Western Riverside Council of Governments
WRCOG Executive Committee

REVISED AGENDA

Monday, March 4, 2024
2:00 PM

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

Committee members are asked to attend this meeting in person unless remote accommodations have previously been requested and noted on the agenda. The below Zoom link is provided for the convenience of members of the public, presenters, and support staff.

Public Zoom Link
Meeting ID: 893 7088 6219
Passcode: 20242024

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Executive Committee meeting, please contact WRCOG at (951) 405-6702. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 200, Riverside, CA, 92501.

In addition to commenting at the Committee meeting, members of the public may also submit written comments before or during the meeting, prior to the close of public comment to jleonard@wrcog.us.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Janis Leonard 72 hours prior to the meeting at (951) 405-6702 or jleonard@wrcog.us. Later requests will be accommodated to the extent feasible.

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

1. CALL TO ORDER (Chris Barajas, Chair)

2. PLEDGE OF ALLEGIANCE

3. WELCOME NEW EXECUTIVE COMMITTEE MEMBERS
City of Banning: Sheri Flynn
City of Murrieta: Lisa DeForest

4. ROLL CALL

5. PUBLIC COMMENTS
At this time members of the public can address the Committee regarding any items within the subject matter jurisdiction of the 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 Committee in writing and only pertinent points presented orally.

6. 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 Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

A. Action Minutes from the December 4, 2023, WRCOG Executive Committee Meeting

Requested Action(s): 1. Approve the Action Minutes from the December 4, 2023, WRCOG Executive Committee meeting.

B. Action Minutes from the January 12, 2024, WRCOG Executive Committee Special Meeting

Requested Action(s): 1. Approve the Action Minutes from the January 12, 2024, WRCOG Executive Committee special meeting.

C. Finance Department Activities Update

Requested Action(s): 1. Receive and file.

D. WRCOG Committees and Agency Activities Update

Requested Action(s): 1. Receive and file.

E. Report out of WRCOG Representatives on Various Committees

Requested Action(s): 1. Receive and file.

F. Greenworks Commercial PACE Program Amended and Restated Master Indenture

Requested Action(s): 1. Adopt Resolution Number 03-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments approving the form of Amended and Restated Master Indenture for the issuance of the

Limited Obligation Bonds for the Greenworks Commercial PACE Program and approving other actions in connection thereto.

G. TUMF Program Activities Update: Approval of One TUMF Reimbursement Agreement, One TUMF Reimbursement Agreement Amendment, Three TUMF Credit Agreements, One TUMF Cooperative Agreement, and One TUMF Funding Agreement

Requested Action(s):

1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement between WRCOG and the City of Hemet for the Planning and Engineering Phases of the Esplanade Avenue Widening Project in an amount not to exceed $200,000.
2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Beaumont for the Engineering and Construction Phases of the Potrero Boulevard Interchange Project in an amount not to exceed $3,000,000.
3. Authorize the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Perris, and PW Land Investments, L.P., for the improvements of Evans Road for a maximum credit of $2,912,258.
4. Authorize the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Eastvale, and Arroyo CAP III-2, LLC., for the Widening of Limonite Avenue between Hamner Avenue to Sumner Avenue and Widening Hamner Avenue between Amberhill Avenue to Limonite Avenue with a maximum credit of $1,905,270.55.
5. Authorize the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Wildomar, and D.R. Horton Los Angeles Holding Company, Inc., for the improvements to Palomar Road, construction of an additional lane of approximately 800 linear feet from the western limits of the project to Starbuck Circle, with a maximum credit of $392,000.
6. Authorize the Executive Director to execute a TUMF Cooperative Agreement between WRCOG, the Riverside County Transportation Commission, the City of Wildomar, for the Bundy Canyon Road and Wildomar Trail Interchanges at I-15.
7. Authorize the Executive Director to execute a TUMF Funding Agreement between the Riverside County Transportation Commission and WRCOG for the I-10/Highland Springs Interchange PA&ED Phase.

7. REPORTS / DISCUSSION

Members of the public will have an opportunity to speak on agendized items at the time the item is called for discussion.

A. Strategic Planning Session Changes to Mission Statement and Guiding Principles

Requested Action(s):

1. Approve revisions to the WRCOG Strategic Plan to include the addition of clarifying language to the Mission Statement and the addition of Guiding Principles.

B. Approval of Fiscal Year 2023/2024 Mid-Year Budget Amendment

Requested Action(s):

1. Approve the Fiscal Year 2023/2024 Mid-Year Budget Amendment.

C. Climate Pollution Reduction Grant Memorandum of Agreement

Requested Action(s):

1. Authorize the Executive Director to negotiate and execute, subject to approval as to form by General Counsel, a Memorandum of Agreement between WRCOG, the San Bernardino County Transportation Authority / San Bernardino Council of Governments, and the Coachella Valley Association of Governments, and the execution of future amendments for the Climate Pollution Reduction Implementation Grant Program.

D. Clean Mobility Options Voucher Pilot Program - Community Car Share Pilot Funding

Requested Action(s):

1. Adopt Resolution Number 02-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments approving participation in the Clean Mobility Options Voucher Pilot Program.

E. Addition of Direct Capital Providers and Program Administrators to the Commercial PACE Program

Requested Action(s):

1. Adopt Resolution Number 01-24, A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing WRCOG to issue and directly place bonds to finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program with Direct Capital Providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Indenture and Bond Purchase Agreement, and authorizing the issuance of bonds pursuant to such Indenture or secured by assessments levied on commercial properties to finance the installation of eligible improvements on such commercial properties and approving other actions in connection thereto.

F. Presentation from California Contract Cities Association

Requested Action(s):

1. Receive and file.

8. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR
Rod Butler, City of Jurupa Valley

9. REPORT FROM COMMITTEE REPRESENTATIVES
CALCOG, Brian Tisdale
SANDAG Borders Committee, Crystal Ruiz

SAWPA OWOW Steering Committee, Wes Speake
SCAG Regional Council and Policy Committee Representatives
WRCOG Ad Hoc Committees

10. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR
Chris Barajas, City of Jurupa Valley

11. REPORT FROM THE EXECUTIVE DIRECTOR
Dr. Kurt Wilson

Access the report here.

12. ITEMS FOR FUTURE AGENDAS
Members are invited to suggest additional items to be brought forward for discussion at future Committee meetings.

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

14. NEXT MEETING
The next Executive Committee meeting is scheduled for Monday, April 1, 2024, at 2:00 p.m., in the County of Riverside Administrative Center, 4080 Lemon Street, 1st Floor, Board Chambers, Riverside.

15. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1):

- Case Number: RIC 1707210
- Antonio Zuniga, et al. v. Western Riverside Council of Governments, et al., Case No. 37-2021-00007702-CU-MC-NC (San Diego County Superior Court)
- Sanjuana Andrade v. Elias Aripez, et al., Case No. 37-2019-00052111-CU-BT-NC (San Diego County Superior Court)

16. ADJOURNMENT

WRCOG Executive Committee

Action Minutes

1. CALL TO ORDER

The meeting of the WRCOG Executive Committee was called to order by Chair Chris Barajas at 2:00 p.m. on December 4, 2023, at the Riverside County Administrative Center, 4080 Lemon Street, 1st Floor Board Chambers, Riverside.

2. PLEDGE OF ALLEGIANCE

Chair Barajas led the Committee members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Banning - Reuben Gonzalez
- City of Beaumont - Mike Lara
- City of Calimesa - Wendy Hewitt
- City of Canyon Lake - Mark Terry
- City of Corona - Jacque Casillas
- City of Eastvale - Christian Dinco
- City of Hemet - Jackie Peterson
- City of Jurupa Valley - Chris Barajas (Chair)
- City of Lake Elsinore - Brian Tisdale
- City of Menifee - Bob Karwin
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers
- City of San Jacinto - Crystal Ruiz
- City of Temecula - James Stewart
- City of Wildomar - Joseph Morabito
- County, District 1 - Kevin Jeffries
- County, District 2 - Karen Spiegel
- County, District 3 - Chuck Washington
- Eastern Municipal Water District (EMWD) - Phil Paule
- Western Water - Brenda Dennstedt

Absent:

- City of Moreno Valley - Elena Baca-Santa Cruz
- City of Murrieta - Ron Holliday
- City of Riverside
- County, District 5
- Riverside Co. Superintendent of Schools

4. PUBLIC COMMENTS

There were no public comments.

5. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)

- Antonio Zuniga, et al. v. Western Riverside Council of Governments, et al., Case No. 37-2021-00007702-CU-MC-NC (San Diego County Superior Court)

There was no report out on this item.

6. CONSENT CALENDAR

RESULT:	**APPROVED AS RECOMMENDED**
MOVER:	Lake Elsinore
SECONDER:	San Jacinto
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Norco, Perris, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, EMWD, Western Water

A. Action Minutes from the November 6, 2023, Joint Meeting of the WRCOG Executive Committee and Supporting Foundation

Action:

1. Approved the Action Minutes from the November 6, 2023, joint meeting of the WRCOG Executive Committee and Supporting Foundation

B. Finance Department Activities Update and Budget Amendment

Action:

1. Approved the Fiscal Year 2023/2024 Agency Budget Amendment

C. WRCOG Committees and Agency Activities Update

Action:

1. Received and filed.

D. Report out of WRCOG Representatives on Various Committees

Action:

1. Received and filed.

E. TUMF Program Activities Update: Approval of Three TUMF Credit Agreements

Actions:

1. Authorized the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Hemet, and Pulte Home Company, LLC., for the widening of New Stetson Road northbound for a maximum credit of $1,005,843.
2. Authorized the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Lake Elsinore, and Pulte Home Company, LLC., for the improvements of Nichols Road from Lake Street to Terra Cotta Road and Lake Street from Alberhill Ranch Road to a portion extending beyond Nichols Road for a maximum credit of $4,732,000.
3. Authorized the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Menifee, and Pulte Home Company, LLC., for the improvements of Goetz Road from the beginning south of Thornton Avenue and ending north of McLaughlin Road with a maximum credit of $1,208,943.

F. Voting Allocation for WRCOG Representatives on the Inland Regional Energy Network Executive Committee

Action:
1. Established voting allocation for WRCOG's representatives on the I-REN Executive Committee to allocate a missing vote equally at 1.5 to the members present, in the event of a split vote.

7. REPORTS / DISCUSSION

A. Environmental Department Program Activities Update

Action:
1. Received and filed.

B. Climate Pollution Reduction Grants Funding Opportunity

Action:
1. Received and filed.

8. REPORT FROM THE TECHNIAL ADVISORY COMMITTEE CHAIR

Technical Advisory Committee (TAC) Chair Rod Butler reported that the TAC met on November 16, 2023, and received a presentation by Cynthia Mejia from Amplify Communities regarding the Thrive Inland SoCal Program; an I-REN program activities update by Karina Camacho; and the presentation that was heard today by Casey Dailey regarding a new funding opportunity.

A working group was created to review member dues and had its first meeting on November 30, 2023. It is made up of TAC members from the Cities of Calimesa, Jurupa Valley, Perris, San Jacinto, and Temecula. Dr. Grace Martin from March JPA, Dr. Kurt Wilson, and WRCOG staff also attended the meeting. The discussion posed questions to staff regarding the current member dues structure, and what other comparable COGs are doing. The working group will meet two to three more times before making a recommendation to the TAC, which will then make a recommendation to the Executive Committee for potential action. The member dues structure has not changed since 2009, so it's time to evaluate the level of the dues, the overall structure, and identify what will be accomplished with that portion of the revenue stream.

9. REPORT FROM COMMITTEE REPRESENTATIVES

Crystal Ruiz, SANDAG representative, stated that the SANDAG Borders Committee report is included in the agenda packet.

Wes Speake, SAWPA OWOW Steering Committee representative, reported that as of November 15, 2023, the Santa Ana River Weather Modification Pilot Program is officially live and operational and clouds are being seeded for rainfall. For more information, interested persons may go to sawpa.gov. SAWPA is exploring innovative methods to enhance precipitation in the watershed, taking a proactive approach to address water scarcity in the region. The Program is monitoring and evaluating the process to ensure the methods are safe, environmentally responsible, and compliant with regulatory standards. SAWPA is committed to transparency, public engagement, and ensuring the community is informed and involved in the decision-making process, including when and where this happens.

10. REPORT FROM THE EXECUTIVE COMMITTEE CHAIR

Chair Barajas had nothing to report.

11. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson reported that the survey is still open for a few more days, and staff would love to get Committee members' feedback regarding WRCOG so that it may be incorporated into the Strategic Planning Session taking place on January 12, 2024, at Western Water. Dr. Wilson also introduced WRCOG's newest Management Analyst, Nicole Fay.

12. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

13. GENERAL ANNOUNCEMENTS

Committee member Crystal Ruiz announced that the City of San Jacinto will be holding a Candy Cane Lane event on Main Street on December 5, 2023, starting at 5:30 p.m. There will be snow for sledding and a lot of other things. Committee member Ruiz also wished everyone a happy Hanukkah and merry Christmas.

14. NEXT MEETING

The next Executive Committee meeting will be a Special Strategic Planning Session, scheduled for Friday, January 12, 2024, at 10:00 a.m., at the Western Municipal Water District, 14205 Meridian Parkway, Riverside.

15. ADJOURNMENT

The meeting was adjourned at 3:17 p.m.

WRCOG Executive Committee

Action Minutes

1. CALL TO ORDER

The special meeting of the WRCOG Executive Committee was called to order by Chair Chris Barajas at 10:00 a.m. on January 12, 2024, at the Western Municipal Water District, 14205 Meridian Parkway, 1st Floor Training Room, Riverside.

2. PLEDGE OF ALLEGIANCE

Chair Barajas led the Committee members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Beaumont - Mike Lara
- City of Canyon Lake - Dale Welty
- City of Corona - Jacque Casillas*
- City of Eastvale - Christian Dinco*
- City of Hemet - Jackie Peterson
- City of Jurupa Valley - Chris Barajas (Chair)
- City of Lake Elsinore - Brian Tisdale*
- City of Menifee - Bob Karwin
- City of Moreno Valley - Elena Baca-Santa Cruz
- City of Murrieta - Ron Holliday*
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers*
- City of San Jacinto - Crystal Ruiz
- City of Temecula - Zak Schwank
- City of Wildomar - Joseph Morabito
- Eastern Municipal Water District (EMWD) - Phil Paule
- Western Water - Brenda Dennstedt
- TAC Chair - Rod Butler

* Arrived after roll call.

Absent:

- City of Banning
- City of Calimesa
- City of Riverside
- County, District 1
- County, District 2
- County, District 3
- County, District 5

- Riverside Co. Superintendent of Schools

4. PUBLIC COMMENTS

There were no public comments.

5. WRCOG Review and Goal Setting Discussion Workshop

This was a discussion item only regarding the WRCOG Strategic Plan; there were no actionable items.

6. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, February 5, 2024, at 2:00 p.m., in the County of Riverside Administrative Center, 4080 Lemon Street, 1st Floor Board Chambers, Riverside.

15. ADJOURNMENT

The meeting was adjourned at 1:22 p.m.

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Finance Department Activities Update**

Contact: **Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741**

Date: **March 4, 2024**

Recommended Action(s):

1. Receive and file.

Summary:

The Finance Department is nearing the end of the annual audit and issuance of its Annual Comprehensive Financial Report. WRCOG also recently received the Government Finance Officer's Association (GFOA) award for excellence in reporting for its Fiscal Year 2021/2022 Annual Comprehensive Financial Report (ACFR).

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to provide information regarding Finance Department activities. This effort aligns with WRCOG's 2022-2027 Strategic Plan Goal #3 (Ensure fiscal solvency and stability of the Western Riverside Council of Governments).

Discussion:

Background

The Finance Department provides regular updates to WRCOG Committees regarding the financial status of WRCOG and also provides summaries of on-going activities that might be of interest to member agencies. The financial reports document Agency revenues and expenditures through the current fiscal year, as reported by various programs, funds, and other administrative divisions. On-going activities include the preparation of the Agency audit, budget amendments, and preparation of the WRCOG budget for consideration and approval by WRCOG Committees.

Present Situation

Fiscal Year 2021/2022 Annual Comprehensive Financial Report Award: WRCOG issued its financials in June 2023 and applied for the Government Finance Officer's Association (GFOA) award for excellence in reporting for its Annual Comprehensive Financial Report (ACFR); staff are pleased to announce that WRCOG has received the award.

Fiscal Year 2022/2023 Year End and Agency Audit: The final audit started in October 2023 and is currently approximately 90% complete. It is anticipated to be completed with the Agency's Annual Comprehensive Financial Report to be issued by March 2024.

Financial Documents

All of WRCOG's most recent financial statements, budget, monthly financials, amendments, etc., are located on the Agency's website **here**.

Prior Action(s):

None.

Financial Summary:

This item is for informational purposes only; therefore, there is no fiscal impact. Finance Department activities are included in the Agency's adopted Fiscal Year 2023/2024 Budget under the Finance Department under Fund 110.

Attachment(s):

None.

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: WRCOG Committees and Agency Activities Update

Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710

Date: March 4, 2024

Recommended Action(s):

1. Receive and file.

Summary:

Attached are summary recaps of actions and activities from recent WRCOG standing Committee meetings that occurred during the months of December 2023, January 2024, and February 2024.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to inform the Committee of actions and activities from WRCOG standing Committee meetings. This item aligns with WRCOG's 2022-2027 Strategic Plan Goal #4 (Communicate proactively about the role and activities of the Council of Governments).

Discussion:

Attached are summary recaps of actions and activities from recent WRCOG standing Committee meetings that occurred during the months of December 2023, January 2024, and February 2024.

Prior Action(s):

None.

Financial Summary:

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

Attachment(s):

Attachment 1 - WRCOG Committees Activities Update December 2023

Attachment 2 - WRCOG Committees Activities Update January 2024

Attachment 3 - WRCOG Committee Activities Update February 2024

Attachment

WRCOG Committees Activities Update December 2023

Western Riverside Council of Governments
Executive Committee Meeting Recap
December 4, 2023

Following is a summary of key items discussed at the last Executive Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10106/1223-EC-Agenda---Revised

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10113/ExecPPT1223

Environmental Department Program Activities Update

- Food Rescue program tasks have begun for participating member agencies that include inspections and education outreach to food waste generators and food rescue organizations. Inspections will continue through the end of the year.
- Several member agencies have participated in Love Your Neighborhood projects. The metrics are being tracked on the LYN website.
- Member agencies can still participate in both the Food Rescue program and the LYN projects.

Climate Pollution Reduction Grant Funding Opportunity

- The 2022 Inflation Reduction Act created a $5B grant program for municipalities, states, tribes, and territories to implement projects, programs, and policies to reduce GHG emissions by 2030.
- There are two phases – planning and implementation. Planning efforts are underway, being led by SBCOG; WRCOG, CVAG, and AQMD are also involved. The Planning phase deliverable is due March 1, 2024. The Implementation application is due April 1, 2024.
- Implementation funding is to be allocated based on Metropolitan Statistical Areas (MSA) in competitive solicitation.
- Based on the size of the Riverside / San Bernardino / Ontario MSA, the estimated size of the grant, if awarded, would be in the $100M - $199M range.
- WRCOG will coordinate with WRCOG member agencies and other key stakeholders to determine which projects to include in the forthcoming grant application.

Next Meeting

The next Executive Committee meeting will be a Special Strategic Planning Session, scheduled for Friday, January 12, 2024, at 10:00 a.m., at the Western Municipal Water District, 14205 Meridian Parkway, Riverside.

Western Riverside Council of Governments
Administration & Finance Committee
Meeting Recap
December 13, 2023

Following is a summary of key items discussed at the last Administration & Finance Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10114/Af-1223-ap

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10124/af1223pp

Commercial PACE Activities Update

- At the request of the Executive Committee Chair Chris Barajas, a PACE Ad Hoc Committee was convened and met on three separate occasions to discuss the options of expanding C-PACE to Director Capital Providers and to allow additional C-PACE providers to join the Program.
- The Ad Hoc Committee agreed to recommend to the Administration & Finance Committee to move forward with the expansion to partner with Direct Capital Providers.
- The Administration & Finance Committee approved continuing the C-PACE Program including the financing of Direct Capital Providers including financial institutions and banks, and the expansion of Program administration services to include additional C-PACE providers with additional safeguards.
- The item will be presented to the Executive Committee in February 2024.

Next Meeting

The next Administration & Finance Committee meeting is scheduled for Wednesday, February 14, 2024, at 12:00 p.m., in WRCOG's office at 3390 University Avenue, Suite 200.

Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
December 14, 2023

Following is a list of key items discussed at the last Planning Directors Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10115/pdc1223ap

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10122/PDC1223pp

High-Cube Warehouse Trip Generation Study

- WRCOG commissioned a trip generation study in 2018 at local high-cube facilities to verify local trip generation data that was utilized in the previous TUMF Nexus Study Update. Since the completion of that effort, a variety of factors have changed in the logistics industry. Since the COVID pandemic increased the frequency and magnitude of on-line shopping, it is appropriate to revisit the high-cube warehousing study as part of the current TUMF update. The Study analyzed trips generated at two different types of high-cube warehouses: Fulfillment Centers and Parcel Hubs.
- At Fulfillment Centers, the daily fleet mix seems to have changed such that there are more heavy vehicles and fewer passenger cars. There is reduced trip generation activity during the peak hours with more activity occurring in off-peak periods.
- At Parcel Hubs, the study showed an opposite trend compared to the Fulfillment Centers, with fewer trucks and an increase in passenger car trips. However, the study indicates there is not enough meaningful information that should be used to establish a local trip generation rate for Fulfillment Centers.
- WRCOG will initiate work on including any necessary changes to how TUMF is calculated for high-cube warehouses in the TUMF Fee Calculation Handbook based on the reduced trips observed in this analysis. These changes will be brought forth to this Committee for review when a complete update is conducted at the conclusion of the TUMF Nexus Study update process.

Prohousing Designation Feasibility Analysis

- WRCOG is utilizing REAP grant funding to help jurisdictions apply for the Prohousing Designation, a program administered by the California Department of Housing and Community Development, that aims to increase the availability of housing statewide by providing incentives to cities and counties in the form of additional points or other preference in the scoring of competitive housing, community development, and infrastructure programs.
- To receive the designation, a jurisdiction must complete an application detailing its existing and proposed Prohousing policies and programs. Jurisdictions deemed Prohousing by the State receive additional points or other preference in the scoring of competitive housing, community development, and infrastructure programs.
- The project team conducted interview calls with 13 participating WRCOG member agencies. Based on interviews and additional background research, WSP generated an estimate of each agency's score. The staff report for this item includes a list of possible actions jurisdictions can take to receive more points on the application.
- WRCOG will be allocating REAP 2.0 funding to assist interested member jurisdictions to apply for the prohousing designation.

Affordable Housing Financing

- Daniel Bringhurst from the Euergetes Group provided a presentation to aid members in the pursuit of making more affordable housing available.
- The financial structure of creating affordable housing affects availability in two areas: (1) population reach, and (2) overall cost. The presentation included information on different financial structures available to make housing more affordable to develop.

Next Meeting

The next Planning Directors Committee meeting is scheduled for Thursday, February 8, 2023, at 9:30 a.m., in WRCOG's office at 3390 University Avenue, Suite 200, Riverside.

Western Riverside Council of Governments
Public Works Committee
Meeting Recap
December 14, 2023

Following is a list of key items discussed at the last Public Works Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10116/pwc1223ap

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10121/PWC1223ppt

High-Cube Warehouse Trip Generation Study

- WRCOG commissioned a trip generation study in 2018 at local high-cube facilities to verify local trip generation data that was utilized in the previous TUMF Nexus Study Update. Since the completion of that effort, a variety of factors have changed in the logistics industry. Since the COVID pandemic increased the frequency and magnitude of on-line shopping it is appropriate to revisit the high-cube warehousing study as part of the current TUMF update. The Study analyzed trips generated at two different types of high-cube warehouses: Fulfillment Centers and Parcel Hubs.
- At Fulfillment Centers, the daily fleet mix seems to have changed such that there are more heavy vehicles and fewer passenger cars. There is reduced trip generation activity during the peak hours with more activity occurring in off-peak periods.
- At Parcel Hubs, the study showed an opposite trend compared to the Fulfillment Centers, with fewer trucks and an increase in passenger car trips. However, the study indicates there is not enough meaningful information that should be used to establish a local trip generation rate for Fulfillment Centers.
- WRCOG will initiate work on including any necessary changes to how TUMF is calculated for high-cube warehouses in the TUMF Fee Calculation Handbook based on the reduced trips observed in this analysis. These changes will be brought forth to this Committee for review when a complete update is conducted at the conclusion of the TUMF Nexus Study update process.

TUMF Nexus Study Activities Update

- The TUMF Nexus Study draws a connection between the needs of the Program and the TUMF Program Fee Schedule. This Nexus Study identifies projects requiring mitigation from new development, determines what the cost of those projects will be, and what fees need to be assessed to fund these projects.
- Recent analysis through transportation modeling work has determined a list of projects eligible for mitigation. This list includes freeway interchanges, arterial widenings, bridges, and grade separations.
- WRCOG staff presented the updated list of eligible projects, discussed project cost revisions, and the eligibility of Intelligent Transportation System (ITS) costs.

Climate Pollution Reduction Grants Funding Opportunity

- The 2022 Inflation Reduction Act established the Climate Pollution Reduction Grants (CPRG) Program, which funds both planning and implementation grant opportunities. One million dollars was allocated to the Riverside / San Bernardino Metropolitan Statistical Area (MSA) to prepare a Priority Climate Action Plan (PCAP). Following submittal of the PCAP, the Riverside / San Bernardino MSA will be eligible to submit an application for implementation grants.

- One key requirement for the implementation grants is that any proposed GHG emissions reduction program, policy, or project that agencies want to fund must be first identified in the PCAP to be eligible for the larger funding amounts. EPA encourages eligible applicants to seek implementation funds for GHG emissions reduction measures that will significantly reduce cumulative GHG emissions by 2030 and beyond, and that will accelerate decarbonization across one or more major sectors responsible for GHG emissions.
- This subsequent application for the implementation grant is due April 1, 2024.

Next Meeting

The next Public Works Committee meeting is scheduled for Thursday, February 8, 2023, at 2:00 p.m., in WRCOG's office located at 3390 University Avenue, Suite 200, Riverside.

Attachment

WRCOG Committees Activities
Update January 2024

Western Riverside Council of Governments
Technical Advisory Committee
Meeting Recap
January 18, 2024

Following is a summary of key items discussed at the last Technical Advisory Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10132/tac011824ap

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10133/tacppt0124

RCTC's Draft 2024 Traffic Relief Plan

- In February 2023, RCTC directed its staff to review the Commission-adopted 2020 Traffic Relief Plan (TRP or Plan) and make recommendations for updates based on new information, including population growth, new state transportation policies, available funding, and changes in technology, as well as projects that have already been completed and newly identified needs.
- The TRP is a transportation infrastructure planning and funding strategy to deliver a backlog of transportation improvements and address Riverside County's future transportation and mobility needs. While the 2020 TRP was not funded, it identifies the Commission's vision, values, and long-term transportation priorities for Riverside County.
- In October 2023, RCTC approved a draft 2024 TRP for public outreach and engagement. RCTC staff is now conducting a robust, in-person and digital public engagement and outreach effort to receive direct feedback on the draft 2024 TRP. Public input will be considered as the Commission finalizes the Plan in spring of 2024 and determines if a new measure will be placed on the November 2024 general election ballot.

Local and Regional Demographic Data and Land Use Trends

- WRCOG tracks data on development trends through TUMF collection, travel patterns and trip generation studies, population growth, and other trends through various projects and efforts.
- Through this work, WRCOG is constantly gathering information on interrelated topics and demographic shifts that are currently impacting the WRCOG subregion, or will at some point in the future.
- WRCOG staff presented key takeaways from TUMF, Census data, and WRCOG studies to frame several local and regional trends. These trends are shared with the goal of helping member agencies reach their own goals through successful and proactive planning.

Next Meeting

The next Technical Advisory Committee meeting is scheduled for Thursday, February 15, 2024, at 9:30 a.m. in the WRCOG office at 3390 University Avenue, Riverside.

Attachment

WRCOG Committees Activities
Update February 2024

Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
February 8, 2024

Following is a list of key items discussed at the last Planning Directors Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10141/pdc-0224-revised-ap

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10152/pdc-0224-ppt

California Planning Legislation 2023

- A matrix, developed by National Community Renaissance, was based upon recently passed planning-related bills in the California legislation. The matrix includes a description of the bill, implementation notes, potential impacts, a date which the bill becomes effective, and more. This information provided is intended to help member agencies with the implementation of new requirements and may be used as a resource and reference guide.
- The presentation focused on the following bills:
  - SB 69 – requires local agencies to file a notice of determination with the State Clearinghouse in addition to the county clerk.
  - AB 894 – requires local agencies to allow developments to count underutilized and shared parking spaces toward a parking requirement imposed by the agency, under specified conditions.
  - SB 684 – requires local agencies to ministerially approve subdivision maps for qualifying small housing development projects.
  - SB 4 – creates a streamlined approval process for qualifying affordable housing development on land owned by faith institutions and nonprofit institutions of higher learning.
  - AB 976 – makes permanent a prohibition on a local agency's ability to impose owner-occupancy requirements on ADUs.
  - AB 1033 – authorizes a local agency to pass an ordinance allowing for the separate conveyance of a primary dwelling unit and accessory dwelling unit or units as condominiums, as specified.
  - AB 1332 – requires each local agency to develop a program for the preapproval of ADUs in areas zoned for residential use, as specified, by January 1, 2025.
- The matrix referenced is attached to the staff report in the agenda packet.

REAP SRP 1.0 & 2.0 Housing Activities Update

- WRCOG received an allocation of $1.7M REAP SRP 1.0 funds. The REAP SRP 1.0 MOU term ended in December 2023. WRCOG had previously expected to receive a REAP SRP 2.0 allocation of $1.6M; however, this funding has been put on hold pending further State budget discussions.
- Of note, REAP 1.0 produced tools such as the following:
  - Affordable Housing Pipeline to provide an understanding where affordable housing projects are, at what phase they are in, and identify good candidate sites based on requirements and scoring criteria for funding opportunities.

- SB 9 Toolkit to provide members with the maximum amount of control over SB 9 applications should any applications come forward.
- Objective Design Standards Toolkit to provide members with the ability to have the maximum level of control over housing projects within the context of existing State legislation and regulations.

- WRCOG applied for REAP 2.0 funds; however, due to California's budget deficit, SCAG has directed WRCOG to stop working on any activities related to REAP 2.0. At this time it is likely that the REAP SRP 2.0 program will be cut entirely or partially. WRCOG will update the PDC members as information becomes available.

SB 330 – No Net Loss Implementation

- SB 330 aims to ensure no reduction in housing density or development potential, incorporating "no net loss" requirements to maintain or increase housing availability by allowing flexible density shifting. This item was brought forth to hear from members if these requirements have been an impediment to development in their respective jurisdictions.
- The no net loss requirements prohibit the reduction of residential density, or down-zoning. A few jurisdictions in the subregion have adopted ordinances to address this requirement; these agencies have developed a creative approach to density bonus allowances and built in flexibility to assist in a more streamlined entitlement process.
- The City of Moreno Valley shared that it has developed an ordinance that was implemented a few years ago for the purposes of SB 330 and that it has been utilized twice.
- There was interest from the Committee for a model ordinance to be developed so staff will follow-up with additional information.

Next Meeting

The next Planning Directors Committee meeting is scheduled for Thursday, April 11, 2024, at 9:30 a.m., in WRCOG's office at 3390 University Avenue, Suite 200, Riverside.

Western Riverside Council of Governments
Public Works Committee
Meeting Recap
February 8, 2024

Following is a list of key items discussed at the last Public Works Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10142/pwc-0224-revised-agenda

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10153/pwc0224ppt

SoCalGas Regional Energy Pathways Program

- SoCalGas continues to support public agencies that previously participated in Local Government Partnerships, such as the Western Riverside Energy Partnership, with the new Regional Energy Pathways Program. This new Program provides project support, incentives, rebates, and technical assistance for public agencies seeking to implement natural gas energy efficiency (EE) projects.
- WRCOG has been hired by SoCalGas to conduct outreach to public sector customers in Riverside and San Bernardino Counties and inform them of SoCalGas' EE programs to incentivize natural gas EE projects. SoCalGas operates multiple programs available for different types of public entities such as the Public Direct Install Program, California Foodservice Instant Rebates Program, Midstream Water Heating Program, and the Regional Energy Pathways Program.
- Over the next year WRCOG will be conducting outreach to inform public sector customers in Riverside and San Bernardino Counties on SoCalGas' EE programs and assist with potential natural gas EE projects.

Access to StreetLight Data Platform

- SCAG purchased a regional subscription to access connected vehicle data via StreetLight Data. SCAG's StreetLight Data subscription can be accessed for free by any member agency or any consultant working on projects with member agencies.
- StreetLight Data may be utilized for real-time, quick analyses, such as the following:
  - Bandwidth plots – analysis of origin-destination patterns on highways.
  - Top routes – analyze routes utilized to get to a specific location or to travel between two locations.
  - Origin-destination – analyze traffic traveling from one group of locations to another and provide useful trip attributes.
  - Distribution – provides the proportion of trips traveling to/from a set area.
- Members are encouraged to reach out to SCAG to access this platform at no-cost. Please reach out to Jisu Lee (leej@scag.ca.gov) for access and Diwu Zhou (d.zhou@fehrandpeers.com) with any questions.

TUMF Nexus Study Activities Update

- Nexus Study update continues and this update contained three topics - a review and confirmation of eligible projects, an update on project cost estimates, and a review of obligated funding towards Nexus Study projects.
- Projects with current reimbursement agreements that lose eligibility in the Nexus Study update will not lose funding. WRCOG has met with members to review project eligibility and has addressed all comments and concerns.

- A final review of project costs was conducted to update the 2022 review. These costs determine the potential funding of all projects included in the Nexus Study.
- WRCOG is conducting a final review of all obligated funding from federal, state, regional and local programs. Obligated funding is subtracted from the project's total cost and ensures TUMF funding is not used for project costs already funded.

Next Meeting

The next Public Works Committee meeting is scheduled for Thursday, April 11, 2024, at 2:00 p.m., in WRCOG's office located at 3390 University Avenue, Suite 200, Riverside.

Western Riverside Council of Governments
Administration & Finance Committee
Meeting Recap
February 14, 2024

Following is a summary of key items discussed at the last Administration & Finance Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10162/AandF-agendapacket-0224

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10178/af-0224-ppt

33rd Annual General Assembly & Leadership Address Community Service Award (CSA) Nominations

- CSA nominations will be open February 16 - March 8. The nominations will be reviewed by the A&F Committee and presented for approval by the Executive Committee on April 1.
- Guidelines for nominations were reviewed and approved by the A&F Committee.
- Executive Committee and TAC members can submit a nomination at https://wrcog.wufoo.com/forms/2024-wrcog-community-service-award-nomination-form/

TUMF Nexus Study Activities Update

- As the TUMF Program Administrator, WRCOG is responsible for regular updates of the TUMF Nexus Study, which establishes the legal basis for the collection of TUMF.
- The technical work for the TUMF Nexus Study is complete and the TUMF Network was developed through extensive consultation with WRCOG member agencies.
- Preliminary fee estimates were shared with the A&F Committee. It was noted that once a draft Study is available, it will be shared with key stakeholders to facilitate their input into the process.

Climate Pollution Reduction Grant (CPRG) Memorandum of Agreement (MOA)

- WRCOG, the San Bernardino County Transportation Authority (SBCTA), and the Coachella Valley Association of Governments (CVAG) are collaborating to develop priority regional measures including collaboration with the South Coast Air Quality Management District (AQMD).
- Possible priority regional measures include 1) a decarbonization revolving fund for energy efficiency and solar and better storage, led by WRCOG through the Inland Regional Energy Network, 2) direct install / incentives for residential energy efficiency improvements for low-income residents and disadvantaged communities, led by CVAG, 3) light-duty zero emission vehicle (ZEV) charging, led by SBCTA and the San Bernardino Council of Governments (SBCOG) and 4) support for electrifying goods movement, led by AQMD.
- The A&F Committee approved the recommended action to have WRCOG staff continue moving forward with negotiating and executing a MOA between WRCOG, SBCTA / SBCOG, and CVAG. The MOA will meet all the requirements for CPRG and identify which agencies will lead the effort on the priority regional measure programs.

Strategic Planning Session Changes to Mission Statement and Guiding Principles

- On January 12, the Executive Committee met for its annual strategic planning session.
- At the session, Committee members reviewed and requested changes to its current mission statement and its guiding principles. An Ad Hoc Committee was formed, and the following changes were proposed.
    - Mission Statement (additional language added in red): The Mission of the Western Riverside Council of Governments is to facilitate, plan, and identify funding opportunities for critical infrastructure projects and implement regionally-significant programs that benefit its member agencies and the communities they serve.

- Guiding Principles (revision of guiding principles language):
  - STAY TRUE TO OUR MISSION
    - Maximize value to member agencies by prioritizing resources to support issues of mutual concern that are consistent with our core mission.
  - PRIORITIZE FAIRNESS
    - Strive for an environment in which each member agency's voice is heard and respected, and employees work in an environment where they feel safe, protected, and valued.
  - EARN PUBLIC TRUST
    - Respect the obligations and responsibilities of handling the public's business by maximizing transparency, incorporating industry best practices, and representing the interests of the people we serve.
  - THINK WITH A LONG-TERM FOCUS
    - Evaluate programs through a holistic and long-term lens that protects the general fund by mitigating unintended consequences, protecting the WRCOG brand, and striking a responsible balance between innovation and risk.
- These additions were presented and accepted at the A&F Committee meeting and will now be sent to the Executive Committee for consideration of adoption at its March meeting.

Next Meeting

The next Administration & Finance Committee meeting is scheduled for Wednesday, March 13, 2024, at 12:00 p.m., in WRCOG's office at 3390 University Avenue, Suite 200.

Western Riverside Council of Governments
Technical Advisory Committee
Meeting Recap
January 18, 2024

Following is a summary of key items discussed at the last Technical Advisory Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10132/tac011824ap

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10133/tacppt0124

RCTC's Draft 2024 Traffic Relief Plan

- In February 2023, RCTC directed its staff to review the Commission-adopted 2020 Traffic Relief Plan (TRP or Plan) and make recommendations for updates based on new information, including population growth, new state transportation policies, available funding, and changes in technology, as well as projects that have already been completed and newly identified needs.
- The TRP is a transportation infrastructure planning and funding strategy to deliver a backlog of transportation improvements and address Riverside County's future transportation and mobility needs. While the 2020 TRP was not funded, it identifies the Commission's vision, values, and long-term transportation priorities for Riverside County.
- In October 2023, RCTC approved a draft 2024 TRP for public outreach and engagement. RCTC staff is now conducting a robust, in-person and digital public engagement and outreach effort to receive direct feedback on the draft 2024 TRP. Public input will be considered as the Commission finalizes the Plan in spring of 2024 and determines if a new measure will be placed on the November 2024 general election ballot.

Local and Regional Demographic Data and Land Use Trends

- WRCOG tracks data on development trends through TUMF collection, travel patterns and trip generation studies, population growth, and other trends through various projects and efforts.
- Through this work, WRCOG is constantly gathering information on interrelated topics and demographic shifts that are currently impacting the WRCOG subregion, or will at some point in the future.
- WRCOG staff presented key takeaways from TUMF, Census data, and WRCOG studies to frame several local and regional trends. These trends are shared with the goal of helping member agencies reach their own goals through successful and proactive planning.

Next Meeting

The next Technical Advisory Committee meeting is scheduled for Thursday, February 15, 2024, at 9:30 a.m. in the WRCOG office at 3390 University Avenue, Riverside.

Western Riverside Council of Governments
Solid Waste Committee
Meeting Recap
February 21, 2023

Following is a summary of major items discussed at the February 21, 2023, Solid Waste Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10172/SWC-0224-ap

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10184/SWC-PPT-0224

Regional Food Rescue & Technical Assistance Program Activities Update

- SB 1383 outlines reducing organic waste disposal by 75% and rescuing at least 20% of currently disposed surplus food by the year 2025. Enacted in California, this legislation mandates that businesses, including supermarkets, grocery stores, and restaurants, must establish food waste prevention and food rescue programs.
- Current activities include:
  - Contractors developed the implementation plan
  - Development of authorization letters for Tier I & Tier II edible food generators (EFGs)
  - Development of authorization letters for Food Rescue Organizations (FROs)
  - Development of marketing pieces and outreach materials
  - Scheduling and performing inspections of EFGs
  - Scheduling and performing inspections of FROs
  - Development of workshops for FROs
  - Deployment of the app CAREIT
- FRO's and EFG's are using CAREIT to make successful food rescue connections
- Marketing materials have all been created. FRO workshop to be held on March 6 via Zoom.

Environmental Department Program Overview

- Programs for members include the school outreach presentations, Recollect, and the Love Your Neighborhood Program.
- Used Oil event planning and annual report are also available to those participating in the regional Used Oil Program.
- Completion and submission of the Electronic Annual Report is also provided to those participating member agencies.

Residential and Commercial Rate Survey Regarding Fees and Programs from Local Waste Haulers

- The Rate Survey serves as a resource for member agencies to compare and better understand the rates and services provided by waste haulers of neighboring jurisdictions.
- Overall, residential and commercial rates increased, driven by factors such as the Consumer Price Index and adjustments associated with new regulatory requirements and programs (i.e., Senate Bill 1383 compliance fee) or changing market conditions like recycling.

Next Meeting

The next Solid Waste Committee meeting is scheduled for Wednesday, May 15, 2024, at 1:00 p.m., in WRCOG's office at 3390 University Avenue, Suite 200, Riverside.

Western Riverside Council of Governments
Finance Directors Committee
Meeting Recap
February 22, 2023

Following is a summary of key items discussed at the last Finance Directors Committee meeting.

Agenda Packet: https://wrcog.us/DocumentCenter/View/10175/fdc-agendapacket-0224

PowerPoint Presentation: https://wrcog.us/DocumentCenter/View/10183/FDC-ppt-0224

Local and Regional Demographic Data and Land Use Trends

- One key demographic trend is the long-term and sustained decline in birth rates, which is leading to an aging population. 15 of the 18 cities in the WRCOG subregion saw their median age rise between the years 2010 and 2020.
- Another key trend is the continued influx of persons from other areas of the Country, particularly other areas of California.
- Concurrent with that, the WRCOG subregion is seeing continued residential and industrial growth along with a decline in retail construction.
- The combination of these demographic and development trends could have a short-term, mid-term, and long-term impact on municipal finances.

