation planning, economic studies, feasibility analysis and technical studies, corridor planning, transit-oriented design, site planning, public outreach and community workshops.
- **Riverside County Integrated Project (RCIP).*** Visioning; programming for planning, transportation, and conservation; general plan preparation; community planning for 19 area plans; public outreach; multiple species habitat conservation plan.
- **North Hemet Economic Revitalization Plan, Specific Plan, and EIR.** Land planning, design guidelines, blight assessment, market study, Phase I environmental site assessment, environmental review.
- **WRCOG Videos: "Another Step Forward: Housing to Meet Expected Population and Job Growth" and "Open for Invention: Reducing Dependence on the Automobile."** Storyboard message, mixed-use/high-density research, art direction of video production.

GENERAL PLAN PROJECT EXPERIENCE

PlaceWorks has a 41-year track record of providing successful general plan and sustainability assistance to regional agencies, counties, and local jurisdictions. A

map and partial list of general plans prepared by PlaceWorks is provided below. It is worth noting that very few consulting firms have the same depth of staff with continuous experience managing and overseeing general plans. For the projects listed in the matrix, below, the key staff are still employed with the firm, and many of them are proposed staff for this project. Detailed descriptions of selected projects may be found in Appendix D.

Map of General Plan Projects Prepared by PlaceWorks



EXPERIENCE LEADING REGIONALLY SIGNIFICANT PROJECTS

PlaceWorks has strong experience working with metropolitan planning organizations (MPOs) and regional councils of governments (COGs) throughout the state of California on a broad range of regionally significant planning, transportation infrastructure, and community outreach projects, including experience with SCAG, Fresno COG, Kern COG, SANDAG, and WRCOG.

Many projects completed for these regional agencies require significant multi-jurisdictional coordination, including collaboration with multiple municipal and county agencies, state and local transportation agencies, and local stakeholder groups. Among these collaborations are:

Projects in San Bernardino County

- **San Bernardino County Strategic Visioning.** Regional visioning, stakeholder interviews, GIS, infographics.
- **The Countywide Plan and EIR**. Policy planning, economic analysis, transportation planning, environmental analysis, data management, public outreach, community planning, web design, and more.
- **San Bernardino County Retail Food Assessment.** Presentation to community benefits stakeholder group.
- **Countywide GIS Vacant and Underutilized Land Analysis**. GIS analysis, opportunities and constraints analysis, mapping and graphics.
- **San Bernardino TOD Overlay District.*** Zoning overlay, station area planning, stakeholder/public outreach, EIR addendum.
- **Crafton Hills College Village/Greater Dunlap Neighborhood Sustainability Community Strategy.** Zoning, conceptual site plan, design, 3D modeling.
- **San Bernardino Climate Adaptation, Resiliency, and Environmental Justice**.
- **The Glen Helen Specific Plan.*** Specific plan preparation, EIR preparation, resource management plan.
- **San Bernardino County Housing Element**. Housing policy and program development.
- **Land Use, Air Quality, and Transportation*** prepared for SANBAG and the County of San Bernardino. An ahead-of-its-time manual for planning practitioners.

Projects in Orange County

- **MCAS Tustin Base Reuse Plan/Specific Plan.** Master planning, visioning, programming, land planning, specific plan preparation, environmental review and analysis, entitlements.
- **Villages of Columbus Infill Development.** Community planning and programming, affordable housing and density bonus implementation program, project entitlements.
- **Tustin Legacy Specific Plan and EIR.** Visioning, base map (CAD), economic market analysis, specific plan and hybrid form-based code, supplemental EIR, park charrette, streetscape design.

- **Advanced Technology & Education Park Development Master Plan.** Design charrettes, site plan alternatives, visioning poster, goals and design parameters, specific plan/development agreement compliance.
- **MCAS El Toro Base Reuse Planning.** Open space plan, business park design guidelines, agricultural plan, airport terminal landscape plan, financial analysis, due diligence (later for Lennar/LNR properties).
- **Orange County Great Park Environmental Planning.** CEQA analysis for master planned community, general plan amendment, zone change, and tentative maps; air quality/greenhouse gas and noise studies.
- **Parcels at El Toro Property Reuse Planning.** Scenarios for future reuse of several county-owned properties adjacent to the Great Park and future Great Park Neighborhoods development. Conceptual site planning, market positioning, presentation to board of supervisors.

SUSTAINABLE GARDENS, LANDSCAPE, OPEN SPACE RESTORATION, AND URBAN AGRICULTURAL PROJECTS

PlaceWorks' landscape architecture group designs sustainable gardens and landscapes, interpretive programming, and innovative stormwater management practices. Demonstration projects that incorporate innovative and sustainable techniques include the award-winning Water-Efficient Demonstration Garden for the Santa Clara Valley Water District, which showcases low-water-use irrigation methods and locally appropriate plant species, and the Gardens at Heather Farm, which features a large greenhouse, outdoor classroom space, and raised beds for crops all surrounded by California natives and insectary plants to enhance pollination and repel unwanted pests.

PlaceWorks has worked in communities throughout the state to identify opportunities, develop plans, and help implement urban greening programs. The City of Alameda Urban Farm and Garden Plan prioritizes sites for various types of agriculture and provides recommendations for policies and programs, guidelines for the management and design of urban agriculture projects, funding and financing resources, and conceptual designs for urban farms and gardens. The Martial Cottle Park Master Plan includes a 300-acre historic agricultural farm in San Jose.

SUBCONSULTANT: HMC ARCHITECTS (EXPERIENCE)

SERVICES

Standard
- Architectural Design
- Feasibility Studies
- Grant Writing
- Renewable Energy Analysis
- ZNet/high-performance assistance
- Energy Modeling
- Lifecycle Analysis
- Construction Administration
- Cost Estimating
- Facility Assessment
- Graphic Design
- Interior Design
- Program and Project Management
- Master Schedule Preparation
- Public and Non-public Bidding Assistance
- Specification Writing

Additional
- 3D Modeling
- Digital Imaging
- Programming and Master Planning
- Interior Furnishings, Furniture, and Equipment Selection Assistance
- Financial Needs Assessments
- Facilities Standards Development
- Site Selection Assistance

HMC Architects (HMC), a 100% employee-owned Corporation, was founded in 1940 in Ontario, California, and has since expanded to nine offices around the western United States. Since 1940 they have worked with healthcare, education, corporate, civic, and justice clients to create architecture and interior design that is inviting, high performing, sustainable, and human focused. For HMC Architects, the science and art that promote environmental, cultural, and social sustainability are necessary parts of the design engine. Their process brings leading-edge thinking to the spaces that encompass human interaction and directly impact quality of life. As part of their commitment to environmentally neutral design, HMC Architects focus on integrating high-performance, sustainable architecture into all of their projects. The work for this project will primarily be performed from the Ontario office: 3546 Concours Street | Ontario, CA 91764 | 909. 989.9979.

HMC's expertise in high performance design and zero-net-energy solutions encompasses a diverse and broad range of project types in civic, pre-K through 12, higher education, healthcare, justice, and commercial sectors. Our proposed team has direct and substantial experience performing services on projects similar to WRCOG's EXPERIENCE project, notably the Frontier Project—an energy and water demonstration facility in Rancho Cucamonga.

HMC Architects is an equal opportunity employer and makes employment decisions on a variety of factors, including merit. Firm policy prohibits unlawful discrimination based on race, color, religious creed (including religious dress and grooming practices), age, gender, sexual orientation, national origin or ancestry, religion, marital status, domestic partner status, military service/veteran status, sex (including pregnancy, childbirth, breastfeeding, and medical conditions related to pregnancy, childbirth, or breastfeeding), physical or mental disability, medical condition including genetic characteristics, genetic information, gender identity, gender expression, or any other consideration made unlawful by federal, state, or local laws. It also includes a perception that anyone may have any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is unlawful.

Milly Christmann is HMC's vice president of human resources and their diversity manager. Together with Mitch Carp, HMC's senior vice president of studio operations, she manages employee, supplier, and contractor diversity efforts. HMC's leadership is 15 percent female and 85 percent male; the minority breakdown is 2 percent black, 9 percent Hispanic, 12 percent Asian, and 77 percent white.

HMC RELEVANT PROJECT EXPERIENCE



- **The Frontier Project, Cucamonga Valley Water District.** A 14,200 SF sustainability demonstration building, LEED Platinum certified, that helps resident consumers, commercial builders, and sustainable advocates learn the latest methods and technologies in water, energy, and site conservation.
- **Health and Human Services Agency Zero Net Energy Facility, County of San Diego.** A new facility to implement low-impact development standards, use sustainable design principles and practices, and exemplify high-performance architecture with minimal environmental impacts. Emphasizing workplace health, productivity, and overall occupant satisfaction resulted in a design that departed from traditional big-box buildings by inviting sun, wind, and light to inform site planning, building orientation, and indoor environments.
- **Los Banos Community Center.** Planning and design services for the 34,400 SF community center adjacent to the existing Henry Miller Plaza. The new community center complements the park's outdoor amenities with additional community gathering space.



- **Woodcrest Library, County of Riverside Economic Development Agency.** A 10,000 SF library on two acres of land in the residential Woodcrest area of Riverside County. Includes an extensive water-wise demonstration garden and high-performance features such as low-water native landscaping, a permeable parking lot, ambient lighting from roof and windows, and durable and sustainable building materials.
- **Clearwater Elementary School, Perris Unified School District.** A new campus forged during one of California's most severe droughts on record. The design team created learning environments that model water conservation. Wetlands basins were created to enhance student understanding of how the site collects and retains stormwater, filters out pollutants, and recharges the basin by reducing run-off using bioswales leading to biodetention ponds.

Additional details regarding these projects can be found in Appendix. D.

KEY STAFF

Name, Title	Role / Coverage Level (Time Available for This Project)	Experience/Qualifications Summary
MANAGEMENT AND COORDINATION		
KAREN GULLEY Principal 	Principal-in-Charge Project Manager for EXPERIENCE, and Public Outreach for General Plan Work *Availability: 30%*	Karen's strong skills of strategy and innovative problem solving are the result of nearly 30 years of experience working with all facets of community planning and design for private- and public-sector clients. She leads the firm's transit-oriented development (TOD) practice as well as infill development and corridor revitalization. She specializes in assisting local communities with evaluating the potential for TOD associated with Metrolink, BRT, and urban circulation. Her work ranges from vision plans to implementation strategies, each developed in a collaborative effort with city staff, transit agencies, and the public. Karen has a certificate in "Planning for Effective Public Participation" from the International Association for Public Participation.
TAMMY L. SEALE Associate Principal 	Principal/Project Manager for General Plan/Sustainability (all except EXPERIENCE) *Availability: 50%*	Tammy specializes in sustainability and climate change services. As an environmental planner in the public interest for more than 20 years, she is committed to working with communities to identify and implement local strategies to address climate change and is honored to work with an outstanding team of sustainability planners and analysts every day in collaborating with staff and local agency partners. She prepares local sustainability, climate, and energy action policies and plans to address local economic, environmental, and equity goals. Recent projects included serving as project director/principal-in-charge for a mix of comprehensive planning and visioning projects that integrate sustainability and resiliency vision and principles, including, among others, Plan Morro Bay (a general plan and local coastal plan update), San Bernardino County Renewable Energy and Conservation Element, San Luis Obispo Downtown Concept Plan, Lancaster Climate Action Plan, and San Luis Obispo County Renewable Energy Streamlining Program.
GENERAL PLAN/SUSTAINABILITY STAFF		
ELI KRISPI Associate	Planner – General Plan elements, outreach *Availability: 50%*	Eli works on planning projects to reduce environmental impacts and increase resiliency to a changing climate. As a planning and sustainability professional, he draws on experience implementing sustainable policies, a science-based education focused on the nexus of the built environment and the natural world, and a data-driven analytical approach to problem solving.
SUZANNE SCHWAB, AICP Associate	Associate Sustainability Planner – General Plan elements, outreach Planning Support for General Plan Element updates and outreach *Availability: 25%*	Suzanne combines her experience as a designer, researcher, and writer with a practical approach and an emphasis on the end user. Her planning documents are user friendly and reflect her creative problem-solving skills. Her experience includes several housing elements and corridor, site, and specific plans.

Name, Title	Role / Coverage Level (Time Available for This Project)	Experience/Qualifications Summary
MATT GELBMAN, AICP Associate	Associate Sustainability Planner – Planning Support for General Plan Element updates and outreach *Availability: 25%*	Matt is a superb public organizer of outreach, with an ability to meld technology with project needs. His command of the technology and foundation in planning will assist in communicating program needs.
BRIAN JUDD Principal	General Plan Advisor *Availability: 10%*	Brian pilots an integrated team of practiced policy planners and innovative designers to create resourceful solutions for the company's often complex and always challenging projects. Brian has managed and overseen nearly 20 general plan projects, including Palm Springs, Rancho Mirage, Yucaipa, and Highland, as well as the web-based Ontario and San Bernardino County General Plans (in progress). His past experience includes serving as one of the three leads on the Riverside County General Plan—a role which included research and preparation for seven community plans in Western Riverside County. Specializing in intergovernmental coordination and general plan implementation Brian has vast experience and a keen understanding of multijurisdictional regulatory and political processes.
MARK TEAGUE, AICP Associate Principal	Senior Advisor, Planning Support for General Plan Element updates and outreach *Availability: 20%*	Mark's experience includes a variety of controversial and complex projects of all sizes and virtually all project types as both a public agency and private-sector planner. He facilitates internal agency departmental discussions and conducts evaluations of ordinances, policies and operations making recommendations to help improve customer service and respond to public concerns.
JOANNA JANSEN, AICP Associate Principal	General Plan Advisor *Availability: 20%*	Joanna has significant experience in the organization and facilitation of public involvement programs, both as stand-alone outreach efforts and as part of larger planning projects. She believes that meaningful community engagement from the earliest stages of a project enhances the ultimate outcome and establishes invaluable public support for its implementation
STAFF for EXPERIENCE		
SARAH SUTTON, ASLA, LEED AP Principal	Principal Landscape Architect *Availability: 15%*	Sarah leads the landscape architecture group and brings over 35 years of experience in the design of sustainable gardens and landscapes, interpretive programming, and innovative stormwater management practices. Sarah has designed numerous demonstration projects that incorporate innovative and sustainable techniques, Sarah receives frequent invitations to present at conferences and to various organizations.
ISBY FLEISCHMANN, LEED AP Senior Associate	Landscape Architect/Designer *Availability: 25%*	Isby brings extensive experience developing plans and programs for community gardens, urban agriculture, and sustainable landscapes. Isby has worked in communities throughout the state to identify opportunities, develop plans, and help implement urban greening programs.

Name, Title	Role / Coverage Level (Time Available for This Project)	Experience/Qualifications Summary
RANDAL W. JACKSON, ASLA Principal	Advisor *Availability: 10%*	Throughout his more than 45 years of experience in planning and design, Randy has conceived and developed unique land use and design concepts for award-winning communities. He continues to focus his expertise on healthy communities built around and integrating transportation, transit, open space, and park and recreation systems.
SUBCONSULTANT FOR EXPERIENCE: HMC ARCHITECTS		
CHRIS TAYLOR, AIA, LEED AP, BDIA Principal	Principal in Charge of HMC's General Plan/ Sustainability Support Tasks *Availability: 20%*	Chris has more than 30 years of experience and passionately devotes his attention to coordinating the best delivery practices that continually raise the quality of HMC's drawings, design, and client service. Chris has developed a reputation for successfully leading collaborative, consensus-building processes that result in facilities that meet the current and future needs of his clients.
ERIC CARBONNIER, PhD, AIA, LEED AP BD+C Vice President of Sustainability	Co-director of HMC's Sustainability General Plan/ Sustainability Support Tasks *Availability: 20%*	With 28 years of experience, Eric focuses on energy conservation strategies leading to zero-net-energy architecture. He helps develop and integrate sustainable strategies, including groundwater recharge, water conservation, thermal and electrical on-site renewable energy, downdraft cool towers, and local material reuse. Eric has secured over $2 million in grants and certified the second largest USGBC campus in California, ranked 7th nationally and 9th globally.
EERA BABTIWALE, LEED AP BD+C Vice President of Sustainability	Co-director of HMC's Sustainability General Plan/ Sustainability Support Tasks *Availability: 20%*	With 17 years' experience, Eera's strong design skills and passionate environmental awareness result in projects that are functional, creative, and sustainable. She is dedicated to the research, development, and implementation of advanced, high-performance architecture and integrates high-performance environmental concepts into projects using the most advanced tools and techniques.
JACOB BOWMAN Senior Cost Estimator	Senior Cost Estimator of HMC's General Plan/ Sustainability Support *Availability: 20%*	Jacob has 14 years of industry experience with a background in architecture and engineering design. He has estimated projects ranging from medical office buildings to complete greenfield hospitals, with costs ranging from less than $1 million to more than $2.5 billion at all phases, from concept through construction documents, and he has provided value engineering and change-order review on numerous projects.

OWNERSHIP, SIZE, AND LOCATION OF OFFICES

PlaceWorks has seven offices throughout California, and all are maintained (owned) by the corporate office. Branch and field offices are overseen by principal shareholders. For example, Brian Judd is responsible for the operation of the firm's Los Angeles and Central Coast offices. The locations, size (by number of employees), and ownership information are provided in the matrix below.

EXPERIENCE FEASIBILITY STUDY UNDERSTANDING AND APPROACH

This is a unique opportunity for WRCOG to advance sustainable pathways toward regenerative futures. The Economic Development & Sustainability Framework sets forth a vision for a sustainable Western Riverside County, involving regional collaboration and local action in the areas of economic development, education, health, energy and environment, transportation, and water. It was predicated on the understanding that WRCOG, as a regional planning organization, has a series of unique roles in the arenas of convening dialogues, advocating goals, facilitating local action, and acting regionally. The concept of EXPERIENCE embodies all four of these roles or missions:

- EXPERIENCE will be a place to convene a dialogue, share best practices, and promote collaboration among public and private sector entities.
- The activities involved with *gathering*, *learning*, and *exploring* will also be tools to advocate for the types of policies, regulation, projects, and investments that will improve sustainability in the region.
- The interactive demonstrations, technology displays, outdoor classrooms, and healthy-eating elements will be designed to facilitate and encourage local action.
- A regional sustainability center will be another example of WRCOG acting regionally to showcase sustainability projects, programs, and ideas that all member agencies and community members can benefit from.

This project is the first phase of study involving extensive discussions with WRCOG members, evaluating demand and relevant case studies, performing an opportunities and constraints assessment, conducting conceptual site planning and high-level costing, and making final recommendations on preferred programming and location. As a feasibility study, this project must be conducted objectively, from how meetings are facilitated to a decision process that is structured and transparent.

EXPERIENCE—OUR APPROACH

Our approach is to bring together *the right people* with expertise in design and implementation of environmentally sustainable projects in architecture, landscape architecture, and urban agriculture. The people who will lead the conceptual design, programming, and testing of ideas have dedicated practices in applying innovative technology to the design of buildings and outdoor environments.

Karen Gulley will oversee the PlaceWorks and HMC team and will be joined by Sarah Sutton and Isby Fleishmann, lead landscape architects and designers at PlaceWorks. Sarah Sutton leads the landscape architecture group and has over 35 years of experience in sustainable gardens and landscapes, interpretive

programming, and innovative stormwater management practices. She has designed numerous demonstration projects that incorporate innovative and sustainable techniques, including the award-winning Water-Efficient Demonstration Garden for the Santa Clara Valley Water District, which showcases low-water-use irrigation methods, and the Gardens at Heather Farm, which features California native and insectary plants to enhance pollination and repel unwanted pests. As a leader in the firm's continuing commitment to environmental stewardship, Sarah receives frequent invitations to present at conferences and to various organizations. Senior Associate Isby Fleishmann also has extensive experience developing plans and programs for community gardens, urban agriculture, and sustainable landscapes, working with communities throughout the state to help implement urban greening programs. Her experience includes the City of Alameda Urban Farm and Garden Plan, which prioritizes sites for various types of agriculture, and the Martial Cottle Park Master Plan, which includes a 300-acre historic agricultural farm in San Jose. Additionally, Isby collaborated with the Lyle Center for Regenerative Studies as part of her graduate studies.

We selected HMC Architects to partner with on this project because of their experience in both civic and educational campus projects and demonstration projects involving the application of sustainable design technologies. We also recently partnered with HMC Architects on a "framework plan" for South Orange County Community College District's Advanced Technology & Education Park (ATEP). The high-level site feasibility analysis, visioning and programming effort, and design components of the ATEP Framework Plan are similar in effort to this project. Eric Carbonnier and Eera Babtiwale are co-directors and vice presidents of sustainability and will lead the efforts involving building design and programming. Eric is an architect with 20 years of experience in zero-net-energy/low-energy civic and educational planning and design projects throughout California that ranged from $1 million to $400 million. Eric also was the architect for the Frontier Project, a relevant case study for EXPERIENCE.

Their co-leadership has certified 3 LEED Platinum projects, 30 LEED Gold projects, and several zero-net-energy facilities throughout California. Their firm understanding of public utility incentives and state grants has secured over $10.5 million in high-performance funds for their clients and the communities they serve.

Our approach also includes bringing in advisors from the Frontier Project, the Lyle Center for Regenerative Studies, the Resource Conservation District, and Solutions for Urban Agriculture to meet with WRCOG and member agencies to discuss their program elements, how they operate, and what is working or not working at their facilities. These discussions will offer valuable insight that will inform the programming and selection of technology, site analysis, and economic analysis.

Two of the advisors include Dr. Kyle D. Brown of the Lyle Center and Aravind Batra of P2S Engineers. Dr. Brown has served as director of the Lyle Center since 2004. The Lyle Center is Los Angeles' premier sustainability campus, committed to a future in which all people live with dignity in safe, healthy, and sustainable environments. Dr. Brown brings to the project team a deep understanding of operating a sustainability campus in Southern California. Aravind Batra, principal engineer with P2S Engineers, brings 20 years of experience of engineering innovation. Mr. Batra serves as principal-in-charge at P2S and has an in-depth knowledge in sustainable design, zero net energy, and renewable energy designs for facilities.

Our approach to the scope of work is also based on working with WRCOG on a variety of projects over the past decade. We understand WRCOG's role in the subregion and the importance of the agency taking the lead on programs or projects that benefit all member agencies. Karen Gulley, principal at PlaceWorks, led the Economic Development & Sustainability Framework project, which helped define what sustainability means to Western Riverside and what actions should be prioritized. We see this project as a continuation of the types of conversations we had with agency officials in setting a more detailed vision for EXPERIENCE and conducting an objective analysis of the possibilities.

SCOPE OF WORK, PHASE 1 FEASIBILITY STUDY FOR EXPERIENCE (A REGIONAL SUSTAINABILITY CENTER)

We have developed a comprehensive scope of work that addresses all the important aspects of undertaking a high-level feasibility analysis on four sites. We have also identified several optional tasks for WRCOG's consideration if budgets allow. We welcome the opportunity to further refine the scope to achieve your goals for this Phase 1 effort.