The Economy and Financial Markets

- As things currently stand, inflation remains above the Federal Reserve's target, the labor market is coming into better balance, and consumers continue to support growth through spending.
- Treasury yields ended the quarter materially lower, after peaking in October, while credit spreads narrowed sharply on increased expectations for a soft landing.

Fiscal Year 2024/2025 Agency Budget

- WRCOG has started the planning process for the upcoming Fiscal Year 2024/2025 budget. This year's focus will be on 12 key topics that will help to form the budget.
- No significant changes from an overall dollar and/or programmatic standpoint are anticipated at this point in time.

Next Meeting

The next Finance Directors Committee meeting is tentatively scheduled for Thursday, April 25, 2024, at 1:00 p.m., in WRCOG's office at 3390 University Avenue, Suite 200, Riverside.

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: Report out of WRCOG Representatives on Various Committees

Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710

Date: March 4, 2024

Recommended Action(s):

1. Receive and file.

Summary:

One key function of the Executive Committee is to appoint representatives to various external agencies, groups, and committees on behalf of WRCOG. This Staff Report provides a summary of activities related to appointments for CALCOG, the SANDAG Borders Committee, and the SAWPA OWOW Steering Committee.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item to provide information regarding various external agencies, groups, and committees related to WRCOG where WRCOG has appointed one or more representative(s) to serve as its representative. This item supports WRCOG's 2022-2027 Strategic Plan Goal #4 (Communicate proactively about the role and activities of the Council of Governments).

Discussion:

CALCOG Board of Directors (Brian Tisdale)

The CALCOG Board of Directors met on December 8, 2023. Agenda highlights include:

1. Strategic priority discussion.
2. Report on Facilitation of OPR Roundtable.
3. Regional Infrastructure Accelerator Grant Award.
4. Sustainable Partnership Grant Application.
5. Legislative Principles.
6. Continuing Education Employment Benefit.
7. Officer Elections.

The CALCOG Board of Directors met on February 7, 2024. Agenda highlights include:

1. Strategic Priority Progress Report.
2. REAP Budget Update.
3. CALCOG Legislative Principles Update.
4. Replacement of Gas Tax Education.
5. Sustainable Partnership Grant Applications.

The next CALCOG Board of Directors meeting is scheduled for March 15, 2024.

SANDAG Borders Committee (Crystal Ruiz)

The SANDAG Borders Committee met on January 26, 2024. Agenda highlights include:

1. 2025 Regional Plan Tribal and Binational Outreach Summary.
2. San Diego and Imperial Counties Sustainable Freight Implementation Strategy.
3. 2024 World Design Capital.
4. SANDAG's Approach to 2024 World Design Capital.

The next SANDAG Borders Committee meeting is scheduled for March 22, 2024.

SAWPA OWOW Steering Committee (Wes Speake)

The SAWPA OWOW Steering Committee meeting of January 25, 2024, was cancelled. The next SAWPA OWOW Steering Committee meeting is scheduled for March 28, 2024.

Prior Action(s):

None.

Financial Summary:

Appointed Committee members are paid $150 to attend their respective meetings. WRCOG stipends are included in the Agency's adopted Fiscal Year 2023/2024 Budget under the Administration Department in the General Fund (Fund 110).

Attachment(s):

Attachment 1 - CALCOG Board Agenda 120823

Attachment 2 - CALCOG Board agenda 020724

Attachment 3 - SANDAG Borders Committee 012624

Attachment

CALCOG Board of Directors

agenda 12/8/23

Effective Regions Through Partnership



California Association of Councils of Governments

BOARD OF DIRECTORS

MEETING AGENDA

December 8, 2023
8:30 P.M. - 2:30 P.M.

Meeting Connection Information (1:00 to 2:30 only):

Zoom Link:

https://us02web.zoom.us/j/6759856183

Meeting ID: 675 985 6183

Having trouble? Email Natalie at nzoma@calcog.org

BOARD MEETING AGENDA

TIME	ITEM	DESCRIPTION	PURPOSE	PAGE
8:30 pm	1	**Welcome.** Attendance will be recorded as members enter the room. **The Virtual business meeting will not begin until 1:00 pm.** Virtual board member attendees should type your name in the Zoom identifier and turn on your video. For agency staff, please type in your name and turn off your video.		
8:30 am	2	**Strategic Priority Discussion.** A framework for a discussion to identify consensus priorities Lunch will be served at 12:00	Discussion	6
1:00 pm	3	**Approval of September Board Meeting Minutes.**	Action	5
1:05 pm	4	**Report Out on Priority Discussion**. A summary of the discussion and direction provided through the priority discussion for those joining for the business meeting.	Information	7
1:20 pm	5	**Executive Director Report**. Work program update.	Information	8
1:25 pm	6	**Report on Facilitation of OPR Roundtable.** Summary of CALCOG contracted work related to OPR Roundtable for county CEOs and City Managers.	Information	10
1:35 pm	7	**Regional Infrastructure Accelerator Grant Award.** A $2 Million IIJA grant was announced in October to a joint team of Caltrans, 5 of our members, and CALCOG.	Information	20
1:40 pm	8	**Sustainable Partnership Grant Application.** Staff is seeking feedback, input, and approval on an idea for a joint Sustainable Partnership Grant application with the Association of Monterey Bay Area Governments.	Discussion & Action	22
1:55 pm	9	**Legislative Principles.** A preview of the legislative priorities staff anticipates working on in 2024.	Information	24
2:10 pm	10	**Continuing Education Employment Benefit.** Staff proposes an employee stipend for job-related education at the University level.	Action	26
2:15 pm	11	**Officer Elections.** Voting on the 2024 slate of CALCOG Officers.	Action	27

BOARD OF DIRECTORS ROSTER

- **President, Brian Tisdale,** Council Member, City of Lake Elsinore, Western Riverside Council of Gov'ts
- **First Vice President, Robert Poythress,** Supervisor, Madera County, Madera County Transportation Commission
- **Second Vice President, Jesse Arreguin,** Mayor, City of Berkeley, Association of Bay Area Governments
- **Immediate Past President, Fred Strong,** City of Paso Robles, San Luis Obispo Council of Governments
- **John Bauters,** Council Member, City of Emeryville, Alameda County Transportation Commission
- **Scott Funk,** Mayor Pro Tem, City of Gonzales, Association of Monterey Bay Area Governments
- **Jan Harnik,** Council Member, City of Palm Desert, Coachella Valley Association of Governments
- **Loella Haskew,** Council Member, City of Walnut Creek, Contra Costa Transportation Authority
- **Wendy Thomas,** Supervisor, El Dorado County, El Dorado County Transportation Commission
- **Gary Yep**, Mayor, City of Kerman, Fresno Council of Governments
- **Stacy Atkins-Salazar,** Council Member, City of Arcata, Humboldt County Association of Governments
- **Mike Goodsell,** Councilmember, City of Holtville, Imperial County Transportation Commission
- **Bob Smith**, Council Member, City of Bakersfield, Kern Council of Governments
- **Doug Verboon,** Supervisor, Kings County, Kings County Association of Governments
- **Russell Cremer,** Councilmember, City of Clearlake, Lake County/City Area Planning Council
- **John Haschak,** Supervisor, Mendocino County, Mendocino Council of Governments
- **Josh Pedrozo,** Supervisor, Merced County, Merced County Association of Governments
- **James P. Spering,** Commissioner Representing Solano County and Cities, Metropolitan Transportation Commission
- **Alfredo Pedroza**, Supervisor, Napa County, Napa Valley Transportation Authority
- **Patrick Harper,** Council Member, City of Fountain Valley, Orange County Transportation Authority
- **Paul Joiner,** Council Member, City of Lincoln, Placer County Transportation Planning Agency
- **Lisa Middleton,** Council Member, City of Palm Spring, Riverside County Transportation Commission
- **Michael Saragosa,** Mayor, City of Placerville, Sacramento Area Council of Governments
- **Bea Gonzales,** Supervisor, San Benito County, San Benito Council of Governments
- **Alan Wapner,** Council Member, City of Ontario, San Bernardino County Transportation Authority
- **Tim Hepburn,** Mayor, City of La Verne, San Gabriel Valley Council of Governments
- **Dan Wright,** City of Stockton, San Joaquin Council of Governments
- **Jenelle Osborne,** Mayor, City of Lompoc, Santa Barbara County Association of Governments
- **Zach Friend,** Supervisor, Santa Cruz County, Santa Cruz County Regional Transportation Commission
- **Tenessa Audette,** Councilmember, City of Redding, Shasta Regional Transportation Agency
- **Steve Young,** Mayor, City of Benicia, Solano Transportation Authority
- **Britt Huff,** Council Member, City of Rolling Hills Estates, South Bay Cities Council of Governments
- **Chris Rogers**, Mayor, City of Santa Rosa, Sonoma County Transportation Authority
- **Margaret Finlay,** Council Member, City of Duarte, Southern California Association of Governments
- **Richard O'Brien,** mayor, City of Riverbank, Stanislaus Council of Governments
- **Steve Teshara,** Board Representative, Tahoe Transportation District
- **Michael LeBarre**, Mayor, City of Kings City, Transportation Agency for Monterey County,
- **Amy Shuklian,** Supervisor, Tulare County, Tulare County Association of Governments
- **Mike Johnson,** Councilmember, City of Ventura, Ventura County Transportation Commission

* Designates Executive Committee Member

Quorum. A quorum requires a majority of active directors. A member has an active director when it has had a representative attend a board meeting within the last twelve months (including attendance at the current meeting). Staff develops a list of active members prior to each meeting and makes adjustments to the count if a formerly inactive member attends the current meeting.

Current Vacancies: Butte County Association of Governments, Calaveras Council of Governments, City/County Association of San Mateo Governments, Los Angeles County Metropolitan Transportation Authority, Orange County Council of Governments, San Diego Association of Governments, Santa Clara Valley Transportation Authority, Tahoe Regional Planning Agency, Transportation Agency of Marin, Tuolumne County Transportation Council

2. STRATEGIC PRIORITIES FOR 2024 — DISCUSSION/ ACTION

RECOMMENDED DISCUSSION FRAMEWORK

Confirm Objective: To prioritize one to three initiatives for the upcoming year that align with our principles and best serve the needs of our members. The priorities may be policy based (e.g., advocate for more funding) or organizational based (e.g., authorize staff to engage in new activity). Or something else. Some consideration should be given to what kind of resources will be necessary to achieve the priorities. By engaging the executive board and the staff that is present in a consensus-based process, we aim to establish a clear policy and organization roadmap that will focus our organization's effort for 2024.

CALCOG 101. To begin, staff will provide an overview of the CALCOG work program and how staff strives to serve our members and execute on the direction that we receive. The overview will also provide an overview of the assets, relationship, and other resources in which we rely in order to achieve our objects. This should provide a useful baseline for the conversation.

Identify Our Policy Landscape. We will also discuss the status of various ideas, emerging trends, and proposals that affect the ability of our members to provide effective services for their local agency members. Board members will be asked to identify the issues that are of the highest priority or most concern for their members agencies.

Vision and Purpose Check In. What is needed for effective regional governance to flourish in California? What can be done this year? Does your answer change if you focus what is needed over the next five to ten years? What can or should we be saying that no one else is saying?

Engage in A Prioritization Exercise. Begin to develop a list of priorities and issues that can be addressed in the upcoming year. Anyone nominating a potential idea or policy should explain why the idea deserves merit. Then we can start to discuss them. Some thoughts to consider are: some ideas be accomplished by amending the Legislative Principles? Do we have the ability to effect the change identified? Do we have sufficient resources? Which ideas have the greatest benefit for our members across the state? What ideas are necessary for CALCOG to function better? What does success look like? What should staff try to achieve?

Identify Priorities. By consensus.

Action Plan. Sketch an action plan for each item, identifying key task, responsible parties, who to partner with, and timelines. Identify where the resources are to achieve the desired outcomes. Discuss potential challenges and alternative strategies.

3. APPROVAL OF SEPTEMBER MEETING MINUTES ACTION

DRAFT
CALCOG Board Meeting Minutes
September 18th, 2023

1. ATTENDANCE

Attendance was taken visually as members logged into their accounts via the Zoom meeting platform:

- **President, Brian Tisdale**, Council Member, City of Lake Elsinore, Western Riverside Council of Governments
- **First Vice President, Robert Poythress**, Supervisor, Madera County, Madera County Transportation Commission
- **Immediate Past President, Fred Strong,** City of Paso Robles, San Luis Obispo Council of Governments
- **Jan Harnik**, Council Member, City of Palm Desert, Coachella Valley Association of Governments
- **Loella Haskew**, Council Member, City of Walnut Creek Contra Costa Transportation Authority
- **Wendy Thomas**, Supervisor, El Dorado County, El Dorado County Transportation Commission
- **Gary Yep**, Mayor, City of Kerman, Fresno COG
- **Stacy Atkins-Salazar**, Council Member, City of Arcata, Humboldt County Association of Governments
- **Russell Cremer**, Council Member, City of Clearlake, Lake County/City Area Planning Council
- **John Haschak**, Supervisor, Mendocino County, Mendocino Council of Governments
- **Josh Pedrozo**, Supervisor, Merced County, Merced County Association of Governments
- **James P. Spering**, Commissioner Representing Solano County and Cities, Metropolitan Transportation Commission
- **Patrick Harper**, Council Member, City of Fountain Valley, Orange County Transportation Authority
- **Paul Joiner**, Council Member, City of Lincoln, Placer County Transportation Planning Agency
- **Michael Saragosa**, Mayor, City of Placerville, Sacramento Area Council of Governments
- **Alan Wapner**, Council Member, City of Ontario, San Bernardino County Transportation Authority
- **Sandy Naranjo**, Vice Chair, Port of San Diego, San Diego Association of Governments
- **Becky Shevlin**, Mayor, City of Monrovia, San Gabriel Valley Council of Governments
- **Dan Wright,** City of Stockton, San Joaquin Council of Governments
- **Jenelle Osborne**, Mayor, City of Lompoc, Santa Barbara County Association of Governments
- **Zach Friend,** Supervisor, Santa Cruz County, Santa Cruz County Regional Transportation Commission
- **Tenessa Audette**, Council Member, City of Redding, Shasta Regional Transportation Agency
- **Steve Young**, Mayor, City of Benicia, Solano Transportation Agency
- **Britt Huff**, Council Member, City of Rolling Hills Estates, South Bay Cities Council of Governments
- **Margaret Finlay**, Council Member, City of Duarte, Southern California Association of Governments
- **Richard O'Brien**, Mayor, City of Riverbank, Stanislaus Council of Governments
- **Steve Teshara**, Board Representative, Tahoe Transportation District
- **Cindy Gustafson,** Supervisor, Placer County, Tahoe Regional Planning Agency
- **Mike Johnson**, Council Member, City of Ventura, Ventura County Transportation Commission

2. APPROVAL OF MINUTES
ACTION

- The minutes of June 30, 2023, were approved. Motion by Margaret Finlay, Seconded by Paul Joiner.

3. EXECUTIVE DIRECTOR'S REPORT
INFORMATION

- The executive director provided a brief report for information only. There were no materials.

4. TIRCP-ZETCP PROGRAM
INFORMATION

- The State's Fiscal Year 2023-24 Budget allocates over $5 billion to Regional Transportation Planning Agencies (RTPAs) under the Transit and Inter-City Rail Program (TIRCP) and the new Zero Emission Transit Capital Program (ZETCP). CALCOG's efforts involved organizing the first meeting with CalSTA officials and providing crucial feedback on program Guidelines. While the Guidelines looked promising, staff identified issues regarding administrative cost limitations for smaller agencies.

5. LEGISLATIVE UPDATE
INFORMATION

- Staff identified enrolled legislation, noting two-year bills of significance, and ongoing tracking on Brown Act-related measures.

6. IIJA REGIONAL INFRASTRUCTURE ACCELERATOR GRANT.
INFORMATION

- Staff provided an update on a joint grant application for the Regional Infrastructure Accelerator program under the Investment in Infrastructure and Jobs Act (IIJA). The grant, initially seeking $4 million, was scaled down to $2 million by FHWA, focusing on studying road pricing strategies related to tolling and other options on California highways. The project aligns with CALCOG's purpose of being an information-sharing organization and enhances its standing as a thought leader in regional governance and policies.

7. BOARD STRATEGIC RETREAT
INFORMATION

- Staff announced the 2023 Board Strategic Retreat in Riverside, CA on December 7th, and 8th, noting that CALCOG would host an evening reception/dinner on the 7th with full day on the 8th.

8. OFFICER NOMINATIONS
INFORMATION

- Staff opened officer nominations for 2024. Board members interested in officer positions were encouraged to submit an application to the nominations committee for consideration. Officer elections will be held at the December board meeting.

4. REPORT OUT ON STRATEGIC PRIORITY DISCUSSION — INFORMATION

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5. EXECUTIVE DIRECTOR'S REPORT — INFORMATION

A. BACKGROUND

The Executive Director's Report is a summary of recent actions, accomplishments, and issues related to the implementation of CALCOG's work program. Although intended to be informational, questions are welcomed and even encouraged. Sometimes the informal discussions that occur during these reports help inform staff and improve our work program. For this meeting, the Executive Director intends to report on the items listed below.

B. HIGHLIGHTS

- ***Regional Leadership Forum***. Mark your calendars. The Regional Leadership Forum is coming back to Monterey in the first week of February 7-9. More details at meeting.

- **Update Sixth Cohort of Leadership Academy**. The sixth (6th) cohort of the California Academy for Regional Leaders program has already met twice. Once in Sacramento (2 days) and just last week in San Diego (also 2 days). Last week, they had a leadership interview with retiring SANDAG executive director and CARL alum (we call "CARLA") Robyn Wapner, who has now advance to Government Affairs director for SANDAG. They also reflected on their reading of the Color of Law, were instructed in managing change, and toured the Border Facilities as Otay Mesa. A big "Thank You" to the folks at SANDAG that made us feel so welcome.

- **EV Webinar on September 26:** CALCOG host a sponsored webinar with So Cal Edison on EV charging infrastructure. We had strong attendance and good follow up. Thank you to Susan Freedman from SANDAG and Janet Orth from Mendocino COG for joining the panel discussion with So Cal Edison and Go Biz.

- ***Administrative Issues that We Are Monitoring.*** At any given time, staff is tracking several issues to assure that our members are informed and to make recommendations when necessary. Here are some of those current processes.

    - California Transportation Commission, SB 1121 Needs Assessment. The Legislature charged the CTC to develop a new transportation needs assessment that will also consider the full cost of achieving state goals, including lost gas tax revenues.

    - CAPTI-CSIS Implementation. We co-hosted a workshop with the Self Help Counties Coalition with the Director of Modal Programs at Caltrans to ensure that the draft guidelines reflect the capabilities and constraints of current systems.

    - RHNA Reform. The administration is due to develop a report that will address issues related to housing and RHNA at the end of the year.

    - Regional Transportation Plan Guidelines. The Guidelines are regulatory. We always review the process to assure that the Guidelines follow the traditional

"shall-may" rule, which is that although the Guidelines may suggest best practices, they may not require MPOs and RTPAs to take actions that are substantially beyond the scope of what is required by statute.

- ***CALCOG Operations.*** Here are some items related to the administration of our organization.
    - Completed Work under our REAP 1 Housing Contract With PlaceWorks. We have formally completed the $200,000 technical assistance contract. We are hopeful that some elements of the contract will be extended, but we are awaiting a decision from HCD as to the extent to which their may be additional funds for technical assistance work. (The contract was funded by HCD REAP 1 funds set aside for technical assistance that was awarded to PlaceWorks, a planning firm. CALCOG was a subcontractor for that arrangement). We expect to receive the majority of the funds within the next 30 days.
    - Bill Tracking Software Group License Discount for Members. Staff negotiated a group license deal with Capital Track (the service that provides our bill tracking) that will allow our members to purchase licenses for a discounted amount. We will be marketing it during the fall in advance of the Legislature reconvening in January
    - Moving the Office. Post pandemic, our office needs have changed. And our Lease is up in April. Fortunately, one of our members has extra space and is conveniently located down the block. We have begun conversations use the furnished space currently occupied by SACOG. It saves us money, helps out a member, and we will get access to their Board Meeting room for a certain number of days (on days they are not using it), which will also offset costs in other programs like the Leadership Academy.

6. CONTRACT TO PRODUCE LOCAL GOVERNMENT SUMMIT FOR OPR. INFORMATION

A. Summary

- **How it Started.** In late September, the Executive Officer of the Governor's Office of Planning and Research (OPR) approached CALCOG for help in identifying local government executives (e.g., city managers, county CEOs) for a roundtable to discuss local constraints related to implementation of state housing, transportation, and climate policy. CALCOG then reached out to our regional members to develop a list that would result in a focus group of about 60 local executives. OPR then sent out invitations to these individuals. OPR also secured commitments from the heads of six different state agencies, including Caltrans, California Transportation Commission, Air Resources Board, Public Utilities Commission, Energy Commission, and HCD.

- **Our Role Formalized.** Within a week of our first contact, OPR selected November 6 as the event date. They then asked CALCOG if to handle the logistics for the event, including contracting and interacting with their chosen facility (California Science Center in Los Angeles), retaining a facilitator, designing breakout sessions, developing name tags, and drafting a summary of the event. After conferring with President Tisdale, staff entered into an Agreement with OPR for $34,000. About $15,000 would offset CALCOG staff time planning, staging, and facilitating the event.

- **CALCOG Team Delivers.** We created an event and succeeded in getting 60 selected local government attendees, conducted an advance assessment of key issues for local governments that drove the event agenda, developed a facilitation plan, executed it, hired the facility, catered a full dinner and drinks for all the attendees, covered the print materials, prepped the facilitator, coordinated with OPR staff and incorporated their direction and changes.

- **Success.** By all accounts, the event was a success. Most importantly, the OPR leadership and state agency leads in attendance were very pleased with the quality of the dialogue that occurred at the event. OPR executive staff was very pleased. Director Assefa himself approach staff and stated that they were amazed that such a quality event was pulled off in 30 days.

- **Mission Furthered.** One of our goals is to improve the quality of the state-regional-local partnership. This event was fully aligned with this goal.

- **Materials.** Attached are the materials we created for the event as well as the summary of takeaways that we were asked to provide OPR. Our understanding is that they are using the information to develop their own strategic priorities for the remainder of the administration.

See attached materials



Meeting the Moment: Housing, Climate, Infrastructure

Local Government Roundtable

November 6th, 2023 | Los Angeles, CA

2:30 PM Doors Open

3:00 PM Welcoming Remarks

3:20 PM State Department Leaders: Making the State-Local Connection

- Liane Randolph, Chair, California Air Resources Board
- Megan Kirkeby, Deputy Director, California Department of Housing and Community Development
- Rachel Peterson, Executive Director, California Public Utilities Commission
- Andrew McAllister, Commissioner, California Energy Commission
- Tony Tavares, Director, Department of Transportation
- Tanisha Taylor, Executive Director, California Transportation Commission

4:00 PM Breakout Sessions

- Variable Capacities of Local Agencies to Address State Goals
- The Hidden Costs of Implementing More Mandated Actions
- General Plan Development: New Funding Model Needed
- A Means of Harmonizing Varied Policy Goals

5:30 PM Regional View: A Perspective from the Middle

5:45 PM State Responses to Breakout Sessions

6:15 PM Dinner Questions & Discussion

8:00 PM Closing Remarks & Next Steps

ROUNDTABLE PARTNERS

SACOG

SCAG
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

SANDAG

MT

Meeting the Moment: Local Government Roundtable

Dear Local Leaders:

In California, incredible transformation is underway. State, regional, and local leaders are reimagining entire transportation networks, installing thousands of miles of broadband, developing large-scale clean energy projects, and building thousands of new housing units as part of a collective effort to accelerate clean energy, address climate change, and connect Californians to critical opportunities. In the last several years, the Governor and legislature have passed some of the largest budget packages in California's history, including a $48 billion climate investment, with the State expecting to draw down an additional $180 billion through the federal Inflation Reduction Act, Infrastructure Investment and Jobs Act, and Chips and Science Act over the coming years. And as this work is happening, State agencies and departments are hard at work unblocking barriers and providing resources to ensure that California's ambitious goals and targets are harmonized with diverse local contexts across the state.

The Governor's Office of Planning and Research has a long history of collaboration with local leaders through the general plan process, CEQA, and more. As we endeavor in this work together, it's our hope to continue fostering the state-local partnership through conversations and convenings like today's. During today's event, we'll delve into the following questions:

- How can we collectively go further, faster, and more equitably in this work?
- In the next decade of implementation, what are the systemic practices that must be modified and the bold ideas that could be pursued to make implementation easier?
- How can the state be the best possible partner in this?

The insights and ideas generated today will be incorporated into my team's strategic policy and planning efforts and will become the basis for future conversations we hope to host with all of you.

On behalf of the Governor, thank you for your presence today and for tireless leadership in the community you serve.

I look forward to learning and forging the path ahead together.



Samuel Assefa
Director
Governor's Office of Planning and Research

Governor's Office of
Planning and Research

Local Government Roundtable Speakers

Scan to read their biographies



Samuel Assefa, Director, Governor's Office of Planning and Research (OPR)



Tanisha Taylor, Executive Director, California Transportation Commission (CTC)



Tony Tavares, Director, Department of Transportation (Caltrans)



Liana M. Randolph, Chair, California Air Resources Board (ARB)



Rachel Peterson, Executive Director, California Public Utilities Commission (CPUC)



Andrew McAllister, Commissioner, California Energy Commission (CEC)



Megan Kirkeby, Deputy Director of Policy Development, Dept of Housing & Community Development (HCD)



Saharnez Mirzazad, Executive Director, State Policy and Planning Development, Governor's Office of Planning and Research (OPR)

Meet our facilitator



Mike Flad, Assistant City Manager, City of Jurupa Valley

Mike Flad has three decades of local government experience. He is the Assistant City Manager for California's newest City, the City of Jurupa Valley. But his journey began as a trainee in Burbank's parks department. He went on to spend 23 years with the City, serving the final four as City Manager. He then became the City Manager for the City of South Gate where he oversaw the development of the East LA Community College campus, METRO rail line stations, Azalea retail development, homeless transitional housing, and a Frank Gehry-designed performing arts center. Mr. Flad has received numerous accolades (including the Cal Cities' Helen Putnam Award). He has also been appointed to nearly two dozen boards and committees. But one such appointment makes him particularly well-suited to host today's meeting: his service as a public member on the California Strategic Growth Council where he helped direct the Council's programs that often are designed to facilitate local projects that are consistent with state infrastructure and planning objectives.

Breakout Session Problem Statements

1. Variable Capacities of Local Agencies to Address State Goals

Three capacity challenges that affect the amount of time a local agency can commit to state issues are the importance of addressing local issues, staffing, and not being equipped to communicate the purpose of a state goal. Local staff must focus on issues in which the elected officials of a community hold their staff accountable. This often means focusing on public safety issues, or a particular development or policy that has made recent headlines. Additionally, most local agencies have very limited staff capacity that cannot be extended beyond their scope or nexus of funding. Finally, state materials are often focused on the "what must be done" rather than "why this is good for your community." It's then left to the local government (who may not have adequate resources) to explain the "why."

2. The Hidden Costs of Implementing More Mandated Actions

In many cases, new legislative actions require local governments to take a particular action regardless of underlying circumstances. A recent example is affording "by right" development for affordable housing in commercial areas. All concur housing is indeed a worthy goal. And this law assumes that the current level of infrastructure and service capacity can adequately serve the new use. Yet, residents in these new affordable units will understandably demand safe sidewalks, transit, parks, police, and fire equipment at increased levels when compared to the pre-existing commercial use. How can we better serve the needs of these new affordable units?

3. General Plan Development: New Funding Model Needed

In many cases, new legislative actions require local governments to take a particular action in local jurisdictions with different underlying circumstances. A recent example is affording "by right" development for affordable housing in commercial areas. All concur housing is indeed a worthy goal. However, the current level of infrastructure and service capacity may not adequately serve the new use. In addition, residents in these new affordable units deserve safe sidewalks, transit, parks, police, and fire equipment at increased levels when compared to the pre-existing commercial use. How can we better serve the needs of these new affordable units?

4. A Means of Harmonizing Varied Policy Goals

State policy objectives often correlate with other state goals. For example, increased walking reduces GHG emissions and has health benefits. But rarely are such correlations perfect. Sometimes they conflict. The Legislative process, itself driven by single issue bills, can miss these relationships. Unfortunately, there is no state process to reconcile state policy conflicts. Instead, local governments must answer to two different "silos" each focused on meeting its statutory obligations.

The above problem statements were identified through the following process. Since time was short, a number of professional staff were contacted to discuss potential topic areas for focus. An informal list was made. Because the objective of the meeting was to focus on longer term, structural issues related to developing a better long-term partnership between local and state agencies, some of the more subject specific recommendations were set aside (at least for now). The list was then vetted with Cal Cities (or the League of California Cities) to assure that these issues and their descriptions fairly represented issues of concern. From that list, the four topics listed here were determined to represent a good starting point for the conversation.

10 Take Aways from the Local Government Roundtable

1. ***Effort Much Appreciated!*** A big takeaway is that the attendees very much appreciated OPR's effort in convening the Roundtable. Having the heads of departments was a huge commitment of time, but it signaled the state's commitment to addressing the issues.

2. ***Locals Are Under Resourced.*** Local agencies lack the resources necessary to fully achieve state goals. Staffing capacity was cited several times. Knowledge-sharing was also recommended as a way to leverage current resources.

3. ***More Funding*****.** Obviously! But there were nuances. There was a consistent call for more formula funds to assure more equal, predictable distributions (implied: with guardrails to assure state objectives are achieved). They also sought simpler, less resource-intensive ways to access funds to achieve state goals.

4. ***General Plan Funding Model.*** The breakout discussion was clear that local agencies are not collecting enough fees to pay for updates and thus they must "cobble" together funds. Even then, they lack enough to be as thorough and innovative as the state might prefer in order to manage costs.

5. ***Need for Authentic Assessment of Mandate Costs***. The cursory process to determine the cost of mandates is inadequate. Not so obvious charges were: strain to staff, retaining consultants; lost opportunities working on other policies, and inability to use fees to recover costs as suggested by state analysis.

6. ***Set Clear Objectives, Avoid Prescriptive Methodologies.*** State mandates should be outcome based. Participants understood their responsibility to meet state goals. Their objection is about the one-size-fits-all prescriptions. A call for more guidance should not be mistaken for detailed methodologies, but rather clarity regarding the outcomes sought and the evidence needed to show compliance.

7. ***Endorsement of REAP & Other Regional Programs.*** The value of the REAP program came up in each group. More regional collaboration generally was recommended.

8. ***Address State Policy Conflicts*****.** A need to address conflicting state policies was clear. But there were not many specific ideas on how to do this (perhaps because they lacked the knowledge of state processes to suggest meaningful solutions).

9. ***More State Support in Selling the "Why" of State Goals.*** It was clear that many had resorted to the statement "it's just a state requirement" in explaining why a certain action is being taken. State leadership in developing public education materials would be welcomed.

10. ***What Now?*** The attendees will be watching for what the next step will be. They appreciated the effort, but if no follow-up or change is identified, it will just be an opportunity lost?

General Plan: New Funding Model Needed

Problem Statement:
The model of using fees on development to fund general plan updates is not sustainable. New requirements that address critical needs (e.g, fire safety, equity, climate factors) exacerbate the problem. The model (charge fees on new development)—is contrary to housing goals (minimize the cost of permitting). The Legislature gets around its "unfunded mandate" problem by assuming fees will cover costs. But when they try to collect sufficient fees to update a plan, there is pressure to reduce fees from all sides (state agencies, developers, and the public). This places many local planning departments on the back foot at the outset in terms of meeting state goals.

Do Cities and Counties need sustainable funding for general plan updates? Resounding Yes!

OBERVED CONDITIONS:

- Time of last General Plan update: from 2006 to 2022 (most were 10 years old)
- Cost: $1 - $6 million; but funds are "cobbled together" thus, the effort is scaled back because of price
- Housing element feedback from HCD feels one size fits all; each city must do the same thing
- Staffing capacity: it's difficult to update plan with existing staff and maintain all the permit processing
- Must rely on consultants, and it can be difficult to determine good vs. bad consultants
- SB 2 helpful! REAP 1.0 a "Godsend!" (*but could only be used for housing element*)
- Struggle with conflicting objectives like housing need and fire zone safety
- "Good" actions (e.g, Climate Action Plans) add legal risk
- Difficult to apply Surplus Land Act standards
- Updates are often not "comprehensive;" but merely *ad hoc* efforts aimed at addressing new laws
- CEQA costs are a large part of cost of plan update

SUGGESTION BOX:

- ***Funding. Funding. Funding***. But in combination. Definitely more REAP. But also, predicable formulaic funds so that planning could be more comprehensive and less ad hoc.
- ***Incentive Funds***. Create incentive-based funds that are available if a local agency meets thresholds that align with state thresholds or regional plans.
- ***Consult on Implementation***. Involve local leaders (government-to-government) in the implementation of state policy (separate from general policy feedback).
- ***Embed with Locals.*** OPR could embed staff with cities and counties to get a better understanding of these issues.
- ***CEQA Defense.*** Legal defense fund for CEQA or more exemptions for planning documents. Many housing, transportation and climate projects are still at risk for CEQA lawsuits.
- ***Create Certainty.*** Focusing on outcomes vs detailed processes (certainty occurs when the goal is met). This approach would be useful in current fire hazard and VMT standards.
- ***Good vs. Bad Consultants.*** Professional certification to qualify consultants to work on plans.
- ***Simplify***. Templates at the regional level to help smaller agencies meet requirements.
- ***Ramp Up Time for New Planning Mandates.*** New mandates should not affect plans that have already started and are in process; apply it beginning on a certain date going forward.
- ***General Theme***. Tell us where to go but not how to get there.

Breakout: Harmonizing State Policy Goals

PROBLEM STATEMENT:

State policy objectives often correlate with other state goals. For example, increased walking reduces GHG emissions and has health benefits. But rarely are such correlations perfect. Sometimes they conflict. The Legislative process, itself driven by single issue bills, can miss these relationships. Unfortunately, there is no process to reconcile state policy conflicts. Instead, local governments must answer to two different "silos," each focused on meeting its statutory obligations.

OBSERVED TRADEOFFS:

- Need to fund infill infrastructure vs. policies discouraging fees on new housing
- New housing vs. reduced VMT
- Investing in DAC neighborhoods vs. AFFH
- Economic Development vs. climate goals
- "Sudden" mandates vs. needed "ramp up" time
- (SB 9) Coastal zone: housing vs. coastal resources
- RHNA vs. GHG vs. VMT
- VMT vs. equity issues in rural areas
- Expected immediate change vs. political capital needed to make change happen
- Unexpected effects of EV fleet conversation (e.g., safety equipment, busses)
- RHNA densities vs. municipal service capacities.
- Expanding underperforming transit into underserved neighborhood vs. resources and (sometimes) meaningfully improving mobility
- Hiring reqs vs. economic development goals

SUGGESTION BOX:

- **Path for Reconciliation?** When two state policies conflict, locals are expected to reconcile the conflicts in a way that achieves both equally, but is not always possible due to authority and/or resources. There are instances where more funding or discretion could ease circumstances. Absent that, a means to address the conflict at the state level could help.
- **Carve Out for Early Adapters?** Early adapter-innovators often must revise if state adopts a one-size mandate. Can there be a carveout in such instances if the early action does not counter the mandate?
- **More Collaborative & Flexible Regional Strategies?** Regional plans often include common touchpoints (e.g., for GHG & housing). Can we leverage this work to align policy goals and create less "wheel inventing" at the local level? This might be a good compromise between a one-size fits all state approach and 530 individual processes. Local agencies within a region often share economic, demographic, housing, and travel characteristics.
- **Focus on Outcome Based Metrics.** Mandates often prescribe a lot of details that are difficult to implement and explain. A target that focuses on outcomes (for housing, equity, VMT, etc.) would preserve the flexibility of the "how" to achieve the goal to local officials that can tailor.
- **Technology Assessment.** Some legislation assumes technical capabilities that are difficult to employ. Can there be a process to evaluate the tech and alternative options in these instances?
- **Locals are Innovation Labs.** Local governments can be laboratories for innovation. Design processes to encourage creativity without undermining the metrics.

Variable Capacities to Achieve State Goals

PROBLEM STATEMENT:

Three capacity challenges affect the time that a local agency can commit to state issues: (1) the need to address local issues; (2) staffing; and (3) not equipped to explain the purpose of a state goal. Local staff must focus on issues that their elected officials hold staff accountable. This means focusing on public safety issues, or a particular development or policy that has made recent headlines. Additionally, most local agencies have limited staff capacity that cannot be extended beyond their scope or nexus of funding. Finally, state materials often focus on the "what must be done" rather than "why this is good." It's left to the local government (who may not have the resources) to explain the "why."

OBSERVATIONS:

- Residents expect local agencies to address local issues—that is what dominates public meetings.
- Staff capacity is an issue for small ***and*** big agencies. New mandates require new work. Or there is a new planning update. But existing duties do not stop. Then consultants must hired.
- Locals left to explain the "why" of a new mandate; it's often defensive; in front of angry residents; state needs to "up its game" to explain the "why" to residents.
- Short time to implement mandates takes a toll. New laws come fast—every year. Locals have limited ability to understand, implement, and deliver it. Staff is tired. And turnover is high.
- Infrastructure systems are deficient and due to limited resources; it gets addressed on a project-by-project basis.
- Mandates don't account for markets; a plan for housing does not mean developers will build it.
- Developers are building enough under the last state mandate; but new (duplicative)mandates are added.
- REAP was successful example of adding capacity and helped us get Housing Element in compliance.
- Our other projects are also important; but locals have to pull back to comply with new mandates.
- The land use eggs have been scrambled into an auto-dependent pattern—how objectives recognize that limitation as we strive to achieve state goals?
- Monterey example: RHNA vs. farmland protection and water shortage.

SUGGESTION BOX:

- **Communication Kits**. Provide education packages to explain policies around new mandates that can be used with staff, elected officials, and the public generally.
- **More REAP.** If we can't bring Redevelopment back, continue REAP 2.0. It's a good way to advance state policy goals.
- **Policy Audits**. As implementers we see the faults up close; how do we create better feedback loops to elevate best practices and account for different size and regional differences? Perhaps a process to review legislation to determine its effectiveness after five years.
- **Plan Ahead.** Can state agencies clarify implementation of laws before they become effective?
- **CEQA**. Help—it's expensive and we rely on consultants. Procurement makes this hard.
- **Guidance**. Hard to keep up with so much legislation—more *timely* guidance would be helpful.
- **Rethink Reliance on Competitive Funding.** Re-think how we fund this—don't have the staff to navigate the funding; provide guaranteed funding for smaller cities, then a competitive "bucket" for agencies who want to go above and beyond.

The Hidden Costs of Implementing More Mandated Actions

PROBLEM STATEMENT:

In many cases, new legislation requires local agencies to take an action regardless of underlying circumstances. An example is affording "by right" development of affordable housing in commercial areas. All concur housing is a worthy goal. And this law assumes the current infrastructure and service capacity can adequately serve the new use. Yet, residents in these new affordable units will demand safe sidewalks, transit, parks, police, and fire equipment at increased levels when compared to the commercial use. How do we serve the needs of these new affordable units?

OBSERVATIONS:

- Mandates often address omissions of a minority of agencies, but treat and impose costs on all, even those that are already addressing the state objectives on their own.
- Lack of awareness regarding what local jurisdictions actually have control over with regard to implementation (e.g., assumptions related utilities like electricity or water).
- General consensus that local jurisdictions are under-resourced to meet State mandates.
- Many mandates have very significant costs associated with implementation. State fiscal analysis glosses over actual mandate costs; they too easily conclude that there are no fiscal impacts, or that such costs are easily recoverable (e.g., through development fees).
- Competitive funding programs are not equally accessible; Difficult for rurals to access funding. This points to the need for more context-specific funding allocation mechanisms.
- State does not place "early dollar" on projects; the current practice favors the last "safe" dollars. This makes it more difficult to fund "innovative" projects that are deemed riskier by other funders.
- Staffing: New mandates require new skillsets, which involves training/recruiting.
- Reliance on a single methodology can produce unbounded costs. (e.g., transition to ZEVs, which may be possible in some contexts but extremely difficult and expensive in others).

SUGGESTION BOX:

- **Help Accessing Funds.** State can play a role in simplifying the process for accessing state and federal funding; Have the state work through regional governments to improve funding access to state and federal funds.
- **Formula Funds.** Spread funds equally. Formula funds don't require the costs of applications. Design strict criteria to assure that funds are expended to achieve goals.
- **More REAP.** REAP 2 was a formulaic way to get money to a region. Locals competed, but at least it was based on communities with same set of regional circumstances.
- **Early Funding.** Design competitive funding programs to provide early funding for projects (may have to extend time of project completion, other factors).
- **Reward Programs.** Add programs that reward local jurisdictions who are meeting and surpassing state goals rather than constantly seeking improved performance
- **Truly Account for Mandate Costs**. Have a more accurate process to consider the costs of new mandates. What are the infrastructure constraints and how will they be addressed? Staffing? Variance in agency size? What revenue assumptions are being used? How will new mandate effect other local government responsibilities? Consider having the analysis peer reviewed.

7. REGIONAL INFRASTRUCTURE ACCELERATOR GRANT — INFORMATION

A. SUMMARY

At the June Board Meeting the Board was briefed on a joint submission (between Caltrans, SCAG, SANDAG, SACOG, MTC, TRPA, and CALCOG) of a Regional Infrastructure Accelerator Grant to the Federal Highways Administration. In October, we learned that the application was awarded $2 million. We expect that the parties will meet in early January to begin the work funded by the grant. CALCOG's role will focus on studying the public education elements of the project as well as reporting out the findings to our membership. This will include frequent reports to the Board and our director's group. Although the Grant Partners have not yet agreed upon specific budget amounts to be allocated to each entity, staff estimates that at least $100,000 and as much as $300,000 will be allocated for CALCOG.

B. FOR INFORMATON

Receive and File.

C. GRANT SCOPE

- **Problem Statement**: The state's climate goals (including the transition to Electric Vehicles) will require various forms of equitable road pricing in the near future.
- **Project Type Focus.** Studied projects will include traditional high occupancy toll (HOT) lanes, congestion pricing, cordon pricing, truck toll lanes, and other pricing strategies that are under consideration by individual project partners.
- **Public Education Needed.** Road pricing projects are often controversial. They require thoughtful, well-coordinated, and transparent communications. The Partnership will identify strategies that public agencies can use in communicating about the need and benefits of such project, including equity focused outreach in communities that have been unfairly affected by transportation policy in the past.
- **Constraints Analysis.** Pricing faces numerous legal, technical, and financial issues. Limited public support, equity concerns, and outdated technology are also problems. The partners will identify these challenges, summarize potential solutions, and create a long-term playbook that will promote more consistent processes to advance these types of projects in a way that accounts for statewide climate, transportation, and equity goals.
- **Specific Projects to Study.** A select number of innovative road pricing projects will be studied that designed to move more people and freight through congested corridors to identify lessons learned.
- **Ongoing Governance and Inter-Modal Coordination.** Partners will also review governance and commercial structures needed to effectively deliver and manage these projects and strategies and seek to identify the most fiscally-feasible paths to delivering new or improved multimodal transportation options like public transit, commuter rail,

active transportation facilities, and/or other transportation demand management strategies – in combination with pricing projects.

- **VMT Considerations**. California law requires sponsors of pricing expansion projects to consider a range of VMT mitigation strategies, including additional transit service, active transportation investments, and transit-oriented development (TOD). These add significant costs to the projects. Thus, there is a significant need for less expensive alternatives that can accommodate more multimodal transportation options.
- **Back to Public Education.** Finally, partner agencies must address how these projects can be rescoped in ways that garner public and political support. Because of California's history of automobile focused land use and transportation development, many communities lack existing multimodal infrastructure. Particularly in rural areas traditional fixed route transit services are inefficient, and there is the need for piloting more sustainable and innovative mobility options.

D. COMMENTS & OBSERVATIONS

- **Consistent With CALCOG's Statements on Pricing.** CALCOG does not have a policy on pricing. We focus on the need to address lost gas tax revenues as more the state fleet electrifies. Thus, encourage exploring various replacement strategies. To the extent that this project explores lessons and best practices around specific state goals, we would continue to have an interest in sharing this information broadly within our membership.
- **Controversial Issue.** How to price, and whether to use pricing as a means to reduce VMT, are very controversial subjects for which CALCOG has not yet developed a consensus. Accordingly, staff's role will be focused on information sharing.
- **Consistent With Our Purpose**. The CALCOG Bylaws emphasize our role as an information sharing organization and to partner with state agencies in administering new policies. While there are differences in opinion within our membership about how (and weather) to employ pricing, all members have a need to be well informed on policy developments. CALCOG's reporting out role in this grant is consistent with that objective.
- **Standing & Branding.** CALCOG strives to be more than just an advocate for regions. We are also a thought leader for regional governance. For example, it was our willingness to engage in housing conversations around the Regional Housing Needs Allocation process that led to the opportunity to introduce the idea that would become the REAP program (that yielded $110 million to regional agencies). Partnering in a project like this enhances the credibility of our "brand" in future policy discussions
- **Staff Capacity.** CALCOG has limited staff capabilities. We are stretched under our current work program. Depending on the final scope of our role, CALCOG would either hire additional staff for a limited employment or retain appropriate consultants.
- **Diversification of Revenues.** One of the Board's ongoing objectives is to find ways to diversify our revenues

8. SUSTAINABLE PLANNING GRANT APPLICATION — ACTION

A. SUMMARY

One issue that several of our executives has identified has been the need to provide training for local elected officials who serve on regional agency boards. More complex transportation systems, funding programs, and environmental regulations require better orientation materials. Staff is proposing submitting a joint Sustainable Partnership Grant application with the Association of Monterey Bay Area Governments to Caltrans to develop a set of short, well-produced training videos that would be informative and engaging for local officials that are either just "learning the ropes" or seek to "brush up" on their knowledge.

B. STAFF RECOMMENDATION

Confirm staff's intention to partner with AMBAG to submit a grant proposal. This action will authorize the Board president to sign a resolution confirming CALCOG's role in delivering the grant work program.

In addition, staff seeks input on what issues would be good to be addressed

C. SCOPE OF PROJECT

Develop a number of 10- to 15-minute videos that provide a general orientation for local elected officials that are newly appointed to a regional board. (A list of potential subjects is included in Section E, below). Each video would include an overview of a specific topic with helpful graphics, project example video, and interview/commentary from experienced city officials and staff). These would be made available to our members. Budget permitting, the project may include a confirmation system in order to award certificates to local officials who have completed a certain number of courses. CALCOG staff or retained consultant would be responsible for developing curriculum, writing scripts, working with designers for graphics, filming, editing, posting on the website, and creating a system to grant certificates.

D. Comments and Observations

- **Strategic Partnerships Grants.** Includes $4.5 million to identify and address statewide, interregional, or regional transportation deficiencies on the State highway system in partnership with Caltrans.
- **AMBAG Application.** Due to eligibility requirements, the primary applicant will be the Association of Bay Area Governments. CALCOG would be a primary sub-applicant. We engaged in a similar relationship with the San Joaquin Council of Governments for funding to launch the California Academy for Regional Leaders (CARL).
- **Timelines.** Applications are due January 18, 2024. Awards announced Summer of 2024. Contracts complete and work begins November 2024.
- **Amount of the Grant.** Staff is still working on a budget, but it could be $200,000. The grant eligibility range is a minimum of $100,000 and a maximum of $500,000. There is a

20 percent match requirement, which staff would propose come from CALCOG's operating budget. Given that the work may not start until there is a contract (likely November of 2024) there is time to build this into the next fiscal year budget.

- **Videos vs. Current Practice.** In the past, CALCOG staff has provided a 90-minute orientation for new board members as part of the Regional Leadership Forum. Although it has received positive feedback, its availability is limited to those who can actually attend a presentation. An online video library would make the training accessible at the convenience of the local official.
- **Staff Expertise.** The Executive Director has experience creating materials designed to education elected officials. He wrote the Planning Commissioner Handbook in 2005. The learning will be in developing video resources.
- **Multiple Grants?** If successful, there is no shortage of subjects that could be offered through this resource. It could be possible to apply for other grants in future years to build out the resource.

E. Potential Training Titles

The "*" indicates core subjects that are likely to be included in the first production round.

- Regional Governance 101: Roles, Powers & Duties *
- Basics of Transportation Planning *
- Transportation Funding Sources *
- Basics of Transportation Programming *
- The State-Regional-Local Partnership*
- Effective and Equitable Public Participation *
- Ethics of Simultaneously Serving Regional and Local Governments *
- Housing Law for Transportation Agencies *
- Transportation Law for Housing Agencies
- Climate Laws & Sustainable Communities Strategies
- Special Issues for Rural Agencies *
- Adaption Strategies for Transportation
- Bike and Pedestrian Planning
- Transit Operations Primer
- Rail planning
- Transit and Transit Oriented Development
- A Deep Dive on the RTP-SCS
- Overview of State Competitive Programs
- Overview of Federal Competitive Programs
- Considerations for Preservation and Maintenance
- Planning for Mitigation
- SB 743 and VMT Mitigation
- Planning for EVs
- Factors in Freight Planning

9. LEGISLATIVE PRINCIPLES — INFORMATION

A. SUMMARY

CALCOG's legislative advocacy program is guided by a set of Legislative Principles. CALCOG generally prioritizes the allocation of our limited legislative resources on issues that are most significant to our membership. Our current principles are attached at the end of this agenda. Although we don't anticipate any major revisions, we know that members are in the process of updating their own policy platforms. We typically review these changes prior to proposing a final set of amendments to our principles. The purpose of this item is to outline these issues for board discussion and comment. We anticipate bringing final legislative principles to the board for approval at our February meeting.

B. FOR DISCUSSION

This is a discussion item. The Board may elect to provide staff with further guidance.

B. OVERARCHING CONSIDERATIONS

- **The Budget Deficit.** This is going to be another Budget deficit year. We are hearing that the deficit may be larger than previously reported. But those are only whispers. Regardless, it will be a year where we may have to play defense to protect existing revenues. Fortunately, federal and state criteria protect much of transportation funds.
- **New Leadership in Both Houses.** Both the Assembly and the Senate have new leadership. In the Assembly, new policy committee chairs have been appointed. Typically, committees can change their emphasis on bills and issues fairly significantly with such changes.

C. ANTICIPATED FOCUS AREAS FOR 2024

The following is a list of key focus areas for 2024. Absence from this list does not mean that CALCOG will not take action or engage on other issues. Rather, these are the issues that we expect will be of greatest importance to the majority of our membership.

- **SB 375 Implementation & "Reform" Ideas.** Over the last few years, we have continued to see SB 375 "reform" bills. Most of these bills have focused on changes related to GHG targets and project selection/prioritization as it relates to VMT and GHG metrics. Last year we saw a bill (AB 1335) that also sought to make changes to SB 375 related to RHNA and SCS consistency. At least 3 bills we are tracking are 2-year bills and we will be watching to see if they move forward.

- **RHNA Revamp.** HCD is due to submit its RHNA Revamp report to the legislature by December 31. We anticipate bill introductions that will seek to change the RHNA process and (like AB 1335 from last year) seek require the SCS to wholly incorporate the RHNA despite one is based on a policy goal and the other is based on a growth forecast. These

kinds of bills often take a lot of time to educate Legislators about the nuances involved in regional planning.

- **Brown Act Improvements.** We continue to modernize the Brown Act. We believe that we will be supporting bills that will allow greater flexibility for advisory boards to meet virtually. We will also continue to seek flexibility for regional leaders to use teleconferencing where the distances involved actually increase participation and transparency of the meetings.

- **REAP Expenditure Extensions & REAP 3.0**. Members have flagged that they are concerned they will not be able to expend REAP funds in time to meet expenditure deadlines. In the case of REAP 2.0, we know that HCD staff is supportive of extending the expenditure deadline, in part because they are behind on getting final contracts out. We also anticipate having discussions about an ongoing source of revenue for REAP.

- **Expect the Unexpected**. We are not sure what it is yet, but there is an issue out there that has not yet been introduced as a bill that will probably take up a significant amount of our time.

10. CONTINUING EDUCATION EMPLOYMENT BENEFIT — ACTION

A. SUMMARY

CALCOG has always encouraged the education and leadership development of staff. We set aside funds every year for professional development. And we offer professional development training for our members like the California Academy for Regional Leaders. But to date, we have not had a policy that supports staff seeking additional job-related education at the University level. The current year budget that the board adopted in June included funding for a $3000 stipend with a note that the policy would be brought back to the board for approval. The proposed policy would authorize a $3000 stipend for no more than two years to offset costs of tuition for pursuit of a career-related degree.

B. STAFF RECOMMENDATION

Adopt a policy for incorporation into the Employee Handbook that is consistent with the following principle.

> *CALCOG supports career-related higher learning. Accordingly, upon approval of the executive director, staff may apply to participate in a higher education reimbursement benefit program. The reimbursement will be limited to $3000 per year for no more than two years per employee. In return, CALCOG would request (but not require) that the employee remain employed with CALCOG as an at will employee for at least a year after completing the education. The executive director may develop forms and rules that are consistent with the law and accepted employment practices.*

C. COMMENTS & OBSERVATIONS

- **Tax Law.** Under Section 127 of the Internal Revenue Code, educational assistance provided to an employee is not taxable, up to a maximum of $5,250 per calendar year, and includes payment for graduate-level courses.
- **Current Circumstances.** We currently have an employee who is getting a masters degree in public administration from California State University, Sacramento who would be eligible for this benefit if it is adopted.
- **Funds Already Budgeted.** This issue was brought to the attention to the board when we adopted the budget. We added $3000 to the staff training budget in anticipation of the request of the employee mentioned above.
- **Scope of Executive Director Program Design Discretion.** The executive director will work with our Accountant and Payroll Provider to assure that the design of the program complies with Federal and California tax and employment laws. Generally, such programs must meet specific conditions and be administered fairly among employees. Accordingly, minor adjustments may be necessary and will be report at subsequent board meetings.

11. NEW OFFICE ELECTIONS ACTION

A. SUMMARY

The CALCOG bylaws creates four board officers: the President, First and Second Vice Presidents, and the Immediate Past President. The Bylaws also require the current president to appoint a nominating committee to consider qualified and interested board members to serve as officers. The Committee makes a recommendation that must be approved by the board.

Traditionally, the Nominating Committee is made up of long-serving board members who are often past officers themselves. The nomination typically advances the current slate of officers to the next higher position (e.g., second vice president to first vice president) and considers new applicants for the open Second Vice President office.

This year, however, there are two openings. Current Second Vice President Jesse Arreguin (Mayor of Berkeley, Association of Bay Area Governments) is withdrawing from service as an officer as he seeks election to the California Assembly. As a result, there are two openings. And we received two statements of interest from two very well qualified board members.

B. NOMINATING COMMITTEE RECOMMENDATION

Approve the following slate of officers:

- President: Rob Poythress, Madera County Transportation Commission
- First Vice President: Britt Huff, South Bay Cities Councils of Government
- Second Vice President: Jan Harnik, Coachella Valley Association of Governments
- Immediate Past President: Brian Tisdale, Western Riverside Council of Governments

C. BASIS FOR RECOMMENDATION

- **Two Well-Qualified Candidates for Two Positions**. Britt Huff (Rancho Palos Verdes, South Bay Cities Council of Governments) and Jan Harnik (City of Palm Desert, Coachella Valley Association of Governments) submitted statements of interest. Both have a long history of participation on the CALCOG Board and regional board generally. A short synopsis of their background taken from their resumes in included in Section D.
- **Ms. Huff for First Vice President.** The Committee recommends Ms. Huff for the First Vice President position in light of her application for office last year. This is Ms. Harnik's first application.
- **Geographic Diversity.** Although the CALCOG Bylaws encourage the nomination committee to consider geographic fairness when making a recommendation, the Committee is limited to considering the applications before it. Additionally, there have been instances in the past ten years where the officers came primarily from the North part of the state.

D. BACKGROUND & QUALIFICATIONS

Britt Huff

- Mayor and Councilmember, City of Rolling Hills Estates
- Member (and former Chair): South Bay Cities Council of Governments
- Member: Cal Cities Board of Director
- Previously: SCAG Energy & Environment Committee, Palos Verdes Transit Authority Board, and Cal Cities Community Services Committee
- Former Legislative Aide to the Chair Housing Committee on Small Business
- Former Foreign Service Officer, US Department of State
- Former District Office Deputy Director; US Department of Commerce
- Former Regional Manager for the US Energy Department
- Adjunct Professor, USC, Westmont College, and Marymount University
- Ph. D. in Political Science/Public Administration from George Washington University in Washington, D.C., a B.A. from UCLA
- Service on the CALCOG Board: 6 Years

Jan C. Harnik

- Councilmember, City of Palm Desert.
- Member, Coachella Valley Association of Governments
- Member, Coachella Valley Conservation Commission.
- Immediate Past President, Southern California Association of Governments (serves on SCAG's Transportation, Legislative, and Emerging Technologies Committees).
- Board Member, Riverside County Transportation Commission (serves on the Budget and Implementation Committee and Audit Committee).
- Executive Committee, Visit Greater Palm Springs Convention and Visitors Bureau.
- Board of Trustees, McCallum Theatre
- Co-president of the Girlfriend Factor – an organization dedicated to helping local disadvantaged women, 25 years of age and up, re-enter the workforce by providing grants for education.
- CALCOG Board Service, 8 years
- Certificate of Special Congressional Recognition for dedicated community service,
- Cal Cities Torch Program Award, Level III – Leadership in Action
- Woman of The Year 2022, Assembly District 42

APPENDIX: LEGISLATIVE PRINCIPLES

CALCOG Legislative Principles

Regional agencies serve as a forum for cities and counties to develop regional solutions for area wide needs, develop plans and strategies for a broad range issues, to strengthen and assist local governments, and advocate for locals at the state and federal levels. CALCOG represents the collective interest of California's regional agencies at the state and federal level as directed by its Board of Directors. The following policy principles serve as the foundation for CALCOG's policy advocacy and communications in order to best represent our diverse membership.

1. Regional Governance

Effective regional governance is an essential element to effective local control. Many local problems and issues transcend local boundaries. State and federal policy should support and encourage effective regional solutions that are more effective than a one-size-fits-all, statewide approach.

(a) Support a "bottoms-up" approach to regional governance that respects local authority and assures flexibility to address regionally specific conditions.

(b) Support measures that authorize local agencies to act collaboratively to achieve regional goals.

(c) Support efforts to protect and increase direct funding to regions through federal and state programs, especially when laws mandate new duties and responsibilities.

(d) Oppose cost shifts and unfunded mandates in the responsibility areas of regional governments.

(e) Encourage state laws that require different state agencies to coordinate policies and reconcile differences before they are implemented and applied to regional entities.

(f) Support appropriate performance measures developed and implemented cooperatively between federal, state, regional, and local agencies.

(g) Support appropriate funding to regional agencies to match new state and federal requirements for enhanced planning, project delivery, and performance review.

(h) Support changes to open meeting laws that incorporate virtual participation while maintaining important transparency and access requirements of the Brown Act.

2. Encourage State-Regional Partnerships, Pilots, and Innovation

Regions are natural geographies for innovation. They provide a scale that can adhere to statewide principles while affording more local flexibility and ownership. Regional pilots can test new methodologies to address anticipated disruptions in transportation services, automations, power sourcing, GHG and VMT objectives, and advances in technology.

(a) Support and encourage regional pilot programs that test innovative policies, solutions, and technologies. Projects may include microtransit, VMT reduction strategies, roadway pricing mechanisms, education and transportation demand management strategies, infill incentives, testing and deployment of connected and autonomous vehicles, and partnering partnership with the private sector to find new and more efficient solutions to transportation issues.

(b) Support regional or mega-regional selection processes for state funding programs that relate to core regional planning functions (like the RTP/SCS) when it would allow better targeting of the investment of state resources.

(c) Examine the model of the Regional Early Action Planning (REAP) program for housing as a potential model for other state-regional partnerships.

3. Regional and Transportation Planning

Regional Transportation Plans include safety measures, system preservation, air quality improvement, GHG emission reductions, mode choice policies, housing location, congestion management, and other many other elements that are tailored to regional needs.

(a) Authorize and improve the capacity of regional agencies to deliver plans and program projects that meet the needs and safety of their member cities and counties.

(b) Ensure local and regional agencies (including rural agencies) receive sufficient funding to fulfill their planning and programming obligations. These activities include data gathering and analysis, environmental review, and public engagement. Support collaboration, data sharing, and funding to successfully implement federal and state performance-based planning and management requirements.

(c) Ensure that other state plans and programs remain consistent with the goals and structure of regional transportation plans.

(d) Support a robust transportation research program at the federal and state levels to investigate new technology, methods of data collection, innovative materials, and other improvements for regional plans and project delivery programs.

(e) Support strong data-sharing requirements that protect privacy to improve the quality and quantity of travel pattern data, including measures that provide for sharing of anonymized data from ridesharing services, connected and autonomous vehicles, shared mobility, and other sources to allow for informed planning and decision-making.

(f) Fund the development of modeling and measurement tools to improve performance measures to better evaluate and predict GHG reductions—the state should have accurate models that fairly account for conditions in all regions.

(g) Support state funding for regions and localities to invest resilience, including sea level rise, energy efficiency, flooding, and wildfire."

(h) Work to assure that new climate adaptation legislation does not conflict with existing local and regional agency capacity and planning processes and uses existing regional geographies for new programs.

4. Transportation Finance

(a) Support dedicated, robust, and formula-based funding to improve certainty of project planning and programming. All revenues should adjust automatically for inflation.

(b) Ensure federal and state funding sources are stable, predictable, flexible, and adequate to operate, maintain, rehabilitate, and expand the transportation system. Prioritize investment to maintain the transportation system, and reduce backlogs in system maintenance where they exist. Seek greater flexibility from state and federal sources to support ongoing maintenance investments.

(c) Protect and build upon the structure of the State Transportation Improvement Program (SB 45) that provides programming discretion for regional projects.

(d) Ensure transportation funding meets the needs of all rural, medium-sized, and large urban regions; Pursue new and reformed funding methods and sources to develop and implement robust transportation plans that meet local, regional, and state objectives.

(e) Explore policies—such as the Road User Charge—that will address expected lost revenues from the transition to alternative fuels and zero emission vehicles; raise awareness of the need to address this issue among stakeholders; and support alternative funding mechanisms that are consistent with CALCOG policies.

(f) Protect and increase funding for the operation and expansion of transit and intercity and passenger rail service.

(g) Provide additional dedicated revenue source for regional and local governments to support the implementation of SB 375.

(h) Support lowering the voter threshold required to pass transportation infrastructure initiatives to 55 percent; and support legislation that allows a county to create a sales tax district within its boundary with a two-thirds vote.

5. Sustainable Community Development and Infrastructure

(a) Support measures that propose to fairly invest and rebuild infrastructure that result in the creation and retention of jobs, housing, and access to opportunity in areas identified for growth in a regional transportation plan. This includes new financing tools or the reinstatement of a redevelopment program that is supported by cities and counties.

(b) Support active transportation like walking and biking; monitor opportunities for additional support for active transportation, including enhanced access and safety improvements on existing roadways (like "complete streets" policies) and funding for regional trails.

(c) Support the deployment of new mobility technologies that improve safety, accessibility, mobility, environmental, equity, and economic and workforce benefits.

(d) Support proposals to accelerate the purchase of zero-emission passenger and light-duty vehicles.

(e) Support new funding and planning opportunities to support electric vehicle infrastructure and programs for both private vehicles and public transit fleets. Similarly support programs for electric bicycles and scooters.

(f) Support the use of innovative financing, such as Infrastructure Financing Districts to plan and develop infill areas and commercial corridors to attract housing and businesses in area.

(g) Support incentives for more housing, including affordable and transit-oriented developments (TODs), and encourage the siting of these developments in infill areas near transportation resources. Building on the success of SB 288 (Wiener), accelerate review of transportation and housing projects that are consistent with local and regional plans without diminishing environmental safeguards.

(h) Support "complete street" policies that are designed to accommodate all users, including cars, trucks, transit, bicyclists, and pedestrians.

(i) Support additional resources and tools for local governments to preserve farmland and open space through public or private programs.

6. Project Programming, Delivery, and Operations

(a) Support efforts to improve safety and achieving no roadway- related deaths or serious injuries by improving safety for all road users, including non-motorists. Improve transportation system safety for all users.

(b) Support efforts to increase passenger rail safety through increased funding for positive train control and other strategies to reduce risk.

(c) Increase and maintain direct funding and sub allocation of resources to regional agencies that is consistent and predictable to aid in the programming of projects.

(d) Empower and reward transportation agencies for operating, investing in, and managing the transportation system more efficiently to move people and goods safely with lower environmental, health and climate impacts.

(e) Streamline and improve transportation project delivery processes to eliminate unnecessary requirements; support concurrent state and federal environmental review, including developing a reciprocity program to allow state environmental reviews to count toward the federal process.

(f) Require early engagement for state agencies under CEQA to reduce permit processing time require reasonable deadlines for permit approvals.

(g) Support innovative financing and project delivery tools to facilitate creative solutions for financing and project delivery, including efforts to encourage intergovernmental cooperation and reduce existing regulatory barriers.

(h) Authorize Caltrans and its partners to use alternative procurement methods permanently and without limits.

(i) Expand innovative methods of project management and delivery, such as design-build, that can help complete projects in a timely and cost-efficient manner.

(j) Provide environmental review exemptions for specific repairs, safety projects, and transportation projects within existing public rights of way that directly further state policy priorities, regardless of the size of the lead agency.

(k) Encourage and support effective implementation of "advanced mitigation" environmental programs.

(l) Support enforcement for toll collections; authorize toll agencies' ability to share information about toll transactions to collect tolls and toll penalties. Retains existing privacy protections for customers.

7. Public Transit

(a) In partnership with the California Transit Association, seek direct funding support for transit to address severe operating deficits and layoffs resulting to the COVID-19; Pursue relief from TDA audits during the current economic downturn.

(b) Ensure public transit is affordable, reliable and convenient.

(c) Support funding for capital and operational investments to support effective, location efficient transit that will reduce a region's overall greenhouse gas emissions.

(d) Support increased and more flexible funding and policies that support public transit, including passenger rail.

(e) Support additional funding to help transit operators convert their bus fleets to zero-

emission in order to meet the state's Innovative Clean Transit rule and accelerate the decarbonization of the transportation system.

(f) Continue to participate in the TDA Reform Task Force to explore updates to the Transportation Development Act's eligibility requirements. Support alternative performance measures that are focused on incentivizing actions that improve transit service and increase ridership. Ensure discount fares aimed at boosting ridership and improving social equity do not result in reduced state funding.

8. Housing

Many COGs are responsible for the Regional Housing Needs Allocation (RHNA). Moreover, regional transportation planning agencies work closely with their local agencies to forecast land use development, including housing needs, growth, and the relationship to the transportation network.

(a) Work with local government partners to amend housing element law (and related administrative procedures) to give jurisdictions flexibility to provide affordable housing and remove disincentives and regulatory obstacles to providing affordable housing.

(b) Seek ongoing funding to reimburse councils of governments for Regional Housing Needs Allocation compliance costs.

(c) To emphasize the connection between housing and transportation in the RTP-SCS, design state funding programs that afford more localized or regional input on state programs to encourage more location-efficient housing that support the objectives of SCS and are supported by local governments.

(d) Support new funding to help pay for affordable housing and support legislation that facilitates the construction of more housing in low-VMT locations and high opportunity areas. Support new investments that support job development in the jobs-poor, housing-rich areas.

(e) Monitor and support efforts to provide additional state resources for housing and housing-supportive infrastructure, planning and services to ensure housing investments can be made in conjunction with improvements to parks/open space, and other resources to improve quality of life.

(f) Support incentives for jurisdictions that provide opportunities for more housing, including affordable and transit-oriented developments (TODs) and encourage the siting of these developments near areas with transportation resources and future planned investments.

(g) Support continuing the REAP program throughout the Sixth Cycle of the Regional Housing Needs Allocation to support the ongoing production of well-located housing that can address the multiple, interconnected goals of housing, access to opportunity, and reduction of GHGs.

(h) Engage in the Governor's process to review and "revamp" the RHNA process; work with member agencies to identify elements that worked well and things that need to be improved.

(i) Support efforts to remove discriminatory barriers and policies that impede fair access to housing.

9. Broadband

(a) Support coordinated efforts to prioritize additional funding and resources to expand broadband access and infrastructure, particularly in low-income and rural communities.

(b) Encourage collaboration between the State, MPOs, local governments, regional consortia, and other stakeholders to establish broadband working groups.

(c) Encourage leveraging high-quality bandwidth to implement VMT reduction strategies focused on teleworking and strong, rapid connectivity for AV cars and AV freight and generally support long- term teleworking of employees.

(d) Empower regional consortia to engage and work with local governments to adopt policies and enact permit streamlining, consistent permitting fees, emergency ordinances, and waivers for microprojects in order to accelerate broadband deployment.

(e) Provide grant funding to governmental entities to develop programs, including those integrated into affordable housing, that provide steady funding for free or subsidized internet access for qualifying residents to bridge the economic-digital divide.

11. Miscellaneous

(a) Because regional agency boards are made up of local officials that serve as city council members and county supervisors, CALCOG generally does not take positions that are in conflict with the League of California Cities (Cal Cities) and California State Association of Counties (CSAC).

(b) CALCOG does not normally take position on member-sponsored legislation that address specific circumstances in a region unless the Board determines that one of the following conditions are met: the measure (1) offers an important pilot project that involves a change, innovation, or efficiency in state policy; (2) authorizes a special, localized funding condition sponsored by the member agency; or (3) sets a significant precedent that could be applied to all CALCOG members. When an exception is established, CALCOG's advocacy should remain focused on the statewide effects of the measure.

(c) CALCOG will work with other state associations, like the League of California Cities, California State Association of Counties, California Special District Association, California Association of Joint Powers Agencies, California Transit Association, and the California Society of Association Executives on bills that affect the operation of state associations that represent public agencies. Our goal will be to assure that the association has the appropriate means to carry out its mission. Staff will propose positions on such bills for the board to consider on an as needed basis.

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12. Policies specific to Proposed Ideas to Amend to SB 375

Passed in 2008, Senate Bill 375 (Steinberg) aimed to reduce greenhouse gas (GHG) emissions from the transportation sector by requiring MPOs to prioritize investments and adopt strategies to reduce GHGs in long-range plans known as Sustainable Communities Strategies (SCS). The bill strengthened the connection between transportation and land use and was groundbreaking in its elevation of climate to a top priority issue. The result has been increased public engagement in the process of transportation planning, which in turn has

produced better regional transportation plans that better reflect community and state needs. We address ways in which SB 375 could be improved.

a. Address needed state-initiated VMT reduction strategies

The California Air Resources Board's (CARB's) approach GHG reduction from cars and light trucks has been uneven. Prior to providing even more scrutiny and oversight over the approval of the SCS, CARB must first develop a comprehensive plan for the related but unaddressed State-Initiated VMT Reduction Strategies. CARB documents identify these as necessary to get to the Scoping Plan's objective of achieving a 25 percent reduction in emissions from cars and light trucks. Yet as of early 2021, no state plan or analysis has been conducted since the SB 375 targets were reset in 2018. This omission impedes progress toward achieving state goals. (See graphic below). Once a state plan is in place, it should be held to the same standards of "implementation rigor" that applies to review of the RTP/SCS.

b. Prioritize Cooperation and Partnerships

CARB should partner with agencies and levels of government that have authority over VMT outcomes, state law should build more cooperative frameworks. There are a variety of opportunities for such collaboration. Here are two:

i A REAP-Like Program for VMT Reduction. One of the SB 375 tension points is between the (CARB-described) "top down" 15 percent by 2050 reduction goal and the evidence based "bottoms-up" target setting. The two metrics sometimes places CARB and MPOs at odds on appropriate emphasis, making cooperation more challenging. In contrast, the recent REAP program has created a cooperative environment that has strengthened the partnership between MPOs and HCD to work together on housing issues. A similar approach could be taken around VMT reduction. Potential strategies might include low VMT development incentives and preserving conservation areas. A REAP-like program—where the state agency approves implementation plans prior to distributing funding—would allow CARB to leverage its own policy and expertise, share lessons learned, and collaborate with MPOs more closely.

ii Other Innovative Pricing Pilot Projects. Use pilot projects as a means to encourage and evaluate pricing mechanisms. Many MPOs around the state are beginning to explore regional pricing strategies (HOT lanes, tolling, cordon, parking, and more) as a means to reduce emissions. Others are exploring infill strategies that could change the way that regions develop and reduce emphasis on the use of automobiles.

c. Address Tension Points Between Interconnected Policy Goals

State law should be amended to help regional agencies to plan for multiple, interconnected goals of climate protection, air conformity, housing, social equity, and resilience. SB 375's single focus on GHG reduction presents challenges to regional agencies seeking to make progress on other important policy goals, such as social equity, housing production, VMT reductions, and climate resilience. A strategy that achieves one or two of these goals may simultaneously make it more difficult to achieve a third. State law does not have a mechanism to address these policy trade-offs. For example, focusing all new housing growth in transit priority areas might reduce GHG emissions, but could also exacerbate displacement of low-income residents. State law should afford flexibility where such policy tensions are documented and mitigate the consequences of any policy tradeoff.

d. Focus Accountability on Results within MPO Control

Any effort to amend or "reform" SB 375 should rely on accountability measures that focus on outcomes that are within the control of MPOs in the following ways:

i Decrease reliance on emission models and place more emphasis on actions that will reduce GHGs in partnership, rather than in competition, with the state.

ii Decouple the SCS performance from economic and environmental externalities. The target setting process is vulnerable to economic and environmental externalities. Thus, a SCS may appear "successful" in an economic downturn (like the recent pandemic); and "unsuccessful" when low vehicle operating costs cause an increase in VMT. The determination of whether a region is sufficiently implementing SB 375 must be decoupled from market and environmental externalities.

iii Account for the effect of the anticipated increase in sales of zero emission vehicles (ZEVs) in accord with state goals; and the corresponding effects that the increased use ZEVs–and their lower operating costs—may have on VMT. MPOs should not be held accountable for increased VMT that results from lower operating costs of zero emission vehicles.

iv CARB should positively engage in finding funding alternatives to sustain the transportation system in light of an estimated $4 billion annual loss of gas tax revenues (estimated in 2040) expected if the state achieves its ZEV and VMT goals.

v An assessment of technology (e.g., autonomous vehicles) and market factors (e.g., market share of TNCs) that are either uncertain or likely to affect overall per capita GHG (either positively or negatively)

vi Increase the availability of regional funding to implement the SCS; provide policy tools to reduce single-occupancy travel in a way that ensures equitable outcomes. This includes increased availability of funding and financing for infill infrastructure.

e. Maintain the Current Framework for SCS Review

i Maintain current balance in SCS review. Oppose efforts to increase CARB authority to approve or disapprove a particular SCS beyond the threshold currently in statute.

ii Reinforce the sixty-day limit CARB has to review an SCS; Require ARB to list the documentation that they need to review an SCS up front and set reasonable limits on follow-up requests.

iii Authorize MPO with a CARB-approved APS to be eligible for Solutions for Congested Corridors and Trade Corridor Enhancement Program.

iv Extend the application of SB 375 beyond 2035 in a manner that align with statutory extensions of SB 32.

f. Additional Implementation Efficiencies

i Accelerate SCS implementation with innovative policy tools that dramatically reduce VMT; these may include regional policies and flexibility on tolling existing roadway capacity; authorizing cordon pricing; making it easier for transit systems to gain priority on local and state roadways; authorizing bus on shoulder in peak traffic periods; strengthening the streamlining provisions for infill development projects that are consistent with an SCS; and providing more predictable state funding to MPOs to implement their SCSs.

ii Authorize regions to align their RTP/SCS planning periods to ensure maximum coordination on forecasting assumptions, strategies, and investments.

iii Under current law, development projects that are consistent with the SCS are supposed to

be given acceleration under CEQA and yet this tool has been used on a very limited basis due to lack of clear definition in the law. To promote more infill development of the type known to reduce VMT, it would be helpful for the law to provide more a more robust approach to streamlining commercial and residential development in low-VMT areas.

iv State policies need to encourage regions to accelerate electrification. Currently, CARB makes it challenging for MPOs to receive "credit" for policies and investments designed to speed up electrification of the passenger vehicle fleet even if such policies are likely to speed up achievement of the state's goals.

Attachment

CALCOG Board of Directors

agenda 2/7/24

Effective Regions Through Partnership

California Association of Councils of Governments

BOARD OF DIRECTORS

MEETING AGENDA

February 7, 2024
3:00 P.M. – 4:30 P.M.
Monterey Conference Center
1 Portola Plaza, Monterey, CA 93940
ROOM: STEINBECK 1B

Meeting Connection Information:

Zoom Link:

https://us02web.zoom.us/j/6759856183

Meeting ID: 675 985 6183

Having trouble? Email Natalie at nzoma@calcog.org

BOARD MEETING AGENDA

TIME	ITEM	DESCRIPTION	PURPOSE	PAGE
3:00 pm	1	**Welcome & Introductions.** Attendance will be recorded as members enter the room or the virtual meeting space. Virtual board members attendees should type your name in the Zoom identifier and turn on your video. For agency staff, please type in your name and turn off your video.		
3:10 pm	2	**Approve December Board Meeting Minutes**.	Action	5
3:15 pm	3	**Executive Director Report**. Work program update.	Information	7
3:25 pm	4	**Strategic Priority Progress Report**. A report on progress on the board's 2024 Strategic Priorities.	Information	8
3:40 pm	5	**REAP Budget Update.** Report on actions CALCOG is taking in response to the proposed budget cut	Action	9
3:50 pm	6	**CALCOG Legislative Principles Update.** Staff recommends changes that align with past actions.	Action	13
4:05 pm	7	**Replacement of Gas Tax Education.** Project update and planning to incorporate into CALCOG work program.	Information	16
4:15 pm	8	**Sustainable Partnership Grant Applications.** Staff provides an update on application; and raises a framework that would allow CALCOG to seek additional grant funding.	Discussion	17
4:30 pm	9	**Announcements & Adjourn**		

CALCOG Calendar for 2024

February 7 – 9: Regional Leadership Forum. **In Person,** Monterey

February 7: (3:00 pm to 5:00 pm) **Board Meeting**. **In Person,** Monterey.

February 29: (2:00 pm to 4:00 pm) **COG Directors (CDAC) Policy Update.** (Legislative & Administrative). **In Person & Virtual**

March 15: (10:00 am to 12:00 pm) **Board Meeting. Virtual**

April 1: (10:00 am to 12:00 pm) **COG Directors (CDAC) Policy Update.** (Legislative & Administrative). **Virtual**

April 12: (1:00 pm to 3:00 pm) **Board Meeting** (HOLD: if needed). In-person & **Virtual**

June 5: (Tentative**: 10 am to 4 pm) **Legislative Day & Board Meeting, In Person.** (Include Meetings with State Agency Leaders; key Legislators) **CDAC and Board.**

June 13: (evening). **CARL Cohort graduating ceremony** at the Awards Dinner hosted by the California Transportation Foundation (Sacramento). **In Person.**

June 24: (10:00 am to 12:00 pm) **Short Business Meeting to Adopt Budget** (HOLD: if needed). **Virtual**

August 2: (10 am to 12 pm) **COG Directors Group (CDAC)** (Late Leg. Session Check-in). **Virtual**

August 12: (1 to 3 pm) **Board Meeting.** Hold: Late Session Policy Meeting (if needed). **Virtual**

September 23: (10 am to 12 pm). **COG Directors Group (CDAC)** Update Briefing. **Virtual**

September 30: (2:00 to 3:30 pm). **Board Update Briefing** (HOLD: if needed). **Virtual**

October 28 & 29: Fall Board Meeting. **In Person** (TBD). Dinner on the 28th, Fall Board Meeting on the 29th, (8:30 am to 2:00 pm)

December 9: Board &/or **CDAC**: Policy Update (Hold: use if needed) **Virtual**

BOARD OF DIRECTORS ROSTER

- **President, Robert Poythress,** Supervisor, Madera County, Madera County Transportation Commission
- **First Vice President, Britt Huff,** Mayor, City of Rolling Hills Estates, South Bay Cities Council of Governments
- **Second Vice President, Jan Harnik,** Council Member, City of Palm Desert, Coachella Valley Association of Governments
- **Immediate Past President, Brian Tisdale,** Council Member, City of Lake Elsinore, Western Riverside Council of Gov'ts
- **Jesse Arreguin, Mayor, City of Berkeley, Association of Bay Area Governments**
- **John Bauters,** Council Member, City of Emeryville, Alameda County Transportation Commission
- **Scott Funk,** Mayor Pro Tem, City of Gonzales, Association of Monterey Bay Area Governments
- **Loella Haskew,** Council Member, City of Walnut Creek, Contra Costa Transportation Authority
- **Wendy Thomas,** Supervisor, El Dorado County, El Dorado County Transportation Commission
- **Gary Yep**, Council Member, City of Kerman, Fresno Council of Governments
- **Stacy Atkins-Salazar,** Council Member, City of Arcata, Humboldt County Association of Governments
- **Mike Goodsell,** Councilmember, City of Holtville, Imperial County Transportation Commission
- **Bob Smith**, Council Member, City of Bakersfield, Kern Council of Governments
- **Doug Verboon,** Supervisor, Kings County, Kings County Association of Governments
- **Russell Cremer,** Councilmember, City of Clearlake, Lake County/City Area Planning Council
- **John Haschak,** Supervisor, Mendocino County, Mendocino Council of Governments
- **Josh Pedrozo,** Supervisor, Merced County, Merced County Association of Governments
- **James P. Spering,** Commissioner Representing Solano County and Cities, Metropolitan Transportation Commission
- **Alfredo Pedroza**, Supervisor, Napa County, Napa Valley Transportation Authority
- **Patrick Harper,** Council Member, City of Fountain Valley, Orange County Transportation Authority
- **Paul Joiner,** Council Member, City of Lincoln, Placer County Transportation Planning Agency
- **Lisa Middleton,** Council Member, City of Palm Spring, Riverside County Transportation Commission
- **Rich Lozano,** Council Member, City of Galt, Sacramento Area Council of Governments
- **Mia Casey,** Mayor, City of Hollister, Council of San Benito County of Governments
- **Alan Wapner,** Council Member, City of Ontario, San Bernardino County Transportation Authority
- Jose Rodriguez, Council Member, City of National City, San Diego Association of Governments
- **Tim Hepburn,** Mayor, City of La Verne, San Gabriel Valley Council of Governments
- **Dan Wright,** City of Stockton, San Joaquin Council of Governments
- **Fred Strong,** City of Paso Robles, San Luis Obispo Council of Governments
- **Jenelle Osborne,** Mayor, City of Lompoc, Santa Barbara County Association of Governments
- **Zach Friend,** Supervisor, Santa Cruz County, Santa Cruz County Regional Transportation Commission
- **Tenessa Audette,** Councilmember, City of Redding, Shasta Regional Transportation Agency
- **Steve Young,** Mayor, City of Benicia, Solano Transportation Authority
- **Chris Rogers**, Mayor, City of Santa Rosa, Sonoma County Transportation Authority
- **Margaret Finlay,** Council Member, City of Duarte, Southern California Association of Governments
- **Richard O'Brien,** mayor, City of Riverbank, Stanislaus Council of Governments
- **Cindy Gustafson,** Supervisor, Placer County, Tahoe Regional Planning Agency
- **Steve Teshara,** Board Representative, Tahoe Transportation District
- **Michael LeBarre**, Mayor, City of Kings City, Transportation Agency for Monterey County,
- **Amy Shuklian,** Supervisor, Tulare County, Tulare County Association of Governments
- **Mike Johnson,** Councilmember, City of Ventura, Ventura County Transportation Commission

* Designates Executive Committee Member

Quorum. A quorum requires a majority of active directors. A member has an active director when it has had a representative attend a board meeting within the last twelve months (including attendance at the current meeting). Staff develops a list of active members prior to each meeting and makes adjustments to the count if a formerly inactive member attends the current meeting.