TASK 1.0 PROJECT INITIATION

1.1 Kick-off with WRCOG Staff

This project will begin with a meeting between WRCOG staff and the PlaceWorks team. This will be the opportunity to clarify the objectives for the feasibility study and what needs to be accomplished before the start of Phase 2. We will also discuss the four sites selected for evaluation and any previous due diligence. Based on this discussion, we will confirm the details of the scope tasks and schedule. We also want to use this first meeting to discuss the initial list of relevant examples or models to be evaluated. Following the meeting, we will prepare any revisions to the scope or schedule.

Deliverable(s):

- Finalized scope and schedule

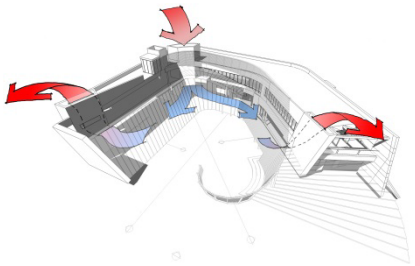
1.2 Research Relevant Models for EXPERIENCE

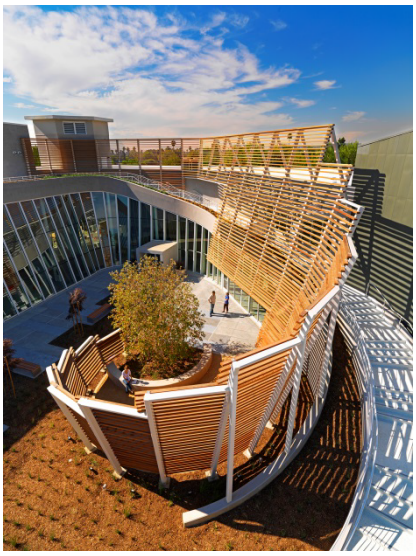
The PlaceWorks team will undertake the identification and research of relevant models for EXPERIENCE. Later, in Task 4, we will delve further into these models after the program elements for EXPERIENCE have been refined. For this initial effort, we will start by identifying and researching a range of "sustainability centers" that include elements proposed for EXPERIENCE. Locally, we will look at the Resource Conservation Center in Corona, Lyle Center for Regenerative Studies in Pomona, Riverbed Farm in Anaheim, and others, highlighted below. Working with WRCOG staff, we will also identify sustainability centers to research outside the area, including both public and private examples.

Local models to evaluate include the following.

Frontier Project

The Frontier Project Foundation, a nonprofit organization founded by the Cucamonga Valley Water District, constructed the Frontier Project to demonstrate water and energy conservation strategies. HMC Architects designed the LEED Platinum demonstration facility, located in a rapidly growing suburban low-rise community in the arid climate of Rancho Cucamonga. The demonstration building—aimed at educating the public on the principles of sustainable living in Southern California—has a program with indoor and outdoor exhibition spaces, indoor and outdoor classrooms, demonstration living room, demonstration kitchen, foundation administration offices, and storage and support space.





The architecture strives to go beyond the norm of sustainable buildings—i.e., mere machines of green technologies—by combining architectural and ecological design principles as equal forces in the formation of the building. The design parti is a concentric layering of wall shells and spaces. The outer shell, constructed of insulated concrete forms, acts as a thermal mass. The second shell is a cast-in-place concrete wall that provides lateral structural integrity. The third shell, a north-facing curtain wall, maximizes diffused daylight to the interior. The inner shell is made of redwood planks salvaged from the wine vats of a local winery, and shades the south-facing wall of the office and conference wing. All these frame the xeriscape garden at the center of the site, which acts as a bioswale with cistern to collect all stormwater within the site.

Clearwater Elementary

The new Clearwater Elementary School in the Perris Elementary School District is a STEM (science, technology, engineering, and math) school designed by HMC Architects. Although an elementary school, it features similar building blocks to EXPERIENCE and is aimed at delivering 21st-century learning environments embraced by regenerative strategies. Clearwater is a collaboration-inspired campus offering group collaboration spaces, connected indoor and outdoor teaching

spaces, and large areas of shade and covered space to enable utilization of outdoor space in Riverside's arid climate. Flexible and dynamic event spaces are at the heart of the campus connected to a sunken outdoor classroom, which effectively doubles the size of the learning environment.



A community garden, cisterns, and raised planter beds expand social interaction and farm-to-table learning environments. The 14-acre site is a carefully choreographed groundwater revitalization mechanism aimed at recharging the Santa Ana Watershed using bioswales, bioretention ponds, and rain gardens. HMC Architects wrote and secured a $1 million grant from the State Water Resources Control Board to support stormwater and water conservation strategies at the new campus. Perris Elementary USD was one of 29 recipients of the Drought Response Outreach Program for Schools (DROPS) Grant.

Woodcrest Library



Woodcrest Library is Riverside's first LEED-certified building, with public meeting rooms, offices, outdoor gathering spaces sheltered by covered walkways, and an extensive water-wise demonstration garden. The library couples the site's unique ecological setting of the natural arroyo with outdoor reading spaces to create a model of sustainable development.

The water-wise garden's indigenous and adaptive plants require little water once they are established. Native boulders are clustered to create seating areas where visiting groups can learn about water conservation and the appreciation of natural resources. The expansive use of decomposed granite stabilized with psyllium husk creates a stormwater-permeable surface to allow the natural return of water to aquifers. The south elevation of the building is protected from solar heat gain by trellises composed of wood certified by the Forest Stewardship Council. These solar-shading devices, used in combination with light-colored paving materials, reduce the heat island effect.

Alegría Fresh Farm

Alegría Fresh in Irvine is a zero-waste, solar-powered, high-performance urban microfarm of one acre that uses hydro-organic and hybrid soil-based growing systems. This "tractorless" farming creates an optimal soil biology that grows superior, nutrient-dense vegetables, salad greens, fruits, flowers, and medicinal herbs. Alegría's Green Farmacy grows more than 80 heart-healthy cultivars using the most resource-efficient processes and up to 90 percent less water, 50 percent less fertilizer, 90 percent less energy, and 70 percent less land than conventional farming. To maximize freshness, Alegría produce is delivered locally within an hour of harvest, ensuring optimum flavor, texture, and nutrition while reducing environmental impacts from transporting produce across continents.

Riverbed Farm

In a unique partnership with the city of Anaheim and Renewable Farms, Riverbed Farm is an excellent example of an aquaponic farm. Located in a one-acre, city-owned site near downtown, Riverbed Farm is a self-sustaining operation that provides education programs for schools, food for local food banks, food for several restaurants in the area, and doubles as an event venue.

Urban Produce

Urban Produce is in a business park in Irvine. They have a patented indoor growing facility that continues to test and refine indoor technology for growing leafy vegetables. Their 5,000-square-foot, high-tech growing area produces as much as 16 acres of farmland. They are pushing the envelope of sustainability by redefining what it means to consume locally grown produce. Their goal is to bring nutrient-dense, locally grown produce to urban areas across the world.

For each of the models, we will identify:

- Sustainability features of the buildings and outdoor features
- Programming of the space, both permanent and any temporary or revolving exhibits
- Details of the facilities, such as size, flexibility, purpose of the spaces
- Who is served, dependence on volunteers, paid staff
- How initially funded
- Current business model, how maintained and operated today

The information will be compiled into a series of "cutsheets" that will be used in meetings with WRCOG and member agencies. Tours of facilities can also be arranged, if desired.

Deliverable(s):

- Summary Report of Relevant Models for EXPERIENCE

TASK 2. MEETINGS

2.1 Define Roles

The RFP identifies two sets of meetings. One set is with WRCOG and member agencies and the other set is with committees that are responsible for the areas associated with the sustainability topics in the Sustainability Framework plan. This task involves coordinating with WRCOG staff to define the roles of each group in this project. Based on the roles, we can then finalize the schedule, number of meetings, content, and expected outcomes of the meetings.

Deliverable(s):

- Memorandum on Meeting Structure, Roles, Agendas, and Schedule of Meetings

2.2 WRCOG and Member Agency Meetings

We recommend a series of six meetings with a single group consisting of WRCOG staff and member agencies. This group would be responsible for providing input and direction at key stages of the project. Based on our scope of work, the meetings would generally cover the topics below.

- **Meeting #1.** Input on the vision for EXPERIENCE; identify project considerations, potential issues and concerns; present findings on similar facilities
- **Meeting #2.** Q&A with other facility operators/managers (Frontier Project, Lyle Center, Resource Conservation Center, etc.)
- **Meeting #3.** Selection of program elements to be evaluated in the feasibility analysis; discussion of values or outcomes for evaluating the alternatives
- **Meeting #4.** Present opportunities and constraints associated with four site and present the demand analysis
- **Meeting #5.** Present findings on alternative governance, operations, and partnership for EXPERIENCE
- **Meeting #6.** Present final recommendations and areas for further study

Deliverable(s):

- Meeting Agendas, Presentation Materials, Meeting Summaries

2.3 Committee Meetings

The PlaceWorks team will conduct up to three meetings with the WRCOG subcommittees to inform and gather their input related to their particular areas of focus. It may desirable to bring the committees together for meetings so that the discussions and findings can be heard by all at the same time.

Deliverable(s):

- Meeting Agendas, Presentation Materials, Meeting Summaries

TASK 3. SELECTION OF PROGRAM ELEMENTS

To conduct a feasibility analysis on the four sites, we will need to define all the elements and programs to be included at the facility. Drawing from the input received during Meeting #3, above, we will coordinate with WRCOG staff to select the program elements for further study in Tasks 4 and 5. Program elements will include information about minimum space sizes and capacities, need for flexibility in space design, energy conservation strategies, resilience, and third-party green-building certification.



Eco-charrette OPTIONAL TASK

As an optional task, we could conduct an eco-charrette with all the involved individuals and engage them in the process of developing a consensus around the program elements and evaluating site design options.

An eco-charrette is a collaborative and interactive workshop leading to sustainable development and regenerative futures. It offers a unique opportunity for key stakeholders, city officials, and community members to voice their visions and goals and establish the building blocks of EXPERIENCE. The eco-charrette is organized into three sessions: visioning, bioclimatic design influencers, and pathways to regenerative development.

The visioning session commences with a brief introduction of the six interrelated components that are vital to the premier quality of life in Western Riverside County that will serve as a building block to the eco-charrette. Participants share their visions for EXPERIENCE and explain how their views support a flexible and dynamic sustainability campus.

Bioclimatic design influencers are introduced as collaborators that inform the design process. Each site presents a unique micro-environment of bioclimatic influencers that can pivot sun, wind, light, rain, and ecology to create thriving opportunities for indoor and outdoor multi-generational learning and a sustainable campus that uses zero fossil fuels.



The last part of the eco-charrette aims to explore pathways to regenerative development through a team-building exercise. In groups of 5 to 8 people, the teams are dealt a series of sustainable strategy flashcards that challenge them to explore the integration of various strategies, ranging from geothermal to cool towners to outdoor learning environments.

Deliverable(s):

- Memorandum on Program Elements for EXPERIENCE

TASK 4. DEMAND ANALYSIS FOR CENTER AND PROGRAM ELEMENTS

The demand analysis will focus on two complementary demand issues. The first is the competitive supply and the second is the financial underpinnings.

The competitive supply analysis will identify similar existing installations in Western Riverside County and adjacent areas in San Diego, Orange, Los Angeles, and San Bernardino counties for the program elements defined in Task 3. We will build on the research conducted during task 1.2 that identified local relevant models. This analysis will describe the current usage/occupancy of program elements that lend themselves to quantification, such as conference centers, when such data is available or can be obtained from the existing installations. For other program elements, we will describe the building square footage or acreage associated with existing installations. For each program element, the competitive supply analysis will calculate an existing regional demand based on a relevant measure, such as acres per capita, and apply that demand for the WRCOG region.

The financial underpinnings analysis will describe the financial characteristics of select existing installations similar to EXPERIENCE. These characteristics may include development costs, ongoing operation costs, user fees, and other revenue sources. The extent of the financial underpinnings analysis will depend on the availability of data. Some financial data may be presented as ranges if necessary to protect confidentiality. The intent of this analysis is to provide a rough order of magnitude assessment to inform WRCOG's future planning and decision-making.

We will prepare a draft Demand Analysis report and submit it in a digital format. We will present the draft report at WRCOG and Member Agency Meeting #4 (see Task 1.2). Based on the discussion at the meeting and one round of consolidated comments, we will prepare a final Demand Analysis Report, which will be included in the final Feasibility Study Report.

Deliverable(s):

- Draft and Final Demand Analysis Report

TASK 5. CONCEPTUAL SITE PLANNING AND FEASIBILITY ANALYSIS (APPLIES TO THE FOUR SITES)

We propose a four-step planning process that provides a logical sequence for developing our collective understanding of EXPERIENCE and the unique goals and needs of each site, exploring a range of innovative options, and developing recommendations for review and consideration.

5.1 Discover

A high-level assessment of the physical and environmental conditions will be mapped for each site to the extent applicable. These attributes will fold into the planning process as vital influencers that shape indoor and outdoor spaces, so that they complement the needs of the region with an architectural solution that enhances the quality of life and wellness and promotes regenerative futures.

- Topography. Mapping any potential building constraints.
- Ecology and biology. A general biological survey of the site to identify any potential habitat for threatened, endangered, or otherwise sensitive species or habitats.
- Bioclimatic analysis. Explores how the environment informs the planning process.
- Views and access to daylight, both on- and off-site views.
- Renewable energy options.
- Ingress and egress options.
- Surrounding land use, local context, and zoning regulations.
- Acoustic considerations.
- Prevailing winds.

- Hazardous materials. An environmental screening assessment based on an evaluation of historical land uses and the potential for past contamination at the site. (WROG staff to research available data, with peer review by PlaceWorks)
- Encumbrances. Consultation with utility agencies regarding aboveground and underground utilities (WRCOG staff to lead this)

Our team will synthesize the physical and environmental conditions and meet with key personnel to build a comprehensive understanding of each unique site. The information will be synthesized into an opportunities and constraints map for each site.

Deliverable(s):

- Series of Existing Conditions Maps, Opportunities and Constraints Maps

5.2 Synthesize

Drawing from the work above, our internal team will conduct an all-day charrette to developing "bubble-level" site planning concepts for each site. The concepts will identify the most suitable locations for buildings, outdoor uses, and parking. Our analysis will include vehicular and pedestrian circulation patterns, architectural and landscape character, adjacent land uses, functional zoning, utilization and adequacy of space, and utility infrastructure needs. We will also develop the *big ideas* related to urban design and placemaking. WRCOG staff will be invited to join us near the end of the day so that we can present our findings and recommendations. Based on the dialogue with WRCOG staff, we will refine the concepts for presentation in Meeting #5 (Task 2.2).

Deliverable(s):

- Conceptual Site Plans for Four Sites

5.3 Sustainable Economics

Providing a rough order of magnitude (ROM) is one of the primary functions of an architect. Excellent design is not solely dependent on financial resources, but budget is a real design tool in terms of decision making. The very real economic constraints of a project can often lead to more creative solutions, and we will utilize an innovative cost modeling approach on the EXPERIENCE project.

A ROM will be tailored to the scope and program defined through the WRCOG and Member Agency Meetings and planning efforts. The ROM will build on current construction cost trends and apply historical data of subject matter relevance similar to EXPERIENCE. The Frontier Project, Clearwater, and HMC's zero-net-energy experience and expertise in building high performance architecture throughout Southern California will give decision-makers the necessary information to move forward.

Developing the ROM is an estimation of a project's cost to complete based on broadly defined planning documents, anticipated program areas, adjacency diagrams, and site features. While the variance in an ROM can be large, the purpose is to set the stage for Phase 2 and provide a platform of greater detail. In addition to capital costs, our team will also evaluate ROM costs for operations and revenue.

Deliverable(s):

- Rough Order of Magnitude Cost Modelling for EXPERIENCE

5.4 Evaluation Process

There are many factors that will influence the site selection process. These include the final programming recommendations, the physical opportunities and constraints, the pros and cons associated with the demand analysis, the results of the site planning scenarios, cost differentials, and broader political considerations. During this task, we will work closely with WRCOG staff to define the evaluation process and how structured it needs to be. The evaluation process is expected to include a Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis for each site. In addition, the goals and objectives identified early on by staff and member agencies would be used as evaluation criteria for each of the sites and the program overall. The evaluation criteria could also be weighted for the ranking process, to achieve a final ranking between sites. The evaluation criteria and weighting would be developed during one of the meetings with WRCOG and member agencies.

Deliverable(s):

- Evaluation Matrix/SWOT Analysis

5.5 Governance, Operations, and Partnership Evaluation

The right governance, operations and partnerships are critical to the success of EXPERIENCE. In this additional task, we will explore potential governance and operational structure and partnership opportunities in more detail. We will identify and define between 3 and 5 alternatives for governance structure, based upon multiple factors including:

- Understanding of the Center's objectives;
- Potential partners and their relative mission alignment;
- Formulating partnership structures; and
- Comparable case studies

Develop a list of evaluation criteria for the alternatives, based upon our understanding of your goals and parameters. For each of the alternatives, we will conduct a strategic evaluation of strengths, opportunities, challenges, and risks. We will also review and gather input on the alternatives during a WRCOG and

Member Agency Meeting. Based on this analysis and input received, we will recommend one or two alternatives and conduct additional financial and strategic governance analysis for the selected alternative(s).

Deliverable(s):

- Draft and Final Governance, Operations and Partnership Evaluation Memo

TASK 6. FINAL FEASIBILITY RECOMMENDATIONS

The above work tasks would be summarized in a final feasibility report. The report would include vignettes of the preferred site plan and program elements, which could be used in marketing materials for later phases. The report would identify any further due diligence required on the site(s) as well as any further research needed on sustainable technologies. We will also identify next steps, such as fundraising strategies, and outreach support. The final report would be presented to the WRCOG Executive Committee for approval.

Deliverable(s):

- Draft and Final Feasibility Report

QUALITY, BUDGET AND SCHEDULE CONTROL

QUALITY ASSURANCE PLAN

PlaceWorks prides itself on its high-quality work products and recognizes the role that this quality plays in securing repeat business. Elements of our Quality Assurance/Quality Control (QA/QC) program are described below:

Personnel and Responsibilities

For most projects, associate level staff members compile and sort data, perform routine field activities, and prepare initial drafts of documents. This is both cost-effective for the client and provides necessary training and experience for our staff. To ensure the success of this approach, however, our project managers stay involved with the project and carefully review all work products, including administrative drafts, before they are transmitted for review. Documents also undergo review by one of the company's principals as part of the PlaceWorks commitment to quality. Even in this day and age of sophisticated computer spell- and grammar-checking, we firmly believe that there is no substitute for a thorough "hands-on" review.

Preparation of Documents

PlaceWorks understands the importance of complete, reader-friendly, technically accurate work products. Before finalization, all documents are submitted to the firm's word processing and editing team, which is responsible for putting the document into a standard or custom format (depending on the project) and performing a series of systematic checks on the document (e.g., spell-check,

headers/footers, table of contents). The document is then sent to a technical editor, who reviews it for consistency, readability, grammar, and graphics or typographical errors. After these issues have been corrected, the document is reviewed by another senior project manager or one of the firm's principals.

BUDGET AND SCHEDULE CONTROL

Schedule Control

Communication is the best means of ensuring that programs remain on task and on schedule. Each program usually has milestones and waypoints that must be met. PlaceWorks schedules regular conference calls and GoToMeeting events to allow rapid and frequent checks on progress. While technology is helpful, regularly scheduled in-person meetings are also valuable to foster solution building and information exchange. Typically, we schedule in-person meetings around other required meetings to reduce cost.

If the schedule starts to slip, we first try and determine the reason. If it is a staff resources issue we can bring more staff into the project to meet the requirement. If the issue is outside of our control, then finding out early can help in developing solutions to getting things back on track. Ultimately it comes back to communication and making sure all program participants are aware of the schedule and commitment.

PlaceWorks managers regularly meet and apprise each other of project status, milestones, budgets, and schedule. For each program both Karen Gulley, the Principal in Charge, as well as Tammy Seale, Project Manager, will be equally informed. The PlaceWorks approach ensures that either manager can assist to help keep to the schedule.

Budget and Funding Requirements

PlaceWorks prepares invoices detailed to billing codes and based on task orders, work authorizations, and funding sources. New programs often have requirements essential to the funding. It is imperative that the project manager understand and convey the funding requirements to the billing staff and others who may work within or benefit from the program. If needed to meet the needs of the program, PlaceWorks will prepare a summary of the requirements and provide training to others who may provide invoices, billings, or receive payment from the program.

POTENTIAL ISSUES OR RISKS

The following potential issues could come up during the project, and we have anticipated them in our scope of work.

- It is expected that many of the cities will want the center located near them. To engage in a more objective discussion about the pros/cons associated with the

location of each site, we proposed a competitive supply analysis of similar program elements in or around Western Riverside County.

- Selection of the program elements would be difficult without understanding high-level costs associated with the indoor/outdoor facilities. Therefore, we have included rough order of magnitude cost estimates as part of our scope.
- We anticipate a wide range of ideas, hopes, and dreams for EXPERIENCE. In order to have meaningful conversations about the options, we have brought together a group of advisors that are involved in either designing or running similar facilities and programs and who can answer detailed questions.

Detailed and Itemized Pricing

The budget on the following page is an estimate based on our understanding of your goals for the feasibility study for EXPERIENCE. It does not include the budgets for the optional tasks described in the Scope of Work. As noted previously, we welcome the opportunity to discuss and refine the budget.

The tables below provides our 2017 Standard Fee Schedules. These schedules support our detailed budgets for selected tasks.

PlaceWorks – 2017 Standard Fee Schedule

Staff Level	Hourly Bill Rate
Principal	$210-$325
Associate Principal	$190-$225
Senior Associate/Senior Scientist	$160-$200
Associate/Scientist	$120-$170
Project Planner/Project Scientist	$95-$125
Planner/Assistant Scientist	$85-$100
Graphics Specialist	$65-$135
Clerical/Word Processing	$45-$160
Intern	$65-$85

Subconsultants are billed at cost plus 10%.
Mileage reimbursement rate is the standard IRS-approved rate.

HMC - Rates Schedule by Professional Category

Staff Level	Hourly Bill Rate
Principal in Charge	$210
Project Director/Executive	$190
Project Leader/Technical Leader	$140
Sr. Project Manager	$195
Sr. Project Architect/ QA Architect	$195
Sr. Technical Manager	$195
Project Manager	$160
Project Architect	$160
Technical Manager	$160
Project Coordinator	$120
Intermediate Drafter	$105
Sr. Construction Administrator	$200
Construction Administrator	$140
Construction Administration Support	$80
Design Director	$225
Design Leader	$120
Project Designer	$150
Senior Project Designer	$175
Designer II	$110
Designer	$85
Senior Interior Project Designer	$165
Senior Interior Designer	$170
Interior Design Coordinator	$90
Interior Design Leader	$115
Interior Designer	$125
Sustainable Design	$140
Cost Estimating	$190
Specifications	$170
Agency Compliance	$90

These are the current hourly rates effective June 1, 2016 through June 30, 2017 and are subject to change one time annually effective June 1st.