Current Vacancies: Butte County Association of Governments, Calaveras Council of Governments, City/County Association of San Mateo Governments, Los Angeles County Metropolitan Transportation Authority, Orange County Council of Governments, Santa Clara Valley Transportation Authority, Transportation Agency of Marin, Tuolumne County Transportation Council

2. APPROVAL OF SEPTEMBER MEETING MINUTES ACTION

DRAFT
CALCOG Board Meeting Minutes
December 8, 2023

1. ATTENDANCE

This attendance represents those in attendance at some point in the meeting. The morning session was in person only as it involved a deeper discussion of strategic issues in the CALCOG work program. Virtual participation began at 1:00 pm. Attendance was taken visually as members entered the room or logged into their accounts via the Zoom meeting platform:

- **President, Brian Tisdale**, Council Member, City of Lake Elsinore, Western Riverside Council of Governments
- **First Vice President, Robert Poythress**, Supervisor, Madera County, Madera County Transportation Commission
- **Immediate Past President, Fred Strong,** City of Paso Robles, San Luis Obispo Council of Governments
- **Jan Harnik**, Council Member, City of Palm Desert, Coachella Valley Association of Governments
- **Loella Haskew**, Council Member, City of Walnut Creek Contra Costa Transportation Authority
- **Gary Yep**, Mayor, City of Kerman, Fresno COG
- **Stacy Atkins-Salazar**, Council Member, City of Arcata, Humboldt County Association of Governments
- **John Haschak**, Supervisor, Mendocino County, Mendocino Council of Governments
- **Patrick Harper**, Council Member, City of Fountain Valley, Orange County Transportation Authority
- **Tim Hepburn,** Mayor, City of La Verne, San Gabriel Valley Council of Governments
- **Dan Wright,** City of Stockton, San Joaquin Council of Governments
- **Steve Young**, Mayor, City of Benicia, Solano Transportation Agency
- **Britt Huff**, Council Member, City of Rolling Hills Estates, South Bay Cities Council of Governments
- **Richard O'Brien**, Mayor, City of Riverbank, Stanislaus Council of Governments
- **Steve Teshara**, Board Representative, Tahoe Transportation District
- **Rudy Mendoza**, Mayor, City of Woodlake, Tulare County Association of Governments
- **Mike Johnson**, Council Member, City of Ventura, Ventura County Transportation Commission

2. STRATEGIC PRIORITIES FOR 2024 INFORMATION

- The morning portion of the meeting was an in-person discussion about strategic priorities. There was no virtual participation. Those present participated in a deep-dive discussion about the role of regional governments, the role of CALCOG, and their relationship to state government. Staff also provided an overview of the CALCOG work program and resources needed to implement the program. There was a broad range of discussion, but the members there developed three focus areas that are summarized in Section 4 of these minutes.

3. APPROVAL OF STEPEMBER MEETING MINUTES ACTION

The minutes of September 18, 2023, were approved. Motion by Britt Huff, and seconded by Gary Yep.

4. REPORT OUT ON STRATEGIC PRIORITY DISCUSSION. INFORMATION

Staff summarized the 3 strategic priorities that the Board identified in the morning session for CALCOG's 2024 work program:

- Transportation funding: focus on education and storytelling about the importance of identifying replacement revenue sources for the gas tax and helping people understand the need to shift to a new funding model.
- Housing: focus on RHNA reform, REAP funding, and development of housing trusts and policies that are tailored to meet local needs.
- Electrification, and Hydrogenation in rural areas: explore what is needed related to the grid as regions help transition to ZEVs.

5. EXECUTIVE DIRECTOR'S REPORT INFORMATION

The executive director provided a brief report for information only.

6. CONTRACT TO PRODUCE SUMMIT FOR OPR INFORMATION

Staff provided a brief report on the successful event that CALCOG staff convened on behalf of OPR. Details are in the agenda.

7. REGIONAL INFRASTRUCTURE ACCELERATOR GRANT INFORMATION

Staff discussed a federal grant awarded to Caltrans in partnership with CALCOG, SACOG, SANDAG, MTC, SCAG, and TRPA, noting that discussions about the scope are still in progress.

8. SUSTAINABLE PLANNING GRANT APPLICATION ACTION

The Board approved the staff recommendation to submit a grant in partnership with AMBAG. Motion by Patrick Harper, Seconded by Gary Yep. Details are in the agenda packet.

9. LEGISLATIVE PRINCIPLES INFORMATION

Staff discussed the anticipated legislative priorities for 2024, mentioning they will bring legislative principles for action at the spring business meeting.

10. CONTINUING EDUCATION EMPLOYEMENT BENEFIT ACTION

The Board approved the staff recommendation to provide an education stipend for staff pursuing a career-related degree. Motion by Dan Wright, Seconded by Britt Huff.

11. NEW OFFICER ELECTIONS ACTION

The Board approved the Nominating Committee's recommended slate of officers for 2024: President Rob Poythress (Madera County Transportation Commission), First Vice President Britt Huff (South Bay Cities Council of Governments), Second Vice President Jan Harnik (Coachella Valley Association of Governments) and Immediate Past President Brian Tisdale (Western Riverside Council of Governments). Motion by Steve Teshara, Seconded by Dan Wright.

3. EXECUTIVE DIRECTOR'S REPORT — INFORMATION

A. BACKGROUND

The executive director usually gives a quick update about work program elements that are not otherwise on the agenda for the meeting.

1. Regional Leadership Forum Overview. What to expect and what board members can do to have a successful conference.

2. Time Tracking, Billing and Invoicing Protocols. Over the past nine months, our efforts to diversify our revenue sources have been taking hold.

- *LEAP/REAP 1.0 Technical Assistance.* $100,000 subcontract extension has been approved and staff is 95% certain it has not been clawed back by the state budget cuts. This is part of a $1 million extension to the firm PlaceWorks, that won the original contract (and for which CALCOG was a subcontractor). Although we have not received the contract extension yet, staff was informed that we can start billing time to this account.
- *Regional Infrastructure Accelerator Grant.* CALCOG was a smaller-role co-applicant for a $2 million grant awarded to Caltrans. See Agenda Item 7.
- *Sustainable Partnership Grant.* We are optimistic that AMBAG will be awarded a grant for which CALCOG will play a central role in delivering. See Agenda item 8.
- *Other Projects Where We Track Time.* We also track our time to member contracts (like the Big 4 MOU Facilitation project) and account for all time spent on advocacy to allow our members flexibility in paying for dues.

The addition of these new programs add complexity to the protocols that we have developed to track time and generate invoices. Staff will be investigating options to improve our capacity in this area. This could include expanding the scope of work under our current contract for accounting services with Gilbert & Associates or seeking alternative solutions. We are also developing a schedule of hourly rates that will recapture the administrative costs specifically related to managing these contracts in addition to general administrative costs. Staff will keep the board informed of progress. Since this is the beginning of the process, staff does not have anything more to share now. But any corresponding contract or budget amendment would have to be brought back to the board for approval prior to implementation.

4. STRATEGIC PRIORITIES PROGRESS REPORT. INFORMATION

A. FOCUS 1: Transportation Funding

Objective: Focus on education and storytelling about the importance of identifying replacement revenue sources for the gas tax and helping people understand the need to shift to a new funding model.

Progress:

- *RIA Grant Work Program.* Staff has been advocating to align the purpose of the Regional Infrastructure Accelerator grant to focus on public education elements related to the need to shift to a new funding model. See Agenda Item 7. It appears this is the way the work program is developing, which would commit a large share of the $2 million project to public education. Staff expects a more defined work program to be agreed upon in the coming weeks.

- *Provided Focused Sessions at the RLF*. Several sessions on Thursday of the conference will focus on the lost revenues from fuel transitions and the need to explore pricing alternatives.

B. FOCUS 2: Housing

Objective: Focus on RHNA reform, REAP funding, and development of housing trusts and policies that are tailored to meet local needs.

Progress:

- *Budget*. Preparing a defense of REAP funding (see Agenda Item 5)

- *Data Collection:* CALCOG staff started a to collect details on the projects that are/were going to be funded by REAP in order to share success stories.

- *RLF Session: What Is REAP Sowing?* This session will highlight progress to date of projects from around the state.

C. FOCUS 3: Alternative Fuels, EV & Hydrogen

Objective: explore what is needed related to the grid as regions help transition to alternative fueled vehicles (ZEVs and Hydrogen).

Progress:

- RLF Session that features updates on Federal, State, and Regional efforts related to Zero Emission Vehicles.

5. REAP BUDGET RECISSION ACTION

A. BACKGROUND

A very significant concern in the Governor's budget proposal is the recission of $300 Million in the Regional Early Action Program. These funds are the first dedicated to MPOs for implementation of "transformative" projects that support SB 375. But this is not just an MPO concern, as significant portions of funds in multi-county MPO areas would have been suballocated to RTPAs and COGs with regions (a discretionary decision by the MPO). As a result, there is a great deal of uncertainty around the program. One problem with the recission is how far MPOs are in the implementation of the program. Many of have already hired staff, contracted with sub applicants, and started projects.

B. STAFF RECOMMENDATION

- Approve the general strategy outlined in Section C below.
- Approve staff working to obtain a joint statement opposing REAP cuts with other stakeholders, such as the Housing Coalition to strengthen opposition to the REAP program recission; in the case of the Housing Coalition, this may include opposing all $1.2 billion in housing program cuts in the state budget and supporting the placement of a $10 billion housing bond on the ballot.

C. FOUR STRATEGIES

1. **Document The Problem.** CALCOG is asking all affected members (MPOs and the COGs, RTPAs and CMAs within MPO regions; and competitive program recipients) to share information about: (1) funded projects; (2) projects already contracted and started; and (3) administrative/staffing commitments have already been made. In short, we are trying to tell the stories of opportunities lost and commitments reneged.

2. **Educate.** There appears to be a lack of information related to the benefits of REAP and how far along many of the projects are. Staff is looking to collect the information and the stories of projects to change that impression.

3. **Find a $300 M "Elegant Alternative."** Just asking for the money back will not work well. Too many interest groups are making that case and there is just not enough money. The challenge is to pick a solution that does not create significant opposition. The easiest solution would be to seek an outlay of funds in future budget years.

4. **Build Coalitions.** Despite REAP's value, there are challenges to building a broad coalition. For example, transportation stakeholders typically prioritize core transportation funding, and REAP is technically scored as housing funds in the budget. At the same time, many housing groups do not view REAP as traditional housing funds in which they are most familiar because the source are regional MPOs (a group in which they are not used to seeking funds). Conservation groups also have their own priorities related to other climate cuts.

D. APPROACHING THE HOUSING COALITION

As a means of pursuing the fourth strategy (build coalitions), Staff has reached out to the leaders of a broad housing coalition that has come out opposed to all housing cuts in the budget, including the $300 Million REAP Funds. To date, this is the only group that has specifically opposed the REAP cut outside of our membership.

At first, this appeared to be an opportunity. The initial draft letter focused on opposing the $1.2 billion in housing program cuts and placing a housing bond on the ballot. The cuts to the REAP program, however, did not appear to be a primary concern of the groups involved. It was just part of the housing cuts. Thus, CALCOG staff was interested in joining the coalition if it would create a "louder" and more powerful voice to preserve the REAP. In other words, the idea would be to join the coalition to create more action opposing the REAP cuts specifically.

The "cost" of joining would have been to oppose all $1.2 Billion in housing cuts (listed below/above) and a support position on placing a $10 billion housing bond on the ballot for voter approval. Both positions are consistent with CALCOG principles.

Position in Current Housing Letter	Alignment to Legislative Principles
1. Budget Cuts. Reject $1.2 B in cuts for Multifamily Housing Program (MHP), Foreclosure Intervention, Infill Infrastructure Grants, CalHome, Veterans Housing & Homelessness Prevention, and REAP. Also rejects cuts to Social Service programs that provide housing stabilization for older adults and disabled adults.	• Even though we do not have policy for each listed program, all are consistent with our principles. • Staff sees little downside to supporting this element of the letter.
2. Housing Bond. Calls for placing $10 B bond to support various affordable housing programs, including $7 B for the Multifamily Housing Program.	• Policies generally support actions that create affordable housing consistent with regional plans. • Staff sees little downside to supporting this element of the letter; though members may have their own policies.
3. Homeless Programs. Maintain $1 billion for the Homeless Housing, Assistance and Prevention Program to fund homeless housing and services.	• CALCOG does not have policy on homeless, though several members have homeless programs or support programs that benefit from these funds.
4. Stabilizing Vulnerable Households. Maintain funds for voucher programs and legal services.	• CALCOG does not have policy and the programs are not germane to our function.
The three colors of a traffic light indicate how closely each item aligns with CALCOG's Legislative principles. Dark green is in alignment; light green is generally in alignment, red is out of alignment, and yellow is "use caution."	

Unfortunately (in terms of CALCOG's interests), as Homeless and Legal Aid groups joined the scope of the support position was broadened. In addition to opposing the housing cuts and seeking placement of the housing bond on the ballot, the Housing Coalition letter now includes two new demands that are not germane to the function of regions. The table below outlines how the four primary sections of the Housing Coalition letter (attached) align with CALCOG Principles.

- ***Going Forward.*** Staff is looking for a way to issue a joint statement with some coalition members about the budget cuts and housing bond. We are not the only stakeholder to make such an inquiry. There may be a possibility to develop a mini-coalition on the REAP/Housing cuts.

- ***Value of a Joint Statement: Strengthen Opposition.*** A joint statement of opposition could bring attention to REAP in a positive way and help single it out (the opposition for REAP cuts gets diluted in the scope of the Housing Coalition letter).

- ***Question:*** To what extent should CALCOG seek to engage Housing Coalition members to join in a joint statement of opposition to the Housing Cuts and support for the Housing Bond?


HOUSING CALIFORNIA
CSH
California Housing Partnership
ECLT
CALIFORNIA HOUSING CONSORTIUM
Enterprise
CALIFORNIA RURAL LEGAL ASSISTANCE FOUNDATION
Advocates for Justice
HOUSING ¡VIVIENDA AHORA! NOW!
NOVIN DEVELOPMENT
MILESTONE HOUSING GROUP
ARCHITECTS
PATH
MAKING IT HOME
PUBLIC ADVOCATES
MAKING RIGHTS REAL
MONTEREY COUNTY RENTERS UNITED
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CVEA
CCHO
COUNCIL OF COMMUNITY HOUSING ORGANIZATIONS
SFHDC
HOUSING TRUST FUND
VENTURA COUNTY
Everyone deserves a home
MERRITT
COMMUNITY CAPITAL CORPORATION
THE UNITY COUNCIL
LeadingAge California
inspire...serve...advocate
DESTINATION: HOME
COMPASS FAMILY SERVICES
Housing. Support. Hope.
INNER CITY LAW CENTER
THE Kennedy COMMISSION
RESILIENCE
sdhf
SAN DIEGO HOUSING FEDERATION
rcd
CARENT
HUMAN IMPACT PARTNERS
Tapestry
Housing is a Human Right
ORANGE COUNTY
PEOPLE'S BUDGET ORANGE COUNTY
holos communities
SDHC
SAN DIEGO HOUSING COMMISSION
SCANPH
SOUTHERN CALIFORNIA ASSOCIATION OF NONPROFIT HOUSING
WESTERN CENTER ON LAW & POVERTY
LEA
Habitat for Humanity California

Affordable Housing and Homeless Solutions Leaders: Budget proposal impacts "deeply troubling"

A broad multi-sector coalition of affordable housing, homelessness, and housing justice advocates release united statement in response to the Governor's proposed budget

FOR IMMEDIATE RELEASE
Sacramento, CA

Contact: Christopher Martin, Housing California, cmartin@housingca.org, 847-650-8780
Jordan Miller, Enterprise Community Partners, jcooke@groupgordon.com, 212-784-5703
Matt Schwartz, California Housing Partnership, mschwartz@chpc.net 415-203-7158

A united coalition of affordable housing, homelessness, and housing justice leaders report that the Governor's budget, released yesterday, includes stark cuts to housing

programs that will negatively impact tens of thousands of California families and have rippling impacts on the state's economic, public health, and social outcomes. We are relieved the Governor's proposal retains funding for homeless programs, such as the Homeless Housing Assistance Program, but are concerned that the proposed budget halts progress at a time when Californians are grappling with alarming housing cost burdens, widespread housing instability, and an urgent need to solve homelessness.

"The proposed cuts to critical programs that provide affordable homes for low-income families and those experiencing homelessness are short-sighted because they will end up costing California more in the long run," said **Matt Schwartz**, CEO, California Housing Partnership. "Yesterday's proposal underscores how important it is that the Legislature pass Assemblymember Buffy Wick's proposed new state housing bond (AB 1657) and send it to the voters for final approval in November and get to work on creating a permanent source of ongoing funding for affordable housing and homelessness solutions."

Proposed Budget Impacts on Affordable Housing in California

Current proposed cuts drastically reduce – and in some cases remove altogether – funding for the enhanced state Low-Income Housing Tax Credit, the Multifamily Housing Program, the Infill Infrastructure Grant Program, the Veterans Housing and Homelessness Prevention Program, the Foreclosure Intervention Housing Preservation Program, the Regional Early Action Planning Grants 2.0 (REAP 2.0), and the CalHome Program for the coming year. In addition, the current budget proposal reverts $900 million in funds appropriated to these programs in 2023.

These cuts will reduce annual construction of new affordable homes by one third (eliminating potential for 6,400 affordable homes), resulting in tens of thousands of individuals without homes, lost jobs and economic opportunity, and the loss of $1.6 billion in federal housing resources.

"The impacts of these cuts are deeply troubling. We can't just look at numbers and figures. This is about who's impacted. Among extremely low-income renter households, 79% pay more than half of their income in rent. Housing affordability, stability, and accessibility is especially acute for older adults, people with disabilities, and renters of color," said **Francisco Dueñas**, Executive Director, Housing Now!. "It's because of California's needs and California's priorities that the state had set their goal of more than 1 million affordable homes over the next decade – we can't back down on that now."

We are grateful the Governor did not propose any cuts to funding for the Homeless Housing Assistance and Prevention program (HHAP), passed in 2023. “We look forward to working with the Governor’s Office and legislators to ensure we avoid a cliff in state funding to local governments around homelessness by continuing to fund the HHAP program in the 2024-25 budget,” said **Sharon Rapport**, Director of California State Policy, CSH. “And we acknowledge the solution to homelessness is housing, so cuts to housing programs heavily impact the number of people experiencing homelessness.”

Looking Ahead

A coalition of California’s leading affordable housing, homelessness, and housing justice organizations are working to finalize a set of recommendations that propose effective solutions to balance the budget while addressing California’s biggest need-housing. The full analysis and recommendations will be provided in the coming days and will include a statewide affordable housing bond (AB 1657) and an ongoing source of funding for affordable housing and homelessness services.

“While the Governor acknowledged yesterday that the January budget is just the beginning of months-long negotiations between his Administration and the Legislature, affordable housing advocates will certainly be active in urging state leaders to maintain support for critical affordable housing programs and identify stable sources of long-term funding,” said **Ray Pearl**, Executive Director, California Housing Consortium.

The trauma faced by the growing number of persons forced into homelessness and the severe housing instability and cost burden that low-income families face is rapidly eroding the California dream, disproportionately for people of color. The number of Californians suffering homelessness increased by 10,000 in the last year to total over 181,000. More than 123,000 Californians are outside with no access to shelter. More broadly, the California Housing Partnership’s Housing Need Dashboard finds that 1.3 million low-income households who rent in California do not have access to an affordable home. As outlined in the Roadmap Home 2030, true solutions will require a much greater level of sustained commitment by state leaders moving forward, not budget cuts.

“No matter what metric we use to evaluate our communities' strengths -- be it health, economic well-being, educational success, racial equity, or something else -- safe, stable, affordable housing is the crucial foundation for Californians to thrive. When we prioritize housing affordability for everyone, communities are strengthened and we secure a future of health and shared prosperity,” said **Chione Flegal**, Executive Director, Housing California. “We are calling on our state leaders to put a new housing bond before the voters, get to work on establishing a permanent state funding source

for affordable housing and homelessness solutions, and adopt a state budget that responds to the urgent housing needs of struggling Californians."

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About: The coalition of affordable housing, homelessness solutions, and housing justice leaders of California represented by this statement include:

Alliance of Californians for Community Empowerment (ACCE)
Bay Area Community Services
California Coalition for Rural Housing
California Democratic Renters Council
California Housing Consortium
California Housing Partnership
California Rural Legal Assistance Foundation
California State Council on Developmental Disabilities
Center for Community Action and Environmental Justice
Central Valley Empowerment Alliance
Compass Family Services
Corporation for Supportive Housing
Council of Community Housing Organizations
Destination: Home
East Bay Housing Organizations
Enterprise Community Partners
Evolve California
Family Assistance Program
FSY Architects, Inc
Funders Together to End Homelessness
Habitat for Humanity California
Holos Communities
Housing Action Coalition
Housing California
Housing is a Human Right OC
Housing Now!
Housing Rights Initiative
Housing Trust Fund Ventura County & Housing Land Trust Ventura County
Human Impact Partners
Inland Equity Community Land Trust
Inner City Law Center
Jewish Family Service of Los Angeles

LA County DMH
LeadingAge California
Lift to Rise
Little Tokyo Service Center
Lived Experience Advisers
Los vecinos de huron
Mercy Housing California
Merritt Community Capital Corporation
MidPen Housing Corporation
Milestone Housing Group, LLC
Monterey County Renters United
Mutual Housing California
Novin Development Corp
Parable of the Sower Intentional Community Cooperative
People Assisting The Homeless
People's Budget Orange County
Personal Assistance Services Council
PICO California
PowerCA Action
Public Advocates
Residents United Network Los Angeles
Resilience OC
Resources for Community Development
Sacramento Regional Coalition to End Homelessness
San Diego Housing Commission
San Diego Housing Federation
San Francisco Housing Development Corporation
Southern California Association of NonProfit Housing
SPUR
Tapestry Unitarian Universalist Congregation
Tenderloin Housing Clinic
The Children's Partnership
The Kennedy Commission
The Unity Council
United Way of Greater Los Angeles
Vision y Compromiso
Welcoming Neighbors Home
Western Center on Law & Poverty

6. LEGISLATIVE PRINCIPLES UPDATE ACTION

A. BACKGROUND

CALCOG'S legislative advocacy platform governs our advocacy efforts. Staff uses these to take positions on bills that are in alignment with the principles or to analyze bills that are not in alignment. The Advocacy Principles are a living document and are continuously updated. The recommended amendments here reflect policies that we have taken over the last year.

B. STAFF RECOMMENDATION

Adopt the proposed amendments to the principles.

C. QUICK LEGISLATIVE UPDATE

To date, only about 400 bills have been introduced in the legislature. Staff expects another 2,000 to be introduced before the deadline later this month. Many of these bills are "spot" bills, meaning they are just stating an intent to amend the law. Thus, we have not included any amendment to the Legislative Principles in response to bills introduced this year. Staff will be providing staff and board level updates (virtually) in the month of March.

D. PROPOSED AMENDMENTS FOR PRINCIPLES

The proposed amendments are organized by Section number. A short justification for the change. These should be non-controversial. A copy of the Legislative Principles as they would be amended are included at the end of this Agenda Packet.

1. Regional Governance

Add: New paragraph (f)

"Educate state agencies and leaders when state policies and objectives conflict and oppose or seek amendments to efforts that introduce new conflicting requirements."

Reason: Staff has raised this issue in many letters and comments. The state agencies need to act when their own policies conflict.

Amend: Renumbered paragraph (i)

"Support changes to open meeting laws that ~~*incorporate virtual participation*~~ *provide long-term flexibility for regional and multijurisdictional agencies to conduct business remotely outside of emergency conditions as a means of increasing board member, advisory body, and public participation* while maintaining important transparency and public access requirements of the Brown Act."

Reason: This policy more accurately reflects the unique issues related to regional agencies (as opposed to cities and counties)

2. Encourage State-Regional Partnerships, Pilots, and Innovation

Add: New paragraph (c)

"Support funding programs that, after setting aside a reasonable minimum for each recipient, distributes funding by formula in lieu of state competitive grant programs; support clear criteria and accountability to ensure that each project funded by such funds advances the purpose of the funding; Such formula resources provide increased predictability for long term planning, reduced administrative burdens, and enhanced flexibility for regions to align multiple sources of revenues."

Reason: This language is consistent with actions we have taken in the conversations for additional regional funding. Formula programs provide greater certainty and efficiency to grant programs. Accountability is included because receiving agencies should expect to have to meet the conditions of the funding. Fairness is argued because straight formulas do not provide sufficient funding for small rural regions.

Amend: Renumbered paragraph (d)

"Examine the model of the Regional Early Action Planning (REAP) ~~program for housing~~ *and Transit Intercity Rail Capital Program* as potential models for other state-regional partnerships. *Seek to simplify the process of allocated REAP funds in future rounds.*

Reason: While the REAP program has been a funding model, it has, at times, been heavily administrated by HCD. The administration of the TIRCP program, however, has been set up to be more efficient.

3. Regional and Transportation Planning

Add: New paragraph (j)

"Support transparent, cost efficient, and accurate means of measuring vehicle miles traveled related to a project that are in alignment with the goals and strategies of regional transportation plans and sustainable communities strategies."

Reason: As a result of SB 743 and other state policies, VMT is increasingly becoming a metric that will affect the feasibility and cost of transportation projects. There is currently some uncertainty and gaps in measuring VMT impacts accurately. Although staff expects our policy to evolve on this issue, this language provides a good framework to build upon.

4. Transportation Funding & Finance

Add: New paragraph (a)

"Educate state leaders and others about the need to replace gas tax revenues lost to the state's fuel efficiency and electrification policies. Work to explore solutions and share information."

Reason: This language incorporates the strategic priority set by the board.

Amend: Renumbered paragraph (b)

Support dedicated, robust, and formula-based funding in lieu of statewide competitive grant programs to ~~improve certainty~~ *increase planning predictability, reduce administrative burdens, and enhance flexibility for regions to align multiple sources of revenue. Clear criteria and accountability measures should be incorporated to assure selected projects align with funding objectives. Formulas should include a mechanism, like a minimum allocation, to assure that all recipients advance the funding objectives.* All revenues should adjust automatically for inflation.

Reason: This language provides more specificity around the conversation of formula funding. The clarification around accountability addresses a major concern about "just handing out money" without specific responsibilities. The issue of assuring that all members get enough within the formula to assure that they can advance to funding objective has been raised by rural agencies (and most such mechanisms do not make dramatic reallocations of funding).

7. Public Transit

Amend: paragraph (b)

*"*Ensure public transit is an affordable, reliable, *safe*, and convenient*).*

Reason: The safety of transit has been a focus of the legislature and directly relates to the viability of transit as an alternative to single occupancy vehicles.

8. Housing

Add: paragraph (d)

"Acknowledge that regional planning can be complex. Preserve the integrity of the requirements and objectives of the RHNA and RTPs. Promote education efforts to explain complexities, but oppose measures that would undermine the integrity of the planning.

Reason: This language addresses the issue raised in AB 1335 (Zbur), that sought to "simplify" the SCS process by requiring the growth forecast in the RTP to be consistent with the RHNA allocation. These are two different processes serving different needs. It does not make sense to make them be consistent. But regional agencies have a responsibility to explain these differences.

7. REPLACEMENT OF GAS TAX EDUCATION EFFORT — INFORMATION

A. BACKGROUND

CALCOG was invited to be a co-applicant on a IIJA Grant Application under the Regional Infrastructure Accelerator program. Also invited were five CALCOG Members: TRPA, SCAG, SANDAG, MTC, and SACOG. The purpose of the grant was to encourage progress on an innovation related to transportation infrastructure. Caltrans and co-applicants were interested in studying how pricing alternatives could be implemented as a possible replacement for lost gas tax revenues. FHWA awarded $2 million (of the $25 million available) for the project. The co-applicants are now developing more specifics to the program before contracting with FHWA.

B. FOR INFORMATION/DISCUSSION

This is an information item. Board members are welcome to comment or ask questions.

C. COMMENTS AND OBSERVATION

- **Education Emerging as the Primary Focus.** The grant applicants concur that the biggest priority is public education tool kit that can build awareness about the need to replace the gas tax and how that can be done. Also important is a way to raise and discuss and address equity issues (including rural) to build the capacity to have a conversation. The information and materials developed under this project can help jumpstart that conversation.
- ***An Implied Second Issue.*** The regional agency co-grantees agree that state leadership here is paramount. A patchwork of regional systems is not sustainable. But for whatever reason, neither the Administration nor Legislature have been willing to lead (perhaps because its complex and easily misunderstood as an additional tax instead of a replacement). The basics of developing awareness of this need to replace gas tax revenues with a new mechanism.
- ***This Direction is Consistent with the Board's Strategic Priority.*** At this Board's strategic priority discussion in December, the top priority was to raise awareness of the need to replace the gas tax as more and more electric vehicles are sold. Thus, the gas tax is not sustainable as a long-term solution; the need to fix potholes will continue. The direction of this RIA project is consistent with this message.
- ***CALCOG's (Emerging) Role.*** Because of the public education focus of the project, CALCOG may play a key implementation role. Maybe. Although the parties anticipate that much of the work will be completed by consultants, CALCOG staff has an interest in playing a coordinating role. If that occurs, we will have to hire additional staff to backfill current duties and responsibilities for the two-year term of the project.

8. PARTNERSHIP GRANT APPLICATION DISCUSSION

A. SUMMARY

There are two elements to this budget item. The first is report out on the action the board approved in December to seek funding for regional board member training resources. The second is to raise the possibility of submitting future proposals and providing match funds for such proposals. We believe that this is a strong application, and the grant category that we submitted for is usually not as competitive as other categories. Fingers crossed.

B. FOR DISCUSSION

Review the proposal summary; then (assuming our application is successful) discuss the concept of raising match revenues for future grants. Given that this is the first time staff has floated an issue that may affect the costs of membership, no decision point is sought. Both items are discussion only.

C. SUSTAINABLE PARTNERSHIP GRANT APPLICATION. (For Information)

AMBAG, a CALCOG member, collaborated with CALCOG to apply for a Sustainable Partnership Grant that will create an online, on-demand training and orientation videos designed for elected officials serving on Regional Governing Boards. Here is the summary:

> The Regional Official Training and Certification Project strengthens decision-making across the entire state transportation network. The result of the project would be the first on-demand training resource designed specifically for the elected officials appointed to the boards of Metropolitan Planning Organizations, Regional Transportation Planning Agencies, and Local Transportation Commissions (hereinafter "Regional Agencies"). An oft overlooked aspect of the state planning framework is that the achievement of federal planning factors and state objectives rely on regional collaboration. Every project—be it state, regional or local—must be included within a regional transportation plan (RTP), which are subject to the approval of approximately 900 locally elected officials serving on Regional Agency governing boards. The major deliverable of this project will be a set of informative, well-produced, and easy-to-watch training videos.

The application was submitted under the "Partnership" category, which requires applicants to demonstrate how state planning objectives would be achieved and to include Caltrans staff with defined roles in implementing the project. Establishing how state objectives would be achieved was straightforward. Given that regional decision-making requires an awareness of state objectives, the training modules would cover this requirement almost by definition. The proposal also included Caltrans nominated staff on an advisory committee and committed to including state agency staff in the training (e.g., to explain state programs like the Climate Action Plan for Transportation Infrastructure.

California Association of Councils of Governments

Resolution in Support of Funding for Regional Agency Governing Official Training

WHEREAS, Regional Transportation Planning Agencies, Metropolitan Planning Organizations, Congestion Management Agencies, County Transportation Commissions, and Councils of Governments (hereinafter "Regional Agencies") have an interest safe and reliable transportation network that serves all people and respects the environment.

WHEREAS, Regional Agencies, in partnership with the California Department of Transportation, play a critical role in planning and programming state, regional, and local transportation and mobility projects that account for nearly $30 billion in annual spending and investments and have a shared interest in providing a safe and reliable transportation network that serves all people and respects the environment.

WHEREAS, the appointed elected officials board members of Regional Agencies connect transportation network decision making to the public electorate, yet the appointees rarely receive prior training in the technical aspects of transportation planning, programming, and project delivery because no such resource exists.

WHEREAS, the bylaws of the California Association of Councils of Governments, which represents 49 Regional Agencies across the state, support information sharing and policy education among and between its members to assure effective regional governance.

WHEREAS, the Association of Monterey Bay Area Governments (AMBAG) is seeking a Sustainable Partnership Grant, with CALCOG as a Sub-Applicant, to provide online training and orientation courses that can be accessed on demand by Regional Agency board members.

NOW THEREFORE, BE IT RESOLVED, that the California Association of Councils of Governments supports AMBAG's Sustainable Partnership Grant Application to provide a training resource for local elected officials serving on regional agency boards.

Unanimously Adopted by the Board of Directors on December 8, 2023.

Robert Poythress
Board President

D. FUNDING FUTURE APPLICATIONS (For Discussion Only)

This application provides a way for CALCOG to improve member services for a fractional increase in membership costs. The Sustainable Partnership Grant program requires a 20% match from the applicants. For this application, the total cost of the project was $160,000. As a result, CALCOG contributed $32,000 and requested $128,000. Put another way, CALCOG will be able to provide $160,000 worth of member benefits for $32,000 in funds derived from dues and other services.

This is a model that can be repeated (in moderation) in future years. But initial match funds would have to be raised by CALCOG. It's unfair to ask one of our members to front the match for a project that has statewide benefits. The bullets below outline a hypothetical framework that would enable future applications. But it needs careful deliberation because it would increase the costs of CALCOG membership. As a result, staff is only seeking reactions today (and authorization to take such action is not included in the recommendation).

Hypothetical Framework:

- ***Special Assessment Funding:*** Fund a special purpose fund limited to providing match for additional grand funding. An obvious way would be to add a special assessment to dues. For example, a fund of $50,000 can be used to obtain an additional $200,000 to fund the work program. (CALCOG has 49 members).

- ***Rules for the Fund.*** These funds would not be mixed with other funds and the board can adopt protocols that govern their use. For example:
    - Set a goal for the fund amount.
    - Board approval required before any application or other use of funds is made (two-thirds vote would be required under by-laws.
    - Require a percentage of Sponsorship Funds to be contributed to balance.
    - Determine whether to re-assess after successful awards.
    - Provide an advisory-governance structure to develop the best concepts to use the funds.

- ***Potential***. There is significant potential to use this model to leverage state funds across several programs in a way that can benefit all CALCOG members. The focus would be to seek resources for projects that are not likely to be sought on a member-by-member basis. The elected official training is just one example. Others might be clearing houses, best practice research, additional education materials, and even data sharing and collection.

- ***Next Step Options***. Here are some options:
    - Direct staff to drop the concept.
    - Survey the membership to determine level of support.
    - Assign to a subcommittee appointed by the chair for a recommendation.
    - Direct staff to further develop idea and seek member feedback.

APPENDIX

Legislative Principles as Proposed to Be Amended

CALCOG Legislative Principles

Regional agencies serve as a forum for cities and counties to develop solutions for area wide needs, develop plans and strategies for a broad range of issues, strengthen and assist local governments, and advocate for locals at the state and federal levels. CALCOG represents the collective interest of California's regional agencies at the state and federal level as directed by its Board of Directors. The following policy principles serve as the foundation for CALCOG's policy advocacy and communications in order to best represent our diverse membership.

1. Regional Governance

Effective regional governance is an essential element to effective local control. Many local problems and issues transcend local boundaries. State and federal policy should support and encourage effective regional solutions that are more effective than a one-size-fits-all, statewide approach.

(a) Support a "bottoms-up" approach to regional governance that respects local authority and assures flexibility to address regionally specific conditions.

(b) Support measures that authorize local agencies to act collaboratively to achieve regional goals.

(c) Support efforts to protect and increase direct funding to regions through federal and state programs, especially when laws mandate new duties and responsibilities.

(d) Oppose cost shifts and unfunded mandates in the responsibility areas of regional governments.

(e) Encourage state laws that require different state agencies to coordinate policies and reconcile differences before they are implemented and applied to regional entities.

(f) Educate state agencies and leaders when state policies and objectives conflict and oppose or seek amendments to efforts that introduce new conflicting requirements

(g) Support appropriate performance measures developed and implemented cooperatively between federal, state, regional, and local agencies.

(h) Support appropriate funding to regional agencies to match new state and federal requirements for enhanced planning, project delivery, and performance review.

(i) Support changes to open meeting laws that provide long-term flexibility for regional and multijurisdictional agencies to conduct business remotely outside of emergency conditions as a means of increasing board member, advisory body, and public participation while maintaining important transparency and access requirements of the Brown Act.

Deleted: incorporate virtual participation

2. Encourage State-Regional Partnerships, Pilots, and Innovation

Regions are natural geographies for innovation. They provide a scale that can adhere to statewide principles while affording more local flexibility and ownership. Regional pilots can test new methodologies to address anticipated disruptions in transportation services,

automations, power sourcing, GHG and VMT objectives, and advances in technology.

(a) Support and encourage regional pilot programs that test innovative policies, solutions, and technologies. Projects may include microtransit, VMT reduction strategies, roadway pricing mechanisms, education and transportation demand management strategies, infill incentives, testing and deployment of connected and autonomous vehicles, and partnering partnership with the private sector to find new and more efficient solutions to transportation issues.

(b) Support regional or mega-regional selection processes for state funding programs that relate to core regional planning functions (like the RTP/SCS) when it would allow better targeting of the investment of state resources.

(c) Support funding programs that, after setting aside a reasonable minimum for each recipient, distributes funding by formula in lieu of state competitive grant programs; support clear criteria and accountability to ensure that each project funded by such funds advances the purpose of the funding; Such formula resources provide increased predictability for long term planning, reduced administrative burdens, and enhanced flexibility for regions to align mulitiple sources of revenues.

(d) Examine the model of the Regional Early Action Planning (REAP) and Transit Intercity Rail Capital Program as potential models for other state-regional partnerships. Seek to simplify the process of allocated REAP funds in future rounds.

Deleted: program for housing

3. Regional and Transportation Planning

Regional Transportation Plans include safety measures, system preservation, air quality improvement, GHG emission reductions, mode choice policies, housing location, congestion management, and other many other elements that are tailored to regional needs.

(a) Authorize and improve the capacity of regional agencies to deliver plans and program projects that meet the needs and safety of their member cities and counties.

(b) Ensure local and regional agencies (including rural agencies) receive sufficient funding to fulfill their planning and programming obligations. These activities include data gathering and analysis, environmental review, and public engagement. Support collaboration, data sharing, and funding to successfully implement federal and state performance-based planning and management requirements.

(c) Ensure that other state plans and programs remain consistent with the goals and structure of regional transportation plans.

(d) Support a robust transportation research program at the federal and state levels to investigate new technology, methods of data collection, innovative materials, and other improvements for regional plans and project delivery programs.

(e) Support strong data-sharing requirements that protect privacy to improve the quality and quantity of travel pattern data, including measures that provide for sharing of anonymized data from ridesharing services, connected and autonomous vehicles, shared mobility, and other sources to allow for informed planning and decision-making.

(f) Fund the development of modeling and measurement tools to improve performance

measures to better evaluate and predict GHG reductions—the state should have accurate models that fairly account for conditions in all regions.

(g) Support state funding for regions and localities to invest resilience, including sea level rise, energy efficiency, flooding, and wildfire."

(h) Work to assure that new climate adaptation legislation does not conflict with existing local and regional agency capacity and planning processes and uses existing regional geographies for new programs.

(i) Support transparent, cost efficient, and accurate means of measuring vehicle miles traveled related to a project that are in alignment with the goals and strategies of regional transportation plans and sustainable communities strategies.

4. Transportation Funding and Finance

(a) Educate state leaders and others about the need to replace gas tax revenues lost to the state's fuel efficiency and electrification policies. Work to explore solutions and share information.

(e) Support dedicated, robust, and formula-based funding in lieu of statewide competitive grant programs to increase planning predictability, reduce administrative burdens, and enhance flexibility for regions to align multiple sources of revenue. Clear criteria and accountability measures should be incorporated to assure selected projects align with funding objectives. Formulas should include a mechanism, like a minimum allocation, to assure that all recipients can deliver a project. All revenues should adjust automatically for inflation.

Deleted: improve certainty of project planning and programming.

(f) Ensure federal and state funding sources are stable, predictable, flexible, and adequate to operate, maintain, rehabilitate, and expand the transportation system. Prioritize investment to maintain the transportation system and reduce backlogs in system maintenance where they exist. Seek greater flexibility from state and federal sources to support ongoing maintenance investments.

(g) Protect and build upon the structure of the State Transportation Improvement Program (SB 45) that provides programming discretion for regional projects.

(h) Ensure transportation funding meets the needs of all rural, medium-sized, and large urban regions; Pursue new and reformed funding methods and sources to develop and implement robust transportation plans that meet local, regional, and state objectives.

(i) Explore policies—such as the Road User Charge—that will address expected lost revenues from the transition to alternative fuels and zero emission vehicles; raise awareness of the need to address this issue among stakeholders; and support alternative funding mechanisms that are consistent with CALCOG policies.

(j) Protect and increase funding for the operation and expansion of transit and intercity and passenger rail service.

(k) Provide additional dedicated revenue source for regional and local governments to support the implementation of SB 375.

(l) Support lowering the voter threshold required to pass transportation infrastructure

initiatives to 55 percent; and support legislation that allows a county to create a sales tax district within its boundary with a two-thirds vote.

5. Sustainable Community Development and Infrastructure

(a) Support measures that propose to fairly invest and rebuild infrastructure that result in the creation and retention of jobs, housing, and access to opportunity in areas identified for growth in a regional transportation plan. This includes new financing tools or the reinstatement of a redevelopment program that is supported by cities and counties.

(b) Support active transportation like walking and biking; monitor opportunities for additional support for active transportation, including enhanced access and safety improvements on existing roadways (like "complete streets" policies) and funding for regional trails.

(c) Support the deployment of new mobility technologies that improve safety, accessibility, mobility, environmental, equity, and economic and workforce benefits.Support proposals to accelerate the purchase of zero-emission passenger and light-duty vehicles.

(d) Support new funding and planning opportunities to support electric vehicle infrastructure and programs for both private vehicles and public transit fleets. Similarly support programs for electric bicycles and scootersSupport the use of innovative financing, such as Infrastructure Financing Districts to plan and develop infill areas and commercial corridors to attract housing and businesses in area.

(e) Support incentives for more housing, including affordable and transit-oriented developments (TODs), and encourage the siting of these developments in infill areas near transportation resources. Building on the success of SB 288 (Wiener), accelerate review of transportation and housing projects that are consistent with local and regional plans without diminishing environmental safeguards

(f) Support "complete street" policies that are designed to accommodate all users, including cars, trucks, transit, bicyclists, and pedestrians.