The expenses below are not included in the design and construction administration fees, and are typically billed directly to the client:

- Reproduction or reprographic expenses requested by the client or governing agencies. (Expenses related to architect's internal use and coordination with consulting engineers are included and are not considered as reimbursable expenses.).
- Shipping expenses requested by the client or governing agencies

THE PLACEWORKS TEAM

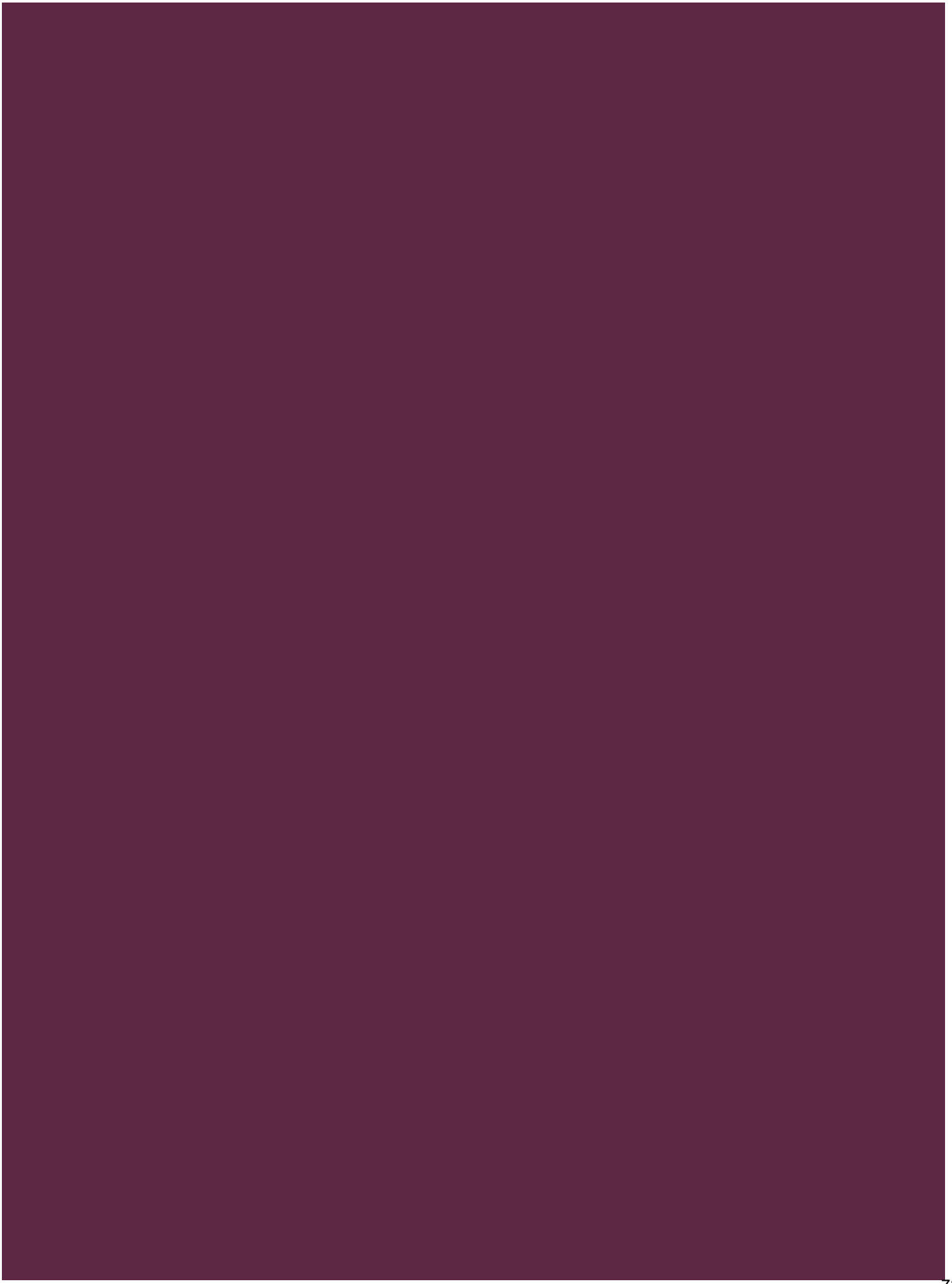
RFP 17-08: On-Call Planning Services for the Western Riverside Council of Governments

COST PROPOSAL: DISCIPLINE D. GENERAL PLAN / SUSTAINABILITY SUPPORT - EXPERIENCE FEASIBILITY STUDY

			PLACEWORKS														HMC	
			GULLEY	SEALE	KRISPI	SUNDBERG	JUDD	SUTTON	FLEISCHMANN		GUNNELLS		CLENDENING	FROELICH	WP/ CLERICAL			
		Role:	Principal-in-Charge and PM	Overall Project Manager				Landscape Architect	Landscape Architect	Designer	Economist		Senior Scientist	Technical Editor				
Task	Description	Title:	Principal/VP	Associate Principal	Associate Planner	Senior Associate	Principal	Associate Principal	Senior Associate	Associate	Associate Principal	GIS	Associate Principal	Senior Editor		PlaceWorks Hours	PlaceWorks Labor Total	Architect	TOTAL TASK BUDGET
		Hourly Rate:	$215	$215	$140	$160	$225	$210	$160	$105	$215	$145	$180	$110	$85				
TASK 1. PROJECT INITIATION																			
1.1	Kick-Off with WRCOG Staff		8							4	4					16	$3,000	4,400	$7,840
1.2	Research Relevant Models		16					8	20	40						84	$12,520	6,600	$19,780
1.3	Project Management		24													24	$5,160		$5,160
	Task 1. Subtotal		**48**	**0**	**0**	**0**	**0**	**8**	**20**	**44**	**4**	**0**	**0**	**0**	**0**	**124**	**$20,680**	**$12,100**	**$32,780**
TASK 2. Meetings																			
2.1	Define Roles		8													8	$1,720		$1,720
2.2	WRCOG and Member Agency Meetings (5)		50					8	8	50	20					136	$23,260	8,880	$33,028
2.3	Committee Meetings (3)		20						8	8						36	$6,420	6,660	$13,746
	Task 2. Subtotal		**78**	**0**	**0**	**0**	**0**	**8**	**16**	**58**	**20**	**0**	**0**	**0**	**0**	**180**	**$31,400**	**$17,094**	**$48,494**
TASK 3. Selection of Program Elements																			
3.1	Selection of Program Elements		16					16	24							56	$10,640	8,960	$20,496
	Task 3. Subtotal		**16**	**0**	**0**	**0**	**0**	**16**	**24**	**0**	**0**	**0**	**0**	**0**	**0**	**56**	**$10,640**	**$9,856**	**$20,496**
TASK 4. Demand Analysis for Center and Program Elements																			
4.1	Demand Analysis for Center and Program Elements		8							32	70	16			6	132	$22,960		$22,960
	Task 4. Subtotal		**8**	**0**	**0**	**0**	**0**	**0**	**0**	**32**	**70**	**16**	**0**	**0**	**6**	**132**	**$22,960**	**$0**	**$22,960**
TASK 5. Conceptual Site Planning and Feasibility Analysis																			
5.1	Discover		24						24	40		24	8			120	$18,120	8,040	$26,964
5.2	Synthesize		16					8	64	16						104	$17,040	7,320	$25,092
5.3	Sustainable Economics		4					8	24							36	$6,380	12,560	$20,196
5.4	Evaluation Process		24							20	8					52	$8,980	5,120	$14,612
5.5	Governance, Operations and Partnership Eval		27								40					67	$14,405		$14,405
	Task 5. Subtotal		**95**	**0**	**0**	**0**	**0**	**16**	**112**	**76**	**48**	**24**	**8**	**0**	**0**	**379**	**$64,925**	**$36,344**	**$101,269**
TASK 6. Final Feasibility Recommendations																			
6.1	Draft and Final Report		24						24	40						88	$13,200	7,840	$21,824
	Task 6. Subtotal		**24**	**0**	**0**	**0**	**0**	**0**	**24**	**40**	**0**	**0**	**0**	**0**	**0**	**88**	**$13,200**	**$8,624**	**$21,824**
	Labor Hours Total		**269**	**0**	**0**	**0**	**0**	**48**	**196**	**250**	**142**	**40**	**8**	**0**	**6**	**959**	**$163,805**	**$84,018**	**$247,823**
	Labor Dollars Total		**$57,835**	**$0**	**$0**	**$0**	**$0**	**$10,080**	**$31,360**	**$26,250**	**$30,530**	**$5,800**	**$1,440**	**$0**	**$510**				
	PlaceWorks Percent of Total Labor		28.1%	0.0%	0.0%	0.0%	0.0%	5.0%	20.4%	26.1%	14.8%	4.2%	0.8%	0.0%	0.6%				
PlaceWorks Reimbursable Expenses																			**$2,000**
GRAND TOTAL																			**$249,823**

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APPENDICES



Appendix A. References

PLACEWORKS

Client Name & Project Location	Contact Name & Tel Number	Brief Project Description
ORANGE COUNTY ▪ MCAS El Toro Base Reuse ▪ Greenspot Development Feasibility	James Campbell, Manager OC Property Development 714.667.9673 james.campbell@ocpw.ocgov.com	PlaceWorks was retained by Orange County to develop scenarios for future reuse of several county-owned properties.
SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT ▪ Advanced Technology & Education Park	John Edwards, Director of Site Development 949.348.6071 jedwards@socccd.edu	A 66-acre satellite campus designed to provide workforce development, advanced technology, and career technical education programs. Located on the former MCAS Tustin, this site was part of a 1,600-acre base reuse plan involving residential, commercial, office, and a variety of institutional land uses
SANTA CLARA COUNTY PARKS & RECREATION DISTRICT ▪ Martial Cottle Park	Jane Mark, Planning Manager, Midpeninsula Regional Open Space District (Formerly with Santa Clara County) 650.691.1200 | jmark@opensapce.org	A new park on a 300-acre historic agricultural farm in southeast San Jose. PlaceWorks led a consultant team that facilitated the public and stakeholder input process and developed the design for a new park that features active agricultural uses, recreational trails and amenities, habitat enhancement, and community-serving facilities. In addition to writing the Master Plan and State Parks General Plan document for the new park, PlaceWorks completed the EIR for the project.

HMC ARCHITECTS

Client Name & Project Location	Contact Name & Tel Number	Brief Project Description
PERRIS ELEMENTARY SCHOOL DISTRICT ▪ Clearwater Elementary School	Vincent J. Ponce Superintendent 951.657.3118 vponce@perris.k12.ca.us	A new elementary school campus that includes group collaboration spaces and three outdoor classrooms complete with wet project areas, seating, and shading elements. Flexible spaces are situated in the heart of campus and connected to an outdoor sunken gathering area that is the most collaborative and sustainable campus Perris ESD has ever built.
PERRIS ELEMENTARY SCHOOL DISTRICT ▪ Clearwater Elementary School	Tina Daigneault Chief Business Official Moreno Valley Unified School District 951.571.7500 x17241 tdaigneault@mvusd.net (Formerly at Perris Elementary School District)	See above.
COUNTY OF SAN DIEGO, DEPARTMENT OF GENERAL SERVICES ▪ Health and Human Services Agency Zero Net Energy (ZNE) Facility	Thomas Alan Hoerstman Capital Projects Manager 858.694.3989 thomas.hoerstman@sdcounty.ca.gov	A new facility that implements low-impact development standards, uses sustainable design principles and practices, and is an example of high-performance architecture with minimal environmental impacts.

Appendix B. Project Team Staffing

EMPLOYEE COVERAGE LEVELS

To view the "coverage levels" or percentage of project by staff, see the line item just above Labor Hours in the cost proposal spreadsheet. This number for each staff member is the percentage of the budget the employee is expected to work. In addition, for yet-to-be-determined tasks under this support staff support services agreement, please refer to the Key Staff section under Firm Capabilities for an estimated percentage of availability per person.

FELONY CONVICTIONS

To the best of our knowledge, no employees proposed for this project have ever been convicted of a felony. A great many of our staff have had background checks conducted by the State of California as part of the fingerprinting process required for those who may visit school sites. And for the past several years, we have often requested background checks for new hires as relevant to their job duties and responsibilities. However, as of this year, it is our standard hiring procedure to request a background check for each prospective new addition prior to their employment.

STAFF RESUMES

Provided on the following pages are resumes for each key staff member.

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KAREN GULLEY

Principal

Karen has a talent for strategy and innovative problem solving that has been honed by over 25 years of experience. Her skill with all facets of community planning and design for private and public sector clients expands the opportunities for creative solutions. As Principal, she has developed a solid practice in transit-oriented development (TOD), infill development, and corridor revitalization. She specializes in assisting local communities with evaluating the potential for transit-oriented development associated with Metrolink, BRT, and urban circulation. Her work ranges from vision plans to implementation strategies, each developed in a collaborative effort with city staff, transit agencies, and the public.

Karen also has extensive experience in specific plans, conceptual design studies, infill development strategies, general plans, military base reuse plans, and project implementation and entitlement. She has developed strong capabilities in inter-governmental coordination and project management. She regularly facilitates public meetings and workshops and is adept at establishing a rapport with her audience and communicating complex and often controversial issues in a clear, accurate manner. She is an expert at developing tailored solutions in both coding and design, and she enjoys the challenges of project processing, negotiating conditions of approval, responding to political considerations, and handling communication between stakeholders.

HIGHLIGHTS OF EXPERIENCE

TRANSIT PLANNING/TRANSIT-ORIENTED DEVELOPMENT

» Riverside Streetcar Feasibility Study | Riverside CA
» Fullerton College Connector Study | Fullerton CA
» CollegeTown Visioning, Specific Plan, and EIR | Fullerton CA
» TOD Overlay District | San Bernardino CA
» Western Riverside BRT Route Planning and Station Area Studies | Western Riverside County CA
» TOD: visioning, planning and design, and strategic implementation projects for the cities of Corona, Perris, Riverside, Hemet, San Bernardino, Temecula, March AFB, Montclair, Fontana, Brea, Fullerton, La Habra, Placentia, and Azusa as part of SCAG's Compass Blueprint Demonstration Program
» WRCOG Non-Motorized Transportation Plan | Western Riverside County CA
» North Orange County Cities Go Local Program | Orange County CA

CORRIDOR PLANNING

» Long Beach Boulevard Specific Plan | Long Beach CA
» Harbor Boulevard Specific Plan | Santa Ana CA
» Corridor revitalization: planning and implementation projects for the cities of Glendora, Covina, Azusa, San Dimas, Irwindale, and Chino as part of SCAG's Compass Blueprint Demonstration Program
» Arrow Highway Corridor, Multi-Jurisdictional Planning in Corridors | San Gabriel Valley CA
» Telegraph Corridor: Design, Land Use, & Zoning | Santa Fe Springs CA
» I-5 Freeway Expansion Analysis, I-5 Corridor Phase One, and Freeway Overlay Zone | Santa Fe Springs CA

EDUCATION

» BA, Economics, University of California, Santa Cruz
» Masters Program, Urban & Regional Planning, California State Polytechnic University, Pomona (all but thesis)
» Certificate in "Planning for Effective Public Participation," International Association for Public Participation

AFFILIATIONS

» American Planning Association
» Urban Land Institute

Team member since 1991

PLACEWORKS

KAREN GULLEY
Principal
kgulley@placeworks.com

- Life on State | Salt Lake County UT
- Los Alamitos Corridors Plan | Los Alamitos CA

INFILL & REDEVELOPMENT

- CollegeTown Visioning and Specific Plan | Fullerton CA
- Southeast Area Specific Plan | Long Beach CA
- Tustin Legacy Specific Plan Revision | Tustin CA
- Mixed Use Overlay Zones | Anaheim CA
- MCAS Tustin Military Base Reuse: Villages of Columbus, planning, design, and entitlement services | Tustin CA
- Commercial Entertainment District Specific Plan & EIR | Coachella CA
- North Hemet Specific Plan | Riverside County CA

URBAN PLANNING

- River Ranch Community Planning & Entitlements | Madera County CA
- Glen Helen Specific Plan | San Bernardino County CA
- Parc Anaheim Specific Plan | Anaheim CA
- Pinnacle at Orange Specific Plan | Orange CA
- The Preserve Specific Plan | Chino CA

COMPREHENSIVE PLANNING

- WRCOG Sustainability Plan Framework | Western Riverside County CA
- Rancho Cucamonga General Plan Update and EIR | Rancho Cucamonga CA
- Economic Development Strategic Plan | San Bernardino County CA
- Fontana General Plan Update & Zoning Code Consistency Program | Fontana CA
- Temecula Inaugural General Plan Update and EIR | Temecula CA

LARGE-SCALE LAND PLANNING

- Kennecott Master Plan | Salt Lake County UT
- Centennial Specific Plan, Tejon Ranch | Los Angeles County CA
- Collier Strategic Plan | Collier County FL
- Ferber Ranch Area Plan & Entitlements | Orange County CA
- Hawadi Master Plan | Saudi Arabia

PLAN IMPLEMENTATION

- Tustin Legacy Master Developer | Tustin and Irvine CA
- Villages of Columbus Planning & Entitlements, MCAS Tustin | Tustin CA
- Heritage Fields Development Plan Environmental Review | Irvine CA
- IBC Residential Development Strategy and Ordinance | Irvine CA
- Villages at Cabrillo Master Plan Outreach & Entitlements | Long Beach CA

ARTICLES

- “Repositioning Urban Corridors to Attract New Residential and Commercial Markets,” Urban Land, 2010
- “Sowing the Seeds of Regional Planning,” Urban Land, 2007
- “Reshaping the American Commercial Strip,” Urban Design Group Journal, Winter 2003

AWARDS

- 2015 Transportation Planning Award of Merit, APACA Orange Section | Fullerton College Connector (Streetcar) Study)
- 2013 Best of the Best Award, ULI Orange County/Inland Empire | WRCOG Sustainability Framework
- 2009 Compass Blueprint Achievement Award in Prosperity, SCAG | Coachella’s South East SOI Sustainability Project
- 2006 Outstanding Planning Award for Planning Implementation—Large Jurisdiction, APACA Inland Empire Section | Glen Helen Specific Plan



TAMMY L. SEALE

Associate Principal

Tammy Seale is a leader in the field of sustainability and climate change services, working to inform and expand the practice. As an environmental planner for more than 20 years, she is committed to working with communities to identify and implement local strategies to address climate change. She prepares local sustainability, climate, and energy action plans; greenhouse gas emissions inventories; GHG analysis for CEQA documents; general plan elements; and policy documents to address local sustainability, climate change, and energy programs.

Tammy is a frequent presenter and workshop participant at conferences and special lectures and pursues research, publication, and curriculum development focused on local climate action planning. She is a member of the Association of Environmental Professionals (AEP) Climate Change Committee and has contributed to committee white papers. She is co-author of *Local Climate Action Planning*, the first guidebook for climate action plans to address GHG emissions reductions and climate change adaptation.

PRIOR EXPERIENCE

CLIMATE ACTION PLANS

- Benicia
- Butte County
- Calimesa
- Contra Cosa County
- Laguna Woods
- Lancaster
- Novato
- San Carlos
- San Luis Obispo
- San Mateo
- Santa Clara
- Seal Beach
- Sunnyvale
- Tulare
- Walnut Creek

OTHER PROJECTS

- San Gabriel Valley COG Energy Efficiency and Climate Action Plan (included Energy Action Plans for 27 cities) | San Gabriel Valley CA
- Santa Barbara County Energy and Climate Action Plan | Santa Barbara County CA
- Western Riverside COG Subregional Climate Action Plan Implementation and Adaptation Plan | Western Riverside County CA
- San Mateo County Energy Efficiency and Climate Action Plan | San Mateo County CA
- Elk Grove Climate Action Plan and Sustainability Element | Elk Grove CA
- Huntington Beach Qualified GHG Reduction Strategy and Coastal Resiliency Plan | Huntington Beach CA
- Palmdale Energy Action Plan | Palmdale CA
- San Bernardino County Renewable Energy and Conservation Element | San Bernardino County CA
- Downtown Concept Plan | San Luis Obispo CA
- County of San Luis Obispo EnergyWise Plan | San Luis Obispo County CA
- Guidance on Developing Qualified GHG Reduction Strategies | Bay Area Air Quality Management District, San Francisco CA
- Municipal Operations and Community-wide GHG Emissions Baseline Inventories for the cities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, and San Luis Obispo | San Luis Obispo Air Pollution Control District
- Milpitas Qualified Greenhouse Gas Reduction Plan | Milpitas CA
- Inyo County Multi-jurisdictional Hazard Mitigation Plan | Inyo County CA
- Madera Parks and Recreation Master Plan | Madera CA
- Plan Morro Bay | Morro Bay CA

EDUCATION

- MSP, Urban and Regional Planning, Florida State University, Tallahassee
- BA, Environmental Conservation, University of Colorado, Boulder

AFFILIATIONS

- American Planning Association
- California Planning Foundation, Board of Directors
- Association of Environmental Professionals
- AEP Climate Change Committee

Team member since 2017

PLACEWORKS

TAMMY L. SEALE
Associate Principal
tseale@placeworks.com

PUBLICATIONS

» Boswell, Michael R. and Tammy L. Seale. "Introduction to Climate Action Planning." "Greenhouse Gas Emissions Accounting for Cities." "Creating a Low-Carbon, Resilient City." Planetizen Courses, 2016.
» Tammy L. Seale, contributing author. *Guiding Principles for City Climate Action Planning*. United Nations Human Settlements Programme (UN-HABITAT), 2015.
» Boswell, Michael R., Adrienne I. Greve, and Tammy L. Seale. "Climate Change Planning." In *Elgar Companion to Sustainable Cities: Strategies, Methods and Outlook*, edited by D. Mazmanian and H. Blanco, 302–319. Northampton, MA: Edward Elgar Publishing, 2014.
» Boswell, Michael R., Adrienne I. Greve, and Tammy L. Seale. *Local Climate Action Planning*. Washington, DC: Island Press, 2012.
» Tammy L. Seale, principal author. "Forecasting Community-wide Greenhouse Gas Emissions and Setting Reduction Targets." California Association of Environmental Professionals (CAEP), May 2012.
» Tammy L. Seale, contributing author. "Community-wide Greenhouse Gas Baseline Inventory White Paper." CAEP, March 2011.
» Boswell, Michael R., Adrienne I. Greve, and Tammy L. Seale. "Climate Action Planning Is Good Planning." *Florida Planning*, Summer 2012, 6-7.