(g) Support additional resources and tools for local governments to preserve farmland and open space through public or private programs.

6. Project Programming, Delivery, and Operations

(a) Support efforts to improve safety and achieving no roadway- related deaths or serious injuries by improving safety for all road users, including non-motorists. Improve transportation system safety for all users

(b) Support efforts to increase passenger rail safety through increased funding for positive train control and other strategies to reduce risk.

(c) Increase and maintain direct funding and sub allocation of resources to regional agencies that is consistent and predictable to aid in the programming of projects.

(d) Empower and reward transportation agencies for operating, investing in, and managing the transportation system more efficiently to move people and goods safely with lower environmental, health and climate impacts.

(e) Streamline and improve transportation project delivery processes to eliminate unnecessary requirements; support concurrent state and federal environmental review, including developing a reciprocity program to allow state environmental reviews to count toward the federal process.

(f) Require early engagement for state agencies under CEQA to reduce permit processing time require reasonable deadlines for permit approvals.

(g) Support innovative financing and project delivery tools to facilitate creative solutions for financing and project delivery, including efforts to encourage intergovernmental cooperation and reduce existing regulatory barriers.

(h) Authorize Caltrans and its partners to use alternative procurement methods permanently and without limits.

(i) Expand innovative methods of project management and delivery, such as design-build, that can help complete projects in a timely and cost-efficient manner.

(j) Provide environmental review exemptions for specific repairs, safety projects, and transportation projects within existing public rights of way that directly further state policy priorities, regardless of the size of the lead agency.

(k) Encourage and support effective implementation of "advanced mitigation" environmental programs.

(l) Support enforcement for toll collections; authorize toll agencies' ability to share information about toll transactions to collect tolls and toll penalties. Retains existing privacy protections for customers.

7. Public Transit

(a) In partnership with the California Transit Association, seek direct funding support for transit to address severe operating deficits and layoffs resulting to the COVID-19; Pursue relief from TDA audits during the current economic downturn.

(b) Ensure public transit is an affordable, reliable, safe, and convenient.

(c) Support funding for capital and operational investments to support effective, location efficient transit that will reduce a region's overall greenhouse gas emissions.

(d) Support increased and more flexible funding and policies that support public transit, including passenger rail.

(e) Support additional funding to help transit operators convert their bus fleets to zero-emission in order to meet the state's Innovative Clean Transit rule and accelerate the decarbonization of the transportation system.

(f) Continue to participate in TDA reform to explore updates to the Transportation Development Act's eligibility requirements. Support alternative performance measures that are focused on incentivizing actions that improve transit service and increase ridership. Ensure discount fares aimed at boosting ridership and improving social equity do not result in reduced state funding.

8. Housing

Many COGs are responsible for the Regional Housing Needs Allocation (RHNA). Moreover, regional transportation planning agencies work closely with their local agencies to forecast land use development, including housing needs, growth, and the relationship to the transportation network.

(a) Work with local government partners to amend housing element law (and related administrative procedures) to give jurisdictions flexibility to provide affordable housing and remove disincentives and regulatory obstacles to providing affordable housing.

(b) Seek ongoing funding to reimburse councils of governments for Regional Housing Needs Allocation compliance costs.

(c) To emphasize the connection between housing and transportation in the RTP-SCS, design state funding programs that afford more localized or regional input on state programs to encourage more location-efficient housing that support the objectives of SCS and are supported by local governments.

(d) Acknowledge that regional planning can be complex. Preserve the integrity of the requirements and objectives of the RHNA and RTPs. Promote education efforts to explain complexities, but oppose measures that would undermine the integrity of the planning.

(e) Support new funding to help pay for affordable housing and support legislation that facilitates the construction of more housing in low-VMT locations and high opportunity areas. Support new investments that support job development in the jobs-poor, housing-rich areas.

(f) Monitor and support efforts to provide additional state resources for housing and housing-supportive infrastructure, planning and services to ensure housing investments can be made in conjunction with improvements to parks/open space, and other resources to improve quality of life.

(g) Support incentives for jurisdictions that provide opportunities for more housing, including affordable and transit-oriented developments (TODs) and encourage the siting of these developments near areas with transportation resources and future planned investments.

(h) Support continuing the REAP program throughout the Sixth Cycle of the Regional Housing Needs Allocation to support the ongoing production of well-located housing that can address the multiple, interconnected goals of housing, access to opportunity, and reduction of GHGs.

(i) Engage in the Governor's process to review and "revamp" the RHNA process; work with member agencies to identify elements that worked well in the last RHNA process and things that need to be improved.

(j) Support efforts to remove discriminatory barriers and policies that impede fair access to housing.

9. Broadband

(a) Support coordinated efforts to prioritize additional funding and resources to expand broadband access and infrastructure, particularly in low-income and rural communities.

(b) Encourage collaboration between the State, MPOs, local governments, regional consortia, and other stakeholders to establish broadband working groups

(c) Encourage leveraging high-quality bandwidth to implement VMT reduction strategies focused on teleworking and strong, rapid connectivity for AV cars and AV freight and generally support long- term teleworking of employees.

(d) Empower regional consortia to engage and work with local governments to adopt policies and enact permit streamlining, consistent permitting fees, emergency ordinances, and waivers for microprojects in order to accelerate broadband deployment

(e) Provide grant funding to governmental entities to develop programs, including those integrated into affordable housing, that provide steady funding for free or subsidized internet access for qualifying residents to bridge the economic-digital divide.

10. Miscellaneous

(a) Because regional agency boards are made up of local officials that serve as city council members and county supervisors, CALCOG generally does not take positions that are in conflict with the League of California Cities (Cal Cities) and California State Association of Counties (CSAC).

(b) CALCOG does not normally take position on member-sponsored legislation that address specific circumstances in a region unless the Board determines that one of the following conditions are met: the measure (1) offers an important pilot project that involves a change, innovation, or efficiency in state policy; (2) authorizes a special, localized funding condition sponsored by the member agency; or (3) sets a significant precedent that could be applied to all CALCOG members. When an exception is established, CALCOG's advocacy should remain focused on the statewide effects of the measure.

(c) CALCOG will work with other state associations, like the League of California Cities, California State Association of Counties, California Special District Association, California Association of Joint Powers Agencies, California Transit Association, and the California Society of Association Executives on bills that affect the operation of state associations that represent public agencies. Our goal will be to assure that the association has the appropriate means to carry out its mission. Staff will propose positions on such bills for the board to consider on an as needed basis.

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11. Policies specific to Proposed Ideas to Amend to SB 375

Passed in 2008, Senate Bill 375 (Steinberg) aimed to reduce greenhouse gas (GHG) emissions from the transportation sector by requiring MPOs to prioritize investments and adopt strategies to reduce GHGs in long-range plans known as Sustainable Communities Strategies

(SCS). The bill strengthened the connection between transportation and land use and was groundbreaking in its elevation of climate to a top priority issue. The result has been increased public engagement in the process of transportation planning, which in turn has produced better regional transportation plans that better reflect community and state needs. We address ways in which SB 375 could be improved.

a. Address needed state-initiated VMT reduction strategies

The California Air Resources Board's (CARB's) approach GHG reduction from cars and light trucks has been uneven. Prior to providing even more scrutiny and oversight over the approval of the SCS, CARB must first develop a comprehensive plan for the related but unaddressed State-Initiated VMT Reduction Strategies. CARB documents identify these as necessary to get to the Scoping Plan's objective of achieving a 25 percent reduction in emissions from cars and light trucks. Yet as of early 2021, no state plan or analysis has been conducted since the SB 375 targets were reset in 2018. This omission impedes progress toward achieving state goals. (See graphic below). Once a state plan is in place, it should be held to the same standards of "implementation rigor" that applies to review of the RTP/SCS.

b. Prioritize Cooperation and Partnerships

CARB should partner with agencies and levels of government that have authority over VMT outcomes, state law should build more cooperative frameworks. There are a variety of opportunities for such collaboration. Here are two:

i A REAP-Like Program for VMT Reduction. One of the SB 375 tension points is between the (CARB-described) "top down" 15 percent by 2050 reduction goal and the evidence based "bottoms-up" target setting. The two metrics sometimes places CARB and MPOs at odds on appropriate emphasis, making cooperation more challenging. In contrast, the recent REAP program has created a cooperative environment that has strengthened the partnership between MPOs and HCD to work together on housing issues. A similar approach could be taken around VMT reduction. Potential strategies might include low VMT development incentives and preserving conservation areas. A REAP-like program—where the state agency approves implementation plans prior to distributing funding—would allow CARB to leverage its own policy and expertise, share lessons learned, and collaborate with MPOs more closely.

ii Other Innovative Pricing Pilot Projects. Use pilot projects as a means to encourage and evaluate pricing mechanisms. Many MPOs around the state are beginning to explore regional pricing strategies (HOT lanes, tolling, cordon, parking, and more) as a means to reduce emissions. Others are exploring infill strategies that could change the way that regions develop and reduce emphasis on the use of automobiles.

c. Address Tension Points Between Interconnected Policy Goals

State law should be amended to help regional agencies to plan for multiple, interconnected goals of climate protection, air conformity, housing, social equity, and resilience. SB 375's single focus on GHG reduction presents challenges to regional agencies seeking to make progress on other important policy goals, such as social equity, housing production, VMT reductions, and climate resilience. A strategy that achieves one or two of these goals may

simultaneously make it more difficult to achieve a third. State law does not have a mechanism to address these policy trade-offs. For example, focusing all new housing growth in transit priority areas might reduce GHG emissions, but could also exacerbate displacement of low-income residents. State law should afford flexibility where such policy tensions are documented and mitigate the consequences of any policy tradeoff.

d. Focus Accountability on Results within MPO Control

Any effort to amend or "reform" SB 375 should rely on accountability measures that focus on outcomes that are within the control of MPOs in the following ways:

i Decrease reliance on emission models and place more emphasis on actions that will reduce GHGs in partnership, rather than in competition, with the state.

ii Decouple the SCS performance from economic and environmental externalities. The target setting process is vulnerable to economic and environmental externalities. Thus, a SCS may appear "successful" in an economic downturn (like the recent pandemic); and "unsuccessful" when low vehicle operating costs cause an increase in VMT. The determination of whether a region is sufficiently implementing SB 375 must be decoupled from market and environmental externalities.

iii Account for the effect of the anticipated increase in sales of zero emission vehicles (ZEVs) in accord with state goals; and the corresponding effects that the increased use ZEVs–and their lower operating costs—may have on VMT. MPOs should not be held accountable for increased VMT that results from lower operating costs of zero emission vehicles.

iv CARB should positively engage in finding funding alternatives to sustain the transportation system in light of an estimated $4 billion annual loss of gas tax revenues (estimated in 2040) expected if the state achieves its ZEV and VMT goals.

v An assessment of technology (e.g., autonomous vehicles) and market factors (e.g., market share of TNCs) that are either uncertain or likely to affect overall per capita GHG (either positively or negatively)

vi Increase the availability of regional funding to implement the SCS; provide policy tools to reduce single-occupancy travel in a way that ensures equitable outcomes. This includes increased availability of funding and financing for infill infrastructure.

e. Maintain the Current Framework for SCS Review

i Maintain current balance in SCS review. Oppose efforts to increase CARB authority to approve or disapprove a particular SCS beyond the threshold currently in statute.

ii Reinforce the sixty-day limit CARB has to review an SCS; Require ARB to list the documentation that they need to review an SCS up front and set reasonable limits on follow-up requests.

iii Authorize MPO with a CARB-approved APS to be eligible for Solutions for Congested Corridors and Trade Corridor Enhancement Program.

iv Extend the application of SB 375 beyond 2035 in a manner that align with statutory extensions of SB 32.

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f. Additional Implementation Efficiencies

i Accelerate SCS implementation with innovative policy tools that dramatically reduce VMT; these may include regional policies and flexibility on tolling existing roadway capacity; authorizing cordon pricing; making it easier for transit systems to gain priority on local and state roadways; authorizing bus on shoulder in peak traffic periods; strengthening the streamlining provisions for infill development projects that are consistent with an SCS; and providing more predictable state funding to MPOs to implement their SCSs.

ii Authorize regions to align their RTP/SCS planning periods to ensure maximum coordination on forecasting assumptions, strategies, and investments

iii Under current law, development projects that are consistent with the SCS are supposed to be given acceleration under CEQA and yet this tool has been used on a very limited basis due to lack of clear definition in the law. To promote more infill development of the type known to reduce VMT, it would be helpful for the law to provide more a more robust approach to streamlining commercial and residential development in low-VMT areas.

iv State policies need to encourage regions to accelerate electrification. Currently, CARB makes it challenging for MPOs to receive "credit" for policies and investments designed to speed up electrification of the passenger vehicle fleet even if such policies are likely to speed up achievement of the state's goals.

Attachment

SANDAG Borders Committee

agenda 1/26/24

Borders Committee

Friday, January 26, 2024

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the Borders Committee on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to five public speakers. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Borders Committee members and SANDAG staff also may present brief updates and announcements under this agenda item.

Consent

+2. Approval of Meeting Minutes — Approve

Tessa Lero, Francesca Webb; SANDAG

The Borders Committee is asked to approve the minutes from its September 22, 2023, and its November 15, 2023, meetings.

September 22, 2023 Meeting Minutes
November 15, 2023 Meeting Minutes

Information

+3. 2025 Regional Plan Tribal and Binational Outreach Summary

Hector Vanegas; SANDAG

This report provides a summary of tribal and binational outreach SANDAG conducted in support of 2025 Regional Plan development.

2025 Regional Plan Tribal and Binational Outreach
Att. 1 - 11.15.23 SANDAG Tribal Program Update
Att. 1.2 - Tribal Lands in The SD Region
Att. 2 -10.04.23 Workshop Agenda - Bilingual

Reports

+4. San Diego and Imperial Counties Sustainable Freight Implementation Strategy — Information

Antoinette Meier, Mariela Rodriguez, Tim Garrett; SANDAG

Staff will present an update on the San Diego and Imperial Counties Sustainable Freight Implementation Strategy.

Sustainable Freight Strategy
Att. 1 - Summary Fact Sheets for Key Strategies
Supporting Materials

5. 2024 World Design Capital — Information

Mai Nguyen; 2024 World Design Capital

Every two years, the World Design Organization elects a “World Design Capital” – a year long designation that involves an array of public events and legacy projects and shines an international spotlight on one successful city. Mai Nguyen will

present updates of the San Diego-Tijuana 2024 World Design Capital, the first binational designation.

+6. SANDAG's Approach to 2024 World Design Capital Information

Antoinette Meier, Hector Vanegas, Marisa Mangan, Zach Hernandez; SANDAG

Staff will present an update on the designation of San Diego-Tijuana binational region as the 2024 World Design Capital and how SANDAG aims to participate.

SANDAG Approach to 2024 World Design Capital
Att 1 - SANDAG Resolution No. 2024-13
Supporting Materials

7. Adjournment

The next Borders Committee meeting is scheduled for Friday, February 23, 2024, at 1 p.m.

+ next to an agenda item indicates an attachment

October 27, 2023

September 22, 2023, Meeting Minutes

View Meeting Video

Vice Chair Jesus Escobar (Imperial County) called the Borders Committee to order at 1:04 p.m.

1. Public Comments/Communications/Member Comments

Truth, member of the public, spoke regarding regional Borders issues.

Mark, member of the public, spoke regarding construction along the U.S./Mexico Border.

Consuelo, member of the public, spoke regarding tribal lands and community participation.

Jimena Villasenor, San Diego Chamber of Commerce, spoke in support of collaborative efforts to enhance quality of life along the Border.

The Original Dra, member of the public, spoke regarding relations with Mexico.

Mike, member of the public, spoke regarding public participation at SANDAG meetings.

Deputy Director Ann Fox, Caltrans, spoke regarding upcoming freeway closures for construction projects.

Consent

2. Approval of Meeting Minutes

There were no public comments on this item.

Action: Upon a motion by Councilmember Vivian Moreno (City of San Diego) and a second by Supervisor Joel Anderson (County of San Diego), the Borders Committee voted to approve the minutes from its July 28, 2023, meeting.

The motion passed.

Yes: Vice Chair Escobar, Supervisor Anderson, Councilmember Moreno, Councilmember David Druker (North County Coastal), and Councilmember Patricia Dillard (East County).

No: None.

Abstain: None.

Absent: North County Inland and South County.

3. 2023 Bike Anywhere and Tijuaneando en Bici Crossborder Celebration Update

This report provided a summary of this year's Bike Anywhere and Tijuaneando en Bici, held on Thursday, May 18, 2023, which included innovative activities to encourage biking across the border as a viable, fun, and healthy transportation choice to reduce vehicle mileage traveled and Greenhouse Gas emissions at border crossings.

The Orignal Dra spoke regarding sewage issues in the Tijuana River Valley.

Action: Information only.

DRAFT

Reports

4. San Diego and Imperial Counties Sustainable Freight Implementation Strategy

Regional Planner Tim Garrett presented an overview of the San Diego and Imperial Counties Sustainable Freight Implementation Strategy.

The Original Dra spoke in opposition to the item.

Action: Information only.

5. Zero Emission Freight Transition at the California-Baja California Border Study

Senior Regional Planner Andrea Hoff presented an overview of the Zero-Emission Freight Transition at the California-Baja California Border Study that explores the benefits and challenges for our border region.

The Original Dra spoke in opposition to the item.

Action: Information only.

6. Reimagining Tijuana

Jose Galicot, Tijuana Innovadora, presented an overview of Tijuana Innovadora, a community organization in Tijuana, which began a citizen consultation exercise about the city they want and seeks to generate changes by showing what citizens want from their city. This effort brings together stakeholders from the public and private sectors and is planned to be concluded in July 2024.

There were no public comments on this item.

Action: Information only.

7. Tijuana – San Diego 2024 World Design Capital

This item was removed from the agenda.

8. Upcoming Meetings

The next Borders Committee meeting is scheduled for Friday, October 27, 2023, at 1 p.m.

9. Adjournment

Vice Chair Escobar adjourned the meeting at 2:32 p.m.

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Confirmed Attendance at Borders Committee Meeting

Jurisdiction	Name	Member/ Alternate	Attended
South County	Matthew Leyba-Gonzalez, Chair	Member	No
	Carolina Chavez	Alternate	No
East County	Laura Koval	Member	Yes
	Patricia Dillard	Alternate	Yes
City of San Diego	Vivian Moreno	Member	Yes
	Sean Elo-Rivera	Alternate	No
County of San Diego	Joel Anderson	Member	Yes
	Nora Vargas	Alternate	No
Imperial County	Jesus Eduardo Escobar, Vice Chair	Member	No
	Luis Plancarte	Alternate	No
North County Coastal	Dave Druker	Member	Yes
	Peter Weiss	Alternate	No
North County Inland	Dane White	Member	No
	Mike Morasco	Alternate	No
Advisory Members			
Riverside County	Crystal Ruiz	Member	No
	Yxstian Gutierrez	Alternate	No
Republic of Mexico	Carlos González Gutiérrez	Member	No
	Gilberto Luna	Alternate	No
	Natalia Figueroa	Alternate	Yes
Southern California Tribal Chairmen's Association	Raymond Welch	Member	No
	Cody Martinez	Alternate	No
Caltrans	Gustavo Dallarda	Member	No
	Ann Fox	Alternate	Yes
	Mario Orso	Alternate	No
San Diego County Water Authority	Valentine Macedo, Jr.	Member	No
	Steve Casteneda	Alternate	No
Southern California Association of Governments	Naresh Amatya	Member	No
	David C. Salgado	Alternate	No
Orange County	Vacant	Member	No
	Vacant	Alternate	No

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SANDAG

Borders Committee

Item: **2B**

January 26, 2024

November 15, 2023, Meeting Minutes

View Meeting Video

Councilmember Vivian Moreno (City of San Diego) called the Borders Committee to order at 1:04 p.m.

1. Public Comments/Communications/Member Comments

Truth, member of the public, commented regarding her family ancestry.

The OriginalDra, member of the public, commented regarding border security and respect for tribal lands.

Jamul Indian Village Chairwoman Erica Pinto (SCTCA) invited Barona Band of Mission Indians Chairman Raymond Welch to share a blessing for the Tribal Symposium and requested each of the tribal representatives to introduce themselves and share updates from their tribal governments.

2. Welcome Remarks

Deputy Evelyn Sánchez, Baja California State Legislature's Commission of Indigenous and Social Welfare Commission, Linda Sacks, California Native American Legislative Caucus, and Loretta Miranda, Office of Governor Gavin Newsom, welcomed members to the Borders Committee meeting and Tribal Symposium.

Consent

3. SANDAG Tribal Program Update

This report provided a summary of the SANDAG Tribal Program.

Truth commented regarding aspects of the Tribal Program.

Consuelo, member of the public, commented in opposition to the Tribal Program.

Blair Beekman, member of the public, commented regarding the Tribal Program.

The OriginalDra commented in opposition to the Tribal Program.

Action: Information only.

Reports

4. Sovereignty and Tribal Nations in the Region

Michael Connolly, Southern California Tribal Chairmans Association presented an overview of the United States Constitution and treaties that recognize Native American communities as sovereign nations within the territorial boundaries of the United States.

Truth commented regarding sovereignty of tribal nations.

Consuelo commented regarding sovereignty of tribal nations.

The OriginalDra commented regarding sovereignty of tribal nations.

Action: Information only.

DRAFT

5. Native American Cultural Monitoring

Ray Teran, Viejas Band of Kumeyaay Indians; Rafael Reyes and Sarah Allred, Caltrans; and Regional Planning Program Manager Keith Greer presented information on preserving and protecting tribal cultural resources through cultural monitoring and updates on cultural monitoring efforts.

Truth commented regarding tribal cultural resources and monitoring efforts.

Consuelo commented regarding protection of tribal culture.

Action: Information only.

6. Preliminary Employment Center Data on Tribal Nations in San Diego County

Naomi Young presented an update regarding the preliminary insights on SANDAG's employment centers within tribal nations in San Diego County and led a discussion on economic development opportunities for tribal nations.

Truth commented regarding the insights into the tribal nation data.

Consuelo commented regarding data presented on tribal nations.

Action: Discussion only.

7. Funding Opportunities for Tribal Nations

Senior Director of Planning Antoinette Meier; Steve Lockett and Kaitlyn Elliot-Norgrove, County of San Diego; and Robin Owen, Caltrans presented information on grant funding opportunities available for tribal nations and lead a discussion on tribal funding needs.

Truth commented regarding funding opportunities for tribal nations.

Paul the Bold, member of the public, commented regarding grant funding for tribal nations.

Action: Discussion only.

8. Upcoming Meetings

The Borders Committee meeting scheduled for Friday, December 22, 2023, has been canceled. The next Borders Committee meeting is Friday, January 26, 2024, at 1 p.m.

9. Adjournment

Chairwoman Pinto adjourned the meeting at 3:11 p.m.

DRAFT

Confirmed Attendance at Borders Committee Meeting

Jurisdiction	Name	Member/ Alternate	Attended
South County	Matthew Leyba-Gonzalez, Chair	Member	No
	Carolina Chavez	Alternate	No
East County	Laura Koval	Member	Yes
	Patricia Dillard	Alternate	No
City of San Diego	Vivian Moreno	Member	Yes
	Sean Elo-Rivera	Alternate	No
County of San Diego	Joel Anderson	Member	Yes
	Nora Vargas	Alternate	No
Imperial County	Jesus Eduardo Escobar, Vice Chair	Member	No
	Luis Plancarte	Alternate	No
North County Coastal	Dave Druker	Member	Yes
	Peter Weiss	Alternate	No
North County Inland	Dane White	Member	No
	Mike Morasco	Alternate	No
Advisory Members			
Riverside County	Crystal Ruiz	Member	Yes
	Yxstian Gutierrez	Alternate	No
Republic of Mexico	Carlos González Gutiérrez	Member	No
	Gilberto Luna	Alternate	No
	Natalia Figueroa	Alternate	No
Southern California Tribal Chairmen's Association	Raymond Welch	Member	Yes
	Cody Martinez	Alternate	No
Caltrans	Gustavo Dallarda	Member	No
	Ann Fox	Alternate	No
	Mario Orso	Alternate	No
San Diego County Water Authority	Valentine Macedo, Jr.	Member	No
	Steve Casteneda	Alternate	No
Southern California Association of Governments	Naresh Amatya	Member	No
	David C. Salgado	Alternate	Yes
Orange County	Vacant	Member	No
	Vacant	Alternate	No

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January 26, 2024

2025 Regional Plan Tribal and Binational Outreach Summary

Overview

As part of the process to develop the 2025 Regional Plan staff convened workshops to share ideas around regional planning, mobility, and discuss opportunities for collaboration with our partner agencies and stakeholders. Recent workshops focused on generating a dialogue to highlight the unique aspects and potential solutions from the perspective of the region's borders with tribal nations and Mexico.

Action: **Information**
This report provides a summary of tribal and binational outreach SANDAG conducted in support of 2025 Regional Plan development.

Fiscal Impact:
None.

Schedule/Scope Impact:
None.

Key Considerations

Under this lens and building from the existing framework for institutional collaboration, SANDAG staff provided presentations and led discussion with tribal partners as part of recurring meetings of the Interagency Technical Working Group on Tribal Transportation Issues (Tribal TWG) on March 8, June 7, and August 30, 2023. SANDAG staff and Working Group members discussed the 2025 Regional Planning goals and strategies as well as how to align transportation solutions developed as part of the Interregional Tribal Transportation Strategy (ITTS).

Some of the common themes and outcomes heard during Tribal TWG meetings include:

- Discussion and updates to the existing Tribal Consultation Plan in support of the 2025 Regional Plan and further efforts to identify funding opportunities for ITTS projects.
- Emphasis on climate change adaptation and ensuring electric vehicle conversions have an energy grid to support it.
- The continued importance of safety, roadway improvements, economic vitality, and regional connectivity for tribal nations.

On November 15, 2023, the Borders Committee, together with the Tribal TWG, hosted a Tribal Symposium. The symposium highlighted preliminary insights into SANDAG's employment centers within tribal nations in San Diego County and related economic development opportunities, as well as a presentation on preserving tribal cultural resources through cultural monitoring. Additionally, staff and tribal representatives engaged in an open dialogue about funding opportunities.

On October 4, 2023, SANDAG, in partnership with the City of Tijuana, held the Border Transportation Planning Workshop at Centro Cultural Tijuana (CECUT) in Tijuana. The program included presentations from SANDAG, IMPLAN Tijuana, and Tijuana Innovadora, each of which discussed current approaches to mobility planning and key projects relevant to crossborder mobility through the region's land ports of entry and throughout the border region. The presentations were followed by a moderated discussion among attendees which included representatives from U.S. and Mexican government, chambers of commerce, universities, non-governmental organizations, and community members.

Some of the common themes and outcomes heard during the border workshop include:

- Existing mechanisms for collaboration are effective and should continue through subsequent discussions with SANDAG, the crossborder community, and stakeholder agencies.

- Integrating mobility systems on both sides of the border will improve quality of life, economic competitiveness, the environment, public health, etc.
- Both U.S. and Mexican partners are eager to find opportunities to align planning efforts and apply complementary and coordinated solutions to make border travel more efficient

Next Steps

Follow-up discussions with our partners will be scheduled to build on the momentum from the workshops while generating productive engagement during the development of the 2025 Regional Plan.

Antoinette Meier, Senior Director of Regional Planning

Attachments:
1. November 15, 2023 SANDAG Tribal Program Update
2. October 4, 2023 Border Transportation Workshop Agenda

SANDAG

Borders Committee

Item: **3**

November 15, 2023

SANDAG Tribal Program Update

Action: **Information**

This report provides a summary of the SANDAG Tribal Program.

Fiscal Impact:

$60,000 allocation from FY 2024 Overall Work Program Project No. 3100404 for tribal consultation with Southern California Chairman's Association.

Schedule/Scope Impact:

None.

Overview

The San Diego region is home to 18 Native American reservations represented by 17 Tribal Governments, the most in any county in the United States. Native American reservations are comprised of more than 127,000 acres in the San Diego region, making up approximately four percent of the region's land base. All the reservations are located within the unincorporated eastern portion of the county.

Executive Order 13175 requires consultation and coordination with Indian tribal governments. SANDAG has a significant history working with tribal governments in the region. The first San Diego Regional Tribal Summit was hosted by SANDAG in 2002 and brought together elected leaders from the 19 local governments who make up the Board of Directors and the 18 federally recognized tribal governments in the San Diego region. In 2007, the Board and the Southern California Tribal Chairmen's Association (SCTCA) signed an agreement that gave tribes an advisory role on the Board and committees, solidifying a unique local government-to-government framework.

Key Considerations

Going back more than two decades, SANDAG, tribes, and the SCTCA have continued to partner on policy areas of mutual interest. The SANDAG tribal program consists of the following primary efforts:

Tribal Consultation Plan

The government-to-government framework established between tribal governments and SANDAG assures meaningful engagement in complex regional planning and policy decisions. This type of arrangement is uncommon at the local or regional level as it has been most commonly applied at the state and federal levels. As part of the Regional Plan update, SANDAG and the SCTCA establish a Memo Of Understanding and work plan that details priorities and how we will collaborate. The tribal consultation process for the 2025 Regional Plan kicked off early this year and will be ongoing throughout the plan development process.

Ongoing Collaboration

Tribal leaders as well as representatives from the Bureau of Indian Affairs (BIA), County of San Diego, Caltrans, Metropolitan Transit System (MTS), and North County Transit District (NCTD) meet with SANDAG quarterly through the Interagency Technical Working Group on Tribal Transportation Issues. This working group has been meeting regularly since 2006. A Tribal Taskforce was more recently established and is comprised of tribal members and staff who work in planning, as well as representatives from the BIA, County of San Diego, Caltrans, MTS, and NCTD. The technical group meets monthly to establish priorities and projects for regional collaboration with tribal leaders, agenda settings for the working group, and coordinate other opportunities and efforts of mutual interest.

Since 2023, a joint Regional Tribal Summit has traditionally been convened by SANDAG and tribal leaders every four years to bring leaders together to discuss policy issues of mutual interest related to transportation and regional planning. First held in 2019, Tribal Symposiums have taken place between tribal leaders and the SANDAG Borders Committee, also to discuss policy areas of mutual interest.

Regional Planning Projects and Programs

In 2018, the Intraregional Tribal Transportation Strategy (ITTS) was completed to address the tribal transportation needs in the San Diego region. The ITTS identifies tribal transportation needs and improvements that support mobility, emergency evacuation, and safety to advance the transportation goals of tribal reservations now and into the future. An update was published in March 2022, and is being used to inform ongoing planning efforts, including the Regional Plan and Comprehensive Multimodal Corridor Plans.

Work is ongoing on two ITTS projects identified as early action tribal capital projects - improvements to State Route 76 from Rice Canyon Road to Pala Reservation and interchange improvements at Interstate 8 and West Willows Road. SANDAG allocated $5 million to advance the two ITTS projects to complete advanced planning and engineering work needed to take the projects from planning to implementation.

Staff partnered with the La Jolla Band of Luiseño Indians on their Safe Streets and Roads for All Action Plan in tandem with the agency's Vision Zero Action Plan to create a tribal safety action plan on the same timeline as SANDAG's Regional Plan. The regional Vision Zero Action Plan will allow tribes to be eligible to apply for implementation funds.

SANDAG will distribute $1.5 million of the funding received through the state's Regional Early Action Planning Grants of 2021 to the SCTCA. The funds will accelerate plans for housing development on or near tribal reservations.

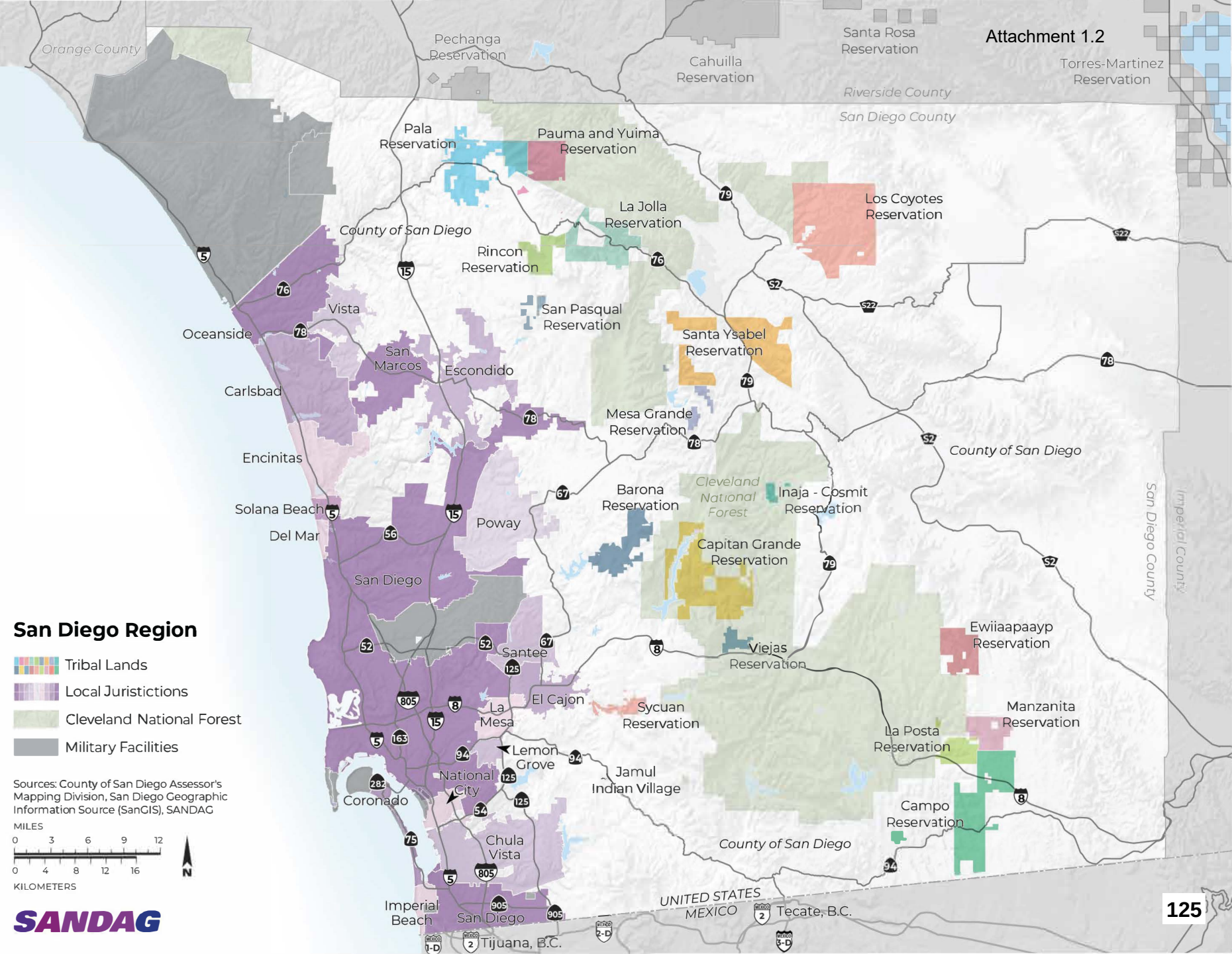
The SCTCA and SANDAG also applied jointly and were awarded nearly $500,000 for a Local Agency Technical Assistance grant to improve internet connectivity for Tribal Digital Village, a tribal-led internet network that serves 105 tribal buildings and up to 500 households. The project will include an internet connectivity plan and implementation strategy for high-quality internet service to tribal lands.

Next Steps

Staff will bring an update on priority projects as they are advanced. As the tribal program evolves, staff will bring additional updates to the Transportation Committee. Plans are underway to convene a Tribal Summit in the spring of 2024.

Antoinette Meier, Senior Director of Regional Planning

Attachment: 1. Tribal Lands in the San Diego Region



San Diego Region

- Tribal Lands
- Local Jurisdictions
- Cleveland National Forest
- Military Facilities

Sources: County of San Diego Assessor's Mapping Division, San Diego Geographic Information Source (SanGIS), SANDAG

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SANDAG

Border Transportation Planning Workshop Agenda

October 4, 2023 | 10 a.m. – 12 p.m.

Centro Cultural Tijuana (CECUT) – Sala Federico Campbell
Paseo de los Héroes No. 9350 Zona Urbana Río, Tijuana, Baja California, México

~ English and Spanish interpretation will be available. ~

Introductions and Welcoming Remarks *10 min*

Amb. Carlos González-Gutiérrez, Consul General of México in San Diego

SANDAG: Preparing Our 2025 Regional Plan *20 min*

Learn how our agency plans transportation improvements and about upcoming projects that will benefit the border region.

IMPLAN Tijuana: Metropolitan Program *20 min*

Hear about our diverse efforts to address transportation needs in our jurisdiction while exploring opportunities to bring about a shared vision of the Metropolitan Zone of Tijuana, Tecate, and Playas de Rosarito.

Tijuana Innovadora: Reimagining Tijuana *20 min*

Reflect on how government policy can transform through ongoing public engagement, including diverse socioeconomic groups, age ranges, and cultural backgrounds.

Discussion: Working Together to Get People Across Our Border *30 min*

Moderator: Flavio Olivieri, CETYS University, Center for Competitiveness and Entrepreneurship. Group discusses the following questions:

1. How can our governments work together to support the projects and priorities discussed today?
2. In general, how can we be more effective working together on crossborder transportation improvements?
3. What are some mobility challenges along the border that you want to see addressed that you haven't heard plans about yet?

Closing Remarks and Small Group Activity *15 min*

Brígida Fernández, State of Baja California Development Planning Committee (COPLADE in Spanish)

Note: To participate in this meeting, you must attend in person.
To listen to the meeting only, join online via Zoom webinar:
https://us06web.zoom.us/j/87367075006?pwd=q4EAmraoeQhmbPMyOybzDgQGyXOtAk.1

SANDAG · MÉXICO Consulado General en San Diego · XXIV Ayuntamiento Tijuana 2021-2024 · IMPAC Instituto Municipal de Participación Ciudadana · IMPLAN Instituto Metropolitano de Planeación de Tijuana · Tijuana Innovadora Binational

Taller de Planificación en la Frontera

4 de octubre de 2023 | 10 a.m. – 12 p.m.

Centro Cultural Tijuana (CECUT) – Sala Federico Campbell
Paseo de los Héroes No. 9350 Zona Urbana Río
Tijuana, Baja California, México

~ Habrá interpretación simultánea inglés-español. ~

Presentación y Comentarios de Bienvenida — 10 min

Emb. Carlos González-Gutiérrez, Cónsul General de México en San Diego

SANDAG: Preparando Nuestro Plan Regional 2025 — 20 min

Conozca cómo nuestra agenda planea las mejoras al transporte y acerca de proyectos futuros que beneficiarán a la región fronteriza.

IMPLAN Tijuana: Programa Metropolitano — 20 min

IMPLAN realiza esfuerzos diversos que identifican asuntos con alcance metropolitano, que representan una oportunidad para construir una visión compartida de la Zona Metropolitana de Tijuana, Tecate y Playas de Rosarito.

Tijuana Innovadora: Reimaginando Tijuana — 20 min

Una reflexión sobre cómo la política gubernamental puede transformarse a través de la pública continua, incluyendo diversos grupos socioeconómicos, rangos de edad y orígenes culturales.

Discusión: Trabajando juntos para que la gente cruce nuestra frontera — 30 min

Moderador: Flavio Olivieri, CETYS Universidad, Centro para la Competitividad y Emprendimiento. Participantes discutirán en grupo las siguientes preguntas:

1. ¿Cómo podríamos trabajar juntos con nuestros gobiernos para apoyar los proyectos y prioridades discutidos hoy?
2. En general, ¿cómo podemos ser más exitosos trabajando juntos mientras llevamos a cabo las mejoras del transporte transfronterizo?
3. ¿Cuáles son algunos de los retos de movilidad en la frontera que usted quiere ver abordados en que todavía no ha oído de planes para resolverlos?

Comentarios Finales — 15 min

Brígida Fernández, Comité de Planeación para el Desarrollo del Estado (COPLADE), Gobierno de Baja California.

Nota: Para participar en esta reunión se requiere estar en persona.
Para escuchar por internet, ingrese al enlace de Zoom: https://us06web.zoom.us/j/87367075006

SANDAG · México Consulado General en San Diego · XXIV Ayuntamiento Tijuana 2021-2024 · IMPAC Instituto Municipal de Participación Ciudadana · IMPLAN Instituto Metropolitano de Planeación de Tijuana · Tijuana Innovadora Binational

January 26, 2024

San Diego and Imperial Counties Sustainable Freight Implementation Strategy

Action: **Information**
Staff will present an update on the San Diego and Imperial Counties Sustainable Freight Implementation Strategy.

Fiscal Impact:
The project is funded by a $500,000 Caltrans Sustainable Transportation Planning Grant.

Schedule/Scope Impact:
The project is expected to be completed by February 2024.

Overview

SANDAG, in partnership with the Imperial County Transportation Commission (ICTC), was awarded a Caltrans Sustainable Transportation Planning Grant to conduct the San Diego and Imperial Counties Sustainable Freight Implementation Strategy (Sustainable Freight Strategy). This study developed freight-related strategies, projects, policies, and programs that leverage innovative and multimodal technologies to meet climate, air quality, and public health goals.

Key Considerations

San Diego and Imperial Counties (collectively the Gateway Region) play a critical role in global supply chains by facilitating international trade. The freight industry transports billions of dollars' worth of goods annually through the Gateway Region's ports, highways, railroads, airports, and land ports of entry. The demand for goods movement through the region is driven by local consumption, crossborder trade, manufacturing, the Ports of Los Angeles and Long Beach, logistics facilities, and intermodal railyards in the Inland Empire. With all this freight activity, communities near major hubs are subject to public health, air quality, noise, congestion, and safety impacts. California's ambitious climate, air quality, and public health goals will require the freight sector to transition towards more sustainable technologies, operations, and infrastructure.

The Sustainable Freight Strategy kicked off by developing the project goal that guided the development of the strategy: to create a more sustainable supply chain network through regional freight projects and policies that reduce emissions while fostering trade. As part of the research and evaluation of sustainable freight best practices around the world, the project development team (made up of representatives from SANDAG, Caltrans, ICTC, and the consulting team) reviewed projects, programs, and policies for San Diego and Imperial Counties that were included in adopted regional transportation plans and leveraged the best practice research to develop new and innovative ideas.