AWARDS

» 2016 Environmental Resource Document Merit Awards, California AEP and APACA, Central Coast Section | San Luis Obispo (SLO) County Renewable Energy Streamlining Program
» 2013 Innovation in Green Community Planning Awards, APA California Chapter and APACA, Central Coast Section | City of San Luis Obispo Climate Action Plan
» 2012 Innovation in Green Community Planning Award, APACA, Central Coast Section | SLO County EnergyWise Plan
» 2012 Energy Efficiency Project Merit Award, *Climate Change Business Journal* | San Gabriel Valley Council of Governments Energy Efficiency Climate Action Plan
» 2011 Project of the Year: Creative and Innovative Category, Southern California American Public Works Association | Palmdale Energy Action Plan
» 2010 Award for Business Achievement in New Practice Area: Sustainability & Climate Change Services, *Environmental Business Journal*

SPEAKING ENGAGEMENTS & TEACHING

» "The Future of Streets: Hacking Streetmix for Community-Based Outreach" | 2016 Code for America Summit | Oakland CA
» "Implementing a Renewable Energy Strategy in California" | 2016 State Conference, APA California | Pasadena CA
» "City Climate Action and Resiliency Planning" | 2015 National Planning Conference, American Planning Association | Seattle WA
» "The Idiot's Guide to Climate Action Planning" | 2013 Joint Conference, National AEP and California AEP | Los Angeles CA
» "Tools of Engagement: Technology and Techniques to Engage Your Community in Sustainability Planning Efforts" & "Collaborative Sustainability Efforts in Southern California" | 2013 Joint Conference, National AEP and AEP | Los Angeles CA
» "Break Out the Crystal Ball: Community-wide GHG Emissions Forecasts and Targets" 2012 AEP Annual Conference | Sacramento CA & Rancho Mirage CA
» "Sustainable Synergies: Funding, Implementing, and Monitoring Your Climate Action Plan" 2012 AEP Annual Conference | Sacramento CA
» "Going Green When You're in the Red: Sustainability on a Budget" | 2011 State Conference, APA California | Santa Barbara CA
» "Climate Action Planning" | 2011 Speaker Series, APACA, Central Coast Section | Santa Barbara CA
» "Local Level Climate Action Planning for Agriculture" | 2011 Forum on Extreme Climate Risks and California's Future Agriculture and the Food System | Sacramento CA



ELI KRISPI

Associate

Eli Krispi works on planning projects to reduce environmental impacts and increase resiliency to a changing climate. As a planning and sustainability professional, he draws on experience implementing sustainable policies, a science-based education focused on the nexus of the built environment and the natural world, and a data-driven analytical approach to problem solving. Eli's work includes energy and climate action plans, climate adaptation and hazard plans, general and specific plans, and renewable energy strategies.

PRIOR EXPERIENCE

CLIMATE ACTION PLANNING AND IMPLEMENTATION

» Butte County Climate Action Plan, Butte County CA
» Contra Costa County Climate Action Plan, Contra Costa County CA
» Lancaster Climate Action Plan, Lancaster CA
» Merced Programmatic Climate Action Plan, Merced CA
» Mono County Resource Efficiency Plan, Mono County CA
» San Bernardino County Renewable Energy Element, San Bernardino County CA
» San Gabriel Valley Council of Governments Energy Action Plans, San Gabriel Valley CA
» San Luis Obispo County Renewable Energy Streamlining Program, San Luis Obispo County, CA
» San Mateo Climate Action Plan, San Mateo CA
» Seal Beach Climate Action Plan, Seal Beach CA
» Sunnyvale Climate Action Plan Implementation Monitoring, Sunnyvale CA
» Walnut Creek Climate Action Plan Implementation Monitoring and Assessment Reports, Walnut Creek CA

CLIMATE ADAPTATION, RESILIENCY, AND HAZARD MITIGATION PLANNING

» Local Government Hazard Resiliency Toolkit for FEMA Region IV, FEMA
» Achieving Element S4, Technical Guidance for FEMA Region VIII, FEMA
» Huntington Beach Local Hazard Mitigation Plan, Huntington Beach CA
» Inyo County Multijurisdictional Hazard Mitigation Plan, Inyo County CA
» Laguna Woods Climate Adaptation Plan, Laguna Woods CA Western Riverside Council of Governments Adaptation and Resiliency Strategy, Riverside County CA
» Santa Clara Valley Water District Local Hazard Mitigation Plan, Santa Clara County CA
» Santa Rosa Local Hazard Mitigation Plan, Santa Rosa CA
» Seal Beach Emergency Operations Plan, Seal Beach CA
» South Gate Local Hazard Mitigation Plan and Safety Element, South Gate CA
» Torrance Local Hazard Mitigation Plan, Torrance CA
» Town of Windsor Local Hazard Mitigation Plan, Windsor CA

COMPREHENSIVE PLANNING

» Elk Grove General Plan, Elk Grove CA
» Huntington Beach General Plan, Huntington Beach CA
» Plan Morro Bay, Morro Bay CA
» San Bernardino County Community Planning Continuum, San Bernardino County CA

EDUCATION

» Master of City and Regional Planning, California Polytechnic State University, San Luis Obispo
» Bachelor of Arts, Geography, Environmental Studies, University of California, Santa Barbara

CERTIFICATIONS

» Certified City Climate Planner, Greenhouse Gas Emissions Inventory Specialist
» Certified FEMA Plan Reviewer for Local Mitigation Plans (IS-00328)

AFFILIATIONS

» American Planning Association
» SPUR Association

Team member since 2017

PLACEWORKS

ELI KRISPI
Associate
ekrispi@placeworks.com

SPEAKING ENGAGEMENTS

- Planning-Related Environmental Engagement for Students and Professionals, Seminar on Environmental Careers, University of California Santa Barbara, February 2017
- Understanding and Reporting Natural Resource Use of Buildings, California Higher Education Sustainability Conference, June 2011
- Implementing Sustainability in the University and Business Communities, This Way To Sustainability, November 2010
- Waste Management Measuring and Reporting, California Higher Education Sustainability Conference, July 2010
- Student-Led Office and Building Greening Programs, California Higher Education Sustainability Conference, June 2009
- Waste Audit Workshop, California Higher Education Sustainability Conference, June 2009
- Reaching Zero Waste, California Higher Education Sustainability Conference, June 2008



SUZANNE SCHWAB, AICP

Associate

Suzanne combines her experience as a designer, researcher, and writer with a practical approach and an emphasis on the end user. Her planning documents are user friendly and reflect her creative problem-solving skills. Suzanne has assisted on variety of comprehensive planning efforts, including the update to the Marine Core Air Station Tustin Specific Plan, Southeast Area Development and Improvement Specific Plan Update for the City of Long Beach, the Town of Yucca Valley's General Plan and the Sustainability Framework for Western Riverside County. Her focused planning experience includes work on housing elements as well as corridor, site, and specific plans.

Before joining PlaceWorks, Suzanne gained valuable experience in the public planning sector at the City of Tustin, City of Anaheim, and County of Orange. She updated and created design guidelines for Tustin's Old Town district and First Street. She was an integral part of the City of Anaheim team that created a new specific plan for Anaheim Canyon.

An active member of the Orange Section of the American Planning Association, Suzanne has served on the section board since 2011 as co-chair of awards and as a member of 2014 State Conference Planning Committee. She is also involved with the Urban Land Institute Orange County/Inland Empire Section and has served on the Places of Commerce Initiative Council.

EDUCATION

» MA, Urban and Regional Planning, University of California, Irvine

» BS, Marketing and International Studies, Indiana University, Bloomington

CERTIFICATIONS

» American Institute of Certified Planners

AFFILIATIONS

» American Planning Association
» Urban Land Institute

Team member since 2012

HIGHLIGHTS OF EXPERIENCE

GENERAL PLANS

» Yucca Valley General Plan| Yucca Valley CA
» Irvine General Plan | Irvine CA

SPECIFIC PLANS

» Southeast Area Specific Plan (SEADIP) | Long Beach CA
» Centennial Specific Plan | Antelope Valley, Los Angeles County CA
» Goodman Commerce Center Eastvale Specific Plan | Eastvale CA
» Mill Creek, Update to The Preserve Specific Plan | Chino CA
» Tustin Legacy Specific Plan (formerly MCAS Tustin Specific Plan) | Tustin CA

CORRIDOR PLANS

» Beach Boulevard Corridor Specific Plan | Anaheim CA
» Midtown Specific Plan | Long Beach CA
» Harbor Corridor Specific Plan | Santa Ana CA

HOUSING ELEMENTS

» Santa Ana Housing Element | Santa Ana CA
» Yucca Valley Housing Element | Yucca Valley CA
» Dana Point Housing Element | Dana Point CA
» Stanton Housing Element | Stanton CA

OTHER

» Riverside Reconnects, Street Car Feasibility Study | Riverside CA
» Site Planning for Tustin Legacy, MCAS Reuse | Tustin CA
» WRCOG Sustainability Framework Plan | Riverside County CA

PLACEWORKS

SUZANNE SCHWAB
Associate
sschwab@placeworks.com

AWARDS

» Urban Land Institute Emergent Leadership Award for Planning, 2014 | Orange County/Inland Empire Section
» Outstanding Student Achievement Award, Planning, Policy, and Design Program, UC Irvine, 2012
» Fellowship Recipient, California Planning Foundation, 2012

ACTIVITIES

» Awards Co-chair, American Planning Association Orange Section, 2011–2014
» Places of Commerce Initiative Council, OC/IE Urban Land Institute, 2011–2012



MATT GELBMAN, AICP

Associate Planner

Matt has more than seven years' experience working on a range of comprehensive planning projects throughout southern California and beyond. He provided comprehensive planning support for several community plan updates in the City of San Diego, assisted with the Port of San Diego Master Plan Update (and Local Coastal Plan), and helped create the Regional Transit Oriented Development Strategy for the San Diego Association of Governments. He also worked on zoning code updates for the City of South Gate and the City of Imperial Beach and has experience with planning public transportation, bicycle, and pedestrian projects.

Matt is a skilled facilitator for public outreach, risk communication, and public-participation training. He specializes in online public outreach and has developed numerous websites and interactive online engagement tools. Matt is committed to thorough research in order to understand places, what makes them work, and the problems they face. He strives for the best possible communication through written, visual, and verbal methods to share findings and recommendations with decision makers and the public.

HIGHLIGHTS OF EXPERIENCE

» Morena Boulevard Corridor Specific Plan and EIR | San Diego CA
» Clairemont Mesa Community Plan Update | San Diego CA

PRIOR EXPERIENCE

» South Gate Zoning Code Update | South Gate CA
» Commercial / Mixed-Use Zones and Regulations Review | Imperial Beach CA
» Best Practices for Implementation of SCAG's Sustainable Communities Strategy | Los Angeles CA
» Hurricane Sandy Housing Recovery Strategy | New York NY
» Kearny Mesa Community Plan Update | San Diego CA
» Midway-Old Town Community Plan Update | San Diego CA
» SANDAG Regional Transit Oriented Development Strategy | San Diego CA
» High Speed Rail Station Area Master Plan | Fresno CA
» TOD Feasibility Study | Rancho Cucamonga CA
» Pacific Electric Right-of-Way / West Santa Ana Branch Corridor Alternative Analysis Planning Study | Los Angeles and Orange counties CA
» SANDAG Regional Bike Map Update | San Diego CA
» Main Street Promenade, Phase II | Lemon Grove CA
» Comprehensive Active Transportation Strategy / Trails Master Plan | Carlsbad CA

PUBLICATIONS

» "LiDAR Scanning for Historic Preservation: A Summary of the Historic Encinitas Boathouses Project," *Urban Design and Preservation Division Newsletter* [APA], Summer 2011

EDUCATION

» Master of Urban and Regional Planning, University of California, Irvine
» BA, Sociology, minor in Economics, Boston University

CERTIFICATIONS

» American Institute of Certified Planners

AFFILIATIONS

» American Planning Association
» Founding Board Member, Encinitas Preservation Foundation

Team member since 2016

PLACEWORKS

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BRIAN JUDD

Principal

Brian pilots an integrated team of practiced policy planners and innovative designers to create resourceful solutions for the company's often complex and always challenging projects. In addition to managing the Community Planning & Design Team, Brian continues to manage major long-range planning efforts. Most notably, Brian managed the successful development of The Ontario Plan, an innovative project that incorporated a new general plan into a broader system of governance, including a vision, governance manual, implementation program, and system of tracking and feedback. The project was also the first web-based general plan in the State of California, and it is included as a model in the California Planning Roundtable's "Reinventing the General Plan" project.

Brian's planning career has been split between public and private sectors—the County of Orange and PlaceWorks. He has developed strong capabilities in inter-governmental coordination and project management and provides a keen understanding of regulatory and political processes. Brian's knowledge of planning and his ability to effectively coordinate a multitude of public and private interests led to a variety of assignments on controversial, large-scale planning projects.

Working on such projects as the Anaheim, Highland, San Clemente and Ontario General Plan Updates, Brian has conceived and implemented creative planning solutions to physical, political, and regulatory challenges. Brian also leads PlaceWorks' team preparing the new Countywide Plan for San Bernardino County, a multifaceted project combining the general plan with a regional services plan, community plan continuum, regional issues forum, implementation program, and tracking and feedback system. The system will be a first-of-its-kind database driven website used to link long-term vision, goals and policies with shorter term implementation, priority setting and budgeting.

Brian is passionate about sharing his experiences and planning knowledge with students. He frequently lectures at UC Irvine's School of Policy, Planning & Design and recently served on the school's advisory board. He has also been a guest lecturer at Cal Poly Pomona and Art Center College of Design in Pasadena. Brian recently served on the Executive Committee for the Healthy Ontario Initiative, a nonprofit organization that seeks to improve Ontario's physical, social, and economic health and well-being.

HIGHLIGHTS OF EXPERIENCE

COMPREHENSIVE PLANNING

» San Bernardino Countywide Web-Based General Plan and EIR | San Bernardino County CA
» San Clemente General Plan Update & EIR | San Clemente CA
» Ontario General Plan Update & EIR | Ontario CA
» San Bernardino County Strategic Visioning Phases I & II | San Bernardino County CA
» Anaheim General Plan, Zoning Code Update & EIR | Anaheim CA
» El Monte General Plan, Zoning Code Update & EIR | El Monte CA
» Highland General Plan Update, Zoning Code Update & EIR | Highland CA

EDUCATION

» Master of Urban & Regional Planning, University of California, Irvine
» BA, Social Ecology University of California, Irvine

AFFILIATIONS

» American Planning Association

Team member since 1999

PLACEWORKS

BRIAN JUDD
Principal
bjudd@placeworks.com

- Riverside County Integrated Project General Plan Update, including preparation of 6 Area Plans | Riverside County CA
- Palm Springs General Plan Update, EIR & Downtown Urban Design Guide | Palm Springs CA
- Rancho Mirage Comprehensive General Plan Update & EIR | Rancho Mirage CA
- SCAG 2% Compass Blueprint Strategy Implementation | Southern California

HOUSING RESEARCH & ANALYSIS

- Affordable Housing Design Competition for Eastern Coachella Valley | The California Endowment
- Santa Ana Housing Element Update | Santa Ana CA
- Highland Housing Element | Highland CA

COMMUNITY ENGAGEMENT

- San Clemente General Plan Advisory Committee and Community Workshops, San Clemente Centennial General Plan | San Clemente CA
- "Another Step Forward" Public Outreach Video on high-density housing and mixed use | Western Riverside County CA
- Strategic Advisor Series and Community Workshops, Ontario General Plan Update | Ontario CA
- Anaheim General Plan Rally and Community Workshop | Anaheim CA
- Southern California Sustainable Daily Life Project | Newport Beach CA

URBAN PLANNING

- Pacific Theater Drive-In Sites Land Use Analysis | Orange CA
- Greenspot Feasibility Analysis | Orange County CA
- Stadium Area Conceptual Planning | Anaheim CA
- Community Design Element | Anaheim CA
- Artesia Corridor Specific Plan | Gardena CA
- Parc Anaheim Mixed Use | Anaheim CA
- South Gate Education Center Specific Plan – Transportation Land Use Collaborative | South Gate CA
- Stanton Plaza Specific Plan Update | Stanton CA

MUNICIPAL SERVICES

- City of Highland Annexation Assistance | Highland CA

PRIOR EXPERIENCE

- MCAS El Toro Master Development Program and Base Reuse Plan | Orange County CA
- County of Orange General Plan Update (Project Manager at County) | Orange County CA



MARK TEAGUE, AICP

Associate Principal

In over 30 years of public- and private-sector experience, Mark has worked throughout California in agencies large and small and is considered an innovative problem solver. His projects include planned communities, shopping center EIRs, general plan and zoning code updates, impact fees, and public outreach for projects highly scrutinized by the public. Mark is often able to offer a unique approach to meeting a critical goal of a project. His experience as a planning director, and ability to see the whole of the project, ensures that every environmental document meets the need of the client. He has served as on-call extension of staff for numerous cities throughout California including Wildomar and Eastvale.

Mark is also an excellent public speaker and regularly presents at the League of California Cities Planning Commissioner's Academy on topics such as design guidelines, CEQA compliance, and how to read an EIR. He also teaches CEQA to staff with a focus on how new legal decisions affect compliance. Because of his public outreach skills, Mark has helped with projects ranging from Walmart to water-bottling plants and conducted town hall meetings about development services department efficiencies and increases in utility fees.

PRIOR EXPERIENCE

» On-Call Staff Services | Wildomar CA
» On-Call Environmental Staff Services | Eastvale CA
» Boulevard Fire Station IS/MND | San Diego CA
» Bandini Industrial Project EIR| Bell CA
» Walmart EIR | Santee CA
» Bell Commerce Center EIR | Bell CA
» Community Plan Continuum | San Bernardino County CA
» Design Guidelines | Mount Shasta CA
» Development Code Update and Addendum | Rancho Cucamonga CA
» Enlo Medical Center Expansion EIR | Chico CA
» General Plan Update and EIR | Calimesa CA
» General Plan Update and EIR | Eastvale CA
» Goodman Commerce Center EIR | Eastvale CA
» Housing Element Addendum | Chino CA
» Housing Element Addendum | Twentynine Palms CA
» Housing Element EIR | Riverside County CA
» La Cienega Elementary School EIR | Los Angeles Unified School District
» Lakeland Village IS/MND | Riverside County CA
» Oak Creek Canyon EIR | Wildomar CA
» Rancho Palma EIR | San Bernardino CA
» San Gabriel Valley Climate Change Outreach | Southern California Edison
» Zoning Code Update | Mount Shasta CA
» General Plan Update | Mount Shasta CA
» Mountaingate at Shasta Lake EIR | Shasta Lake CA
» Nestle Water Bottling Plant EIR | McCloud CA
» Vineyards at Anderson Specific Plan EIR | Anderson CA
» Walmart EIR | Ceres CA

EDUCATION

» BA, Political Science, California State University, Stanislaus

CERTIFICATIONS

» American Institute of Certified Planners #019631

AFFILIATIONS

» American Planning Association

Team member since 2016

PLACEWORKS

MARK TEAGUE
Associate Principal
mteague@placeworks.com

SPEAKING ENGAGEMENTS

- "Planning Fun-Da-Mentals" | 2016 League of California Cities Planning Commissioners Academy | San Ramon, CA
- "Design Adds Value" | 2016 League of California Cities Planning Commissioners Academy | San Ramon, CA
- CEQA Training | July/August 2016 | Imperial County, CA
- "How to Read an EIR" | 2015 League of California Cities Planning Commissioners Academy | Newport Beach, CA
- "Design Guidelines vs. Standards" | 2015 League of California Cities Planning Commissioners Academy | Newport Beach CA



JOANNA JANSEN, AICP, LEED AP

Associate Principal

Joanna oversees PlaceWorks' comprehensive planning practice in Northern California. She is committed to intensive hands-on involvement in all aspects of the projects she directs, from policy creation to meeting agendas to environmental review. Joanna has a particular expertise in skillfully managing integrated comprehensive plans and EIRs to ensure a streamlined flow of work and avoid surprises during the CEQA process.

Joanna has significant experience in the organization and facilitation of public involvement programs, both as stand-alone outreach efforts and as part of larger planning projects. She believes that meaningful community engagement from the earliest stages of a project enhances the ultimate outcome and establishes invaluable public support for its implementation. Joanna regularly facilitates public involvement at all scales, from community workshops with hundreds of participants to citizen committees and focus groups. She is skilled at designing and running meetings that result in focused, relevant input and at translating this input into policies.

HIGHLIGHTS OF EXPERIENCE

COMPREHENSIVE PLANNING

» San Leandro General Plan Update, Housing Element, and EIR, San Leandro CA
» Avenal General Plan and Sustainability Implementation Programs, Avenal CA
» Morgan Hill 2035, Morgan Hill CA
» Vacaville General Plan Update, Climate Action Plan, and EIR, Vacaville CA
» Palo Alto Comprehensive Plan Amendment and EIR, Palo Alto CA
» Los Gatos General Plan Update and EIR, Los Gatos CA
» Los Gatos Housing Element, Los Gatos CA
» Corcoran General Plan Update, Corcoran CA
» Tulare TOD Plan and General Plan Amendment, Tulare CA
» Butte County General Plan Update and EIR, Butte County CA
» Oroville General Plan and Development Code Update and EIR, Oroville CA
» Yolo County General Plan Update, Yolo County CA
» Newman General Plan Update and EIR, Newman CA
» Napa County Housing Element Update, Napa CA
» Seaside Housing Element Update, Seaside CA
» DuPont Bridgehead Road Specific Plan, Oakley CA
» Livermore General Plan, Livermore CA
» Napa County Housing Element Update and EIR, Napa County CA
» Calistoga General Plan and EIR, Calistoga CA

PUBLIC PARTICIPATION

» Vehicle Registration Fee Expenditure Plan and Public Outreach, Alameda County CA
» Vehicle Registration Fee Public Outreach, Contra Costa County CA
» Northeast Livermore Public Facilities and Programs Planning, Livermore CA
» City/County Association of Governments of San Mateo County PLACE3S Modeling, San Mateo County CA
» Bay Area Regional Smart Growth Strategy, San Francisco Bay Area CA

EDUCATION

» BA, History, University of Arkansas, Fayetteville, AR

CERTIFICATIONS

» American Institute of Certified Planners
» Leadership in Energy and Environmental Design Accredited Professional

AFFILIATIONS

» American Planning Association

Team member since 1999

PLACEWORKS

JOANNA JANSEN
Associate Principal
jjansen@placeworks.com

- Measure J Outreach, Facilitation, and Strategic Planning, Contra Costa CA
- La Honda Creek Open Space Preserve Master Plan, La Honda CA
- Livermore Vision Project, Livermore CA

ENVIRONMENTAL REVIEW

- Downtown Vallejo Specific Plan and Virginia Street Mixed-Use Project EIR, Vallejo CA
- Crocker Art Museum Expansion EIR, Sacramento CA
- Siena Hill EIR, Oakland CA
- Mission Square EIR, Sonoma CA
- Butte Regional Conservation Plan EIR/EIS, Butte County CA
- Soil Disposal Site Supplemental Environmental Assessment, Napa County CA
- Northgate Christian Fellowship Church Initial Study and Negative Declaration, Benicia CA
- Codornices Creek Initial Study, Albany CA
- Bridge Rail Environmental Assessment, Napa CA
- Marbella Subdivision Focused EIR, South San Francisco CA
- Seismic Replacement Building #1 EIR, University of California Berkeley
- Williams Property Siting Study, Fairfax CA
- Corte Madera Housing Element EIR, Corte Madera CA
- Ames Research Center EIS, Mountain View CA
- Napa River Flood Protection Project Railroad Relocation and Detour Environmental Assessment/Initial Study, Napa County CA
- Oyster Point Boulevard Initial Study, South San Francisco CA

SPEAKING ENGAGEMENTS

- "Plan Implementation Tools," UC Davis Extension, Land Use and Environmental Planning Certificate Program, 2010
- "Sustainability in the Mountains Salon," 2009 APA California Conference, Squaw Valley CA
- "Using Steering Committees Effectively," 2008 APA California Conference, Burbank CA

AWARDS

- 2011 Outstanding Comprehensive Planning for a Small Jurisdiction, APACA Sacramento Valley Section, Butte County General Plan Update and EIR
- 2003 Comprehensive Planning Award for a Small Jurisdiction, APACA Northern California Section, Livermore Vision Project and General Plan
- 2003 NASA Group Achievement Award, Ames Research Center EIS
- 2002 Congress for the New Urbansim Charter Award, Bay Area Regional Smart Growth Strategy



SARAH SUTTON, ASLA, LEED AP, BFQP

Principal, Landscape Architect

Sarah advises teams on landscape architecture, sustainability, and innovative stormwater management practices. She is an expert in sustainable design and construction practices with over 30 years of experience in public and private sector design, including parks, trails, streetscapes, and creek and habitat enhancements.

Sarah has a strong background in stormwater management and riparian corridor protection and restoration and has been responsible for the development of many parks that include stream realignment and revegetation within these sensitive habitats. As a leader in the firm's continuing commitment to environmental stewardship in planning, design, and project implementation, Sarah receives frequent invitations to present at conferences and to various organizations on these topics. At the 2010 American Society of Civil Engineer's International LID (Low Impact Development) Conference, she presented "Creating Better Communities with LID," which illustrated how to successfully implement LID to complement community character in new urbanist communities.

Sarah recently authored ***The New American Front Yard: The Complete Guide for Creating a Beautiful, Eco-friendly, Water-wise, Low Maintenance Front Yard*** (2013), co-authored the stream restoration section of the stormwater management chapter in ***Landscape Architectural Graphic Standards*** (2007), and teaches "Site Planning for Creeks, Riparian Corridors & Wetlands" and "Practical Approaches to Erosion Control and Land Restoration," both at the University of California, Davis, Extension.

HIGHLIGHTS OF EXPERIENCE

PARKS AND CIVIC LANDSCAPES

» Quarry Park Phase 1 Improvements and Interpretive Signage, Saratoga CA
» Iris Chang Park Master Plan, San Jose CA
» Watershed Interpretive Signage for Lake Merritt, Oakland CA
» Snow Park and Lakeside Green Streets, Oakland CA
» Dona Spring Animal Shelter and Bicycle/Pedestrian Bridge Plaza, Berkeley CA
» Pierce Street Neighborhood Park and Trail, Albany, CA
» Duck Pond Park and Frog Pad Park, Hercules CA
» Concept Design for Intersection Landscapes at Hacienda , Pleasanton CA
» Potrero Hill Recreation Center/Playground, San Francisco CA

STREETSCAPES

» Lakeside Green Streets, Oakland CA
» Decoto Green Streets, Union City CA
» Foothill Boulevard Streetscape Design Project, Oakland CA
» John Muir Parkway, Hercules CA
» 66th Avenue Streetscape Improvements, Oakland CA
» Foothill/High/Melrose Streetscape Design, Oakland CA

TRAILS PLANNING AND DESIGN

» Cross Alameda Trail at Jean Sweeney Open Space Park, Alameda CA
» Devil's Slide Coastal Trail, San Mateo County CA
» Wavecrest Coastal Trail project, Half Moon Bay CA
» Pleasant Hill Road Multi-Purpose Trail, Lafayette CA

EDUCATION

» BA, Landscape Architecture, University of California, Berkeley

REGISTRATIONS

» California Licensed Landscape Architect No. 4219

CERTIFICATIONS

» Leadership in Energy and Environmental Design Accredited Professional
» Green Roof Professional
» Bay-Friendly Qualified Landscape Professional
» Certified Green Building Professional
» Certificate in Therapeutic Garden Design

AFFILIATIONS

» American Society of Landscape Architects
» Build it Green
» California Park and Recreation Society
» Bay-Friendly Landscape Coalition, Board Chair
» Green Roofs for Healthy Cities
» Instructor, UC Berkeley Extension, Planting Design

Team member since 2003

PLACEWORKS

SARAH SUTTON
Principal
ssutton@placeworks.com

» Mori Point Trail Planning and Design, Pacifica CA

OPEN SPACE, CREEK AND HABITAT RESTORATION

» Jean Sweeney Open Space Park, Alameda CA
» Lake Merritt Bird Island Enhancements, Oakland CA
» Comanche Creek Vegetation Management Plan, Chico CA
» Sycamore Creek Annual Status Report, Danville CA

SUSTAINABLE PLANNING AND DESIGN

» Stormwater Handbook Planting Guidelines, Alameda County CA
» Bay-Friendly Landscape Design Resources On-Call Services, Alameda County CA
» California Urban Water Conservation Council (CUWCC) Smart Urban Landscapes Residential Landscape Design Templates and Guidelines, California (statewide)
» Technical Services and Training for Build it Green, California (statewide)
» Rooftop Resources Assessment, Oakland CA

PUBLICATIONS

» Author, The New American Front Yard: The Complete Guide for Creating a Beautiful, Eco-friendly, Water-wise, Low Maintenance Front Yard. (Aurora, Co: Tendril Press, 2013)
» "Designing Projects to Protect Water Quality," Northern News, American Planning Association California Chapter Northern Section newsletter, February 2008
» "Stream Restoration and Channel Daylighting" (co-author), In Landscape Architecture Graphic Standards, 1st ed., Leonard J. Hopper (ed.), John Wiley & Sons, 2006

SPEAKING ENGAGEMENTS

» 2013 Municipal Green Building Conference and Expo, "Blue Reformation: Overcoming California's Water Addiction," Downey, CA
» "Desperately Seeking WUCOLS: What's Next for the State's Model Landscape Ordinance and Landscape Water Use Classifications," 2011 California Irrigation Institute Annual Conference, Sacramento CA
» "Green Roofs: From Concept to Reality," 2011 Annual Pretreatment, Pollution Prevention, and Stormwater (P3S) Conference of the California Water Environment Association (CWEA), Santa Clara CA
» "Residential Landscape Design and the Model Water Efficient Landscape Ordinance," Landscape Water Conservation Workshop sponsored by The Water Forum, UC Davis Extension, and the California Urban Water Conservation Council, 2011, Roseville, Stockton, and Davis CA
» "Creating Better Communities with Low Impact Development," 2010 American Society of Civil Engineers International LID Conference, San Francisco CA

AWARDS

» 2015 Implementation Award: Large Jurisdiction, Award of Merit, California Chapter, American Planning Association, Devil's Slide Coastal Trail, Pacifica CA
» 2014 Project of the Year for Environment/Parks: Under $2 Million, American Public Works Association, Silicon Valley Chapter, Devil's Slide Coastal Trail, Pacifica CA
» 2014 Silver Nautilus Award in Green Living/Sustainability, The New American Front Yard
» 2011 Merit Award, American Society of Landscape Architects Northern California Chapter, Cryer Site Park Design, Oakland CA
» 2005 Merit Award, American Society of Landscape Architects Northern California Chapter, Water-Efficient Demonstration Garden, San Jose CA

PROFESSIONAL ACTIVITIES

» President, ASLA Northern California Chapter, 2004 to 2005

LEADERSHIP AND COMMUNITY

» Board Chair, Bay-Friendly Landscape Coalition, 2014
» Environmental Affairs Committee, San Ramon CA, 1996 to 1998



ISBY SWICK FLEISCHMANN, LEED AP

Senior Associate

Isby specializes in landscape design, resource planning, and community outreach. She has significant experience in managing master plans for parks and open spaces, including the Saratoga Quarry Park Master Plan and Initial Study Mitigated Negative Declaration for the City of Saratoga, the Concord Hills Regional Park Land Use Plan and EIR for the East Bay Regional Park District, the Mount Tamalpais East Peak Facilities Management Plan for California State Parks, the San Vicente Redwoods Public Access Plan for the Land Trust of Santa Cruz County, and the Sanborn County Park Conceptual Use Plan for Santa Clara County Parks and Recreation Department. Complementing her focus on large parks and open spaces, Isby brings expertise and experience in trail planning, interpretive programming, urban forestry, and urban greening projects with relevant projects that include the Salinas Urban Greening Plan for the City of Salinas, the San Carlos Hillside Trails Plan for the City of San Carlos, and the El Monte Community Urban Forest Management Plan for Amigos de los Rios. She has a strong background in public outreach, having worked as an outreach coordinator and as an environmental educator throughout California with a range of non-profit and public entities.

HIGHLIGHTS OF EXPERIENCE

PARKS, TRAILS, AND OPEN SPACE

» Concord Hills Regional Park Land Use Plan and EIR, Concord CA
» Mount Tamalpais East Peak Facilities Management Plan, Marin County CA
» Wavecrest Coastal Trail Plan, San Mateo CA
» Wavecrest Concept Plan, Half Moon Bay CA
» Supervisorial District 5 Trails Assessment and GIS Mapping, LA County CA
» Master Plan for Sustainable Parks and Recreation, LA County CA
» Saratoga Quarry Park Master Plan, Saratoga CA
» Parks, Trails, and Open Space Assessment, Los Gatos CA
» San Carlos Trails Project, San Carlos CA
» Martial Cottle Park Master Plan, San Jose CA
» Trancas Crossing Park and Napa River Trail, Napa CA
» Lost Lake Park Master Plan, Fresno County CA

URBAN AGRICULTURE AND URBAN FORESTRY

» Salinas Urban Greening Plan, Salinas CA
» Oroville Urban Area Master Greening Plan, Oroville CA
» Urban Farm and Garden Master Plan, Alameda CA
» El Monte Urban and Community Forestry Management Plan, El Monte CA
» Agricultural Park Consulting Services, Davis CA
» Martial Cottle Park Master Plan, San Jose CA

RESOURCE PLANNING

» San Vicente Redwoods Public Access Plan, Santa Cruz County CA
» Comanche Creek Vegetation Management Plan, Chico CA
» Creek Permit for Embarcadero Bridge over Lake Merritt Channel, Oakland CA
» Midpeninsula Regional Open Space District Resource Management Plan Assistance, San Mateo County CA

EDUCATION

» MLA, California Polytechnic State University, Pomona
» BS, Natural Resource Planning and Interpretation, minor in Studio Art, California State University, Humboldt

CERTIFICATIONS

» Leadership in Energy and Environmental Design Accredited Professional

AFFILIATIONS

» American Society of Landscape Architects

Team member since 2007

PLACEWORKS

ISBY FLEISCHMANN
Senior Associate
ifleischmann@placeworks.com

URBAN DESIGN AND STREETSCAPE IMPROVEMENTS

» Walnut Creek Sanctuary Transportation Demand Management Plan, Walnut Creek CA
» Pedestrian, Bicycle and Transit Safe Access Plan, Walnut Creek CA
» Davis Tools of Engagement and Concept Plans, Davis CA

ENVIRONMENTAL PLANNING

» Lost Lake Park Master Plan Initial Study and MND, Fresno County CA
» Municipal Services Review, Lodi CA
» Winters Municipal Services Review, Winters CA
» Martial Cottle Park Master Plan, San Jose CA

PUBLICATIONS

» "Transforming Urban Environments for a Post-Peak Oil Future" (in collaboration with members of Cal Poly Studio 606), City of Ventura, 2008

SPEAKING ENGAGEMENTS

» "Transforming Urban Environments for a Post-Peak Oil Future: Research and Design Element", 2007 Agriculture at the Metropolitan Edge Symposium, Berkeley CA
» "Transforming Urban Environments for a Post-Peak Oil Future: Research and Design Element", 2007 Southern California Association of Governments Presentation, Los Angeles CA
» "Transforming Urban Environments for a Post-Peak Oil Future: Research and Design Element", RESILIENCE 2008: Resilience, Adaptation and Transformation in Turbulent Times International Science and Policy Conference, Stockholm, Sweden

AWARDS

» 2011 Innovation in Green Community Planning Award, APACA Northern Section, Martial Cottle Park Master Plan and EIR
» 2007 Honor Award, American Society of Landscape Architecture



RANDAL W. JACKSON, ASLA

President

Throughout his more than 45 years of experience in planning and design, Randy Jackson has conceived and developed unique land use and design concepts for award-winning communities. He continues to focus his expertise on healthy communities built around and integrating transportation, transit, open space, and park and recreation systems. He oversees projects throughout California, across the United States, and abroad.

Randy has a wide range of community design and landscape architecture experience with both public and private concerns throughout the western and southwestern United States and the Pacific Basin. He is a guest lecturer the University of California's Irvine and Riverside campuses for courses in the Planning Certificate program. He also taught land development in the Graduate School of Social Ecology at the UC Irvine for 15 years.

Randy recently completed a two-year term as Chairman of Urban Land Institute's Community Development Council (Blue Flight), a national product council leading the discussion in the areas of suburban new communities, suburban large-scale (multi-use) communities, rehabilitation/reuse, asset management, and process. He currently serves as ULI Governor as well as Chairman of ULI Orange County/Inland Empire's District Council.

HIGHLIGHTS OF EXPERIENCE

INFILL & REDEVELOPMENT

» CollegeTown Vision Plan | Fullerton CA
» MCAS Tustin Reuse Plan/Specific Plan | Tustin CA
» Prospect Village, Downtown Tustin Redevelopment | Tustin CA
» Stanton Plaza Specific Plan | Stanton CA
» Anaheim Downtown Industrial Area Reuse Plan | Anaheim CA
» I-5 Freeway Expansion Analysis, I-5 Corridor Phase One, Freeway Overlay Zone | Santa Fe Springs CA
» MCAS El Toro Conversion Specific Plan | El Toro CA
» Rialto Airport Land Use Study | Rialto CA

TRANSIT-ORIENTED DEVELOPMENT

» Transit-oriented development: visioning, planning and design, and strategic implementation projects for the cities of Azusa, Corona, Covina, Fullerton, Hemet, Riverside, Temecula, and March AFB as part of SCAG's Compass Blueprint Demonstration Program
» North Orange County Cities Go Local Program | Orange County CA
» San Diego Association of Governments (SANDAG) Growth Management Study | Five Cities, San Diego County CA

URBAN PLANNING

» Irvine Business Complex Program EIR | Irvine CA
» San Clemente Master Streetscape Plan | San Clemente CA
» Mammoth Crossings Planning Study & Specific Plan | Mammoth Lakes CA

EDUCATION

» Bachelor of Landscape Architecture, Utah State University
» Graduate Studies, University of Hawaii, Pacific Urban Studies Center

REGISTRATIONS

» Licensed Landscape Architect in California, No. 1582
Nevada, No. 307

AFFILIATIONS

» American Society of Landscape Architects
» Urban Land Institute, Governor; Chairman of Orange County/Inland Empire District Council

Team member since 1977

PLACEWORKS

RANDAL W. JACKSON
President
rjackson@placeworks.com

- Central Park Master Plan Design Guidelines | Irvine CA
- Moffett Meadows / Marble Mountains Design & Processing | Irvine & Tustin CA

GENERAL PLANS

- Menifee General Plan Update & EIR | Menifee CA
- Palm Springs General Plan, EIR, and Urban Design Guide | Palm Springs CA
- Temecula Inaugural General Plan Update & EIR | Temecula CA

STRATEGIC PLANS

- Kennecott Master Plan | Oquirrh Mountain UT
- Centennial Master Plan, Tejon Ranch | Los Angeles County CA
- Newhall Ranch Communities Planning | Newhall Ranch CA
- Collier Strategic Plan | Collier County FL
- Estrella Mountain Ranch Strategic Plan | Goodyear AZ
- Jianfengling Resort Master Plan | Hainan Island, People's Republic of China
- The Creative City Master Plan | Phu Yen, Vietnam

LARGE-SCALE PLANNED COMMUNITIES

- Wood Ranch Specific Plan | Simi Valley CA
- Bighorn Master Plan | Palm Desert CA
- Hawadi Master Plan | Saudi Arabia
- The Summit Master Plan | Richland SC
- Beacon Hill Master Plan & Design Guidelines | Laguna Niguel CA
- Biosphere Master Plan | Pima County AZ
- Kohl Ranch Master Plan | Riverside County CA
- Fisher Basin Comprehensive Master Plan | Vancouver WA
- Kiley Ranch North Master Plan | Sparks NV
- The Arboretum Specific Plan | Fontana CA

PUBLICATIONS

- Natural Eco Systems; Trails & Access Way System | Department of Land & Natural Resources, State of Hawaii
- Kuhala, Hawaii Community Master Plan
- Casebook on Land Use Design | San Bernardino County/Cities
- Transportation, Land Use and Air Quality Design Manual | San Bernardino County/Cities

SPEAKING ENGAGEMENTS

- "25 Big Ideas for the +55 Market" | 2013 BIA +55 Housing Market
- "Multi-Generational Housing Market" | 2012 PCBC Gold Nugget Presentation
- "Creating a Healthy Downtown Bakersfield" | Keynote speaker 2014 60th year DBA
- "How to Sell Homes in a Down Market and Reinvent the Future with Vision and Creativity" | 2008 PCBC (Pacific Coast Builders Conference) | San Francisco CA
- "Design, Planning, and Overcoming Scaleism" | 2008 APACA Conference | Hollywood CA
- "Conservation Zones and Master Planned Communities" | 2008 ULI Annual Fall Meeting | Miami FL
- "Healthy Communities" | 2007 PCBC | San Francisco CA
- "New Downtowns in Rural Areas" | 2007 BIS (Building Industry Show) | Long Beach CA
- "Entitling Infill Development" | 2006 APACA Conference | Orange County CA
- "Vertical Building: Suburban Villages in Orange County" | 2005 BIA-OC (Building Industry of America, Orange County Chapter) | Orange County CA
- "New Homeownership Affordable Analysis Model" | 2004 BIA-OC | Orange County CA
- "Diverse Housing Options: Infill and Mixed Use Strategies" | 2003 BIA-OC | Orange County CA
- "Converting Strip Malls" | 2002 APACA Conference | San Diego CA

Chris Taylor

AIA, LEED AP, DBIA



Principal in Charge
HMC Architects

Education /

M. Arch., Cal Poly Pomona

Professional Registration /

Licensed Architect, California (C19759)

Affiliations /

American Institute of Architects (AIA)

LEED Accredited Professional Building Design + Construction (LEED AP BD+C)

Designated Design-Build Professional, Design-Build Institute of America (DBIA)

Chris has more than 30 years of experience and passionately devotes his attention to coordinating the best delivery practices that continually raise the quality of HMC's drawings, design and client service. Chris has developed a reputation for successfully leading collaborative, consensus-building processes that result in facilities that meet the current and future needs of his clients.

Relevant Experience

Los Angeles County Community Development Commission
Liberty Community Plaza (LEED Gold)

Town of Mammoth Lakes
New Community Multi-use Facility (ZNE)
New Police Department Headquarters

Town of Apple Valley
Police Department and Code Enforcement Building
Apple Valley Town Hall

Rancho Cucamonga Fire Protection District
Training Center Phase 2

College of the Desert
Public Safety Academy and Roy Wilson Fire Training Center

County of San Bernardino
Sheriffs Training Center
District Criminal, Family Law, Traffic and Probate Court

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Eric Carbonnier, PhD



AIA, LEED AP BD+C

Vice President of Sustainability
HMC Architects

Education /

PhD, Architecture, University of Oregon
MS, Regenerative Studies, Cal Poly Pomona
B. Arch., Woodbury University

Professional Registration /

Licensed Architect, California (C27730)

NCARB Certificate (53105)

Affiliations /

American Institute of Architects (AIA)

LEED Accredited Professional Building Design + Construction (LEED AP BD+C)

Eric, with 28 years of experience, is an architect and Vice President of Sustainability at HMC Architects focused on energy conservation strategies leading to zero-net energy architecture. Eric was instrumental on the Cucamonga Valley Water District's LEED Platinum Frontier Project in developing the vision and integration of sustainable strategies, including ground water recharge strategies, water conservation, thermal and electrical on-site renewable energy generation, downdraft cool towers, and local material reuse. Eric has secured over $2 million in grants and certified the second largest USGBC Campus in California, ranked 7th nationally and 9th globally. He was a Graduate Teaching Fellow and Researcher at the University of Oregon's Energy Studies in Buildings Laboratory (ESBL), advancing high-performance windows using nanofluid technology. Eric's sustainable design initiatives resonate throughout his career, and he has collaborated on numerous high-performance designs and award-winning projects.

Relevant Project Experience

Cucamonga Valley Water District
The Frontier Project – Sustainability Demonstration Facility

County of San Diego
Health and Human Services Agency Zero Net Energy Facility

City of Irvine
Quail Hill Community Nature Center

Los Angeles County of Education
Liberty Community Plaza

Chabot-Las Positas CCD
Academic Classroom Building 100

Coast CCD

Golden West College, Student Success and Library Renovation
Golden West College, International Student Program Renovation
Orange Coast College, Chemistry Renovation and Addition

Mt. San Antonio CCD

ESL Building
Health Careers Center

North Orange County CCD

Fullerton College, Physical Education Building

San Diego State University

Zura Hall Student Housing Refresh

Eera Babtiwale



LEED AP BD+C

Sustainability Director
HMC Architects

Education /

Master of Architecture,
University of California, Los Angeles

Bachelor of Arts, Architecture,
University of California, Berkeley

Professional Registration /

LEED Accredited Professional (LEED AP BD+C)

Affiliations /

Member, Society for College & University Planning (SCUP)

Assoc. Member, American Institute of Architects (AIA)

Eera's strong design skills and passionate environmental awareness result in projects that are functional, creative, and sustainable. As an environmental specialist with 16 years of experience, she is dedicated to the research, development, and implementation of advanced high-performance architecture. Eera will integrate high-performance environmental concepts into your project using the most advanced tools and techniques. She regularly facilitates eco-charettes—interactive workshops that introduce sustainable design concepts to stakeholders in the early stages of a project. Eera will work closely with the design team to seamlessly integrate sustainable concepts into design features, provide environmental analyses, offer responsible material choices, and thoroughly explain the short- and long-term costs and benefits of each sustainable option.