The development of the Sustainable Freight Strategy employed numerous forms of outreach to engage stakeholders throughout the region, focusing on communities near major freight hubs. Stakeholder engagement included one-on-one interviews, focus groups, public surveys, working group discussions, and outreach events. The study evaluated nearly two hundred sustainable freight strategies using environmental, equity, and economic criteria and stakeholder feedback. Summary Fact Sheets for a subset of Key Strategies (Attachment 1) have been developed with additional information regarding benefits, implementation considerations, timelines, high-level cost estimates, and applicable funding programs. These resources will help SANDAG apply for funding to implement strategies over the coming years.

The project development team is preparing a Workforce Development Toolkit to support sustainable freight strategies in the Gateway Region. The toolkit will identify occupational needs and opportunities along with an inventory of available training, degree, and certification programs in the region. The

research identified additional training needs to ensure job quality, safety, and proper management as the freight industry adopts emerging technology.

Next Steps

The draft Workforce Development Toolkit is expected to be available in late January 2024, and the team will seek input through February 16, 2024. Upon incorporating additional feedback, the toolkit and previously completed deliverables will be consolidated into a final report by the end of February 2024. Previously completed deliverables are currently available on the project website.

Antoinette Meier, Senior Director of Regional Planning

Attachment(s): 1. Summary Fact Sheets for Key Strategies

SAN DIEGO AND IMPERIAL COUNTIES SUSTAINABLE FREIGHT IMPLEMENTATION STRATEGY

SUMMARY FACT SHEETS FOR KEY STRATEGIES

December 19, 2023

The enclosed fact sheets summarize 11 key projects, programs, and policies recommended by the San Diego and Imperial Counties Sustainable Freight Implementation Strategy. They cover a broad range of potential improvements to the regional freight system, including multimodal infrastructure, the adoption of new technology, and incentives to reduce impacts and improve efficiency. The highlighted projects are representative examples of improvements recommended in several locations across the study area. The entire project list and evaluation results are available in the Final Benefits and Feasibility Scoring Memorandum.

PROJECT FACT SHEET

ZERO-EMISSION TRUCK CHARGING AND PARKING/ STAGING AREA: OTAY MESA PORT OF ENTRY



Adding zero-emission (ZE) truck charging and parking/staging facilities in strategic locations across the region, including around the Otay Mesa Port of Entry, will help modernize our goods movement system and create equitable benefits for the environment, our communities, and the economy.

Benefits

- ZE charging provides cleaner power than diesel fuel to trucks and further incentivizes the adoption of ZE technology, reducing the emission of greenhouse gases and air pollutants, such as diesel particulate matter.
- New truck parking/staging areas serve a major unmet need by providing resting and waiting areas for truck drivers. Locating these facilities in industrial areas avoids attracting additional truck traffic toward the most vulnerable communities.

While the Otay Mesa Port of Entry area is a top candidate for this type of facility, the *San Diego and Imperial Counties Sustainable Freight Implementation Strategy* recommends that similar facilities be constructed strategically to support a regionwide network. To maximize benefits, this strategy should be deployed near all U.S./Mexico land ports of entry, near the Port of San Diego marine terminals, and along major goods movement corridors, including Interstates 5, 8, and 15 (I-5, I-8, and I-15), and State Routes 11, 78, 86, 111, and 905 (SR 11, SR 78, SR 86, SR 111, and SR 905).

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/.

ESTIMATED COST & FUNDING

The estimated project cost is approximately $5 to $9 million, including design, construction, and permitting. The cost of ZE truck charging stations will vary depending on the number of chargers, the power level for the chargers, the power available at the site, and any service upgrades needed. This estimate

does not include right-of-way acquisition and assumes a charging station facility consisting of four chargers at either 150 kilowatts or 350 kilowatts depending on the location of the chargers and the duty cycle/requirements of the vehicles. The project team evaluated potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- California SB1: Trade Corridor Enhancement Program
- Innovative Charging Solutions for Medium- and Heavy-duty Electric Vehicles
- Rebuilding American Infrastructure with Sustainability and Equity
- California Energy Commission: Charging and Refueling Infrastructure for Transport in California Provided Along Targeted Highway Segments (CRITICAL PATHS)
- Federal Highway Administration (FHWA): Charging and Fueling Infrastructure Discretionary Grant Program (CFI Program)
- Environmental Protection Agency: Clean Ports Program

SAMPLE DEVELOPMENT SCHEDULE

The project will require three to five years for full implementation, including all required planning, design, permitting, and construction. The sample schedule below summarizes the major milestones in the project development process. For projects where power network updates are required, the implementation time will increase depending on the degree of upgrades needed.

Milestone	**Estimated Schedule**
Identification of Project Funding	Ongoing
Planning & Preliminary Design	
Community & Stakeholder Outreach	Ongoing throughout planning and design activities
Caltrans Project Study Report (PSR) or similar Conceptual Planning Study	12-18 months following identification of project funding
Preliminary Design	12-18 months following the conceptual planning study
Environmental & Regulatory Review	
CEQA/NEPA Review	12-18 months, concurrent with preliminary design activities. NEPA required for federal funding/facilities
Regulatory Approval of Draft Design, including Federal CBP/GSA, Caltrans, City of San Diego, Energy Utilities	12-18 months, concurrent with preliminary design activities. Includes maintenance and liability agreements
Final Design	6-12 months following all planning, preliminary design, environmental and regulatory reviews
Permit Issuance	3-6 months following final design
Construction	12-24 months following permit issuance

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this project, it is essential to consider the incorporation of complementary satellite initiatives that can complement the core strategy, such as truck parking management systems and port of entry appointment systems. Additional strategies could be implemented focused on technology interfaces to communicate the availability of truck charging stations and parking spaces, notifying Customs and Border Protection of truck locations in advance of border crossing appointments. The integration of these auxiliary strategies holds the potential to enhance the overall efficiency and effectiveness of the transportation network.

The potential challenges of project implementation include:

- Initial capital cost
- Technical complexities of ZE power supply and integration, including upgrades to utility infrastructure to support vehicle charging
- Requirements for multi-stakeholder coordination, including federal agencies and energy utilities
- Identifying a viable model for ongoing operations and maintenance responsibilities in coordination with public agencies and potential private sector partners

The project's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies, to help lead all parties through the complexities of planning and design. This includes special focus with local utilities to ensure the project site has sufficient power generation and/or delivery capacity.

PROJECT FACT SHEET

TRUCK REST AREA PARKING, AMENITIES, & ZERO-EMISSION CHARGING: SUNBEAM REST AREA

Revitalizing regional rest areas and adding amenities and ZE truck charging and parking facilities in strategic locations across the region, including the Sunbeam rest area, will help modernize our goods movement system and create benefits for the environment, safety, equity, and the economy.



Benefits

- ZE charging provides cleaner power than diesel fuel to trucks. Further, it incentivizes the adoption of ZE technology, reducing the emission of greenhouse gases and air pollutants, such as diesel particulate matter.
- Truck parking areas serve a major need by providing resting areas for truck drivers. Locating these facilities in existing rest areas avoids attracting additional truck traffic toward the most vulnerable communities.
- New rest area amenities provide valuable health, safety, and wellbeing benefits to the freight vehicle operators that can improve safety, productivity, and enhance network efficiency.

While the Sunbeam rest area is a top candidate for this type of facility, the *San Diego and Imperial Counties Sustainable Freight Implementation Strategy* recommends that similar facilities be constructed strategically to support a regionwide network. To maximize benefits, this strategy should be deployed at existing rest areas that could feasibly accommodate ZE charging infrastructure, especially those located along major goods movement corridors, including I-5, I-8, and I-15, and SR 11, SR 78, SR 86, SR 111, and SR 905.

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/

ESTIMATED COST & FUNDING

The estimated project cost is approximately $5 to $15 million, including design, construction, and permitting. The cost of ZE truck charging stations will vary depending on the number of chargers, the power level for the chargers, the power available at the site, and any service upgrades

needed.-This estimate does not include right-of-way acquisition. The project team evaluated potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- Department of Energy: Low Greenhouse Gas Vehicle Technologies
- EPA: Clean Heavy-duty Vehicle Program
- FHWA: CFI Program

SAMPLE DEVELOPMENT SCHEDULE

The project will require three to five years for full implementation, including all the necessary planning, design, permitting, and construction. The sample schedule below summarizes the major milestones in the project development process. For projects requiring power network updates, the implementation time will increase depending on the degree of upgrades needed.

Milestone	Estimated Schedule
Identification of Project Funding	Ongoing
Planning & Preliminary Design	
Community & Stakeholder Outreach	Ongoing throughout planning and design activities
Caltrans Project Study Report (PSR) or similar Conceptual Planning Study	12-18 months following identification of project funding
Preliminary Design and Caltrans Project Report, Design Engineering Evaluation Report, or similar Preliminary Engineering and Project Approval document	12-18 months following the conceptual planning study
Environmental & Regulatory Review	
CEQA/NEPA Review and Document	12-18 months, concurrent with preliminary design activities. NEPA required for federal funding/facilities
Regulatory Approval of Draft Design, including Federal FHWA, Caltrans, City of San Diego, Imperial County, Energy Utilities	12-18 months, concurrent with preliminary design activities. Includes maintenance and liability agreements
Final Design	9-18 months following all planning, preliminary design, environmental and regulatory reviews
Permit Issuance	3-6 months following final design
Construction	12-24 months following permit issuance

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this project, it is essential to consider incorporating complementary satellite initiatives that can complement the core strategy, such as advance signage and outreach to inform drivers of available charging infrastructure and amenities, deceleration and acceleration lanes to and from the rest area to enhance safe merge and diverge movements on the highway. The integration of these auxiliary strategies holds the potential to enhance the overall efficiency and effectiveness of the transportation network.

The potential challenges of project implementation include:

- Initial capital cost
- Technical complexities of ZE power supply and integration
- Identifying anticipated usage of the site to determine if additional paving and parking is needed
- Requirements for multi-stakeholder coordination, including federal agencies, California Department of Transportation (Caltrans), local service providers, such as for janitorial services, and energy utilities
- Identifying a viable model for ongoing operations and maintenance responsibilities in coordination with public agencies and potential private sector partners

The project's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies, to help lead all parties through the complexities of planning and design. This includes special focus with local utilities to ensure the project site has sufficient power generation and/or delivery capacity.

PROJECT FACT SHEET

RAILROAD-ROADWAY GRADE SEPARATION: STATE ROUTE 98 IN CALEXICO

The strategic implementation of railroad-roadway grade separations in critical freight locations across the region, including at the SR 98 intersection in Calexico, will help modernize and advance the efficiency of our goods movement system and create benefits for the environment, safety, equity, and economy.



Benefits

- Improves traffic flow and reduce congestion near the railroad-roadway intersection, which will increase transportation efficiency
- Reduces and mitigates the environmental impacts of railroad and roadway transportation modes through a reduction of emissions
- Enhances the safety for all railroad and roadway users by preventing any potential collisions
- Contributes to a higher quality of life for nearby residents through a reduction in noise and traffic pollution
- Improves efficiency of goods movement and supports the economy, in areas of high truck traffic

While the SR 98 railroad-roadway intersection is a top candidate for this type of facility, the *San Diego and Imperial Counties Sustainable Freight Implementation Strategy* recommends that similar facilities be constructed strategically to support a regionwide network. To maximize benefits, this strategy should be deployed at all railroad-roadway intersections along and adjacent to major goods movement corridors, including I-5, I-8, and I-15, and SR 11, SR 78, SR 86, SR 111, and SR 905.

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/.

ESTIMATED COST & FUNDING

The estimated project cost is approximately $150 to $200 million, including design, construction, and permitting. The cost for railroad-roadway grade separations will vary depending on the roadway size and alignment, number of tracks, topography, and any service or safety upgrades needed. This estimate

does not include right-of-way acquisition. The project team evaluated potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- Federal Railroad Administration (FRA): Consolidated Rail Infrastructure and Safety Improvements
- Section 190 Grade Separation Program
- FRA: Railroad Crossing Elimination Program

SAMPLE DEVELOPMENT SCHEDULE

The project will require 7 to 10 years for full implementation, including all required planning, design, permitting, and construction. The sample schedule below summarizes the major milestones in the project development process. Rail grade crossing project will require coordination with the railroad throughout design and construction, which is reflected in the durations, below, and further detailed in implementation considerations section.

Milestone	Estimated Schedule
Identification of Project Funding	Ongoing
Planning & Preliminary Design	
Community & Stakeholder Outreach	Ongoing throughout planning and design activities
Caltrans Project Study Report PSR or similar Conceptual Planning Study	12-18 months following identification of project funding
Preliminary Design and Caltrans Project Report or similar Preliminary Engineering and Project Approval document	18-24 months following the conceptual planning study, including time to enter into a review agreement with Union Pacific Railroad (UPRR) and review of 30% design
Environmental & Regulatory Review	
CEQA/NEPA Review and Document	24-30 months, concurrent with preliminary design activities. NEPA required for federal funding/facilities
Regulatory Approval of Draft Design, including FRA, Caltrans, City of San Diego, California Public Utilities Commission	12-18 months, concurrent with preliminary design activities. Includes maintenance and liability agreements
Final Design	18-24 months following all planning, preliminary design, environmental and regulatory reviews, including 2-3 months for UPRR review after each of 60, 90, and 100% design and entry into a construction and maintenance agreement after 100% design plans are approved
Permit Issuance	6-9 months following final design
Construction	18-36 months following permit issuance, depending on construction windows allowed by railroad

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this project, it is essential to consider the incorporation of complementary satellite initiatives that can complement the core strategy, such as corridor plans with a significant focus on freight, clean freight corridors, truck only lanes, and freight signal prioritization. The integration of these auxiliary strategies holds the potential to enhance the overall efficiency and effectiveness of the transportation network.

The potential challenges of project implementation include:

- Initial capital cost
- Technical complexities of engineering design and construction, including achieving consensus on the grade separation alignment
- Impacts to adjacent properties and local roads, particularly with a roadway realignment strategy
- Long lead-time coordination for permanent and temporary utility relocations (e.g., overhead electrical lines)
- Potential disruptions of railroad and roadway traffic and/or complex construction staging and temporary facilities to minimize disruptions
- Potential increase to the project environmental study and impact area due to temporary facilities (e.g., temporary track or roadway alignment)
- Requirements for multi-stakeholder coordination, including federal agencies, Caltrans, energy utilities, and particularly railroads. In this case, the highway crosses the UPRR. Coordination with UPRR should start at conceptual design.
- The identification of a viable model for ongoing operations and maintenance responsibilities in coordination with public agencies and potential private sector partners

The project's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies, to help guide all parties through the complexities of planning and design.

PROJECT FACT SHEET

WIRELESS INDUCTIVE CHARGING FOR TRUCKS IN QUEUE: OTAY MESA EAST PORT OF ENTRY

Adding wireless inductive or in-road charging for trucks in queue at locations across the region, including at the Otay Mesa Port East of Entry, will help modernize the goods movement system and create benefits for the environment, equity, and the economy.



Benefits

- Wireless inductive charging improves operational efficiency by reducing the total time electric vehicles need to stop at charging locations, offers potential economic savings, and enhances the reliability of electric fleet vehicles.
- Wireless inductive charging has the potential to provide benefits beyond standard electric charging (reduction in emissions, noise pollution, reliance on traditional fueling methods) such as extended range, reduced battery size, adaptability to traffic conditions, and ease of use. Locating these facilities in industrial areas and along already highly congested roadways avoids attracting additional truck traffic toward the most vulnerable communities.

While the Otay Mesa Port of Entry area is a top candidate for this type of facility, the *San Diego and Imperial Counties Sustainable Freight Implementation Strategy* recommends that similar facilities be constructed strategically in areas of high truck traffic. To maximize benefits, this strategy should be deployed near all U.S./Mexico land ports of entry and near the Port of San Diego marine terminals.

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/.

ESTIMATED COST & FUNDING

The estimated project cost is approximately $5 to $9 million, including design, construction, and permitting. The cost of wireless inductive charging facilities will vary depending on the number of chargers, the power level for the chargers, the power grid capacity, and any service upgrades needed. This estimate does not include right-of-way acquisition and assumes a charging station facility consisting of four chargers at either 150-kilowatt or 350-kilowatt depending on the location of the chargers and the duty cycle/requirements of the vehicles. The project team evaluated

potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- Advanced Vehicle Technologies
- Vehicle Technologies Office
- Advanced Technology Demonstration and Pilot Projects
- FHWA: Advanced Transportation Technologies and Innovative Mobility Deployment
- FHWA: Strengthening Mobility and Revolutionizing Transportation Grants Program
- FHWA: CRI Program
- Maritime Administration: Port Infrastructure Development Program

SAMPLE DEVELOPMENT SCHEDULE

The project will require three to five years for full implementation, including all required planning, design, permitting, and construction. The sample schedule below summarizes the major milestones in the project development process. For projects where power network updates are required, the implementation time will increase depending on the degree of upgrades needed.

Milestone	Estimated Schedule
Identification of Project Funding	Ongoing
Planning & Preliminary Design	
Community & Stakeholder Outreach	Ongoing throughout planning and design activities
Caltrans Project Study Report (PSR) or similar Conceptual Planning Study	12-18 months following identification of project funding
Preliminary Design	12-18 months following the conceptual planning study
Environmental & Regulatory Review	
CEQA/NEPA Review	12-18 months, concurrent with preliminary design activities. NEPA required for federal funding/facilities
Regulatory Approval of Draft Design, including Federal CBP/GSA, Caltrans, City of San Diego, Energy Utilities	12-18 months, concurrent with preliminary design activities. Includes maintenance and liability agreements
Final Design	6-12 months following all planning, preliminary design, environmental and regulatory reviews
Permit Issuance	6-12 months following final design
Construction	12-24 months following permit issuance

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this project, it is essential to consider the incorporation of complementary satellite initiatives that can complement the core strategy, such as reservation systems, truck parking, truck-only lanes, and freight signal prioritization. The integration of these auxiliary strategies holds the potential to enhance the overall efficiency and effectiveness of the transportation network.

The potential challenges of project implementation include:

- Initial capital cost
- Technical complexities of wireless inductive power supply and integration, as well as standardization and compatibility issues
- Requirements for multi-stakeholder coordination, including federal agencies and energy utility providers
- Identifying a viable model for ongoing operations and maintenance responsibilities in coordination with public agencies and potential private sector partners

The project's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies, to help lead all parties through the complexities of planning and design. This includes special focus with local utilities to ensure the project site has sufficient power-generation and/or delivery capacity.

PROJECT FACT SHEET

TRUCK-ONLY LANES: I-5 & SR 905 BETWEEN PORT OF SAN DIEGO & OTAY MESA EAST PORT OF ENTRY



Incorporating truck-only lanes in strategic locations across the region, including on I-5 and SR 905 between the port of San Diego and Otay Mesa East Port of Entry, will benefit freight operations and advance the efficiency of our goods movement system and create benefits for the environment, safety, equity, and economy.

Benefits

- Designated truck-only lanes can enhance freight network efficiency and safety by separating heavy cargo from regular passenger vehicles, helping to alleviate congestion, and improve traffic flow, facilitating a better supply chain by decreasing the total time to deliver goods
- Reduced wear and tear on General-Purpose lane roadway infrastructure by concentrating stress and strain to specific areas, leading to cost savings and roadway longevity
- Enhanced safety for roadway users by minimizing weaving movements between trucks and passenger vehicles, reducing the potential for conflicts
- Reduced emissions and fuel consumption through streamlined freight movement and a reduction stop-and-go travel

ESTIMATED COST & FUNDING

The estimated project cost is approximately $80 to $100 million, including design, construction, and permitting. The cost for truck-only lanes will vary depending on the total length of the lane, topography, specific infrastructure requirements, and any service upgrades needed. This estimate does not include right-of-way acquisition. While these lanes are anticipated to be conversions of existing General-Purpose lanes, some right-of-way additions may be needed to accommodate safe merging and transitions. The project team evaluated potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/.

- California SB1: Solutions for Congested Corridors
- FHWA: Local Highway Safety Improvement Program
- California SB1: Trade Corridor Enhancement Program
- FHWA: Multimodal Project Discretionary Grant Program

SAMPLE DEVELOPMENT SCHEDULE

The project will require 5 to 10 years for full implementation, including all required planning, design, permitting, and construction. The sample schedule below summarizes the major milestones in the project development process. For projects where power network updates are required, the implementation time will increase depending on the degree of upgrades needed.

Milestone	Estimated Schedule
Identification of Project Funding	Ongoing
Planning & Preliminary Design	
Community & Stakeholder Outreach	Ongoing throughout planning and design activities
Caltrans Project Study Report (PSR) or similar Conceptual Planning Study	12-18 months following identification of project funding
Preliminary Design and Caltrans Project Report or similar Preliminary Engineering and Project Approval document	18-24 months following the conceptual planning study
Environmental & Regulatory Review	
CEQA/NEPA Review and Document	36+ months, concurrent with preliminary design activities. NEPA required for federal funding/facilities
Regulatory Approval of Draft Design Including Federal CBP/GSA, Caltrans, City of San Diego, Energy Utilities, and Federal Highway Administration if change to freeway access is required or if federal funding is involved	36+ months, concurrent with preliminary design activities. Includes maintenance and liability agreements
Final Design	24-30 months following all planning, preliminary design, environmental and regulatory reviews
Right-of-Way & Utilities	12-24 months
Permit Issuance	3-6 months following final design
Construction	12-36 months following permit issuance

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this project, it is essential to consider the incorporation of complementary satellite initiatives that can complement the core strategy, such as Port of Entry efforts that address freight movement, such as truck information and reservation systems, truck-only lanes, clean freight corridors, and truck parking projects. The integration of these auxiliary strategies holds the potential to enhance the overall efficiency and effectiveness of the transportation network.

The potential challenges of project implementation include:

- Caltrans requires Vehicle Miles Traveled (VMT) analysis and mitigation for any capacity-enhancing projects on state facilities. A Statement of Overriding Considerations would require approval through the Caltrans Director to allow public circulation of a draft environmental document that includes alternatives that do not fully mitigate for added VMT. Although the truck-only lanes are proposed to be conversations of existing General-Purpose lanes, the project is still expected to complete the VMT analysis, as well as a freeway operations analysis, to evaluate the resulting impacts to operations from the lane conversion. If the freeway operations are projected to fail or cause significant impacts, those will be considered carefully in the context of other regional improvements planned to alleviate congestion or minimize VMT, and the project might have difficulty obtaining approval to move forward
- Public comment period during circulation of the environmental document may be challenging due to the proposal to convert existing lanes to truck-only lanes
- Initial capital cost
- Technical complexities of engineering design and construction, including identifying logical begin and end points of truck-only lanes, providing truck passing lanes if determined to be needed, safely accommodating interchange entrance and exit ramp movements, developing advanced signage to safely transition passenger vehicles and trucks into and out of their dedicated lanes, and transitioning to port of entry infrastructure and technology
- Right-of-way acquisition and potential disruptions of roadway traffic
- Long-term enforcement of truck-only lanes to prevent passenger vehicles from impeding truck traffic throughput and safe maneuverability
- Requirements for multi-stakeholder coordination, including federal agencies, Caltrans, local agencies, and energy utilities

The project's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies, to help lead all parties through the complexities of planning and design.

PROGRAM FACT SHEET

INCENTIVES FOR BUSINESSES TO PURCHASE CARGO BIKES

Encouraging businesses to adopt eco-friendly cargo bikes for delivery and transportation needs can provide many benefits to urban and high-density areas. A study to explore incentives and address regulatory barriers for using cargo and electric cargo bikes in denser urban areas for the first-/last-mile delivery, as well as supportive infrastructure, can advance the sustainability and efficiency of delivery and transportation services and promote local development.



Benefits

- Mitigate freight network effects on the environment by reducing the emission of greenhouse gases and air pollutants, such as diesel particulate matter. It is estimated that a single cargo bike can save 13 tons of CO2 emissions per year.
- Alleviate urban traffic congestion. Cargo bikes can offer increased route flexibility compared to large delivery trucks by using vehicle and bicycle infrastructure.
- Decrease operating costs for businesses.

The study for this program will address elements required for implementation, including incentives, infrastructure needs, emissions and congestion evaluation, program guidelines, and local stakeholder outreach to encourage program adoption.

ESTIMATED COST & FUNDING

The cost for a regional study to implement incentives for businesses to purchase cargo bikes is estimated to be between $300,00 to $400,000 and will vary depending on the size of the study and types of incentives considered (Transportation Demand Management Plan, providing loading/curb space, curb management tools, on-street charging, and secured parking etc.). Similar pilots include:

- Boston Transportation Department: 18-month program subsidizing delivery costs for eight businesses and providing e-bikes for $345,000

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/.

- Colorado Energy Office: solicitating proposals to develop and implement eCargo bike deployment projects that replace commercial delivery vehicles for $240,000

The project team evaluated potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- Caltrans: Active Transportation Program
- FHWA: Active Transportation Infrastructure Investment Program
- FHWA: Carbon Reduction Program

SAMPLE DEVELOPMENT SCHEDULE

The study will require two to three years for full implementation, including all required procurement, planning, and stakeholder coordination. The sample schedule below summarizes the major milestones in the planning process.

Milestone	Estimated Schedule
Identification of Study Funding	Ongoing
Study Development	
Define program guidelines (Vehicle Specifications, Safe operation, Data Sharing, Loading/Unloading, Education and Enforcement)	3-6 months
Community & Stakeholder Outreach	Ongoing throughout study activities
Evaluation Report/Findings	6-12 months following pilot program implementation
Environmental & Regulatory Review	
CEQA/NEPA Review	Exempt

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

To move forward and implement recommendations from the study, it is essential to consider incorporating satellite initiatives to complement the core strategy, such as the expansion of bike-ped infrastructure and low-emission zone policies.

Considerations for the implementation of a cargo bike program include:

- Working with the private sector to identify barriers to the wider adoption of cargo bikes and work to lower infrastructure or regulatory barriers
- Working with the private sector to disseminate information on cargo bikes and establish peer knowledge exchanges

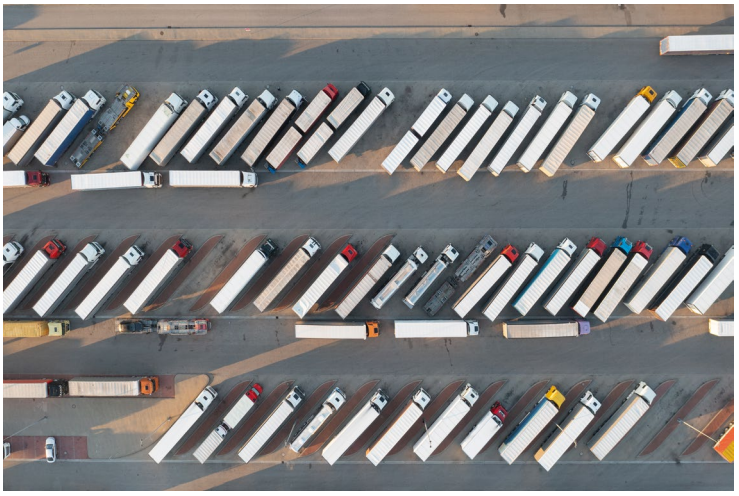
The potential challenges of program implementation include:

- Initial capital cost of acquiring cargo bikes and necessary infrastructure for storage, charging, cargo bike parking, maintenance
- Business hesitation and concerns about delivery efficiency and capacity limitations
- Legal context and local regulations for cargo bikes
- Program monitoring and reporting
- Staff time to manage cargo bike pilot and operator permit program for businesses
- Potential policy hurdles. For example, updating e-bike definition to adjust maximum width limits and needing to create “Cargo Bike Loading Only” curb regulation

PROGRAM FACT SHEET

SUPPORT FOR PRIVATE TRUCK PARKING SITE DEVELOPMENT

The development of additional truck parking facilities is an essential aspect of the framework that improves overall freight network efficiency. Designated truck parking sites help to facilitate the electrification of truck fleets, improve fluidity and operations, reduce impacts from vulnerable communities, and increase economic competitiveness and opportunities. M parking locations would also reduce driver fatigue and provide drivers with a place to wait in advance of completing their trip.



Private truck parking facilities provide 92 percent of all parking spaces in the state of California. While the private sector will continue to play an integral role in developing parking facilities, there are actions the public sector can take to facilitate and leverage more private investment. Building on initial studies carried out by Caltrans 2022 California Statewide Truck Parking Study (including the Appendix F: Public-Private Partnership Action Plan: Partnership Screening Tool and Scenario Analysis) and Washington State Department of Transportation 2021 Washington State Truck Parking Action Plan, a regional program would consist of a study to look at opportunities for encouraging private truck parking site development. A few potential private partnership incentive ideas that can be considered under this program include:

- Potential commercial tax incentives and/or permitting and zoning incentives for property owners to provide truck parking
- Agreement and tax incentive structures with businesses and facilities that have large existing parking facilities used only on a periodic or seasonal basis, such as a stadium, to be used for truck parking when not in use for its intended purposes
- Collaboration with private developers and investors of electric vehicle charging facilities and private truck parking facilities
- Usage of federal and other state grants to expand truck parking as a way to partner and incentivize with private investors and developers
- Usage and promotion of mobile applications to allow property owners to market their available space and truck drivers and companies to identify, reserve, and pay for parking at available locations, expanding the pool of inventory and providing a financial incentive for participating property owners

Benefits

- A decrease in unauthorized truck parking in non-designated areas can provide benefits to vulnerable communities near industrial areas. When parked in designated parking sites, trucks do not have to idle, meaning there is a reduction in emissions.
- The development of truck parking areas may have an environmental benefit if there is existing hazardous waste. It will be properly processed and treated during the site development process.
- Truck parking sites provide enhanced driver health through on-site amenities and driver safety by removing on-street parking incidents.
- Developed and modernized truck parking sites offer a base to apply EV and ZE technology.
- An improvement in freight network facilities has the potential to attract additional economic and financial opportunities.

Recent studies in California and numerous states around the country, as well as the FHWA Truck Parking Development describe the difficulties that truck drivers have finding parking, particularly in and near urban areas. This program is aimed at addressing the critical need for secure and accessible parking facilities for these freight drivers. Under this program, a study would be conducted to provide insight into the demand, logistics, incentives, and regulatory factors that can determine best practices to support the development of truck parking sites and in turn, improve the efficiency of the freight network.

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/.

ESTIMATED COST & FUNDING

The cost for this study is estimated to be between $400,000 to $600,000.

The project team evaluated potential funding opportunities and identified discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- FHWA: CFI Program

SAMPLE DEVELOPMENT SCHEDULE

The study will require two to three years for completion, including all required data gathering, analysis, planning, and stakeholder engagement. The sample schedule below summarizes the major milestones in the program development process.

Milestone	Estimated Schedule
Identification of Plan Funding	Ongoing
Planning and Policy Study	
Community & Stakeholder Outreach	Ongoing throughout planning activities
Data Gathering and Analysis	6-8 months following identification of study funding
Technical Study and Recommendations	18-24 months following data gathering and analysis
Program Development	6-12 months following completion of the study, including jurisdictional reviews and approvals.
Environmental & Regulatory Review	
CEQA/NEPA Review	Exempt

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this project, it is essential to consider the incorporation of complementary initiatives that can supplement the core strategy, such as electric vehicle truck corridors and truck-only lanes. These additional strategies would provide compound benefits to the freight network and have multiplier effects for sustainability benefits.

The potential challenges of program implementation include:

- Identifying appropriate funding sources and obtaining approvals for incentives that will fund development on private sites
- Obtaining the necessary data from private companies to understand current parking dynamics
- Obtaining local jurisdictional support for a program that sites truck parking facilities
- Addressing regulatory and zoning requirements, such as maintaining long-term viability and safety
- Coordinating efforts among private entities, government agencies, and logistics companies

The program's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies to help lead all parties through the complexities of planning and design. Key stakeholders include local jurisdictions, private trucking companies, and parking operators.

PROGRAM FACT SHEET

DYNAMIC CURB REGULATION

Analyzing curb space management practices through dynamic or real-time management systems in urban areas can help to alleviate issues along heavily congested corridors. This approach uses technology and data to dynamically allocate curb space for various purposes based on current needs and demand.



Benefits

- Optimized parking: Dynamic curb regulation allows for real-time monitoring and adjustment of parking and freight loading availability
- Increased accessibility to delivery points and improved freight movement efficiency
- Reduced traffic congestion: Efficient curb management can enhance curb space utilization and reduce overall congestion by preventing unnecessary circling for parking. When drivers have real-time information about parking and loading availability, they can more quickly make deliveries and avoid double parking
- Streamlined truck operations can minimize environmental impacts by reducing emissions during first- and last-mile deliveries.

A study on dynamic curb regulation should identify congested, dense urban locations for a pilot program. The study should seek pilot locations and analyze the potential impacts of dynamic curb regulation on increased revenue generation, enhanced accessibility, improved freight and delivery operations, reduced traffic congestion, flexible use of curb space, and using data to make decisions.

In the planning of this project, it is essential to consider the incorporation of complementary initiatives that can complement the core strategy, such as Smart Loading Zones, which allow delivery operators to enroll for Smart Loading permits that can share vehicle location data to seamlessly pay for their use of curbsides on a per-minute basis. Smart Zones can also allow authorized drivers to reserve a space for a limited amount of time through a smartphone app or other mechanism, which can encourage more orderly curbs.

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/

ESTIMATED COST & FUNDING

The cost for this study is estimated to be between $500,000 to $750,000 and will vary depending on the size and whether it recommends a pilot or broader implementation.

The project team evaluated potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- Caltrans: Sustainable Transportation Planning Grants
- FHWA: Carbon Reduction Program

SAMPLE DEVELOPMENT SCHEDULE

The program will require three to five years for full implementation, including all required study, program, and policy development and pilot design. The sample schedule below summarizes the major milestones in the program development process.

Milestone	**Estimated Schedule**
Identification of Project Funding	Ongoing
Planning & Program Development	
Project initiation: Regulatory Policy Framework and Compliance, Technology Assessment, Pilot program design	6-12 months
Community & Stakeholder Outreach and engagement	Ongoing throughout planning and program development activities
Planning and Policy Development	18-24 months following identification of study funding
Program or Pilot implementation, including infrastructure preparation, data collection and analysis, evaluation, and adjustment	18-36 months following the planning study
Environmental & Regulatory Review	
CEQA/NEPA review	Exempt

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this project, it is essential to consider the incorporation of complementary initiatives that can complement the core strategy, such as Smart Loading Zones, which allow delivery operators to enroll for Smart Loading permits that can share vehicle location data to seamlessly pay for their use of curbsides on a per-minute basis. Smart Zones can also allow authorized drivers to reserve a space for a limited amount of time through a smartphone app or other mechanism, which can encourage more orderly curbs.

The potential challenges of program implementation include:

- Jurisdictional coordination
- Creating responsive regulations that adapt to changing conditions and ensure equitable access for various users like vehicles, pedestrians, and cyclists
- Lack of availability of real-time data inputs collected from sensors, cameras, and other technologies.
- Cities have encountered implementation challenges, including local business pushback, technical challenges, and regulatory barriers.

The program's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies, to help lead all parties through the complexities of planning and design.

POLICY FACT SHEET

OVERWEIGHT TRUCK ROUTE PLANNING

Increasing weight limits along corridors is a strategic way to improve the efficiency of the goods movement system and has the potential to advance the electrification of the freight transportation network.



Benefits

- Allows for heavier electric freight vehicles to travel along corridors that previously had weight restrictions
- Removing weight restrictions has potential to advance planning and development of electrification projects along transportation corridors

Study the potential for increasing weight limits for battery electric medium- and heavy-duty vehicles on Clean Freight Corridors and other truck routes, and policy support for legislative changes. Potential corridors include I-5, I-15, I-8, I-805, SR 905, and SR 11. The result of this study could include recommendations for policy and infrastructure changes to support electric truck operations on these and other routes.

ESTIMATED COST & FUNDING

A study to develop the policy and evaluate its potential implementation is estimated to cost $400,000 to $800,000 depending on the number and degree of detail of corridors studied. It is envisioned that this study would detail the potential policy and regulatory changes needed to enable battery electric vehicles to operate on San Diego and Imperial County highways, including an assessment of the vehicles available in the market that would be deployed in this area. That assessment would enable policymakers to understand what type of wear and tear would be expected on the roadway system and what, if any, infrastructure improvements should be anticipated based on the anticipated reduced lifecycle of roads and bridges.

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/.

The project team evaluated potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- Caltrans: Sustainable Transportation Planning Grants
- FHWA: Carbon Reduction Program
- FHWA: Multimodal Project Discretionary Grant Program

SAMPLE DEVELOPMENT SCHEDULE

The study to develop and evaluate the policy will require two to three years to complete, including all required planning, evaluation, and stakeholder engagement. The sample schedule below summarizes the major milestones in the policy development process.

Milestone	Estimated Schedule
Identification of Project Funding	Ongoing
Planning and Policy Study	
Community & Stakeholder Outreach	Ongoing throughout planning and policy development activities
Data Gathering and Analysis	6-8 months following identification of study funding
Technical Study and Recommendations	18-24 months following data gathering and analysis
Policy Development	6-12 months following completion of study, including jurisdictional reviews and approvals
Environmental & Regulatory Review	
CEQA/NEPA review	Exempt

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this project, it is essential to consider the incorporation of complementary satellite initiatives that can enhance the core strategy, such as truck parking, electric truck charging, and truck-only lanes. These additional strategies would provide compound benefits to the freight network and have multiplier effects for sustainability benefits.

The potential challenges of policy implementation include:

- The definition and enforcement of appropriate weight limits
- The additional impacts to infrastructure and a potential increase in wear on routes with increased weight limits, including possible preventive maintenance
- Economic impacts from an increase or decrease in truck volume along roadways
- Public acceptance both at the community and jurisdictional level

The program's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies, to help lead all parties through the complexities of planning, policy development, and potential implementation.

POLICY FACT SHEET

LOW-EMISSIONS ZONES

Creating defined areas where the use of emitting freight vehicles is regulated can directly influence the vehicle fleet composition on public roadways to help advance the sustainability of our goods movement system and create benefits for the environment and equity. Identifying strategic locations across the region to pilot Low-Emission Zones (LEZs) with location-specific regulations will benefit the health of these communities and provide a framework for region-wide implementation.



Benefits

- Reduction of air pollution, improvement of public health, lowering of greenhouse gas emissions, and enhancement of quality of life for residents
- Reduction of congestion from freight traffic and increased efficiency
- Stimulus for the adoption of cleaner transportation technologies

Establishing an LEZ in dense urban areas will enhance quality of life for residents and improve equity and health for disadvantaged communities. An LEZ could also catalyze investments in adoption of cleaner transportation technologies by signaling a demand for ZE freight vehicles.

LEZ initiatives can be introduced through regulations and sustainability directives or financial incentives. This study would examine examples nationally and internationally to identify the type of program and incentives that would be most appropriate for Southern California. The study would also consider locations within the region that would be most appropriate to implement a pilot LEZ program.

Similar studies include:

- London LEZ: The zone, which includes most of Greater London, enforces an emissions standard based charge to non-compliant commercial vehicles. With implementation of the LEZ, a the zone observed a 44 percent reduction of NO_2 emissions between 2017 and2020
- City of Santa Monica, Zero Emission Delivery Zone Pilot: In partnership with the Los Angeles Cleantech Incubator, the City deployed a pilot voluntary Zero Emission Delivery Zone. The zone encompasses a 1-square-mile area in the commercial activity core of Santa Monica and prioritizes ZE last-mile delivery. Among the City's goals for the pilot is to provide a blueprint for cities to adopt ZE delivery zones and provide best practices for other ZE zones.

ESTIMATED COST & FUNDING

The study to evaluate the potential implementation of this policy is estimated to cost $250,000 to $500,000 depending on the range of locations and regulations considered.

The project team evaluated potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- FHWA: Strengthening Mobility and Revolutionizing Transportation Program
- Caltrans: Sustainable Transportation Planning Grants
- FHWA: Carbon Reduction Program

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/.

SAMPLE DEVELOPMENT SCHEDULE

The policy will require two to four years for completion, including all required planning and public engagement. The sample schedule below summarizes the major milestones in the policy development process.

Milestone	**Estimated Schedule**
Identification of Project Funding	Ongoing
Planning & Policy Study	
Community & Stakeholder Outreach	Ongoing throughout planning activities
Data Gathering and Analysis	6-8 months following identification of study funding
Pilot or Program Development and Recommendations	12-18 months following data gathering and analysis
Pilot or Program Implementation	12-24 months following completion of pilot or program development, including jurisdictional reviews
Environmental & Regulatory Review	
CEQA/NEPA review	Exempt

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this project, it is essential to consider the incorporation of complementary satellite initiatives that can complement the core strategy, such as cargo bikes, ZE truck charging, and curb regulations.

The potential challenges of policy implementation include:

- Identifying appropriate incentive funding sources

- Ensuring that freight delivery companies have access to clean fuel technology vehicles and charging infrastructure
- Establishing clear and enforceable emission standards and restrictions, along with defining the boundaries of LEZs
- Ensuring widespread compliance and enforcement mechanisms to identify and penalize high-emission vehicles, if regulatory approach is taken
- Obtaining appropriate approvals, if regulatory approach is taken

Impacting businesses and considering alternative transportation options for affected businesses and individuals The program's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies, to help lead all parties through the complexities of planning and design.

POLICY FACT SHEET

RECOMMENDATIONS ON LAND USE COMPATIBILITY



Land use strategies related to freight can support freight operations while minimizing adverse impacts on local residents and the environment. A study to identify recommendations on land use compatibility will support the creation of benefits for the environment, safety, and equity, while meeting freight operational needs.

Benefits

- More efficient land utilization and decreased land-use disputes
- Increased community cohesion, improved quality of life for residents, and enhanced safety
- Minimized noise and visual impacts on local residents
- Improved freight capacity while reducing congestion
- Improved accessibility to the freight transportation network for communities and businesses

Freight generating land uses can bring benefits to a region by providing jobs, tax dollars, and proximity of goods to growing populations and businesses. However, negative impacts associated with freight and industrial land uses include congestion, air quality and greenhouse gas emissions, noise, and safety. Vulnerable communities often receive significant environmental impacts from freight generating land uses. Developing recommendations on land use compatibility for freight will allow freight operations to provide benefits to the region while identifying opportunities to minimize adverse impacts.