Relevant Sustainability Master Planning Experience

Cucamonga Valley Water District
The Frontier Project

Allan Hancock College
Facilities Sustainability Master Plan

Grossmont-Cuyamaca CCD
Facilities Sustainability Master Plan

MiraCosta College
Comprehensive Master Plan
Sustainability Design Guidelines

Riverside CCD
Moreno Valley College, Comprehensive Sustainability Master Plan

Chaffey CCD
Chaffey College, Facilities Sustainability Master Plan

Relevant Sustainable Building and Design Project Experience

CSU Monterey Bay
New Academic II Building, LEED Platinum

Los Angeles CCD
Pierce College, Library/Learning Crossroads Building, LEED Platinum
LA Southwest College, Middle College High School, LEED Gold
LA Harbor College, Student Union, LEED Gold Target

College of the Desert
Barker Nursing and Health Sciences Complex, LEED Gold
Child Development Center, LEED Gold

Mt. San Antonio College
Student Success Center, LEED Gold Target
Design Technology Center, LEED Silver
Athletics Complex East, LEED Gold Target

Riverside CCD
Riverside City College, Student Services and Administration Building, LEED Silver Target
Norco College, Center for Health, Wellness and Kinesiology (FPP)

Cerritos College
Field House, LEED Silver Target
Health and Wellness Complex, LEED Silver Target

Chaffey CCD
Chaffey College, Child Development Center Area of Refuge

San Bernardino CCD
San Bernardino Valley College, Gymnasium and Athletics Complex, LEED Gold target
Crafton Hills College, Crafton Center, LEED Gold

San José/Evergreen CCD
Evergreen Valley College, Math, Science and Social Sciences Building, LEED Platinum target
Evergreen Valley College, Fitness Center, LEED Platinum target

Cal Poly Pomona
Student Housing Replacement Phase I, LEED Gold Target
Collins School of Hospitality Management Expansion, LEED Gold Target

CSU San Marcos
Student Health and Counseling Services Building, LEED Gold

San Diego State University
Zura Hall Refresh, LEED Gold

UC Riverside
School of Medicine Education Building, LEED Silver

Jacob Bowman



Senior Cost Estimator
HMC Architects

Education /

Associate of Architecture, AAIA

BS, Computer Information Systems, Devry University

Jacob has 14 years of industry experience. With a background in architecture and engineering design, Jacob honed his CAD skills and design abilities which laid the foundation for his career in estimating. He has estimated projects ranging from medical office buildings to complete greenfield hospitals, with costs ranging from less than $1M to more than $2.5B. Jacob has estimated projects at all phases, from concept through construction documents; and provided value engineering and change order review on numerous projects. As an estimator, he has worked for general contractors, construction managers, and third party cost consultants, bringing a unique perspective and immense value to HMC's projects.

As Senior Cost Estimator, Jacob will develop cost models and estimates for each phase of your project. He will interact with the project team, including the consultants, to produce quality reports that contain pricing, take offs, change order review, and comprehensive analysis.

Relevant Experience

City of Irvine
Quail Hill Community Park and Community Center

Los Angeles Community Development Department
Liberty Community Plaza

San Bernardino CCD
San Bernardino Valley College, Gymnasium
San Bernardino Valley College, Parking Structure

Chaffey CCD
Omnitrans Transit Center

West Valley-Mission CCD
West Valley College, Arts and Social Science Renovation

Ventura County CCD
Oxnard College, Dental Hygiene School

Desert CCD
Child Development Center
Central Campus Redevelopment Project

Mt. San Antonio College
Student Success Center
Athletics Complex Precinct Planning

Rancho Santiago CCD
Santa Ana College, Dunlap Hall Remodel

Palomar College
Industrial Technology Building

San Jose/Evergreen CCD
South Campus Programming

Los Angeles CCD
Construction Technology Building

CSU Los Angeles
New Student Union
University Student Union Feasibility Study

UC San Diego
Torrey Pines Center North Renovation

Rowland USD
Nogales High School Revival

Centinela Valley USD
Leuzinger High School Prefast Buildings

Oxnard Union High School District
Rancho Campana High School

Newport Mesa USD
Costa Mesa High School, Junior High Enclave

Santa Ana USD
Santa Ana High School Modernization

Irvine USD
Portola High School
University High School, Science Lab Upgrades

Clovis USD
Alta Sierra Intermediate School Modernization

Solana Beach School District
Comprehensive Master Planning Services

Los Angeles USD
San Pedro High School, Small Learning Communities

Fairfield-Suisun USD
Fairview K-5 Elementary School

University of Nevada, Reno
Reynolds School of Journalism Renovation

Riverside County Office of Education
School of Career Education

Appendix C. Company Overview

PLACEWORKS

Official Registered Name:	PlaceWorks, Inc.
D&B Number:	08-914-5023
Primary and Secondary SIC Numbers:	899: Miscellaneous Services 8999: Services, Not Elsewhere Classified (Scientific and Related Consulting Services, All Other Information Providers, Environmental Consultants)
Address, telephone & fax numbers:	3 MacArthur Place, Suite 1100 | Santa Ana, CA 92707 714.966.9220 | 714.966.9221 (fax)
Primary Key Contact:	Tammy L. Seale, Associate Principal 805.235.7876 | tseale@placeworks.com
Person authorized to contractually bind the organization:	Karen Gulley, Principal and Vice President 714.966.9220 x2347 | kgulley@placeworks.com
Brief History	PlaceWorks was founded in 1975 as The Center for Planning & Research. It was modeled after the principles of the Bauhaus School of Design in Germany, which aimed to bring design disciplines together and integrate individual work efforts into a greater whole. Within three years, the firm incorporated as The Planning Center and operated under this name for more than 30 years. The Planning Center's passion for more integrative planning and design drove the firm's expansion into new fields. Environmental analysis was added in 1980 and school facilities planning in 1985. In 2006, The Planning Center acquired Meredith & Associates, which added site assessment and remediation, environmental science and engineering, and human health risk assessment to the firm's capabilities. In 2011, The Planning Center acquired Design, Community & Environment (DC&E) and operated as The Planning Center|DC&E for the next three years. DC&E, founded in 1995, was similarly noteworthy for providing comprehensive planning, design, and environmental services, but also added landscape architecture to the firm's portfolio of practice areas. To reflect the firm's wider range of services, the name was changed to PlaceWorks in 2014. Our interdisciplinary, holistic approach integrates sustainability, economic vitality, and community goals to create great places. The firm currently maintains seven offices throughout the state of California and employs approximately 130 employees.

HMC ARCHITECTS

Official Registered Name:	HMC Group
D&B Number:	06-449-0808
Primary and Secondary SIC Numbers:	871. Engineering, Architectural, and Surveying 8712. Architectural Services
Address, telephone & fax numbers:	3546 Concours Street | Ontario, CA 91764 909.989.9979 | 909.483.1400 (fax)
Primary Key Contact:	Chris Taylor, Principal 909.989.9979 | 909.483.1400 (fax)
Person authorized to contractually bind the organization:	Chris Taylor, Principal 909.989.9979 | 909.483.1400 (fax)
Brief History	In 1940, Jay Dewey Harnish opened a small architectural office in Ontario, California, to anticipate the demand for healthcare and institutional work that would come with peacetime after World War II. Today, HMC is a 300-person company with nine offices and thousands of completed projects.

Appendix D. Project Experience

Provided on the following pages are detailed project descriptions for some of our most relevant project experience.



ADVANCED TECHNOLOGY & EDUCATION PARK

A Visionary Guide

Project Type	Development Master Plan and Visioning
Location	Tustin, California
Size	66 acres
Client	South Orange County Community College District via HMC Architects
Date Completed	June 2015
Services Provided	Design Charrettes, Site Plan Alternatives, Visioning Poster, Goals and Design Parameters, Specific Plan/Development Agreement Compliance





The Advanced Technology Education Park (ATEP) will be a 66-acre satellite campus developed by the South Orange County Community College District, designed to provide workforce development, advanced technology, and career technical education programs. Located on the former MCAS Tustin, this site was part of a 1,600-acre base reuse plan involving residential, commercial, office, and a variety of institutional land uses. ATEP is envisioned as an innovative education park that "Changes the Way People Learn" by integrating college programs with an on-campus, private-sector learning environment. There were no models for this type of project, especially at the community college level. PlaceWorks was part of a team that led a series of visioning and design charrettes with district and campus officials and private market experts to prepare a high-level framework plan that would guide development decisions over the next 20 years. The development master organized major development components—zones for public and private buildings, parking, circulation, and outdoor collaborative spaces. PlaceWorks developed core planning principles, based on a collective vision, that shaped and guided each of the four alternatives. The final framework plan included a detailed phasing plan for buildings, infrastructure, and parking that met district goals and still provided the flexibility needed to bring in private-sector or other partners over time.



PLACEWORKS



PARCELS AT EL TORO

Positioning the Gateway to the Great Park

Project Type	Conceptual Site Plans and Market Analysis
Location	Orange County, El Toro, Great Park, California
Size	3 sites; 201 acres total
Client	County of Orange, OC Public Works
Date Completed	November 2011
Services Provided	Conceptual Site Planning, Market Positioning, Presentation to Board of Supervisors







PlaceWorks was retained by the County of Orange to develop scenarios for future reuse of several county-owned properties adjacent to the Great Park and future Great Park Neighborhoods development (Five Point Communities) in the City of Irvine. The county requested that the consultant team explore the "art of the possible" for the future development of the sites to establish an approach that would result in the highest and best value for Orange County taxpayers. Ultimately, the county used the final product as a basis to establish goals and objectives that define how revenue generation related to the properties should be balanced with uses that can provide a public benefit.

PlaceWorks (in collaboration with Jones Lang LaSalle, Tait Associates, and Gensler) prepared a parcel utilization concept plan for 200 acres of county property at El Toro. The project consisted of three sites: a 100-acre site adjacent to Marine Way, and two properties adjacent to the future Alton Parkway alignment. The analysis included a review of previous site analysis, a market assessment, analysis of physical site constraints and opportunities, a site visit, and collaboration with county officials to identify a viable mix of uses for the future development of the parcels.

The analysis reviewed the county's future real property assets and included an initial market assessment of the range of short- and long-term uses and potential viability for development of each. The results were used to prioritize potential uses for the three sites and to eliminate uses that would not be deemed feasible given market demand, competitive supply, site characteristics, and other factors.

PlaceWorks developed several concepts, including: GreenTech, Active Sports Center, and Lifestyle Center concepts, as well as a "highest and best use" option that included a mix of hotel, office, retail, and high-density housing on the 100-acre site. The Board of Supervisors used the concepts and market analysis to provide direction to staff regarding the subsequent steps that should be taken to maximize the value of the county's assets, including initiating discussions with the City of Irvine, timing and placement of new infrastructure, and solicitation of a master developer agreement.

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MCAS EL TORO BASE REUSE

Economic Prosperity Through One Common Vision

Project Type	Base Reuse
Location	Orange County, California
Size	5,000 acres
Client	County of Orange
Date Completed	2002
Services Provided	Open Space Plan, Business Park Design Guidelines, Agricultural Plan, Airport Terminal Landscape Plan, Financial Analysis, Due Diligence (later for Lennar/LNR Properties)









PlaceWorks was selected by the County of Orange to prepare the non-aviation component of the reuse plan for Marine Corps Air Station El Toro (MCAS), which was closed in July 1999. Working in conjunction with the aviation consultant preparing the master plan for the proposed 28.8 million annual passenger International Airport and associated facilities, PlaceWorks assisted the County in the land use, circulation, and landscaping for the remaining 2,400 acres of the property.

The iterative process resulted in a variety of land uses tied together by a common vision: that Orange County would enjoy economic prosperity well into the 21st century through the realization of a vibrant, modern airport community that attracts companies, generates jobs, maintains its competitiveness in a global economy, preserves the environment, and enhances the quality of life for all residents of the county. The reuse plan proposed a commercial airport with supporting aviation uses, a regional park, habitat reserve, business park, and cultural/institutional center. The airport's operational characteristics and surrounding land uses played a key role in the preparation of each component of the reuse plan which includes design guidelines for an 86-acre business park, a park development plan for Orange County's largest regional park, agricultural lands plan, and a project-wide landscaping plan that cohesively wove all the components together.

In recent years, PlaceWorks' past experience and involvement with MCAS El Toro has made it a valuable player in assisting and evaluating the property as it transitions and positions for development. In 2005, PlaceWorks assisted the Lennar/LNR Properties team in a six-month due diligence phase in preparation of the General Services Administration public auction of four parcels of approximately 800 acres of developable land at Heritage Fields in Irvine, formerly known as the El Toro Marine Corps Air Station.

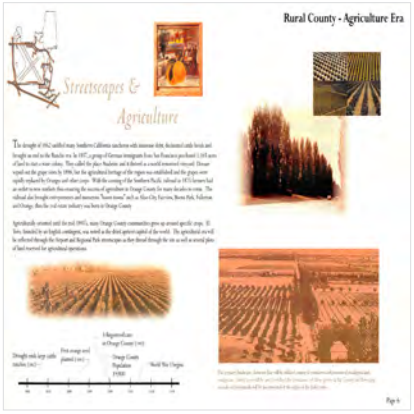
PLACEWORKS



MCAS EL TORO BASE REUSE

Economic Prosperity Through One Common Vision







Open Space Plan: This highly graphical plan establishes the design theme and framework for Orange County's largest regional park. Proposed uses include active and passive recreational areas, two golf courses, a wildlife habitat area, trails, and meeting facilities.

Business Park Design Guidelines: A site plan and design guidelines were prepared for an 86-acre business park. Owing to the proximity to the airport and surrounding uses; the site planning, landscaping, architectural, and lighting guidelines were crafted to ensure a safe and high quality working environment.

Agricultural Plan: This plan provides policy guidance to ensure continued operations of agricultural lands during phasing and ultimate buildout of adjacent uses.

Airport Terminal Landscape Plan: A landscape plan was prepared for the airport terminal area complementary with the design them of the entire project area.

Financial Analysis: Construction costs, operation and maintenance costs, and revenue estimates were prepared for the non-aviation land uses.

PLACEWORKS

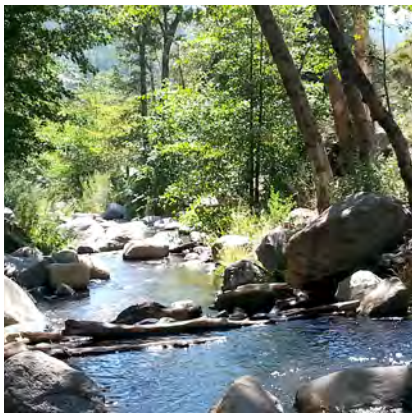


SANTA ANA RIVER PARKWAY PLAN

Connecting Parks and Open Space Across the Region

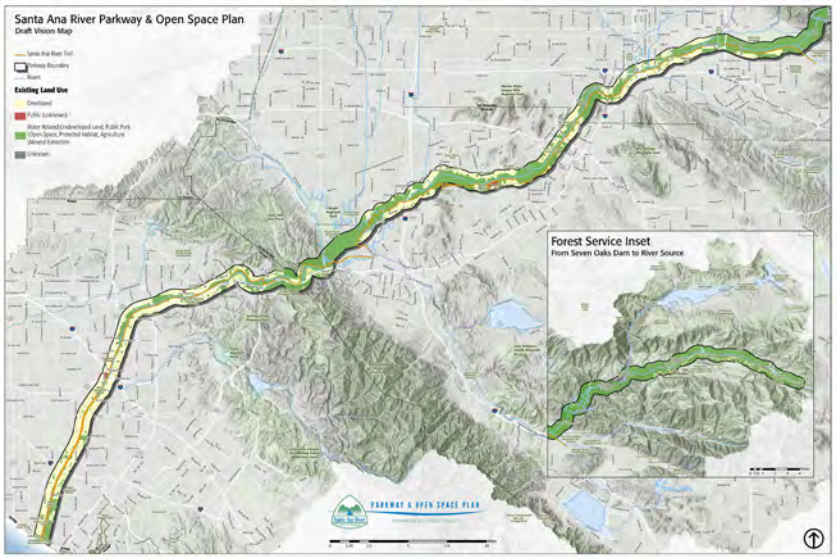
Project Type	Open Space and Resource Planning
Location	San Bernardino, Riverside, and Orange Counties
Size	100 Miles
Client	California State Coastal Conservancy
Date Completed	In Progress
Services Provided	Park and Open Space Planning, Landscape Architecture, GIS, Community Outreach, Online Engagement, Graphic Design, Signage Standards







PlaceWorks is working with California State Coastal Conservancy to identify a comprehensive vision for the Parkway that reaches beyond the spine of the Santa Ana River Trail, connecting nearby communities to the River Trail and integrating new parks and green space opportunities into the network. Key components of the planning process include the synthesis of numerous planning efforts along the corridor, assessment of the parkway boundaries and parkway needs, development of a comprehensive GIS database that identifies existing and potential opportunities in the corridor, and development of prioritization tools that can be applied to existing and future project opportunities. PlaceWorks will utilize online tools and in-person meetings and trainings to engage project partners and the public, ensuring a final Plan that is comprehensive and broadly supported. The final Plan will be a clear, graphically-rich document that will provide clear priorities and strategies to guide the enhancement and expansion of the Parkway, as well interagency coordination and collaboration. In addition to prioritization and funding strategies, the Plan will identify signage standards and other tools to build recognition of the Parkway as an exceptional regional asset. The geodatabase and signage recommendation developed as part of this effort will directly inform the development of Santa Ana River Trail maps and outreach materials.



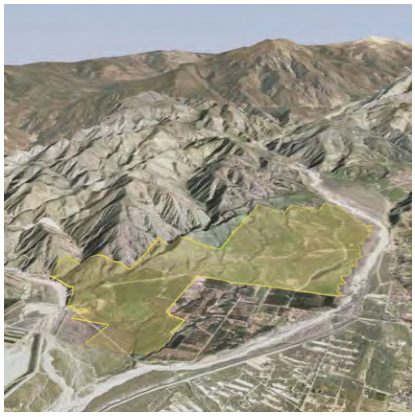
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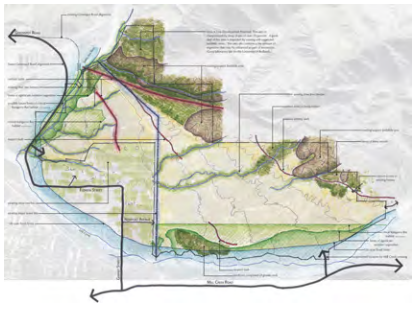
GREENSPOT DEVELOPMENT FEASIBILITY ANALYSIS

Conceptual Site Planning

Project Type	Development Feasibility Analysis
Location	Highland, California
Size	1,650 acres
Client	Orange County
Date Completed	2008
Services Provided	Detailed Due Diligence, Opportunities and Constraints Analysis, Conceptual Site Planning







The Seven Oaks Dam was part of the Santa Ana River Mainstem Project under the US Army Corps of Engineers, with the cost shared between Orange, Riverside, and San Bernardino counties under a "local cooperation agreement." The counties bought the Greenspot site in San Bernardino County and removed six million cubic yards to build the earthen dam. Because Orange County benefitted most from the dam, it had the lead responsibility for selling the property after the dam was finished in 1999. With the support of the Orange County Flood Control District, the property was annexed to Highland in 2000 and later rezoned from rural residential to planned development. A due diligence report found that the property had adequate development potential and recommended further analysis of opportunities and constraints, so in 2007, Orange County released a request for qualifications for a conceptual site plan and related studies.

As the lead consultant, PlaceWorks correlated the information in the technical studies—biology, geotechnical, environmental, market, and water and sewer—to create an overall picture of the constraints and opportunities for development and finalized the recommendations with input from the county, the city of Highland, and the technical subconsultants. The technical analyses found that about two-thirds of the site were considered developable—some of the constraints were steep terrain, landslide areas, and known and suspected earthquake faults as well as critical habitat for the kangaroo rat and blue-line streams.

Based on these environmental constraints and the "goals and principles" articulated by stakeholders and refined by PlaceWorks, PlaceWorks created two conceptual site plans. The market study had found that this part of San Bernardino County could absorb about 4,000 housing units over seven years, so PlaceWorks divided the site into four primary development areas or "villages," with a mix of residential product types at various densities and supporting commercial in each village area. The conceptual plans were the basis for the traffic studies, which, in turn, were used to provide "cost to complete" engineering estimates.

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HARMONY MASTER PLAN

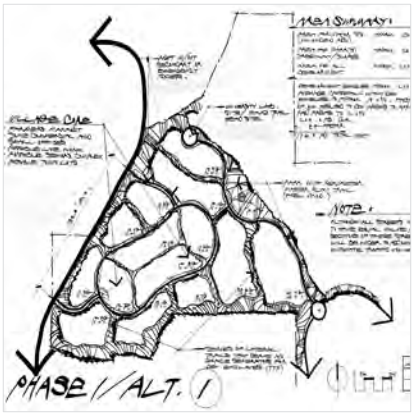
A Community Concert

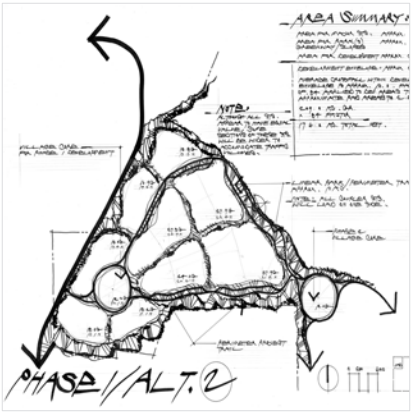
Project Type	Master Planned Community
Location	Highland, California
Size	1,650 acres
Client	City of Highland
Date Completed	Ongoing
Services Provided	Site Planning, Grading and Landscape Planning, Development Capacity Analyses, Visioning, Programming, Land Planning, Community Design, Development Standards, Branding

PlaceWorks is in the process of developing a master plan for Harmony on the eastern edge of the City of Highland. This former orange grove site, also known as Greenspot, represents the greatest development potential in the city. PlaceWorks has prepared grading concepts, conceptual land use plans, and a land capacity analysis to inform the various next steps in the master planning process.

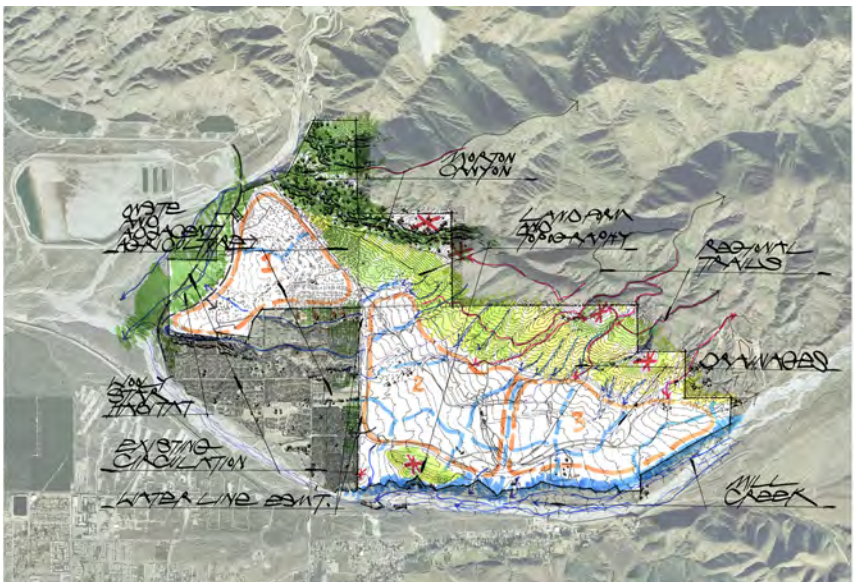
Harmony is envisioned to accommodate clusters of development to establish unique enclaves and leave intact the majority of the natural topography. The project is expected to provide a range of residential product types and densities, neighborhood commercial uses, private and public recreation facilities, and a school. The community will be connected through a system of pedestrian paseos. The vision and master plan for Harmony will provide links to the site's agricultural heritage and the surrounding natural beauty.

The project is in progress and the images are conceptual.









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FULLERTON COLLEGE CONNECTOR STUDY

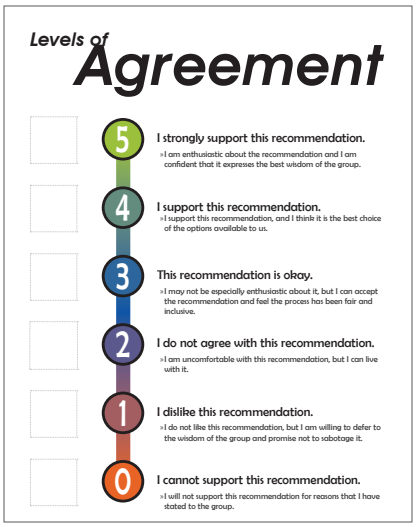
Connecting Education to the Heart of Fullerton

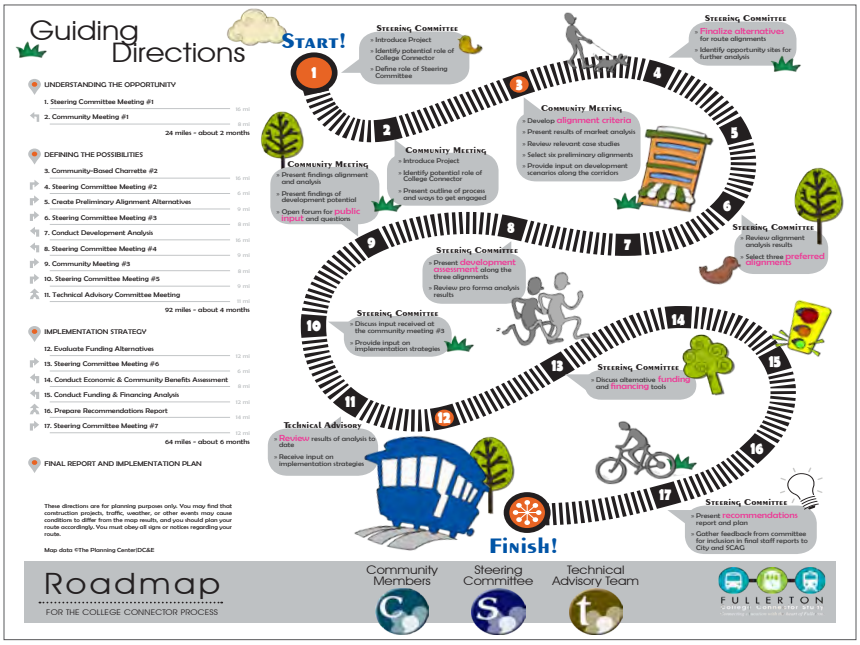
Project Type	Streetcar/Trolley Feasibility Study
Location	Fullerton, California
Size	5-mile study area
Client	Southern California Association of Governments and the City of Fullerton
Date Completed	In Progress
Services Provided	Land Use Analysis, Market Analysis, Economic Development Strategy, Outreach, Visioning, Sustainable Transit Planning, Development Planning, Urban Design



PlaceWorks is working with the City of Fullerton to create a public transit system connecting the university area with the Fullerton Metrolink station and downtown. This system will encourage private investment, accommodate population growth, maximize sustainable operations, and enhance the city's quality of life. The Fullerton College Connector Study will identify various transit routes and select the best route based on physical and financial feasibility, potential ridership, applicable transit technologies, and public input. New development opportunities and financing/funding strategies will be explored to support the potential connector and future growth along the transit corridor. A major component of the project is extensive public outreach using community workshops, social media, and a dedicated project website. Our involvement in both the Fullerton College Connector Study and the CollegeTown Specific Plan enables us to better provide the city with creative strategies appropriate to its unique context.

FULLERTON
College Connector Study
Connecting education with the heart of Fullerton.





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DE ANZA REVITALIZATION PLAN

Reimagine, Repurpose, and Revitalize

Project Type	Revitalization Plan
Location	San Diego, California
Size	170 acres
Client	City of San Diego
Date Completed	In Progress
Services Provided	Plan Preparation, Outreach, Environmental Review









PlaceWorks is leading a three-year, comprehensive outreach, planning, and environmental program to reimagine, repurpose, and revitalize a 170-acre area on Mission Bay. The planning effort includes an extensive multipronged outreach program to work with the community and stakeholders to develop a conceptual revitalization plan, amendments to the Mission Bay Park Master Plan, and an environmental impact report. The outreach program includes stakeholder interviews, monthly ad-hoc (steering) committee meetings, quarterly open house community workshops, pop-up events in Mission Bay Park, a project website and interactive online forum, social media, online contests, and decision-maker workshops. The project will hold a design team charrette to develop a series of development plan alternatives; conduct a financial feasibility analysis and solicit community input to test those alternatives; and ultimately, select a preferred plan that will constitute an amendment to the Mission Bay Park Master Plan.

Key challenges of the project include balancing a diverse range of strong recreation, environmental, and economic interests and addressing physical constraints such as lack of connectivity, stormwater pollution, erosion control, and sea-level rise. Amendments to the Mission Bay Park Master Plan constitute amendments to the Local Coastal Program, so PlaceWorks will also be responsible for coordinating with and obtaining approval and certification of the EIR from the California Coastal Commission.

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VISITACION VALLEY COMMUNITY GARDEN

A Healthy Corridor for Habitat and Urban Agriculture

Project Type	Landscape Architecture
Location	San Francisco, California
Size	0.55 acres
Client	Trust for Public Land
Date Completed	2007
Services Provided	Landscape Architecture, Urban Agriculture, Community Outreach and Facilitation, Trail Planning, Accessible Design







Working with the Trust for Public Land (TPL), PlaceWorks redesigned an existing community garden in San Francisco's Visitacion Valley neighborhhod. Continuing our earlier work on the Visitacion Valley Greenway; a project designed to provide educational opportunities, pedestian connectivity, and open space amenities for community members; PlaceWorks helped gardeners plan for clearly-defined public access and gathering areas while improving individual garden plots. Hummingbird and butterfly paintings along the greenway complement the water-efficient, edible plantings in the garden. PlaceWorks coordinated with the City of San Francisco's Park and Recreation Department to incorporate the City's new standards for community garden elements and with the Mayor's Office on Disability to provide increased accessibility to and through the site. Site furniture was created by reusing salvaged concrete.



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TREASURE ISLAND URBAN FARM DESIGN

Creating a Farm to Table Culinary Training Facility

Project Type	Landscape Architecture
Location	San Francisco, California
Size	400 square feet
Client	Treasure Island Job Corps Center
Date Completed	2010
Services Provided	Urban Agriculture, Architecture, Landscape Architecture, Green Roof Design





PlaceWorks provided a full range of design services, from schematic designs through construction documents, for two accessory buildings and a chicken coop at the Urban Farm on San Francisco's Treasure Island. The Treasure Island Job Corps Center is a federally funded program that provides vocational training to low-income teenagers and adults, with programs ranging from carpentry to the culinary industry. As part of an expansion of the Center's Urban Farm facility, PlaceWorks designed a farm stand with a living roof, a chicken coop, and an exterior kitchen for preparation of meals by culinary students and staff, as well as for use during local festivals. PlaceWorks completed the project on an extremely fast schedule, and assisted the Job Corps throughout construction, including finding and making extensive use of salvaged and recycled materials.



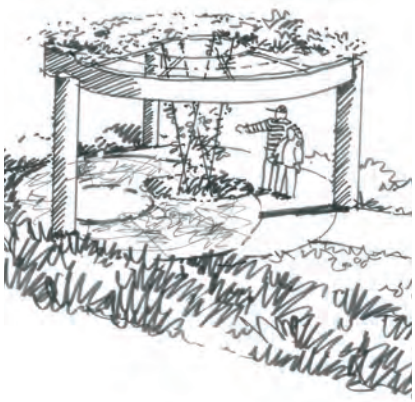
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IDEASCAPE EXHIBIT DESIGN PLANNING

Interactive Environmental Demonstration Area

Project Type	Landscape Architecture
Location	Roseville, California
Size	1 acre
Client	City of Roseville Parks and Recreation
Date Completed	on hold
Services Provided	Energy Efficiency, Environmental Education/Interpretation, Exhibit Design, Landscape Architecture, Parks, Public Participation, Site Planning





PlaceWorks prepared a master plan for IDEAscape, a 1-acre outdoor Interactive Demonstration Environmental Area adjoining the City of Roseville's new LEED™-certified Utility Exploration Center in Mahany Park, a 225-acre community park that receives well over 500,000 visitors a year. The IDEAscape Master Plan provides a vision for creating a vibrant and inspiring educational experience, including practical take-home messages on how to reduce dependence and impacts on our natural resources. As part of the team led by Leslie Stone Associates that is further refining the Master Plan, PlaceWorks assisted with the development of interpretive and interactive elements for formal and informal education in a naturalistic setting. The IDEAscape project will be playful, entertaining, and delightful, and the plan will convey a strong understanding of the interpretive, technical, aesthetic, and ecological issues that must be considered together to create an engaging educational experience. The project is currently on hold pending financial support.



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The Frontier Project

Owner: Cucamonga Valley Water District

Location: Rancho Cucamonga, CA





Description and accomplishments: The Frontier Project is a 14,200 SF sustainability demonstration building, LEED Platinum certified, that assists in educating resident consumers, commercial builders, and sustainable advocates about the latest methods and technologies in water, energy, and site conservation. In partnership with the 501(C)3 non-profit Frontier Project Foundation and the Cucamonga Valley Water District, HMC Architects developed strategic predesign services, including branding, strategic partnering, media and press kits, as well as all efforts related to soliciting partnership and generating awareness of the project's educational and design goals within the community. In addition, HMC's team of designers and LEED Accredited Professionals provided LEED certification, design, project management, construction documents, and construction services.

The Frontier Project provides a forum for education on the choices we make when we build, and the dramatic affects our choices have on the environment. Built over an 18-month period, the project is the result of a strong vision and close collaboration shared between the client, design team, and construction team.

The design strives to go beyond the norm of sustainable buildings as merely machines of green technologies by combining architectural and ecological design principles as equal forces in the formation of the building. The project shows how sustainable design can be economical, efficient and inviting by demonstrating innovations for Southern California living and working environments.

Despite the harsh desert climate, the indoor air temperature sustains a comfortable level by using the passive cooling tower system during summer months. Two solar chimneys, combined with the centralized cool tower, act as the respiratory system of the building by providing evaporative cooling and natural ventilation. The layering of building shells further optimizes the indoor comfort level. The outer shell, constructed of insulated concrete forms, acts as thermal mass to protect the building from the solar heat. The second shell is a cast-in-place concrete wall that provides lateral integrity to the building structure. The third shell, a north-facing curtain wall, maximizes diffused daylight and visual connection into the building. The inner shell is made of salvaged redwood from the local winery, and shades the south-facing wall of the office and conference wing.

The interior spaces are natural light-filled showcases of architectural materials—terrazzo floors sparkling with recycled glass chips, carefully detailed cabinetry and flooring of rapidly renewable bamboo, and highly textured insulated concrete walls contrasted against the warmth of FSC-certified wood-grille ceilings and reclaimed redwood. The main exhibition hall is open and fluid, maximizing flexibility and interconnectivity for ventilation and daylight. Expanses of glass create a constant visual link to the natural environment outside. Educational displays and signage throughout the building give visitors an understanding of all the green strategies employed in the project.

Health and Human Services Agency Zero Net Energy (ZNE) Facility

Owner: County of San Diego

Location: Oceanside, CA



Description and accomplishments: The Health and Human Services Agency's commitment to promote wellness, self sufficiency, and a better quality of life to families inspired our team to incorporate human-centric strategies throughout the design. To regenerate the workplace environment, the new facility will implement low-impact development standards, use sustainable design principles and practices, and be a shining example of high-performance architecture with minimal environmental impacts. Every aspect of the site, the building, and its systems are designed for the community and its occupants with resilience in mind.

Emphasizing workplace health, productivity, and overall occupant satisfaction resulted in a design that departed from traditional big-box buildings by inviting sun, wind, and light to inspire an experience that informed site planning, building orientation, and indoor environments.

The experience starts with regenerating community place-making by enhancing walkability from the surrounding community. The pedestrian experience focused on behavioral transitions from harsh hardscape environments to soft landscapes that embrace a biophilic approach, which values nature as a colleague in restoring human wellness and mental health.

Bioclimatic design captures environmental conditions to optimize building orientation, heights, window placement, entryways, and outdoor gathering areas. The program was divided into two linear fingers (south wing and north wing) and the entry atrium. This strategic planning decision gives all programs access to southern and northern light, and views so building occupants are always connected with nature's rhythms.

Choreographing daylight rhythms deep into the space was accomplished with narrow floor plates, clerestory windows, light shelfs, and solar-shading systems to block unwanted glare while inviting soothing ambient light deep inside. Operable windows optimize the cross-ventilation cooling opportunities during peak summer days, and the central atrium's design generates a negative pressure on the leeward side, turning it into a passive building ventilator to optimize natural ventilation strategies.

Outdoor air circulation is equally important. The two wings are capped by the entry atrium cradling a courtyard protected from onshore winds, providing opportunities for outdoor gathering and socialization. On inclement days, the atrium becomes a cozy gathering space, with nooks to retreat to or gather in groups. Indoor occupant comfort and wellness is consistently activated by providing views to the outside from the entry atrium to one's personal workplace. A central staircase, walkway bridges, and centrally located lounge are embraced with soft ambient light, and always place occupants one step away from the outside.

This positions the Health and Human Services Agency to be recognized by the New Building Institute (NBI) as a Zero Net Energy facility, and by the USGBC as a LEED Platinum building. Forging energy resilience, occupant wellness, and community integration are valued attributes of sustainable development that lead to regenerative futures.

Los Banos Community Center

Owner: City of Los Banos

Location: Los Banos, CA

Description and accomplishments: HMC provided planning and design services for the 34,400 SF community center. Located adjacent to the existing Henry Miller Plaza, the new community center complements the park's outdoor amenities with additional community gathering space. The site, comprised of four buildings and a central courtyard, features a grand room with adjoining kitchen, lobby and reception area, and storage space. The grand room accommodates 470 for dining and 360 for assembly. A separate building houses a multipurpose room with full gymnasium and bleacher seating for 140 spectators, as well as restrooms and sports equipment storage space. A third building houses administrative offices, a senior lounge, fitness studio, game room, an arts and crafts center, and a quiet room. The full-block site also has an exterior barbecue patio, grand-room patio area, a covered walkway between the buildings, and parking lot with drop-off area

"I believe the test of how good a project is comes after living with it and the new wears off. When I walk around the facility today and watch the community and how they're using it, I love it as much today as the day it opened!"
—Steve Rath, City Manager







Woodcrest Library

Owner: County of Riverside Economic Development Agency

Location: Riverside, CA

Description and accomplishments: This contemporary interpretation of the Craftsman style of architecture serves to both honor the history of the region and demonstrate environmental stewardship. Woodcrest Library was Riverside County's first LEED certified building.





The 10,000 SF library rests on two acres of land in the residential Woodcrest area of Riverside County. The single-story building includes a tutoring space, public meeting rooms, offices, patio, covered walkways, and an extensive water-wise demonstration garden. An outdoor reading porch accessible from the entry connects to the water-wise demonstration garden and the natural arroyo for public use.
Exposed wood structure, wood detailing, and stone elements are borrowed from the Craftsman style, as is the melding of the built environment with the surrounding landscape. Native boulders are clustered to create seating areas for instruction about water conservation and the appreciation of natural resources. The terraced site includes an interpretive garden of drought-tolerant plant material and expansive shade trees, which becomes progressively more natural in character as it approaches the streambed.





High-performance features include low-water native landscaping, a permeable parking lot to reduce and use storm runoff, ambient lighting from roof and windows to reduce the use of artificial light, and the use of durable and sustainable building materials. The water-wise garden contains indigenous and adaptive plants that require little water once established. Native boulders are clustered to create seating areas where instruction about water conservation and the appreciation of natural resources may be provided to visiting groups. The expansive use of decomposed granite stabilized with psyllium husk creates a storm-water-permeable surface that allows the natural return of water to aquifers. The building's south elevation is protected from solar heat gain by solar-shading devices in the form of trellises composed of wood certified by the Forest Stewardship Council. These solar-shading devices, used in combination with light-colored paving materials, reduce the heat island effect.

Clearwater Elementary School

Owner: Perris Unified School District

Location: Perris, CA

Description and accomplishments: Stakeholders in the planning process included representatives from the local community, school board members, and district and school representatives. Stakeholders were very hands-on when working through the visioning workshops that led to the most collaborative and sustainable campus Perris ESD has ever built.

This new campus was forged during one of California's most severe droughts on record, and the design team created learning environments that model water conservation. Wetlands basins were created to enhance student understanding of how the site collects and retains stormwater, filters out pollutants, and recharges the basin by reducing run-off using bioswales leading to biodetention ponds. Above-grade cisterns capture rainwater for watering the raised vegetable beds, which provide hand-on opportunities for students to actively participate in the water-wise curriculum. Informational signs placed at strategic points around the campus—and along its perimeter—assist in teaching stewardship not only to students but also to passersby, further integrating the school into the community and extending the water conservation mission.

To fund these critical elements, Eric Carbonnier spearheaded a grant proposal that provided $982,138 from the California State Water Resources Control Board's Drought Response Outreach Program for Schools (DROPS). Additional environmental education resources and experiences are provided through partnerships with the California Regional Environmental Education Community (CREEC), Inland Empire Water Keeper, and Wild California.

Clearwater Elementary School includes group collaboration spaces, and three outdoor classrooms complete with wet project areas, seating, and shading elements. Flexible spaces are situated in the heart of campus and connected to an outdoor sunken gathering area. Outdoor learning is further reinforced with the inclusion of a community garden, cisterns, and raised planters to promote garden-to-fork opportunities. These water conservation and gardening strategies are intentionally on display, and seeing their immediate usefulness adds a tangible component to the curriculum that students can take home and implement, creating a stronger tie-in with the surrounding community.









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Western Riverside Council of Governments
Executive Committee

Staff Report

Subject: **TUMF Program Activities Update**

Contact: **Christopher Gray, Director of Transportation, cgray@wrcog.us, (951) 955-8304**

Date: **October 2, 2017**

The purpose of this item is to *request that the Executive Committee approve two Reimbursement Agreements for TUMF projects and to provide an update on member jurisdiction adoption of the TUMF Ordinance for the 2016 TUMF Nexus Study.*

Requested Actions:

1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Lake Elsinore for the SR-74 / I-15 Interchange Project in an amount not to exceed $2,634,251.
2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement with the City of Riverside for the Adams Street / SR-91 Interchange Project in an amount not to exceed $4,100,000.

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, groupings of jurisdictions—referred to as TUMF Zones—based on the amounts of fees collected in these groups, and the Riverside Transit Agency.

TUMF Reimbursement Agreements

Two Reimbursement Agreements for TUMF projects are summarized below.

City of Lake Elsinore (one agreement):

1. SR-74 / I-15 Interchange Project in the amount of $2,634,251: This Project will improve the interchange to alleviate congestion along the SR-74 corridor in the City. The Planning Phase of the project includes the preparation of the Final Project Report and the Final Environmental Assessment Report. This Reimbursement Agreement is for the Planning phase of the Project.

City of Riverside (one agreement):

1. Adams Street / SR-91 Interchange Project in the amount of $4,100,000: This Project will improve the interchange to alleviate congestion along Adams Street in the City. The Planning and Engineering phases of the project include preparation of the documents necessary to provide California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) clearance and prepare the Plans, Specifications, and Estimates. This Reimbursement Agreement is for the Planning and Engineering phases of the Project.

Revised TUMF Nexus Study

On July 10, 2017, the Executive Committee approved the 2016 TUMF Nexus Study, which included comprehensive updates to the growth forecast, TUMF Network, and unit cost assumptions. The Executive Committee approved the Study and recommended TUMF participating agencies update their fees by amending their applicable TUMF Ordinances to reflect changes in the TUMF Network and the costs to construct facilities. The TUMF Fee Schedule approved by the Executive Committee is below:

Land Use type	November 1 – June 30, 2019	July 1, 2019 – June 30, 2020	After July 1, 2020
Single-family residential	**$8,873**	**$9,146**	**$9,418**
Multi-family residential	**$6,134**	**$6,134**	**$6,134**
Industrial	**$1.77**	**$1.77**	**$1.77**
Retail	**$7.50**	**$7.50**	**$7.50**
Service	**$4.56**	**$4.56**	**$4.56**
Class A & B Office	**$2.19**	**$2.19**	**$2.19**

Staff distributed the TUMF Ordinance / Resolution to member agencies on July 11, 2017, for review and adoption. As of this writing the Cities of Banning, Beaumont, Canyon Lake, Calimesa, Corona, Hemet, Jurupa Valley, Menifee, Moreno Valley, Perris, Norco, San Jacinto and Temecula have adopted the Ordinance. The following jurisdictions have currently scheduled meetings to adopt the Ordinance: Eastvale, March JPA, Murrieta, Riverside, and the County of Riverside. Staff attended the majority of these meetings and provided support to member agency staff in terms of providing presentations and answering questions regarding the TUMF Program. Several agencies asked specific questions regarding TUMF projects previously completed within its respective jurisdictions. WRCOG also prepared template staff reports and presentations for use by jurisdiction staff in these meetings.