Recommendations on land use compatibility will consider truck parking, warehouses, and industrial uses, as well as increasing buffer zones near residential, schools, and other sensitive uses. Adequate and strategically located authorized truck parking can increase efficiency, safety, and environmental benefits by reducing the need for driver circulation and conflicts with sensitive land uses by parking in unauthorized locations. Recommendations will consider appropriate areas to maintain or add truck parking and industrial land use availability.

The ***San Diego and Imperial Counties Sustainable Freight Implementation Strategy*** is reviewing and evaluating a wide range of projects, programs, policies, and workplace development strategies to help improve San Diego's regional goods movement system. For more details, please visit: https://www.sandag.org/projects-and-programs/goods-movement-planning/.

ESTIMATED COST & FUNDING

The study to evaluate recommendations on land use compatibility is estimated to cost $400,000 to $600,000 depending on the scope of stakeholder and community engagement and if design guidelines are included.

The project team evaluated potential funding opportunities and identified several discretionary funding programs for which this strategy may be eligible. The most promising funding opportunities include:

- Caltrans: Sustainable Transportation Planning Grants
- FHWA: Carbon Reduction Program

SAMPLE DEVELOPMENT SCHEDULE

The policy will require one to two years for completion, including all required planning and public engagement. The sample schedule below summarizes the major milestones in the policy development process.

Milestone	**Estimated Schedule**
Identification of Project Funding	Ongoing
Planning & Policy Study	
Community & Stakeholder Outreach	Ongoing throughout planning activities
Data Gathering and Analysis	2 months following identification of study funding
Recommendations	10-22 months following data gathering and analysis
Environmental & Regulatory Review	
CEQA/NEPA review	Exempt

IMPLEMENTATION CONSIDERATIONS & CHALLENGES

In the planning of this study, it is essential to consider the incorporation of complementary satellite initiatives that can enhance the core strategy, including LEZs, truck charging and staging areas, and truck parking site development. The integration of these auxiliary strategies holds the potential to enhance the overall efficiency and effectiveness of the transportation network.

The potential challenges of policy implementation include:

- Extensive research and analysis to ensure that land use recommendations align with community needs, environmental considerations, and economic development goals
- Gaining buy-in and cooperation from various stakeholders, including property owners, local governments, and developers

- Navigating zoning regulations, land use planning, and community input while striving for optimal land use compatibility demands effective communication, collaboration, and a fine-tuned policy framework

The program's lead agencies can mitigate these challenges through early coordination with stakeholders and regulatory agencies, to help lead all parties through the complexities implementing this planning policy.

San Diego and Imperial Counties Sustainable Freight Implementation Strategy

Borders Committee | January 26, 2024

DRAFT

1

Project Overview

Create a more sustainable supply chain network through regional freight projects and policies that reduce emissions while fostering trade



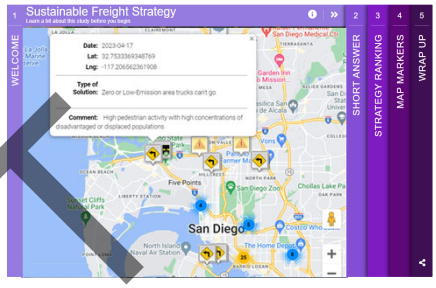
- Partnerships
- Environmental justice
- Innovative technology
- Funding for implementation
- Workforce gaps

2

Outreach Efforts

- Stakeholder Interviews
- Focus Groups
- Public Survey
- Committee and Working Group Presentations
- Community Events





3

Key Strategies



Truck Only Lanes



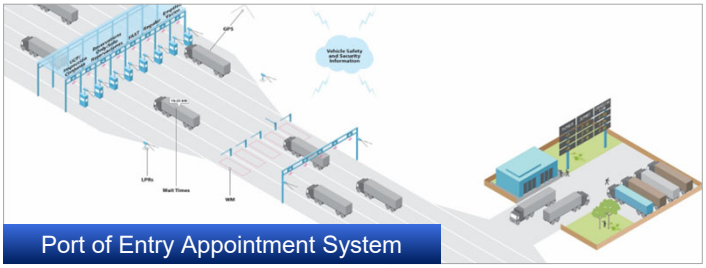
Grade Separations



Idling Reduction Equipment



Zero-emissions Trucks



Port of Entry Appointment System

4

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Zero-Emission Truck Charging and Parking/Staging Area

Benefits

— Reduced greenhouse gas and air pollutants
— Incentivize technology adoption
— Resting and waiting areas
— Reduced truck traffic in vulnerable communities

Considerations & Challenges

— Complex power needs
— Initial capital cost
— Forecasting demand
— Operations and maintenance
— Multi-stakeholder coordination



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5

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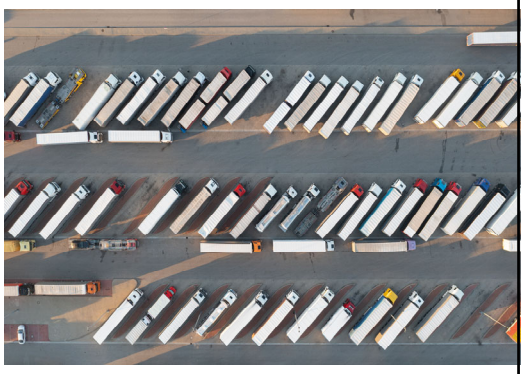
Support for Private Truck Parking Site Development

Benefits

— Economic development
— Modern truck parking areas with amenities
— Driver health and safety
— Reduced unauthorized truck parking in vulnerable communities

Considerations & Challenges

— Funding and approvals
— Local jurisdictional support
— Assessing current parking dynamics
— Long-term viability and safety



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6

Overweight Truck Route Planning

Benefits

— Supportive of heavier, zero-emission trucks
— Limited growth in truck vehicle miles traveled
— Enhanced freight efficiency

Considerations & Challenges

— Definition and enforcement
— Infrastructure and pavement wear
— Public acceptance
— Safety concerns



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7

DRAFT

Draft Workforce Development Toolkit

Labor Market Analysis

— Job postings vs. applicant profiles
— Trends over time

Training Programs

— Inventory of certification and degree programs

Recommendations

— Modular instruction
— Employer outreach
— Establish a committee



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8

Final Report

- Existing Conditions and Best Practices
- Innovative Strategies Screening
- Public Outreach
- Strategy Evaluation
- Summary Fact Sheets for Key Strategies
- Workforce Development Toolkit



9

DRAFT

Thank you!

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10

January 26, 2024

SANDAG Approach to 2024 World Design Capital

Action: Information
Staff will present an update on the designation of San Diego-Tijuana binational region as the 2024 World Design Capital and how SANDAG aims to participate.

Fiscal Impact:
Existing project budgets would be used for all three proposed community events.

Schedule/Scope Impacts: None.

Overview

A World Design Capital (WDC) designation is awarded every two years by the World Design Organization (WDO) to recognize cities for their effective use of design to drive economic, social, cultural, and environmental development. The WDO designated the San Diego-Tijuana region as the WDC for 2024, the first-ever binational designation.

Key Considerations

On December 8, 2023, SANDAG Board of Directors approved Resolution 2024-13 (Attachment 1) to celebrate this designation; convene a regional summit of binational leaders; and to showcase key initiatives led by SANDAG in close collaboration with agency partners and the binational community to improve connections both across the border and throughout the San Diego-Tijuana region. SANDAG submitted three proposals in response to the WDC 2024 Call for Community Events, all of which have been endorsed for inclusion in in the WDC 2024 calendar of events:

Cross-Border Connections: A Summit of San Diego and Tijuana Leaders

In coordination with a regularly scheduled joint meeting of SANDAG Borders Committee, COBRO, the Consul General of Mexico and the State and Municipalities of Baja California, held annually since 2008, a summit of all 18 mayors in the San Diego region, SANDAG Board Chair, and mayors from Baja California would be convened in fall 2024 in conjunction with Mexican independence festivities to address crossborder connections.

Imaginando el Futuro: Envisioning the San Ysidro Mobility Hub through Design

This initiative would call design-thinkers and the binational community together to collaborate on vision and inspiration for an inviting, dynamic, and purposeful public space imagined as the future San Ysidro Mobility Hub. An objective of this initiative would be to anchor art and design as a central component of the project. Programming could include a variety of activities including Design Pop-ups, *Talleres* (workshops) and panel discussions among binational and international designers, developers, and leaders.

Urban Core + Connections Design Showcase

Ideally in coordination with the WDC Experience Week slated for September 2024, SANDAG would publicly showcase initial conceptual designs for one or more regional corridors being studied as part of the Urban Core + Connections project. The WDC Experience Week will promote exhibitions and activities occurring all over San Diego providing SANDAG a unique opportunity to share progress on initiatives related to improving connections and quality of life within the urban core.

Next Steps

Staff will collaborate with WDC in preparation of potential activities for the 2024 calendar year and provide the Borders Committee with occasional updates.

Antoinette Meier, Senior Director of Regional Planning

Attachment: 1. SANDAG Resolution 2024-13: Resolution to Celebrate the Designation of San Diego-Tijuana as the 2024 World Design Capital

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Resolution to Celebrate the Designation of San Diego-Tijuana as the 2024 World Design Capital

WHEREAS, the San Diego metropolitan region is comprised of 18 cities, one county, and 18 tribes;

WHEREAS the metropolitan zone of Tijuana includes its neighbors, the cities of Tecate and Playas de Rosarito;

WHEREAS both metropolises are located in two states - California and Baja California - and in two nations - the United States, and Mexico;

WHEREAS we share deep historical and cultural ties, which include an ancient heritage of our native tribes; more than 300 years of history with the Spanish crown; and a resulting binational status of more than 200 years;

WHEREAS our combined population is close to six million inhabitants;

WHEREAS our combined economy exceeds $300 billion

WHEREAS our border region is home to crossborder industries that continue to drive innovations in electronics, biomedical, automotive, and other key sectors;

WHEREAS our megaregion is connected through three land border crossings as well as a unique crossborder facility connecting air passengers across the two countries;

WHEREAS San Ysidro – Puerta México is the busiest international land crossing in the world; Otay Mesa is the primary gateway for California's international trade with Mexico; and Tecate is a historically significant land port serving rural communities in the eastern part of the region; Cross Border Xpress is the only international border crossing dedicated exclusively for passengers flying by air to and from destinations around the world;

Resolución que celebra la designación de San Diego-Tijuana como la Capital Mundial del Diseño 2024

CONSIDERANDO que la zona metropolitana de San Diego se compone de 18 ciudades, un condado y 18 tribus;

CONSIDERANDO que la zona metropolitana de Tijuana incluye a sus vecinos, las ciudades de Tecate y Playas de Rosarito;

CONSIDERANDO que ambas metrópolis se asientan en dos estados - California y Baja California - y en dos naciones - Estados Unidos y México;

CONSIDERANDO que compartimos profundos lazos históricos y culturales, que incluyen una herencia milenaria de nuestras tribus nativas; más de 300 años de historia con la corona española; y una condición binacional resultante de más de 200 años;

CONSIDERANDO que nuestra población conjunta se acerca a los 6 millones de habitantes;

CONSIDERANDO que nuestra economía conjunta excede los $300 mil millones de dólares;

CONSIDERANDO que nuestra región fronteriza alberga industrias transfronterizas que continúan impulsando innovaciones en los sectores electrónico, biomédico, automotriz, y otros sectores clave;

CONSIDERANDO que nuestra megaregión está conectada a través de tres cruces fronterizos terrestres, así como una instalación única transfronteriza que conecta a pasajeros aéreos a través de los dos países.

CONSIDERANDO que San Ysidro – Puerta México es el cruce terrestre internacional más transitado del mundo. Otay Mesa – Mesa de Otay es el principal cruce fronterizo para el comercio internacional de California con México, y Tecate es el cruce fronterizo de importancia histórica que sirve a las áreas rurales al este de la región; el Cross Border Xpress es el único cruce fronterizo internacional dedicado exclusivamente para pasajeros volando vía aérea a y de destinos de todo el mundo;

WHEREAS we share the same location, the same environment, the same sea, mountains, valleys, and deserts;

CONSIDERANDO que compartimos una misma ubicación, un mismo medio ambiente, un mismo mar, montañas, valles y desiertos;

WHEREAS the San Diego-Tijuana region has a unique history, rich and diverse design community, commitment to cross-border collaboration, and all the unique opportunities that exist in our shared community;

CONSIDERANDO que la región de San Diego-Tijuana tiene una historia única, una comunidad de diseño rica y diversa, un compromiso con la colaboración transfronteriza y todas las oportunidades únicas que existen en nuestra comunidad compartida;

WHEREAS it is acknowledged that design can bring transformative change that strengthens our commitments to equity, sustainability, and community;

CONSIDERANDO que se reconoce que el diseño puede traer un cambio transformador que fortalece nuestros compromisos con la equidad, la sostenibilidad y con la comunidad;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF SANDAG

AHORA, POR LO TANTO, SE RESUELVE QUE LA MESA DIRECTIVA DE SANDAG

1) Celebrates the designation of San Diego-Tijuana as the 2024 World Design Capital, and

1) Celebre la designación de San Diego y Tijuana como la Capital Mundial del Diseño 2024, y

2) Proposes convening a Regional Summit of mayors, Supervisors, and other leaders as part of the celebrations during 2024, and

2) Propone la realización de una Cumbre Regional de alcaldes y Supervisores, como parte de las celebraciones durante 2024, y

3) Uplifts the vision and legacy of this once in a generation event by showcasing many initiatives led by SANDAG in close collaboration with agency partners and the binational community to improve connections both across the border and throughout the San Diego-Tijuana region.

3) Realza la visión y el legado de este evento único al mostrar muchas iniciativas lideradas por SANDAG en estrecha colaboración con agencias asociadas y la comunidad binacional para mejorar las conexiones tanto a través de la frontera como en toda la región de San Diego-Tijuana.

PASSED AND ADOPTED this 8th of December 2023.

PASA Y SE APRUEBA este 8 de diciembre de 2023.

Attest / *Atestigua*:

Chair / *Presidente* **Secretary / *Secretario***

Member Agencies: 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, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, Port of San Diego, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.

SANDAG Approach to the 2024 World Design Capital

Borders Committee Item 6
Hector Vanegas, Borders Program Manager
Zachary Hernandez, Associate Regional Planner
Marisa Mangan, Senior Regional Planner
January 26, 2024

DRAFT

1

World Design Capital 2024 Resolution

- Celebrates San Diego and Tijuana as the 2024 World Design Capital
- Emphasizes our shared history, geography, and economy
- Proposes a regional summit of mayors and design leaders in 2024
- Promotes initiatives SANDAG and regional partners are undertaking to improve crossborder connections



2

Cross-Border Connections Summit

- Opportunity to convene design leaders and public officials on quality-of-life improvements in the border region
- Key themes:
  - Cultural Celebration
  - Cross-Border Collaboration
  - Binational Alignment



SANDAG | 3

3

Imaginando el Futuro



SANDAG | 4

4

DRAFT

Urban Core + Connections Design Showcase

- Inspire the region to think creatively on designing more adaptable cities
- Publicly discuss early conceptual designs for key corridor connections to Downtown
- Showcase activities could include a design charrette and speaker panel



5

DRAFT

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Email: hector.vanegas@sandag.org
zachary.hernandez@sandag.org
marisa.mangan@sandag.org

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6

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Greenworks Commercial PACE Program Amended and Restated Master Indenture**

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

Date: **March 4, 2024**

Recommended Action(s):

1. Adopt Resolution Number 03-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments approving the form of Amended and Restated Master Indenture for the issuance of the Limited Obligation Bonds for the Greenworks Commercial PACE Program and approving other actions in connection thereto.

Summary:

WRCOG's Commercial Property Assessed Clean Energy (C-PACE) Program provides financing for commercial properties to make energy efficiency, water conservation, seismic, and electric vehicle charging improvements, with Nuveen Green Capital and Greenworks Commercial PACE Program managing a part of it to reduce borrowing costs through flexible payment dates. To enable these different payment dates, an amendment to the original agreement with the Bank of New York Mellon Trust Company is needed. This change will impact future and outstanding bonds upon the consent of bond owners.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to provide an update on C-PACE activities and seek direction about the future of the Program. This effort aligns with WRCOG's 2022-2027 Strategic Plan Goal #5 (To develop projects and programs that improve infrastructure and sustainable development in the subregion).

Discussion:

Background

This WRCOG previously established an Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential or commercial real property located within the County of Riverside and with the cities within the western portion of the County of Riverside that have elected to participate in the WRCOG Program to finance the installation of distributed generation renewable energy sources, energy and water efficiency improvements, and electric vehicle charging

infrastructure (the “Authorized Improvements”). WRCOG also previously established the California PACE Program (the “California Program”), pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential and commercial real property located within cities and counties located outside of the western portion of the County of Riverside that have elected to become associate members of WRCOG and to participate in the California Program to finance the installation of Authorized Improvements.

On January 8, 2018, this Executive Committee adopted a resolution authorizing Greenworks Funding to serve as a program administrator for the Greenworks Program under both the WRCOG Program and the California Program; the resolution also approved the form of master indenture to provide for the issuance of the limited obligation bonds. On February 1, 2021, WRCOG and the Bank of New York Mellon Trust Company, as trustee (the “Trustee”), entered into the Original Master Indenture, to provide for the issuance of the limited obligation bonds for the Greenworks Program.

In January 2022, Greenworks Funding rebranded to Nuveen Green Capital (NGC). This rebranding did not affect any services NGC provides as part of WRCOG's C-PACE Program.

Present Situation

NGC has determined that commercial properties participating in the Greenworks Program will have reduced costs of borrowing if the principal can be paid on more than one date in a year and the principal and interest can be paid closer to dates when WRCOG receives assessment collections from the county in which a property is located. The Original Master Indenture provided for principal payment dates on September 2nd of each year and interest payment dates for March 2nd and September 2nd of each year, as statutorily required under the Section 8652 of the Improvement Bond Act of 1915, commencing with California Streets and Highways Code Section 8500 et seq. (the “Bond Act”). However, Section 8650.1 of the Bond Act provides for alternative principal and interest payment dates if the governing body of an issuer authorizes an alternative payment structure in a resolution of intention. On March 1, 2010, this Executive Committee adopted a resolution which declared its intention to create the WRCOG Program and on May 5, 2013, it adopted a resolution which declared its intention to create the California PACE Program. Each of these resolutions contains language that authorizes such alternative principal and interest payment dates. As such, WRCOG is statutorily authorized to amend the principal and interest payment dates as proposed in the Amended and Restated Master Indenture in the form provided to the Executive Committee at this meeting.

It is recommended that the Amended and Restated Master Indenture apply to both outstanding and future bonds issued through the Greenworks Program. Pursuant to the provisions of the Original Master Indenture, in order for such changes to apply to the outstanding bonds, WRCOG will need to obtain consent of the owners of the bonds. All bonds are owned by affiliate corporations of NGC. As such, it is anticipated that WRCOG will obtain all consents required. It is also recommended that the Executive Director approve the delegation of authority to approve additional master indentures, amendments, and restatements or stand-alone indentures, provided such indentures are substantially in the form of the Amended and Restated Master Indenture, and the closure of such master indentures and stand-alone indentures, as needed.

Prior Action(s):

None.

Financial Summary:

PACE Program Activities are included in the Agency's adopted FY 2023/2024 Budget under the Energy & Environmental Department (Fund 110).

Attachment(s):

Attachment 1 - WRCOG Resolution Approving Amended and Restated Master Indenture Greenworks Commercial PACE Program

Attachment 2 - WRCOG Amended and Restated Master Indenture Greenworks Commercial PACE Program

Attachment 3 - WRCOG Bond Owner Consent and Waiver Greenworks PACE Program

Attachment

Resolution Number 03-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments approving the form of Amended and Restated Master Indenture for the Issuance of the Limited Obligation Bonds for the Greenworks Commercial PACE Program and approving other actions in connection thereto

RESOLUTION NUMBER 03-24

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS APPROVING THE FORM OF AMENDED AND RESTATED MASTER INDENTURE FOR THE ISSUANCE OF THE LIMITED OBLIGATION BONDS FOR THE GREENWORKS COMMERCIAL PACE PROGRAM AND APPROVING OTHER ACTIONS IN CONNECTION THERETO

WHEREAS, on January 8, 2018, the Executive Committee of the Western Riverside Council of Governments (the "Executive Committee" and "WRCOG" respectively) adopted Resolution No. 02-18 authorizing Greenworks Lending, LLC, to serve as a program administrator for its WRCOG Energy Efficiency And Water Conservation Program for Western Riverside County and the California Hero Program ("Greenworks Commercial PACE Program") and approving the form of master indenture to provide for the issuance of the limited obligation bonds for the Greenworks Commercial PACE Program (the "Bonds"); and

WHEREAS, WRCOG and the Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), entered into the master indenture, dated as of February 1, 2021 (the "Original Master Indenture"), to provide for the issuance of the limited obligation bonds to achieve savings for commercial property owners; and

WHEREAS, WRCOG would like to amend the Original Master Indenture to revise the principal payment dates for the Bonds; and

WHEREAS, the Amended and Restated Master Indenture has been submitted to the Executive Committee; and

WHEREAS, WRCOG staff have further reviewed the form of the Amended and Restated Master Indenture and have recommended that the Executive Committee approve such form.

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. Approval of the Form of the Amended and Restated Master Indenture. With respect to the Bonds to be issued on or after the effective date of this resolution to fund the installation of improvements on commercial parcels, the Executive Committee hereby approves the form of the Amended and Restated Master Indenture substantially in the form on file with the Secretary, together with any changes therein and additions thereto approved by the Executive Director of WRCOG, or any designee of the Executive Director (each, an "Authorized Representative") and reviewed and concurred in by Bond Counsel, and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes and directs an Authorized Representative to execute the final form of the Amended and Restated Master Indenture for and in the name of WRCOG for each series of the bonds.

Section 3. Delegation of Authority to Approve Additional Master Indentures, Amendments and Restatements, or Indentures and Order the Closure of such Master Indentures. With respect to additional future property tranche bonds for the Bonds (each, "Future Bonds"), to be issued on or after the effective date of this Resolution, the Executive Committee hereby delegates to the Executive Director the authority to approve the master indenture or amendment and restatement of an existing master indenture for each such tranche of bonds (each, a "Future Master Indenture") or a stand-alone indenture ("Indenture"),so long as such Future Master Indenture or Indenture is substantially in the form of the Amended and Restated Master Indenture, together with any changes therein and additions thereto approved by the Executive Director, or an Authorized Representative, and reviewed and concurred in by Bond Counsel, and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes and directs an Authorized Representative to execute the final form of such Indenture or each such Future Master Indenture for and in the name of WRCOG for each series of the Future Bonds authorized to be issued pursuant to such Future Master Indenture. The Executive Committee hereby authorizes the delivery and performance of such Indenture or Future Master Indenture for each series of such Future Bonds.

The Executive Committee hereby delegates to the Executive Director the authority to approve each Indenture or supplemental indenture, if issued pursuant to a Future Master Indenture (each a "Future Supplemental Indenture") required for the issuance of each series of such Future Bond pursuant to the applicable Indenture or Future Master Indenture, and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes and directs an Authorized Representative to execute the final form of each Indenture or Future Supplemental Indenture for and in the name of WRCOG for each series of Future Bonds. The Executive Committee hereby authorizes the delivery and performance of each such Future Supplemental Indenture for each series of Future Bonds.

Proposed provisions of any Indenture or Future Master Indenture that constitute substantive revisions to the Amended and Restated Master Indenture shall be subject to the approval of the Executive Committee.

The Executive Director or another Authorized Representative is hereby authorized to order the closure of any Indenture or Future Master Indenture and direct that no further bonds be issued pursuant to such master indenture by delivering a certificate of WRCOG to such effect as provided for in the applicable Indenture or Future Master Indenture to the trustee under such Indenture or Future Master Indenture.

Section 4. Effective Date. This Resolution shall take effect upon the date of its adoption.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on March 4, 2024.

_____	_____
Chris Barajas, Chair	Dr. Kurt Wilson, Secretary
WRCOG Executive Committee	WRCOG Executive Committee

Approved as to form:

_____
Steven DeBaun
WRCOG Legal Counsel

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

Attachment

WRCOG
Amended and Restated Master Indenture Greenworks Commercial PACE Program

AMENDED AND RESTATED MASTER INDENTURE

between

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee

Dated as of March 1, 2024

Relating to:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
GREENWORKS COMMERCIAL PACE PROGRAM
LIMITED OBLIGATION IMPROVEMENT BONDS
(First Commercial Property Tranche)

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AMENDED AND RESTATED MASTER INDENTURE

THIS AMENDED AND RESTATED MASTER INDENTURE (this "**Amended and Restated Master Indenture**") is made and entered into as of _____, 20__, between the **WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS**, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California ("**WRCOG**"), and **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**") to amend and restate that certain Master Indenture, dated as of February 1, 2021 (the "**Original Master Indenture**"), by and between WRCOG and the Trustee.

BACKGROUND:

WHEREAS, acting under the provisions of Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29"), WRCOG has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential or commercial real property located within the County of Riverside and the cities within the western portion of the County of Riverside that have elected to participate in the WRCOG Program to finance the installation of distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure (the "Authorized Improvements"); and

WHEREAS, acting under Chapter 29, WRCOG has also established the California HERO Program (the "California Program" and, together with the WRCOG Program, the "Programs") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential and commercial real property located within cities and counties located outside of the western portion of the County of Riverside that have elected to become associate members of WRCOG and to participate in the California Program to finance the installation of Authorized Improvements; and

WHEREAS, WRCOG is authorized to issue limited obligation improvement bonds pursuant to Section 5898.22 and Section 5898.28 of Chapter 29 and the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code (the "Bond Act"), to finance the installation of Authorized Improvements that are permanently fixed to residential or commercial real property located within cities or counties participating in either of the Programs; and

WHEREAS, the Executive Committee of WRCOG (the "Executive Committee") subsequently determined that it would be in the best interests of both the Programs and the owners of the residential or commercial real property participating in each such program to consolidate and provide for the issuance of limited obligation improvement bonds representing unpaid Assessments levied on such participating parcels located in either the WRCOG Program Area (as defined herein) or the California Program Area (as defined herein and, together with the WRCOG Program Area, the "Program Areas") pursuant to a single master indenture and corresponding supplemental indentures to facilitate the issuance of such limited obligation improvement bonds,

to realize reduced costs of issuance and administration economies of scale and to enhance the marketability of such limited obligation improvement bonds; and

WHEREAS, on January 8, 2018, the Executive Committee adopted Resolution Number 02-18, entitled "Resolution of the Western Riverside Council of Governments Authorizing Greenworks Funding LLC to Administer and Finance Eligible Improvements to be Installed on Commercial Properties Located within the Boundaries of Both the WRCOG Energy Efficiency And Water Conservation Program for Western Riverside County and the California Hero Program, and in Connection with such Authorization, Approving Amendments To The Program Report for such Programs and the Forms of a Commercial Handbook, Commercial Application, Assessment Contract, Administration Agreement, Master Assignment and Assumption Agreement, Depositary Agent Agreement, Master Indenture and Bond Purchase Agreement, and Authorizing the Issuance of Bonds Pursuant to such Master Indenture Secured by Assessments Levied on Commercial Properties to Finance the Installation of Authorized Improvements on Such Commercial Properties and Approving Other Actions in Connection Thereto" (the "Original Resolution of Issuance") to authorize Greenworks Lending LLC ("Greenworks") to implement a commercial property assessed clean energy program to be known as the "Greenworks Commercial PACE Program" under and pursuant to the WRCOG Program and the California Program and within the boundaries of each such program; and

WHEREAS, the Executive Committee did, by the adoption of the Original Resolution of Issuance, approve the form of the Original Master Indenture, appoint The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") and authorize WRCOG to issue limited obligation improvement bonds pursuant to the Original Master Indenture (the "Original Bonds") to finance the installation of Authorized Improvements on commercial properties the owners of which have elected to participate in the Greenworks Commercial PACE Program; and

WHEREAS, WRCOG now desires to amend and restate the Original Master Indenture pursuant to the terms of Article 8 of the Original Master Indenture by entering into this Amended and Restate Master Indenture with the consent of the Owners of the Original Bonds; and

WHEREAS, on March 4, 2024, the Executive Committee adopted Resolution Number ____, entitled "Resolution of the Western Riverside Council of Governments Approving the Form of Amended and Restated Master Indenture for the Issuance of Limited Obligation Bonds for the Greenworks Commercial Pace Program and Approving Other Actions in Connection Thereto" (the "Resolution of Issuance") to authorize the amendment and restatement of the Original Master Indenture; and

WHEREAS, it is in the public interest and for the benefit of WRCOG and the owners of the Original Bonds that WRCOG and the Trustee enter into this Amended and Restated Master Indenture to provide for the issuance of bonds (the "Bonds"), the disbursement of proceeds of such bonds, the disposition of the assessments securing the Bonds and the administration and payment of the Bonds; and

WHEREAS, WRCOG has determined that all things necessary to cause the Bonds, as authenticated by the Trustee and issued as provided in the Bond Act, the Original Resolution of Issuance, the Original Master Indenture, and the Resolution of Issuance, 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 Amended and Restated Master Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

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

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Master Indenture. This Master Indenture is entered into under Chapter 29, the Bond Act and the Resolution of Issuance.

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

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

"***Administrative Expense Account***" means the account of that name established in the Program Fund and designated "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) Administrative Expense Account," established and administered pursuant to Section 4.02. Unless otherwise instructed by WRCOG, such account will be established in the Program Fund for accounting purposes only.

"***Administrative Expenses***" means costs directly related to the administration of the Program, as determined by WRCOG in its sole reasonable discretion, including, but not limited to: the actual costs of preparing the annual Assessment installment collection schedules (whether by an employee of WRCOG or a consultant or both) and the actual costs of collecting the Assessment installments (whether by a county or otherwise); actual fees and costs of the Depositary, in each case as evidenced by written documentation provided to WRCOG or the Program Administrator; the actual costs of remitting the Assessment installments to the Trustee; actual costs of the Trustee (including its legal counsel) in the discharge of its duties under the Indenture; the actual costs of WRCOG or its designee of complying with the disclosure provisions of Chapter 29, the Bond Act, federal securities laws and the Indenture, including those related to public inquiries regarding the Assessments and disclosures to Owners of the Bonds; the actual costs of WRCOG or its designee related to an appeal or challenge of the Assessment; any amounts required to be rebated to the federal government; and an allocable share of the salaries of WRCOG staff directly related to the foregoing and a proportionate amount of Authority general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by WRCOG for any administrative purpose relating to the Program, including costs related to prepayments of Assessments and the costs of prosecuting foreclosure of delinquent Assessment installments and actual fees and costs of the Program Administrator (including amounts advanced or incurred by the Program Administrator on behalf of WRCOG in the discharge of the duties of WRCOG under this Master Indenture).

"***Amended and Restated Master Indenture***" means this Amended and Restated Master Indenture, dated as of _____, 20__, by and between WRCOG and the Trustee, as originally executed or as it may from time to time be supplemented, amended or modified.

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

"***Assessment***" ***or*** "***Assessments***" means the unpaid contractual assessment(s) levied on the Participating Parcel(s) pursuant to an Assessment Contract(s), but excludes Penalties and Interest.

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

"***Assessment Collection Account***" means the account within the Redemption Fund designated as the "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) Assessment Collection Account," established and administered by the Trustee pursuant to Section 4.01 hereof. Unless otherwise instructed by WRCOG, such account will be established in the Redemption Fund for each Series of Bonds for accounting purposes only.

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

"***Auditor***" means the auditor/controller or tax collector of the applicable county in which the Participating Parcel is located, or such other official of the county who is responsible for preparing real property tax bills.

"***Authorized Denominations***" means the entire principal amount of the Outstanding Bonds of a Series.

"***Authorized Representative***" means the Executive Director of WRCOG or his or her designee or designees each of whom is authorized pursuant to a Certificate of WRCOG executed by the Executive Director.

"***Bond***" or "***Bonds***" means the Original Bonds and any other the Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) in one or more Series, authorized, issued, executed, authenticated and delivered on or after the Effective Date pursuant to Chapter 29, the Bond Act, this Master Indenture and a Supplemental Indenture.

"***Bond Counsel***" means Best Best & Krieger LLP, and its successors, or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the issuance of bonds by states and their political subdivisions, duly admitted to the practice of law before the highest court of the State of California.

"***Bond Act***" means the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (commencing with Section 8500 et seq.), and as it may be amended from time to time, to the extent not in conflict with Chapter 29.

"***Bond Purchase Agreement***" means, as to each Series of Bonds, that Bond Purchase Agreement by and between WRCOG and the Initial Purchaser thereof providing for the sale by WRCOG to and the purchase by the Initial Purchaser of such Series of Bonds.

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

"***Bond Year***" means, with respect to the Bonds, the twelve-month period beginning on September 3 in each year and ending on September 2 in the following year except that (i) the first Bond Year will begin on the date of delivery of the Bonds and end on the next September 2, and (ii) the last Bond Year may end on a prior redemption date.

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

"***Capitalized Interest Account***" means the account of that name established in the Redemption Fund and administered under Section 4.01. Such account will be established only as directed in a Supplemental Indenture with respect to a Series of Bonds and unless otherwise instructed by WRCOG, such account will be established for accounting purposes only.

"***Certificate of WRCOG***" means a written certificate of WRCOG signed by an Authorized Representative of WRCOG.

"***Chapter 29***" shall have the meaning given such term in the recitals hereto.

"***Closing Date***" means, as to each Bond or Series of Bonds, the date of issuance of thereof.

"Collateral" shall have the meaning given such term in Section 3.01 hereto.

"***Commercial***" shall have the meaning given such term in the Program Report.

"***Costs of Issuance***" means all items of expense directly or indirectly payable by or reimbursable to WRCOG relating to the authorization, issuance, sale and delivery of the Bonds, including, but not limited to: printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee; fees, charges and disbursements of Bond Counsel and other attorneys, financing advisors, accounting firms, consultants and other professionals, the Program Administrator's fee, fees and charges for preparation, execution and safekeeping of the Bonds; and any cost, charge or fee in connection with the original issuance of a Series of Bonds.

"Costs of Issuance Account" means the account of that name established in the Program Fund and designated "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) Costs of Issuance Account," established and administered pursuant to Section 4.02 of this Master Indenture. Unless otherwise instructed by WRCOG, such account will be established in the Program Fund for each Series of Bonds for accounting purposes only.

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

"***Covered Jurisdiction***" means, as to the WRCOG Program, each regular member of WRCOG participating in the WRCOG Program and, as to the California Program, each associate member of WRCOG participating in the California Program.

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

"***Debt Service Schedule***" means the schedule, as may be amended, established by WRCOG or its authorized agent, which sets forth the dates on which Debt Service shall be paid.

"Depositary" means The Bank of New York Mellon Trust Company, N.A., as depositary under the Depositary Agent Agreement, and its successors and assigns.

"Depositary Account" means the Depositary Assessment Collection Account established with the Depositary pursuant to the Depositary Agent Agreement administered by the Trustee pursuant to Section 4.06.

"Depositary Agent Agreement" means the Depositary Agent Agreement among WRCOG, Greenworks Lending LLC, and the Depositary, relating to certain indentures entered into by WRCOG and the Trustee from time to time, including this Master Indenture, as it may be amended or supplemented from time in accordance with its terms

"Designated Transferee" means, as to any Series of Bonds, the party identified as the Designated Transferee, if any, in the Bond Purchase Agreement, Supplemental Indenture and/or Certificate of WRCOG with respect to a Series of Bonds providing for the issuance of such Series of Bonds.

"***Effective Date***" means _____, 20__, being the date on which the requirements of Section 8.01 of the Original Master Indenture have been satisfied except as any such requirement has been expressly waived by the Owner or Owners of the Original Bonds.

"***Electronic Means***" shall mean the following communications methods: e-mail; facsimile transmission; secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee; or another method or system specified by the Trustee as available for use in connection with its services hereunder.

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

"***Excess Program Account Proceeds***" means the proceeds, if any, from the issuance of a Series of Bonds deposited on the Closing Date in the respective account of the Program Fund for the payment or reimbursement of Improvement Costs for the installation of Improvements on a Participating Parcel that remain on deposit in such account following the payment of all such Improvement Costs.

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

"***Extraordinary Mandatory Redemption Account***" means the account within the Redemption Fund designated as the "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche) Extraordinary Mandatory Redemption Account," established by the Trustee pursuant to Section 4.01(A)(3).

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

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the timely payment of principal of and interest on which are, directly or indirectly, fully and unconditionally guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

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

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

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

(c) participation certificates issued by the General Services Administration;

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

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

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

"***Improvement Costs"*** means the costs of installing the Improvements on Participating Parcels in accordance with the Program Report, the Program Handbook and the related Assessment Contract or Assessment Contracts.

"***Improvements***" means the distributed generation renewable energy, energy efficiency, water efficiency, electric vehicle charging infrastructure and seismic improvements to be installed on the Participating Parcel(s) pursuant to the Assessment Contacts.

"***Indenture***" means collectively this Master Indenture, as it may be amended, modified or supplemented from time to time, together with any Supplemental Indenture executed pursuant to the provisions of this Master Indenture.

"***Initial Assessment***" has the meaning given that term in the Assessment Contract(s).

"Initial Purchaser" means the party designated as the Initial Purchaser pursuant to each Bond Purchase Agreement, Supplemental Indenture and/or Certificate of WRCOG with respect to a Series of Bonds.

"***Interest Payment Dates***" means, as to any Series of Bonds, March 2 and September 2 of each year, commencing on the Interest Payment Date specified in the Supplemental Indenture pursuant to which such Series of Bonds have been issued.

"Joint Exercise of Powers Agreement" means that Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as amended and to date and as it may be amended or supplemented from time in accordance with its terms.

"Master Indenture" means the Original Master Indenture, as amended and restated by this Amended and Restated Master Indenture, or as it may from time to time be further supplemented, amended or modified.

"***Original Bonds***" means those Bonds identified in Exhibit "C" hereto.

"***Original Master Indenture***" means the Master Indenture, dated as of February 1, 2021, between WRCOG and the Trustee, as originally executed.

"***Original Resolution of Issuance***" shall have the meaning given such term in the recitals hereto.

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

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

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

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

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

"***Participating Parcel(s)***" means the parcel(s) within a Program Area that is (are) subject to the lien of an Assessment pursuant to an Assessment Contract or Assessment Contracts securing a Series of Bonds as identified on Appendix 1 of each Supplemental Indenture.

"***Penalties and Interest***" means any (i) penalties on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract and (ii) interest on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract in excess of the interest rate of the related Series of Bonds, in both cases pursuant to Section 5898.30 of Chapter 29.

"***Penalties and Interest Account***" means the account within the Redemption Fund and designated "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche), Penalties and Interest Account," established and administered under Section 4.01 hereof.

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

(a) Federal Securities.

(b) Federal Housing Administration debentures.

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

(d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million (including those of the Trustee and its affiliates).

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

(f) State Obligations, which means

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

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

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

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

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

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

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

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

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

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

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

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

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

"***Prepayment Account***" means the account within the Redemption Fund and designated "Western Riverside Council of Governments Limited Obligation Improvement Bonds Series 20__ (First Commercial Property Tranche) Prepayment Account," established and administered under Section 4.01 hereof. Unless otherwise instructed by WRCOG, such account will be established in the Redemption Fund for each Series of Bonds for accounting purposes only.

"***Prepayments***" means prepayments of Assessments received by WRCOG or the Trustee, less any administrative fees or penalties collected as part of any such prepayment of Assessments.

"***Principal Office***" means the corporate trust office of the Trustee in Los Angeles, California, located at such address as will be specified in a written notice by the Trustee to WRCOG under Section 10.06 hereof or such other office of the Trustee designated for payment, transfer or exchange of the Bonds.

"*Principal Payment Date"* means dates indicated in Appendix 1 to the Supplemental Indenture (defined below).

*"**Program**"* means the Greenworks Commercial PACE Program established pursuant to the Resolution of Issuance.

*"**Program Account**"* means the respective account within the Program Fund and designated "Western Riverside Council of Governments Limited Obligation Improvement Bonds (First Commercial Property Tranche) Program Account," established and administered under Section 4.01 hereof. Unless otherwise instructed by WRCOG, such account will be established in the Program Fund for each Series of Bonds for accounting purposes only.

*"**Program Administrator**"* means Greenworks Lending LLC, acting in its capacity as the administrator of the Program pursuant to the Resolution of Issuance and the Greenworks Commercial PACE Program Administration Agreement, dated as of January 8, 2018, by and between WRCOG and Greenworks Lending LLC, as such agreement may be amended or supplemented from time to time.

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

"***Program Fund***" means the fund designated "Western Riverside Council of Governments Limited Obligation Improvement Bonds Program Fund" established and administered under Section 4.02.

*"**Program Handbook**"* means the "Greenworks Commercial PACE Program Handbook" as approved by WRCOG, as such handbook may be amended or supplemented from time to time with the approval of WRCOG.

"***Program Manager***" means the official of WRCOG designated as the program manager of the Program from time to time.

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

"***Property Owner***" means the owner of the Participating Parcel(s).

"*Qualified Institutional Buyer*" means a "qualified institutional buyer" as such term is defined in Rule 144A promulgated under the Securities Act of 1933, as amended.

"***Record Date***" means the 15th day of the calendar month immediately preceding the applicable Interest Payment Date, and any date established by the Trustee as a Record Date for the payment of defaulted interest on the Bonds, if any.

"***Redemption Fund***" means the fund designated "Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds (First Commercial Property Tranche), Redemption Fund," established and administered under Section 4.01.

"***Redemption Premium,***" when used in reference to a Series of Bonds, the redemption premium set forth in the Related Supplemental Indenture.

*"**Related**,"* when used in reference to a Series of Bonds, Assessments, Collateral, Improvements or Assessment Contract, means the Series of Bonds that financed or refinanced the installation of the Improvements in respect of which the property owner agreed to pay the Assessment, the Assessment that relates to the Series of Bonds that financed or refinanced the installation of the Improvements in respect of which the Assessment was made and agreed to or the Collateral that includes those Assessments; the Improvements in respect of which the property owner agreed to pay the Assessment the installation of which are financed or refinanced from a Series of Bonds or the Assessment Contract pursuant to which the Assessment was levied that relates to the Series of Bonds that financed or refinanced the installation of the Improvements.