Staff is scheduling individual meetings with members to provide updates on the 2016 TUMF Nexus Study and any other TUMF-related items. Staff met, or is scheduled to meet, with the following jurisdictions: Banning, Beaumont, Calimesa, Corona, Eastvale, Lake Elsinore, Moreno Valley, Murrieta, Riverside, Temecula and March JPA. The purpose of these meetings is primarily to address any outstanding issues regarding fee calculations and to serve as a check-in regarding on-going projects.

Review of Developer Credit Agreements

WRCOG staff and consultants completed a comprehensive review of all Developer Credit Agreements since the inception of the Program. These agreements allow developers to construct TUMF facilities in lieu of the payment of TUMF fees. This review concluded these agreements resulted in the construction of over $200 million in transportation infrastructure, demonstrating these agreements are a valuable component of the TUMF Program. This review also indicated WRCOG should consider revising language in the agreements, specifically: consideration of a provision related to a kick-off meeting involving WRCOG, the member agency, and the Developer, and whether there should be a provision that limits the timeline of the agreement. One key finding of the review is the discovery of several credit agreements that were executed in the mid-2000s, but no improvements were ever built and it is uncertain whether these development agreements retain their previous entitlements. Staff presented this information to the Public Works Committee (PWC), which recommended that staff identify potential changes in the Credit Agreement Template that jurisdictions use and bring those specific changes back to the PWC prior to consideration by other WRCOG Committees.

Forthcoming Efforts

Staff are finalizing several documents related to the implementation of the TUMF Program. These documents include an updated Fee Calculation Handbook and a TUMF Reimbursement Manual. The update to the Fee Calculation Handbook will address issues such as an updated fee calculation for gas stations and other

technical updates related to the adoption of the Nexus Study. The Reimbursement Manual provides greater clarity regarding expenses eligible for reimbursement and streamlines the process through which jurisdictions receive payment from WRCOG for their costs associated with TUMF Projects. Both of these documents will be brought forward through the WRCOG Committee structure for review and approval in late 2017.

Prior Action:

September 11, 2017: The Executive Committee 1) authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Murrieta for the Keller Road / I-215 Interchange Project in an amount not to exceed $2,250,000; 2) authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the County of Riverside for the Magnolia Avenue Grade Separation Project in an amount not to exceed $12,025,000; 3) authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the County of Riverside for the Newport Road / I-215 Interchange Project in an amount not to exceed $5,704,840; and 4) authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Corona for the Foothill Parkway Widening Project in an amount not to exceed $1,573,150.

Fiscal Impact:

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

Attachments:

1. Reimbursement Agreement with the City of Lake Elsinore for the SR-74 / I-15 Interchange.
2. Reimbursement Agreement with the City of Riverside for the Adams Street / SR-91 Interchange.

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Item 5.F

TUMF Program Activities Update

Attachment 1

Reimbursement Agreement with the City of Lake Elsinore for the SR-74 / I-15 Interchange

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TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
SR-74 / I-15 INTERCHANGE
PLANNING PHASE

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into as of this day of ____, 20__, by and between the Western Riverside Council of Governments ("WRCOG"), a California joint powers authority and **the City of Lake Elsinore,** a California municipal corporation. WRCOG and AGENCY are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

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

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

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

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

AGREEMENT

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

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for the **SR-74 / I-15 Interchange** (the "Project"), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit "A" attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the AGENCY and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

1) PA&ED – Project Approvals & Environmental Document

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **Two Million, Six Hundred Thirty Four Thousand, Two Hundred Fifty One Dollars ($2,634,251),** to be used for

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. Termination.

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

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

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

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

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

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

18. Indemnification.

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

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

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

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

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

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

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

(iii) Contain standard separation of insured provisions.

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

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

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

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

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

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

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

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

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

26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

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

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

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

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

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

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

If to AGENCY:
City of Lake Elsinore
130 South Main Street
Lake Elsinore, CA 92530
Attention: Grant Yates, City Manager
Telephone: 951-674-3124

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

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

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

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

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

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

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

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

[SIGNATURES ON FOLLOWING PAGE]

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

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____ Date: _____
Rick Bishop
Executive Director

Approved to Form:

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

CITY OF LAKE ELSINORE

By: _____ Date: _____
Mayor

Approved to Form:

By: _____ Date: _____

EXHIBIT "A"

SCOPE OF WORK

SR74/I-15 Interchange serves the City of Lake Elsinore and surrounding communities. SR 74 is designated as an augmented urban arterial (8-lanes) with a projected build-out daily traffic volume of 80,000. The interchange is a tight diamond configuration with fully developed surrounding commercial properties.

The SR-74 ramps and adjacent intersections within the project area are controlled by traffic signals. The close proximity of the local intersections to the On/Off ramps combined with high peak hour traffic volumes causes' congestion and delays at the SR74/I-15 interchange. The purpose of the proposed project would be to relieve congestion by improving traffic operation and reduce congestion in the vicinity of the SR74 & I-15 ramps. The improvement would also have to accommodate the projected 2040 traffic flow at ramp intersections and the regional transportation system. In order to accomplish this objective the City of Lake Elsinore in Cooperation with Caltrans is initiating the PA&ED phase of this project.

The scope of work for the PA&ED phase of this project includes;

Preparation of preliminary engineering alternative analysis

Traffic Impact Analysis

Value Analysis

Right-of-Way engineering & Appraisal

Preparation of Environmental studies

Project Management & Coordination

Preparation of Final Project Report

Preparation of Final Environmental Assessment Report

EXHIBIT "A-1"

ESTIMATE OF COST

Phase	TUMF	LOCAL	TOTAL
PA&ED	$2,634,251.00	$312,079.00	$2,946,330.00
PS&E			
RIGHT OF WAY			
CONSTRUCTION			
TOTAL			

***This Reimbursement Agreement is for the Planning Phase only.**

EXHIBIT "A-2"

PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	Dec 2019	$2,946,330.00	
PS&E	July 2021		
RIGHT OF WAY	July 2021		
CONSTRUCTION	March 2023		
TOTAL			

Elements of Compensation

EXHIBIT "B"

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the AGENCY incorporate this Exhibit "B-1" into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the AGENCY and ultimately to WRCOG for reimbursement of AGENCY contractor costs.

2. Each month the AGENCY shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG's Executive Director with a copy to WRCOG's Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit "B-2".

3. For jurisdictions with large construction projects (with the total construction cost exceeding $10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.

4. Each invoice shall include documentation from each contractor used by the AGENCY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits "B-4" and "B-5". All documentation from the Agency's contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit "B-3".

5. If the AGENCY is seeking reimbursement for direct expenses incurred by AGENCY staff for eligible Project costs, the AGENCY shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit "B" and its attachments.

6. Charges for each task and milestone listed in Exhibit "A" shall be listed separately in the invoice.

7. Each invoice shall include a certification signed by the AGENCY Representative or his or her designee which reads as follows:

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

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the AGENCY within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.

9. The final payment under this Agreement will be made only after: (I) the AGENCY has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the AGENCY has executed a Release and Certificate of Final Payment; and (iii) the AGENCY has provided copies of each such Release to WRCOG.

EXHIBIT "B-1"
[Sample for Professional Services]

For the satisfactory performance and completion of the Services under this Agreement, Agency will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (_____INSERT WRITTEN DOLLAR AMOUNT___) ($___INSERT NUMERICAL DOLLAR AMOUNT___) without written approval of Agency's City Manager [or applicable position] ("Total Compensation").

1. ELEMENTS OF COMPENSATION.

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

1.1 DIRECT LABOR COSTS.

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

1.1.1 DIRECT SALARY COSTS

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

1.1.2 MULTIPLIER

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

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

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

1.1.2.3 Overhead Costs _____

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

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

1.2 FIXED FEE.

1.2.1 The fixed fee is $_____.

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

1.3 ADDITIONAL DIRECT COSTS.

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

Rates for identified Additional Direct Costs are as follows:

ITEM	REIMBURSEMENT RATE
	[___insert charges___]
Per Diem	$ /day
Car mileage	$ /mile
Travel	$ /trip
Computer Charges	$ /hour
Photocopies	$ /copy
Blueline	$ /sheet
LD Telephone	$ /call
Fax	$ /sheet
Photographs	$ /sheet

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

2. DIRECT SALARY RATES

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

2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.

2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify Agency in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

POSITION OR CLASSIFICATION	RANGE OF HOURLY RATES
[___sample___]	
Principal	$ .00 - $ .00/hour
Project Manager	$ .00 - $ .00/hour
Sr. Engineer/Planner	$ .00 - $ .00/hour
Project Engineer/Planner	$ .00 - $ .00/hour
Assoc. Engineer/Planner	$ .00 - $ .00/hour
Technician	$ .00 - $ .00/hour
Drafter/CADD Operator	$ .00 - $ .00/hour
Word Processor	$ .00 - $ .00/hour

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

3. INVOICING.

3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to Agency's Executive Director with two (2) copies to Agency's Project Coordinator.

3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by Agency's Representative.

3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

3.4 A charge of $500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to Agency such as invoices, telephone logs, etc.

3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.

3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.

3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

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

Signed _____

Title _____

Date _____

Invoice No. _____

4. PAYMENT

4.1 Agency shall pay the Contractor within four to six weeks after receipt by Agency of an original invoice. Should Agency contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.

4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

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

Re: Project Title - Invoice #__

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

Invoice period covered is from __Month/Date/Year__ to __Month/Date/Year__.

Total Authorized Agreement Amount:	$0,000,000.00
Total Invoiced to Date:	$0,000,000.00
Total Previously Invoiced:	$0,000,000.00
Balance Remaining:	$0,000,000.00
Amount due this Invoice:	**$0,000,000.00**
	==========

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

By: _____
Name
Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to AGENCY

Month/Date/Year

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

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

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

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

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

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

By: _____
Name
Title

EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)

EXHIBIT B-5
Sample Progress Report

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

A. Activities and Work Completed during Current Work Periods

TASK 01 – 100% PS&E SUBMITTAL
1. Responded to Segment 1 comments from Department of Transportation
2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

TASK 01 – 100% PS&E SUBMITTAL
1. Completing and to submit Traffic Signal and Electrical Design plans
2. Responding to review comments

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Item 5.F

TUMF Program Activities Update

Attachment 2

Reimbursement Agreement with the City of Riverside for the Adams Street / SR-91 Interchange

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TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS
ADAMS STREET/STATE ROUTE 91 INTERCHANGE
PLANNING AND ENGINEERING PHASES

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into as of this day of ____, 20__, by and between the Western Riverside Council of Governments ("WRCOG"), a California joint powers authority and the City of Riverside, a California charter city and municipal corporation ("City"). WRCOG and the City are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

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

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

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

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

AGREEMENT

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

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the City for **Adams Street/State Route 91 Interchange**, (the "Project"), a Qualifying Project. The Work, including a timetable and a detailed scope of work, is more fully described in Exhibit "A" attached hereto and incorporated herein by reference and, pursuant to Section 20 below, is subject to modification if requested by the City and approved by WRCOG. The work shall be consistent with one or more of the defined WRCOG Call for Projects phases detailed herein as follows:

1) PA&ED – Project Approvals & Environmental Document
2) PS&E – Plans, Specifications and Estimates

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to City, on the terms and conditions set forth herein, a sum not to exceed **Four Millions One-Hundred**

Thousand Dollars ($4,100,000), to be used for reimbursing the City for eligible Project expenses as described in Section 3 herein ("Funding Amount"). The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project. Nevertheless, the Parties acknowledge and agree that WRCOG shall not be obligated to contribute TUMF Program Funds in excess of the maximum TUMF share identified in the TUMF Nexus Study ("Maximum TUMF Share"), as may be amended from time to time.

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

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

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

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

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

submits its request for appeal to WRCOG within ten (10) days of the Executive Director's written decision. The decision of the WRCOG Executive Committee shall be final. Additional details concerning the procedure for the City's submittal of invoices to WRCOG and WRCOG's consideration and payment of submitted invoices are set forth in Exhibit "B", attached hereto and incorporated herein by reference.

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

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

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

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

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

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

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

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

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

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

15. Termination.

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

(b) Effect of Termination. In the event that the City terminates this Agreement, the City shall, within 180 days, repay to WRCOG any unexpended TUMF Program Funds provided to the City under this Agreement and shall complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. In the event that WRCOG terminates this Agreement, WRCOG shall, within 90 days, distribute to the CITY TUMF Program Funds in an amount equal to the aggregate total of all unpaid invoices which have been received from the City regarding the Project at the time of the notice of termination; provided, however, that WRCOG shall be entitled to exercise its rights under Section 5(b), including but not limited to conducting a review of the invoices and requesting additional information. Upon such termination, the City shall, within 180 days, complete any portion or segment of work for the Project for which TUMF Program Funds have been provided. This

Agreement shall terminate upon receipt by the non-terminating Party of the amounts due to it hereunder and upon completion of the segment or portion of Project work for which TUMF Program Funds have been provided.

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

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

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

18. Indemnification.

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

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

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

all damages to WRCOG caused by the City's negligent performance of this Agreement or supervision of any services provided to complete the Project.

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

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

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

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

(iii) Contain standard separation of insured provisions.

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

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

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

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

4231 *et seq.*), if applicable, but the necessity of compliance with CEQA and/or NEPA shall not justify, excuse, or permit a delay in completion of the Project.

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

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

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

24. Equal Opportunity Employment. The Parties represent that they are equal opportunity employers and they shall not discriminate against any employee or applicant of reemployment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

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

26. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

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

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

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

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

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

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

If to CITY:
Kris Martinez, Public Works Director
Public Works Department
3900 Main Street, 4th Floor
Riverside, CA 92522
Telephone: (951) 826-5575
Facsimile: (951) 826-2046
Email: kmartinez@riversideca.gov

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

Any notice so given shall be considered served on the other party three (3) days after deposit in the U.S. mail, first class postage prepaid, return receipt requested, and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred regardless of the method of service.

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

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

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

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

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

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

[SIGNATURES ON FOLLOWING PAGE]

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

By:_____ Date:_____
Rick Bishop
Executive Director

Approved to Form:

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

CITY OF RIVERSIDE, a municipal
Corporation

By: _____ Date:_____

Atttest:_____
City Clerk

Approved to Form:

By:_____
Deputy City Attorney

EXHIBIT "A"

SCOPE OF WORK

SCOPE OF WORK:

Project Approval & Environmental Document (PA&ED): Prepare technical and environmental studies, reports, and documents necessary to provide CEQA and NEPA clearance, as well as to nominate a preferred alternative to reconfigure the Adams Street and State Route 91 Interchange.

Engineering (ENG): Prepare construction documents comprise of Plans, Specifications, and Estimates (PS&E) in order to advertise for bid and construct the proposed improvements to reconfigure the Adams Street and State Route 91 Interchange.

***This Reimbursement Agreement is for the Planning and Engineering Phases Only.**

EXHIBIT "A-1"

ESTIMATE OF COST

Phase	TUMF	FEDERAL	LOCAL	TOTAL
PA&ED	$2,000,000	$935,000		$2,935,000
PS&E	$2,100,000			$2,100,000
RIGHT OF WAY				
CONSTRUCTION				
TOTAL	$4,100,000	$935,000		$5,035,000

EXHIBIT "A-2"

PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	12/2020	$2,935,000	
PS&E	12/2022	$2,100,000	
RIGHT OF WAY	06/2023		
CONSTRUCTION	12/2025		
TOTAL		$5,035,000	

Elements of Compensation

EXHIBIT "B"

PROCEDURES FOR SUBMITTAL, CONSIDERATION AND PAYMENT OF INVOICES

1. For professional services, WRCOG recommends that the City incorporate this Exhibit "B-1" into its contracts with any subcontractors to establish a standard method for preparation of invoices by contractors to the City and ultimately to WRCOG for reimbursement of City contractor costs.

2. Each month the City shall submit an invoice for eligible Project costs incurred during the preceding month. The original invoice shall be submitted to WRCOG's Executive Director with a copy to WRCOG's Project Coordinator. Each invoice shall be accompanied by a cover letter in a format substantially similar to that of Exhibit "B-2".

3. For jurisdictions with large construction projects (with the total construction cost exceeding $10 million) under construction at the same time, may with the approval of WRCOG submit invoices to WRCOG for payment at the same time they are received by the jurisdiction. WRCOG must receive the invoice by the 5th day of the month in order to process the invoice within 30 days. WRCOG will retain 10% of the invoice until all costs have been verified as eligible and will release the balance at regular intervals not more than quarterly and not less than semi-annually. If there is a discrepancy or ineligible costs that exceed 10% of the previous invoice WRCOG will deduct that amount from the next payment.

4. Each invoice shall include documentation from each contractor used by the CITY for the Project, listing labor costs, subcontractor costs, and other expenses. Each invoice shall also include a monthly progress report and spreadsheets showing the hours or amounts expended by each contractor or subcontractor for the month and for the entire Project to date. Samples of acceptable task level documentation and progress reports are attached as Exhibits "B-4" and "B-5". All documentation from the City's contractors should be accompanied by a cover letter in a format substantially similar to that of Exhibit "B-3".

5. If the City is seeking reimbursement for direct expenses incurred by City staff for eligible Project costs, the City shall provide the same level of information for its labor and any expenses as required of its contractors pursuant to Exhibit "B" and its attachments.

6. Charges for each task and milestone listed in Exhibit "A" shall be listed separately in the invoice.

7. Each invoice shall include a certification signed by the City Representative or his or her designee which reads as follows:

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

Signed _____

Title _____

Date _____

Invoice No. _____

8. WRCOG will pay the City within 30 days after receipt by WRCOG of an invoice. If WRCOG disputes any portion of an invoice, payment for that portion will be withheld, without interest, pending resolution of the dispute, but the uncontested balance will be paid.

9. The final payment under this Agreement will be made only after: (I) the City has obtained a Release and Certificate of Final Payment from each contractor or subcontractor used on the Project; (ii) the City has executed a Release and Certificate of Final Payment; and (iii) the City has provided copies of each such Release to WRCOG.

EXHIBIT "B-1"
[Sample for Professional Services]

For the satisfactory performance and completion of the Services under this Agreement, City will pay the Contractor compensation as set forth herein. The total compensation for this service shall not exceed (_____INSERT WRITTEN DOLLAR AMOUNT___) ($___INSERT NUMERICAL DOLLAR AMOUNT___) without written approval of City's City Manager [or applicable position] ("Total Compensation").

1. ELEMENTS OF COMPENSATION.

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

1.1 DIRECT LABOR COSTS.

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

1.1.1 DIRECT SALARY COSTS

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

1.1.2 MULTIPLIER

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

1.1.2.1 Direct Salary Costs _____

1.1.2.2 Payroll Additives _____

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

1.1.2.3 Overhead Costs _____

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

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

1.2 FIXED FEE.

1.2.1 The fixed fee is $_____.

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

1.3 ADDITIONAL DIRECT COSTS.

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

Rates for identified Additional Direct Costs are as follows:

ITEM	REIMBURSEMENT RATE
	[___insert charges___]
Per Diem	$ /day
Car mileage	$ /mile
Travel	$ /trip
Computer Charges	$ /hour
Photocopies	$ /copy
Blueline	$ /sheet
LD Telephone	$ /call
Fax	$ /sheet
Photographs	$ /sheet

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

2. DIRECT SALARY RATES

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

2.1 Direct Salary Rates shall be applicable to both straight time and overtime work, unless payment of a premium for overtime work is required by law, regulation or craft agreement, or is otherwise specified in this Agreement. In such event, the premium portion of Direct Salary Costs will not be subject to the Multiplier defined in Paragraph 1.1.2 above.

2.2 Direct Salary Rates shown herein are in effect for one year following the effective date of the Agreement. Thereafter, they may be adjusted annually to reflect the Contractor's adjustments to individual compensation. The Contractor shall notify City in writing prior to a change in the range of rates included herein, and prior to each subsequent change.

POSITION OR CLASSIFICATION	RANGE OF HOURLY RATES
[___sample___]	
Principal	$ .00 - $ .00/hour
Project Manager	$ .00 - $ .00/hour
Sr. Engineer/Planner	$ .00 - $ .00/hour
Project Engineer/Planner	$ .00 - $ .00/hour
Assoc. Engineer/Planner	$ .00 - $ .00/hour
Technician	$ .00 - $ .00/hour
Drafter/CADD Operator	$ .00 - $ .00/hour
Word Processor	$ .00 - $ .00/hour

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

3. INVOICING.

3.1 Each month the Contractor shall submit an invoice for Services performed during the preceding month. The original invoice shall be submitted to City's Executive Director with two (2) copies to City's Project Coordinator.

3.2 Charges shall be billed in accordance with the terms and rates included herein, unless otherwise agreed in writing by City's Representative.

3.3 Base Work and Extra Work shall be charged separately, and the charges for each task and Milestone listed in the Scope of Services, shall be listed separately. The charges for each individual assigned by the Contractor under this Agreement shall be listed separately on an attachment to the invoice.

3.4 A charge of $500 or more for any one item of Additional Direct Costs shall be accompanied by substantiating documentation satisfactory to City such as invoices, telephone logs, etc.

3.5 Each copy of each invoice shall be accompanied by a Monthly Progress Report and spreadsheets showing hours expended by task for each month and total project to date.

3.6 If applicable, each invoice shall indicate payments to DBE subcontractors or supplies by dollar amount and as a percentage of the total invoice.

3.7 Each invoice shall include a certification signed by the Contractor's Representative or an officer of the firm which reads as follows:

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

Signed _____

Title _____

Date _____

Invoice No. _____

4. PAYMENT

4.1 City shall pay the Contractor within four to six weeks after receipt by City of an original invoice. Should City contest any portion of an invoice, that portion shall be held for resolution, without interest, but the uncontested balance shall be paid.

4.2 The final payment for Services under this Agreement will be made only after the Contractor has executed a Release and Certificate of Final Payment.

EXHIBIT B-2
Sample Cover Letter to WRCOG

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

Re: Project Title - Invoice #__

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

Invoice period covered is from __Month/Date/Year__ to __Month/Date/Year__.

Total Authorized Agreement Amount:	$0,000,000.00
Total Invoiced to Date:	$0,000,000.00
Total Previously Invoiced:	$0,000,000.00
Balance Remaining:	$0,000,000.00
Amount due this Invoice:	**$0,000,000.00**
	==========

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

By: _____
Name
Title

cc:

EXHIBIT B-3
Sample Letter from Contractor to CITY

Month/Date/Year

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

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

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

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

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

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

By: _____
Name
Title

EXHIBIT B-4
SAMPLE TASK SUMMARY SCHEDULE
(OPTIONAL)

EXHIBIT B-5
Sample Progress Report

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

A. Activities and Work Completed during Current Work Periods

TASK 01 – 100% PS&E SUBMITTAL
1. Responded to Segment 1 comments from Department of Transportation
2. Completed and submitted Segment 1 final PS&E

B. Current/Potential Problems Encountered & Corrective Action

Problems	Corrective Action
None	None

C. Work Planned Next Period

TASK 01 – 100% PS&E SUBMITTAL
1. Completing and to submit Traffic Signal and Electrical Design plans
2. Responding to review comments