*"**Related**,"* when used in reference to a Supplemental Indenture and a Series of Bonds, the Supplemental Indenture that supplements this Master Indenture to establish the terms and conditions set forth in such Supplemental Indenture related to the issuance of such Series of Bonds.

*"**Reserve Fund**"* means, as to any Series of Bonds, a debt service reserve fund established by the Trustee pursuant to the Related Supplemental Indenture.

"***Resolution of Issuance***" shall have the meaning given such term in the recitals hereto.

"Series" means each Series of Bonds issued pursuant to this Master Indenture and the Related Supplemental Indenture. A "Series" may, as provided in such Related Supplemental Indenture, be a single Bond.

"***Sinking Account Payments***" means amounts to be paid by WRCOG with respect to any Term Bonds.

"***Supplemental Indenture***" means an agreement which is amendatory of and/or supplemental to this Master Indenture substantially in the form set forth in Exhibit A hereto executed and delivered in connection with the issuance of a Series of Bonds pursuant to this Master Indenture.

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

"***Term Bonds***" means a Series of Bonds which are payable on or before their specified maturity dates from Sinking Account Payments established pursuant to the Related Supplemental Indenture for that purpose and calculated to retire such Series of Bonds on or before their specified maturity dates.

"***Trustee***" means The Bank of New York Mellon Trust Company, N.A., its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01 hereof.

"***WRCOG***" means the Western Riverside Council of Governments, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California.

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

Section 1.03. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.01. Bonds Authorized.

(A) Authorized Bonds. WRCOG hereby authorizes the issuance of the Bonds in Authorized Denominations under and subject to the terms of the Resolution of Issuance, the Indenture, Chapter 29 and the Bond Act. Pursuant to the Resolution of Issuance, the Authorized Representatives of WRCOG are authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of Chapter 29, the Bond Act, the Resolution of Issuance, this Master Indenture and any applicable Supplemental Indentures.

(B) Procedures for the Issuance of Bonds. WRCOG may at any time issue a Series of Bonds in Authorized Denominations payable from Assessments and secured by first priority perfected liens upon such Assessments on the Participating Parcels and the other Collateral pledged hereunder for the payment of such Series of Bonds, subject to the following specific conditions, which are hereby made conditions precedent to the issuance of such Series of Bonds:

(i) All the requirements of Section 3.04 have been met.

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

WRCOG acknowledges and agrees that the Initial Purchaser or its Designated Transferee (if applicable) may acquire such Series of Bonds issued hereunder through, or through the account maintained with, a registered broker dealer.

(C) Proceeds of the Bonds. Upon the receipt of payment for each Series of Bonds on the Closing Date thereof, the Trustee will apply the proceeds of sale thereof in the amounts and to the funds and accounts as provided for in the Related Supplemental Indenture.

Section 2.02. Payment of Principal of and Interest on the Bonds.

(A) Payment of Interest. Interest on each Bond will be computed as set forth in Appendix I to the Related Supplemental Indenture, and will be payable on each Interest Payment Date, pursuant to Debt Service Schedule set forth on Attachment A to the Related Bond. The Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless they are authenticated on a day during the period from the sixteenth day of the month next preceding an Interest Payment Date to such Interest Payment Date, both days inclusive, in which event they will bear interest from such Interest Payment Date; or unless they are authenticated on a day on or before the fifteenth day of the month next preceding the first Interest Payment Date, in which event they will bear interest from the date of delivery of such Bonds. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication

thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Bonds shall bear interest at the rate per annum, and mature on the date, shown thereon.

(B) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America. As to each Series of Bonds, the Trustee shall pay interest on such Series of Bonds when due by wire transfer in immediately available funds to the person whose name appears on the Bond Register as the Owner thereof on the Record Date preceding such Interest Payment Date in accordance with such wire transfer instructions as shall be filed by such Owner with the Trustee from time to time prior to such Record Date.

The principal of any Bond and any premium on such Bond are payable in lawful money of the United States of America by the Trustee to the person whose name appears on the Bond Register as the Owner thereof on the Record Date immediately preceding the applicable Interest Payment Date upon surrender of the Bonds at the Principal Office of the Trustee. As to each Series of Bonds, payments of principal of such Series of Bonds shall, except on the final maturity thereof, be made without the requirement for presentation and surrender of such Series of Bonds at the Principal Office of the Trustee, and the Trustee shall pay such principal of such Series of Bonds when due by wire transfer in immediately available funds to the Initial Purchaser in accordance with such wire transfer instructions as shall be filed by the Owner of such Series of Bonds with the Trustee from time to time prior to such Record Date. All Bonds paid by the Trustee under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Notwithstanding anything contained herein to the contrary, the Initial Purchaser and any Designated Transferee shall not be required to present and surrender the Bond for any principal payment, mandatory redemption payment for the redemption of such Bond in part, or mandatory sinking account payment other than the final principal payment at maturity.

Section 2.03. Redemption.

(A) General. The Supplemental Indenture with respect to any Bond or Series of Bonds may provide that all or a portion of such Bond is or such Series of Bonds are subject to optional or mandatory redemption prior to maturity pursuant to the terms thereof.

All Bonds will be subject to mandatory redemption from amounts received by WRCOG as Prepayments as provided in the applicable Supplemental Indenture and subject to the provisions of Part 11.1 of the Bond Act. WRCOG shall advise the Trustee of such provisions to the extent not specified herein.

Whenever less than all of the Outstanding Bonds issued as a Series of Bonds are called for redemption, the Trustee will select Bonds in whole or in part for redemption among maturities in such a way that the ratio of Outstanding Bonds to issued Bonds will be approximately the same in each maturity insofar as possible, and such that the remaining Assessments will be sufficient on a timely basis to pay the aggregate Debt Service on the Bonds. Within each maturity of such a Series, the Trustee will select Bonds for retirement by lot from all Bonds not previously called for

redemption; provided that the Trustee shall have not less than 72 hours before such selection in which to make the selection.

(B) Refundings. The provisions of Part 11.1 of the Bond Act are applicable to the advance payment of Assessments and to the refunding and redemption of any Series of the Bonds. WRCOG will advise the Trustee of such provisions to the extent not specified herein.

(C) Partial Redemption. Whenever less than all of the Outstanding Bond or Bonds of a Series are called for redemption, the Trustee will select Bonds in whole or in part for redemption in accordance with written direction from WRCOG among maturities in such a way that the remaining Related Assessments will be sufficient on a timely basis to pay debt service on such Series of Bonds. Within each maturity, the Trustee will select Bonds of such Series for retirement by lot. Payment of principal of any Bond selected for redemption in part and accrued interest and premium, if any, on such Bond shall be payable without surrender of such Bond at the Principal Office of the Trustee.

If the Bonds have been redeemed pursuant to an optional redemption or a mandatory prepayment redemption, the total amount of all future Sinking Accounts Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Accounts Payments on a pro rata basis in Authorized Denominations as set forth in a revised sinking account schedule provided to the Trustee by WRCOG.

The payment of the principal of, premium, if any, and accrued interest on a Bond upon redemption in part shall be payable without the surrender of such Bond to the Trustee.

(D) Notice to Trustee. WRCOG will give the Trustee written notice of the aggregate amount of Bonds to be redeemed not less than 60 days prior to the applicable redemption date.

(E) Redemption Procedure by Trustee.

(i) Mailing of Notice. If any Bonds are designated for redemption pursuant to the related Supplemental Indenture, the Trustee will cause notice of any redemption to be mailed by first class mail to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Bond Register in the Principal Office of the Trustee, at least 30 days but no more than 60 days before the date designated for redemption.

Any failure of any person or entity to receive any such redemption notice if mailed in compliance with the previous paragraph, or any defect in any notice of redemption, will not affect the validity of the proceedings for the redemption of such Bonds.

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

(1) the redemption date;

(2) the redemption price;

(3) the date of issue of the Series of the Bonds;

(4) if less than all of the then Outstanding Bonds of a Series are to be called for redemption, the Bond numbers of the Bonds to be redeemed (by designating the Bond number of each Bond to be redeemed or by stating that all Bonds between two designated Bond numbers, both inclusive, are to be redeemed) or that all of the Bonds of one or more maturities have been called for redemption;

(5) as to any Bond called in part, the principal amount thereof to be redeemed;

(6) that if such bonds are redeemed in full such Bonds must be then surrendered at the Principal Office of the Trustee for redemption at the redemption price; provided that the Initial Purchaser and any Designated Transferee shall not be required to present and surrender the Bond for any principal payment, mandatory redemption payment, or mandatory sinking account other than the final principal payment at maturity; and

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

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

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

(F) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds, Series of Bonds, or portion of Bonds so called for redemption have been deposited in the Redemption Fund on the date fixed for redemption, then such Bonds, Series of Bonds, or portion of Bonds so called for redemption will become due and payable at the redemption price specified in the redemption notice, and such Bonds, Series of Bonds or portion of Bonds will be defeased and will cease to be entitled to any benefit or security under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

All Bonds redeemed in full by the Trustee pursuant to this Section 2.03 and the related Supplemental Indenture will be canceled by the Trustee so long as all Series of Bonds issued under such Supplemental Indenture have been redeemed in full. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

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

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

Section 2.05. Transfer of Bonds.

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

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

(B) Transfer Restriction Applicable to Bonds. With respect to any Bond registered in the name of an entity, unless the Trustee shall have been otherwise directed in an Certificate of WRCOG accompanied by an opinion of Bond Counsel to the effect that such transfer is consistent with federal securities law, the Bond may only be transferred in an Authorized Denomination to (a) WRCOG (or the Trustee at the direction of WRCOG) or (b) an Accredited Investor or a Qualified Institutional Buyer who delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to this Master Indenture.

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

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

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

Section 2.08. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, will be of such authorized denominations as may be determined by WRCOG, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by WRCOG and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If WRCOG issues temporary Bonds it will execute and furnish definitive Bonds without delay, but in no event more than 15 days from the date temporary Bonds are issued, and thereupon the temporary Bonds will be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Trustee or at such other location as the Trustee will designate, and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds will be entitled to the same benefits under the Indenture as definitive Bonds authenticated and delivered hereunder.

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

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

ARTICLE III

SECURITY; ISSUANCE OF BONDS

Section 3.01. Security for the Bonds; Pledge of Assessments and Funds. Each Series of Bonds will be secured by a first pledge (which pledge will be effected in the manner and to the extent herein provided) of all of the (i) the Related Assessment or Assessments together with all revenues, moneys, accounts receivable, contractual rights to payment, recoveries and other rights to payment of whatever kind with respect to such Related Assessment or Assessments or Related Assessment Contract or Assessment Contracts (except amounts required hereunder to be deposited into the Administrative Expense Account of the Program Fund) that are or may be owed to, or collected or received by, WRCOG or any other entity acting on WRCOG's behalf, including, without limitation, any amounts relating to the Related Assessment or Assessments or the Related Assessment Contract or Assessment Contracts that may be held in the Depositary Account, the Related Assessment Installments, Related Prepayments, the foreclosure on a Participating Parcel on which an Assessment has been levied, or any other payment or recovery with respect to an Assessment from any other source but excluding Annual Assessment Administrative Fees, and (ii) the Redemption Fund and all monies, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited in, the Redemption Fund, or owed to, or collected, recovered, received or held by, any other person that is required to credit to or deposit such monies or securities in the Redemption Fund by Chapter 29, the Bond Act or the terms of this Master Indenture attributable to proceeds of such Series of Bonds, such Related Assessment or Assessments and such Related Assessment Contract or Assessment Contracts, in each case, derived from the Related Assessment Installments, Related Prepayments, penalties and interest with respect to any delinquent Related Assessment Installment, the foreclosure on a Participating Parcel on which a Related Assessment has been levied, or payments pursuant to a Teeter Plan with respect to Related Assessments, if applicable, including any amounts relating thereto that may be held in the Depositary Account for the Related Series of Bonds (the foregoing items in (i) and (ii) above collectively referred to as the "Collateral").

So long as any of the Bonds are Outstanding, the Collateral shall not be used for any other purpose except as provided in this Master Indenture. The security interest with respect to a Series of Bonds shall constitute a lien on the Related Collateral of such Series of Bonds and shall attach and be effective, binding and enforceable against WRCOG and all others asserting rights therein from and after delivery by the Trustee of such Series of Bonds, irrespective of whether those parties have notice thereof and without any physical delivery thereof or further act.

Section 3.02. Limited Obligation. All obligations of WRCOG under the Indenture and each Series of Bonds are not general obligations of WRCOG, but are limited obligations, payable solely from the Related Assessments and the funds pledged therefor hereunder. The faith and credit of WRCOG, any Covered Jurisdiction or the State of California, or any political subdivision thereof, is not pledged to the payment of the Bonds.

Each Series of Bonds are "Limited Obligation Improvement Bonds" under section 8769 of the Bond Act and each Series of Bonds is payable solely from and secured solely by the Related Assessments and the amounts in the Redemption Fund attributable to Related Assessments. Notwithstanding any other provision of the Indenture, WRCOG is not obligated to advance

available surplus funds from WRCOG treasury to cure any deficiency in the Redemption Fund; provided, however, WRCOG is not prevented, in its sole discretion, from so advancing funds.

Section 3.03. Parity Debt. WRCOG may issue additional Bonds payable from the Assessments in accordance with Section 2.01(B) hereof and to refund Outstanding Bonds pursuant to Section 3.06 below.

Section 3.04. Requirements for Issuance of Bonds. Each Bond or Bond or a Series issued under a Supplemental Indenture will constitute a Bond hereunder and will be secured by a first priority perfected security interest on the Assessment or Assessments securing the payment of such Bond and the other Collateral purported to be pledged and assigned for the payment of such Bond or Series of Bonds hereunder. WRCOG may issue a Bond or Series of Bonds only if the following specific conditions precedent have been met:

(A) Due Authorization. WRCOG shall have reviewed all proceedings heretofore taken relative to the authorization of such Bond or Series of Bonds and shall conclude, as a result of such review, and find and determine that all things, conditions, and acts required by law to exist, happen and be performed precedent to and in the issuance of such Bond or Series of Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that WRCOG shall be authorized under Chapter 29, the Bond Act and each and every requirement of law, to issue such Bond or Series of Bonds in the manner and form provided in the Indenture

(B) Compliance. WRCOG shall be in compliance with all covenants set forth in this Master Indenture, and issuance of such Bond or Series of Bonds will not cause WRCOG to exceed the bonded indebtedness limit established for the Program or the maximum Bond authorization set forth in the Resolution of Issuance or as such maximum authorization may be amended by a resolution of the Executive Committee of WRCOG. Neither WRCOG nor anyone acting on its behalf shall have taken, or will take, any action that would subject the issuance or sale of the Bonds to the registration requirements set forth in the Securities Act of 1933, as amended, or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction, and the Bonds issued hereunder shall be subject to a valid exemption from all such registration requirements.

(C) Value. For each Participating Parcel, the value of such parcel (including the value of the Related Improvements financed from the proceeds of the Bond issued for such parcel) shall not be less than the minimum required value as determined at the time of the execution of the Related Assessment Contract by WRCOG pursuant to the requirements set forth in the Program Handbook.

(D) Coverage. The aggregate Assessment Installments payable under each Related Assessment Contract or Assessment Contracts specified in the Related Supplemental Indenture shall be at least 100% of the cumulative Debt Service on the Bond or Series of Bonds to be secured by the Related Assessment or Related Assessments levied pursuant to such Assessment Contract or Assessment Contracts, as applicable, through the final maturity date of such Bond or Series of Bonds and the Annual Assessment Administrative Fee or aggregate Annual Assessment Administrative Fees payable pursuant to an Assessment Contract or Assessment Contracts, as

applicable, shall be sufficient to pay the total anticipated Administrative Expenses through the final maturity date of such Bond or Series of Bonds.

In addition, the scheduled Assessment Installments payable pursuant to the applicable Assessment Contract or Assessment Contracts in every Bond Year with respect to a Bond secured by an Assessment or Assessments levied pursuant to such Assessment Contract or Assessment Contracts, as applicable, shall be at least 100% of the annual Debt Service on such Bond through its final maturity date and the scheduled Annual Assessment Administrative Fees levied pursuant to the Assessment Contract or Assessment Contracts in every Bond Year shall be sufficient to pay the anticipated Administrative Expenses for such Bond Year.

(E) Notice of Assessment. A notice of assessment shall have been duly recorded against each Participating Parcel pursuant to Chapter 29 and the Bond Act and there shall have been created a perfected first priority security interest in and to the Assessment levied against each such Participating Parcel and the other Collateral pledged for the payment of each Bond pursuant to the applicable Assessment Contract, the Bond Act, Chapter 29 and this Master Indenture.

(F) Opinion of Bond Counsel. On the Closing Date of each Bond or Series of Bonds, WRCOG will deliver an opinion or opinions of Bond Counsel addressed to WRCOG and the Trustee in form and substance mutually agreed upon by Bond Counsel and the Initial Purchaser (and accepted by the Trustee). Bond Counsel shall either address each such opinion to the Initial Purchaser and the Designated Transferee (if applicable) or shall, on the Closing Date, provide a reliance letter addressed to the Initial Purchaser and the Designated Transferee (if applicable) indicating to the Initial Purchaser and the Designated Transferee (if applicable) that Bond Counsel has delivered such opinion or opinions to WRCOG and the Trustee on such date and that the Initial Purchaser may rely upon such opinions as if they had been addressed to the Initial Purchaser and the Designated Transferee (if applicable). In such opinion Bond Counsel shall opine that the issuance of the Bond or Series of Bonds has been duly authorized pursuant to the Bond Act and all other applicable laws and the issuance of the Bond or Series of Bonds has been provided for by the Related Supplemental Indenture.

Notwithstanding the foregoing, WRCOG may issue a Series of Bonds as refunding Bonds without the need to satisfy the requirements of paragraphs (C) or (D) above.

Section 3.05. No Acceleration. The principal of the Bonds will not be subject to acceleration hereunder. Nothing in this Section 3.05 will in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of the Indenture under Article X hereof.

Section 3.06. Refunding of Bonds. The Bonds may be refunded by WRCOG pursuant to Divisions 11 or 11.5 of the California Streets and Highways Code upon the conditions as set forth in appropriate proceedings therefor. This Section will not apply to or in any manner limit advancement of the maturity of any of the Bonds as provided in Parts 8, 9, 11, or 11.1 of the Bond Act, nor will this Section apply to or in any manner limit the redemption and payment of any Bond pursuant to subsequent proceedings providing for the payment of amounts to eliminate previously imposed fixed lien assessments, including the Assessments. Nothing in this Section 3.06 affects

WRCOG's obligation to comply with Section 2.03 hereof in connection with a redemption of the Bonds.

Section 3.07. Agreement for Benefit of Bond Owners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of WRCOG will be for the equal benefit, protection and security of the registered Owners of the Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Redemption Fund.

(A) Establishment of Redemption Fund. The Redemption Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made as required by Section 5.01(A), and any other amounts required to be deposited therein by the Indenture or the Bond Act. Moneys in the Redemption Fund, exclusive of those in the Penalties and Interest Account therein, will be held by the Trustee for the benefit of WRCOG and Owners of the related Series of Bonds and disbursed for the payment of the principal of (including Sinking Account Payments), and interest and any redemption premium on, the related Series of Bonds as provided below. The moneys held in the Penalties and Interest Account of the Redemption Fund will be held by the Trustee for the benefit of the Owners of the Related Series of Bonds and disbursed at the times and for the purposes set forth in Section 4.01(B).

(1) Within the Redemption Fund there is hereby established a Prepayment Account for each Series of Bonds, which will be used exclusively for the administration of any Related Prepayments pursuant to Section 8767 of the Bond Act and paragraph (C) of Section 2.03 and the provisions of the Related Supplemental Indenture to assure the timely redemption of the Related Series of Bonds. If all of the Related Assessments securing such Series of Bonds are paid in full WRCOG shall deliver a Certificate of WRCOG directing the Trustee to close such Prepayment Account.

Within the Redemption Fund there is also hereby established:

(i) the Capitalized Interest Account, to the credit of which a deposit will be made from the proceeds of the related Series of Bonds pursuant to Section 2.01;

(ii) the Extraordinary Mandatory Redemption Account which will be used exclusively for administration of any Excess Program Account Proceeds;

(iii) the Penalties and Interest Account, to the credit of which any Penalties and Interest will be deposited; and

(iv) the Assessment Collection Account to the credit of which deposits will be made as described below.

Unless otherwise instructed by WRCOG, each such account will be established in the Redemption Fund for accounting purposes only.

(2) Assessment Collection Account. Except for Prepayments which shall be deposited in the Prepayment Account, Excess Program Account Proceeds which shall be deposited into the Extraordinary Mandatory Redemption Account, Penalties and Interest which shall be deposited in the Penalties and Interest Account, or as otherwise provided in this paragraph (b), the Trustee shall deposit into the Assessment Collection Account all proceeds and payments with respect to each Assessment, including, without limitation:

(i) Assessment Installments;

(ii) any amounts transferred to the Assessment Collection Account from the debt service reserve fund, if any, established pursuant to the Related Supplemental Indenture for the Related Series of Bonds;

(iii) any proceeds from the collection of delinquent Assessment Installments as a result of a foreclosure proceeding conducted pursuant to Section 5.02 against the Participating Parcel on which the applicable Assessment has been levied or otherwise (excluding (A) amounts identified as representing attorney's fees and costs incurred by WRCOG or such other person in prosecuting such foreclosure proceeding and (B) amounts required to be transferred hereunder to replenish the debt service reserve fund, if any, established for the related Series of Bonds);

(iv) any amounts received pursuant to the County's Teeter Plan with respect to the Assessments securing the Related Series of Bonds; and

(v) any amount transferred to the Assessment Collection Account from the respective Program Account pursuant to an Certificate of WRCOG delivered to the Trustee.

All amounts in the Assessment Collection Account shall be used and withdrawn by the Trustee solely for the purpose of:

(i) paying the Debt Service on the Related Series of Bonds on an Interest Payment Date and a Principal Payment Date;

(ii) the payment of remaining principal with respect to the Related Series of Bonds on the respective maturity date thereof;

(iii) the payment of the principal of and the accrued but unpaid interest and premium, if any, on any Bond upon the redemption thereof as provided in a Supplemental Indenture (excluding mandatory redemptions occurring as a result of a Prepayment or application of Excess Program Account Proceeds); or

(iv) reimbursing WRCOG or a third party from the proceeds of payments representing the redemption of delinquent Assessment Installments for which advances were made by WRCOG or such third party.

All amounts in the Assessment Collection Account, including any earnings on the amounts held in the Assessment Collection Account, shall be held in trust for the benefit of the Bond Owners.

(3) Extraordinary Mandatory Redemption Account. The Trustee shall, upon receipt of a Certificate of WRCOG directing the Trustee to transfer Excess Program Account Proceeds to the Extraordinary Mandatory Redemption Account from the Program Account, deposit such proceeds in such account. Amounts deposited in the Extraordinary Mandatory Redemption Account shall be credited to the Bond specified in such Certificate of WRCOG and used and

withdrawn by the Trustee solely for the purpose of redeeming such Bond, in whole or in part, on any Interest Payment. The principal amount of the Bond to be redeemed shall equal the amount of the Excess Program Account Proceeds plus the amount, if any, as specified in such Certificate of WRCOG that is then on deposit in the Assessment Collection Account and to be credited to the payment of principal amount of such Bond; provided, however, such principal amount shall not be decreased if and to the extent that the amount on deposit in the Assessment Collection Account and/or the Capitalized Interest Account is insufficient to pay the accrued interest on such Bond to the date of redemption. The redemption price for such Bond shall be equal to the amount of the Excess Program Account Proceeds, plus the amount, if any, on deposit in the Assessment Collection Account to be credited to the payment of principal amount of such Bond, plus interest to the date of redemption to be paid from the Assessment Collection Account and/or the Capitalized Interest Account, without premium. Interest shall cease to accrue on such Bond, or the principal amount of such Bond that is subject to redemption, from and after the date of redemption. All amounts in the Extraordinary Mandatory Redemption Account, including any earnings on the amounts held therein, shall be held in trust for the benefit of the applicable Bond Owners.

(B) Disbursements. On or before each Interest Payment Date and Principal Payment Date set forth in the table set forth in each Bond pursuant to the Related Supplemental Indenture with respect to each Series of Bonds, the Trustee will withdraw from the applicable accounts in the Redemption Fund and pay to the Owners of the Bonds the principal of (including Sinking Account Payments, if any), and interest and any redemption premium then due and payable on, the Related Series of Bonds. At least five (5) Business Days prior to each Interest Payment Date, WRCOG shall cause the Assessment Administrator to provide to the Trustee written information, upon which the Trustee may conclusively rely, as to amounts in the applicable accounts in the Redemption Fund that are for the credit of each Bond for purposes of making such payments pursuant to the Indenture. Funds on deposit in the Redemption Fund (and any account established thereunder) and credited to a Bond shall not be used to pay the principal of, or interest or any premium on, any other Bond.

If there are insufficient funds in the Redemption Fund to pay to the Owners of the Related Series of Bonds the principal of (including Sinking Account Payments), and interest and any redemption premium then due and payable on, the Related Series of Bonds, the Trustee will apply the available funds first to the payment of interest on the Related Series of Bonds, then to the payment of principal due on the Related Series of Bonds (including Sinking Account Payments), and then to payment of interest to the date of redemption and principal and any redemption premium due on the Related Series of Bonds by reason of Related Series of Bonds called for optional redemption or mandatory prepayment redemption.

On each Principal Payment Date, in accordance with the direction of WRCOG, the Trustee will use any amounts remaining in the Redemption Fund after payment of interest on the Related Series Bonds through such Principal Payment Date and the payment of principal due on the Related Series of Bonds through such Principal Payment Date, but excluding any amounts remaining in the Prepayment Account and the Penalties and Interest Account, to pay to the Owners of the Related Series of Bonds any amounts on deposit therein as additional interest on the Related Series of Bonds.

On or before each Interest Payment Date, the Trustee will, at the direction of WRCOG, withdraw from the Penalties and Interest Account and pay to the Owners of the Related Series of Bonds any amounts on deposit therein as additional interest on the Related Series of Bonds.

(C) Investment. Moneys in the Redemption Fund (and the accounts therein) will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit will be retained in the Redemption Fund and the accounts therein, as applicable.

(D) Transfers from Reserve Fund. Amounts transferred to the Redemption Fund from a debt service reserve fund, if any, established pursuant to the Related Supplemental Indenture for a Series of Bonds will be used in accordance with Part 16 of the Bond Act as directed in an appropriate Certificate of WRCOG.

Section 4.02. Program Fund.

(A) Establishment of Program Fund and the Accounts Therein. The Program Fund is hereby established as a separate fund to be held by the Trustee and within such fund the following accounts: (i) the Program Account, (ii) the Cost of Issuance Account and (ii) the Administrative Expense Account.

(B) Deposits to the Accounts within the Program Fund. The Trustee shall, pursuant to the Supplemental Indenture for the Related Series of Bonds, establish the foregoing accounts with respect to such Related Series of the Bonds, to the credit of which deposits will be made from the proceeds of the Related Series of Bonds as specified in such Supplemental Indenture.

(C) Disbursements. Moneys in the accounts of the Program Fund will be held by the Trustee and will be disbursed as provided in this paragraph (C).

(i) Disbursements from Program Accounts. Amounts in each Program Account will be disbursed from time to time to pay for the costs of installing the Related Improvements in accordance with the Related Assessment Contract, as set forth in written instructions of the Program Administrator delivered to the Trustee containing the amounts to be paid to the designated payees. Such written instructions will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

The Trustee will maintain funds on deposit in the Program Account established for a Series of Bonds until receipt the Trustee of a Certificate of WRCOG: (a) notifying the Trustee that all Improvement Costs to be paid from such account pursuant to a Related Assessment Contracts have been paid and directing the Trustee to transfer the Excess Program Fund Proceeds remaining on deposit in such Program Account as follows: (i) transfer such Excess Program Fund Proceeds in the amount of $500 or more as specified in such Certificate of WRCOG to the Extraordinary Mandatory Redemption Account of the Redemption Fund to be applied to the redemption pursuant to paragraph (D) of Section 2.03 of the Related Series of Bonds, in whole or in part, specified in such Certificate of WRCOG; or (ii) directing the Trustee to transfer any moneys remaining on deposit in such

account, including any investment earnings thereon, to the Assessment Collection Account of the Redemption Fund for the credit of such Series of Bond(s).

Funds on deposit in a Program Account and credited to a Bond shall be used solely to pay or reimburse the Improvement Costs associated with the Participating Parcel that has been levied an Assessment that secures such Bond, and shall not be used to pay the Improvement Costs associated with any other Participating Parcel underlying any other Bond of the same Series or otherwise.

(ii) Disbursements from the Cost of Issuance Accounts. Moneys in each Costs of Issuance Account will be held in trust by the Trustee and will be disbursed as provided in this paragraph (ii) for the payment or reimbursement of Costs of Issuance for the Related Series of Bonds.

Amounts in the Costs of Issuance Account for a Related Series of Bonds will be disbursed from time to time to pay Costs of Issuance for such Related Series of Bonds, as set forth in a Certificate of WRCOG containing respective amounts to be paid to the designated payees and delivered to the Trustee concurrently with the delivery of the Related Series of Bonds, or in any future requisition submitted by WRCOG to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Costs of Issuance after receipt of the Certificate of WRCOG, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of WRCOG requesting payment of Costs of Issuance. The Trustee will maintain the Costs of Issuance Account for a period of 120 days from the final date of delivery of the Related Series of Bonds and then will transfer any moneys remaining therein, including any investment earnings thereon, to the Administrative Expense Account for such Relates Series of Bonds.

(iii) Disbursements from the Administrative Expense Accounts. Amounts in each Administrative Expense Account shall be used by WRCOG to pay Administrative Expenses for the Related Series of Bonds. Amounts in the Administrative Expense Account for a Related Series of Bonds will be disbursed from time to time to pay Administrative Expenses for such Related Series of Bonds, as set forth in a Certificate of WRCOG containing respective amounts to be paid to the designated payees and delivered to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Administrative Expenses after receipt of the Certificate of WRCOG, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of WRCOG requesting payment of Administrative Expenses.

(D) Closure of the Program Fund and the Accounts Therein.

(i) Closure of the Program Fund. The Trustee will maintain the Program Fund until all amounts in the Program Fund and the accounts therein are expended or until WRCOG directs the Trustee to close the fund and all accounts therein, and then the Trustee

will transfer any moneys remaining therein, including any investment earnings thereon, to the Redemption Fund to pay the redemption price for as many Bonds as possible on the first possible redemption date pursuant to Section 2.03(A), including accrued interest to the redemption date and the applicable redemption premium, or to make payments on the Bonds as they come due, as directed by WRCOG.

(ii) Closure of the Cost of Issuance Accounts. The Trustee will maintain the funds on deposit the Cost of Issuance Account for each Series of Bonds until all such funds are expended or until as directed by a Certificate of WRCOG directing the Trustee to close such account and to transfer any money remaining on deposit in such account to the Administrative Expense Account for such Series of Bonds.

(iii) Closure of the Administrative Expense Accounts. The Trustee shall maintain the Administrative Expense Account for each Series of Bonds until (a) the payment of all Bonds included in such Series and the surrender of such Bonds to the Trustee for cancellation and payment of all outstanding Administrative Expenses due and payable hereunder and (b) the receipt by the Trustee of a Certificate of WRCOG declaring that all obligations of WRCOG with respect to such Series of Bonds have been satisfied. Upon satisfaction of such conditions the Trustee shall deliver all amounts then remaining in such account to WRCOG and any outstanding Administrative Expenses shall be payable solely from WRCOG. All such amounts delivered to WRCOG and not required to pay Administrative Expenses for such Series of Bonds may be used for any lawful purpose of WRCOG.

(E) Investment. Moneys in the Program Fund and the accounts therein will be invested and deposited in accordance with Section 6.01. Earnings and profits resulting from said investment will be retained by the Trustee in the applicable account of the Program Fund to be used for the purposes of such account.

Section 4.03. Reserve Fund. As to any Series of Bonds, the Trustee may be directed pursuant to the Related Supplemental Indenture to establish and maintain a debt service reserve fund in trust separate and distinct from the other funds and accounts for such Series of Bonds established under the Indenture. The failure to maintain an amount in a debt service reserve fund which may be established for a Series of Bonds shall not be a default or an Event of Default hereunder.

Section 4.04. Depositary Assessment Collection Account and Depositary Agent Agreement. A Depositary Assessment Collection Account has established with the Depositary pursuant to the Depositary Agent Agreement for the purpose of depositing certain funds, including: Assessment Installments; delinquent Assessment Installments and penalties and interest thereon; Annual Assessment Administrative Fees; Related Prepayments of Assessments; funds advanced to cover delinquent Assessment Installments; and, from time to time, miscellaneous funds from other parties as permitted pursuant to this Master Indenture. WRCOG and the Trustee covenant and agree to comply in all respects with the Depositary Agent Agreement and to make such amendments thereto that are reasonably necessary to carry out the provisions and purposes of this Master Indenture. The Trustee shall conclusively rely on information received by it from the Assessment Administrator and the Program Administrator and pursuant to the provisions of the

Depositary Agent Agreement as to the proper allocation of all funds on deposit under the Depositary Agent Agreement and the Trustee shall not have any responsibility or liability for allocating or segregating any moneys other than for following the instructions received pursuant to such Depositary Agent Agreement and as otherwise set forth herein. All costs and expenses incurred in establishing and maintaining the Depositary Assessment Collection Account under the Depositary Agent Agreement shall be considered an Administrative Expense payable under paragraph (iii) of Section 4.02(C) hereof.

Section 4.05. Establishment of Subaccounts. The Trustee may establish subaccounts within any of the funds or accounts established under this Master Indenture or any Supplemental Indenture at the written request of WRCOG or if the Trustee determines in its sole discretion that such subaccounts are beneficial for the administration of the Bonds or for record-keeping purposes.

ARTICLE V

COVENANTS OF WRCOG

Section 5.01. Collection of Assessments. WRCOG will comply with all requirements of Chapter 29, the Bond Act and the Indenture to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent Assessments. To that end, the following will apply:

(A) The Assessments, together with the interest thereon, will be payable in the installments specified in the Assessment Contracts. Each Assessment installment will be payable in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and become delinquent at the same times and bear the same proportionate Penalties and Interest after delinquency as do the general taxes on real property. All sums received from the collection of the Assessments will be transferred initially directly from the County to the Depositary Agent for deposit into the Depositary Assessment Collection Account pursuant to the Depositary Agent Agreement. All sums received from the collection of any Penalties and Interest will be transferred to the Trustee for deposit into the Penalties and Interest Account of the Redemption Fund.

(B) WRCOG will, before the final date on which the Auditor will accept the transmission of the Assessment installments for the Participating Parcels for inclusion on the next tax roll, prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the installments of the Assessments on the next secured tax roll. WRCOG is hereby authorized to employ consultants to assist in computing the installments of the Assessments hereunder.

(C) In the event that a County files a petition under Chapter 9 or is otherwise unable or unwilling to include the Assessment Installments and the Annual Assessment Administrative Fees on the tax roll and to collect such amounts on the property tax bill for any Fiscal Year, WRCOG covenants to:

(i) take such action as shall be necessary to enforce the statutory and contractual obligations of such County to include the Assessment Installments and the Annual Assessment Administrative Fees on the tax roll each Fiscal Year and to collect such amounts on the property tax bills of the Participating Parcels for any Fiscal Year, and

(ii) exercise its best efforts to collect such Assessment Installments and Annual Assessment Administrative Fees by directly billing the owners of the Participating Parcels for their respective Assessment Installments and Annual Assessment Administrative Fees.

WRCOG makes no representation or warranty regarding its ability to collect such Assessment Installments and Annual Assessment Administrative Fees by such direct billing pursuant to paragraph (C)(ii) above or its ability or legal authority to enforce the payment of Assessment Installments and Annual Assessment Administrative Fees directly billed by WRCOG to the owners of Participating Parcels through a judicial foreclosure action in the event of the

delinquency in the payment of any such Assessment Installments and Annual Assessment Administrative Fees.

If WRCOG is unable to enforce the statutory and contractual obligations of the County to include the Assessment Installments and the Annual Assessment Administrative Fees on the tax roll each Fiscal Year or to collect, or cause any other person acting on its or the County's behalf to collect, the Assessment Installments, the Annual Assessment Administrative Fees or any other amounts with respect to the Assessments, which is absolute and unconditional, to pay the interest and redemption premium (if any) on and principal of the related Series of Bonds to the respective Owners of the related Series of Bonds when due and all Administrative Expenses (including indemnity), as herein provided, out of the Related Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, then the Trustee may, on behalf of such Owners, institute suit to enforce such payment by virtue of the contract embodied in the respective Series of Bonds and in the Indenture. Nothing in this Section 5.01 shall limit in any way the rights of the Owners to declare an Event of Default pursuant to Section 9.01 hereof or to pursue all rights and remedies available to such Owners under this Master Indenture and applicable law.

Section 5.02. Foreclosure. WRCOG hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive, of the Bond Act and the conditions specified in this Section 5.02.

No later than October 1 each year, WRCOG will determine whether any single Participating Parcel is delinquent in the payment of two or more semiannual installments (or as long as there is a single Owner, of any semi-annual installments of Assessment payments, including any payment of principal, interest, redemption premium (if any) and Penalties and Interest, and, if so, will notify WRCOG Counsel, and the Owner of the related Series of Bonds as long as there is a single Owner, of any such delinquencies. WRCOG Counsel will commence, or cause to be commenced, the foreclosure proceedings against each such delinquent Participating Parcel, including collection actions preparatory to the filing of any complaint, but will file the complaint by the immediately succeeding December 1. WRCOG Counsel is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel (including a charge for staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

However, notwithstanding the foregoing, WRCOG may elect, in its sole discretion, to defer foreclosure proceedings on any Participating Parcel if WRCOG has received funds equal to the delinquent Related Assessments from any other source, and those funds are available to contribute toward (i) Administrative Expenses and (ii) the payment of the principal of (including Sinking Account Payments) interest, redemption premium (if any) and Penalties and Interest on the Related Series of Bonds when due (including without limitation funds from the sale of the receivables associated with delinquent Related Assessments).

Further notwithstanding the foregoing, as to each Series of Bonds, as long as there is a single Owner of such Bond or Bonds, WRCOG will not initiate foreclosure proceedings unless

directed in writing to do so within the time period contemplated by the Section 8834 of the Bond Act by the Owner of such Bond or Bonds, which written direction must be delivered to WRCOG along with an amount reasonably determined by WRCOG to be sufficient to pay its costs of prosecuting the foreclosure. Nothing in this paragraph is intended to limit any obligation imposed on WRCOG by the Revenue & Taxation Code with respect to tax defaulted properties. If the Owner of the Bond or Bonds pays the costs of prosecuting the foreclosure, it shall be entitled to recover such costs in the foreclosure proceedings to the extent permitted by law.

Penalties and Interest are payable to the Owner of the Bonds as set forth in Section 4.01(B).

Section 5.03. Punctual Payment. WRCOG will punctually pay or cause to be paid the principal of (including Sinking Account Payments), and interest and any redemption premium on, the Bonds when and as due in strict conformity with the terms of the Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds.

Section 5.04. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, WRCOG will not, directly or indirectly, extend or consent to the extension of the time for the payment of any interest on any of the Bonds and will not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding any claims for interest on any of the Bonds, or in any other manner.

Section 5.05. Against Encumbrance. WRCOG will not encumber, pledge or place any charge or lien upon any of the Assessments or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Resolution of Issuance, the Indenture, Chapter 29 and the Bond Act and with the written consent of the Owners.

Section 5.06. Books and Accounts. WRCOG will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of WRCOG, in which complete and correct entries will be made of all transactions relating to the Assessments and the application of amounts disbursed from the funds and accounts held by WRCOG hereunder, which records will be subject to inspection by the Trustee upon reasonable prior notice on any Business Day.

Section 5.07. Protection of Security and Rights of Owners. WRCOG will preserve and protect the security of the Bonds and the rights of the Owners thereto, and will warrant and defend their rights to such security against all claims and demands of all persons. From and after the delivery of any of the Bonds by WRCOG, the Bonds will be incontestable by WRCOG. WRCOG will take all commercially reasonable measures to enforce the provisions of the Assessment Contract.

Section 5.08. Compliance with Law; Completion of Improvements. WRCOG will comply with all applicable provisions of Chapter 29 and the Bond Act in providing financing for the Improvements, but WRCOG will have no obligation to advance any funds to complete Related Improvements in excess of the proceeds of the Bonds available therefor.

Section 5.09. Further Assurances. WRCOG will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

ARTICLE VI

INVESTMENTS; LIABILITY OF WRCOG

Section 6.01. Deposit and Investment of Moneys in Funds. The following will apply to the investment of funds held by the Trustee:

(i) Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed pursuant to a Certificate of WRCOG filed with the Trustee at least two Business Days in advance of the making of such investments. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. In the absence of any such Certificate of WRCOG, the Trustee shall hold funds uninvested.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

(ii) The Trustee may act as principal or agent in the acquisition or disposition of any investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including investment maintenance fees. The Trustee will incur no liability for losses arising from any investments made pursuant to this Section. The Trustee will be entitled to rely upon any investment directions from WRCOG as conclusive a certification to the Trustee that the investments described therein are so authorized under the laws of the State of California.

The Trustee will not invest any cash held by it hereunder in the absence of timely and specific written direction from WRCOG. In no event will the Trustee be liable for the selection of investments.

(iii) Investments in any and all funds and accounts may at the discretion of the Trustee be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee hereunder, provided that the Trustee will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

(iv) The Trustee will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited. The Trustee will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

(v) Although WRCOG recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, WRCOG hereby agrees that confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 6.02. Limited Liability of WRCOG. WRCOG will not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than as specifically provided herein.

Section 6.03. Employment of Agents by WRCOG. In order to perform its duties and obligations hereunder, WRCOG may employ such persons or entities as it deems necessary or advisable. WRCOG will not be liable for any of the acts or omissions of such persons or entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities. Nothing in this Section 6.03 shall be interpreted to prevent the Owner of the Bonds from seeking remedies for an Event of Default as set forth in Section 9.02.

ARTICLE VII

THE TRUSTEE

Section 7.01. Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A., is hereby appointed trustee and paying agent for the Bonds. The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture, and no implied covenants or obligations will be read into the Indenture against the Trustee. With respect to the appointment of the Trustee, the following will apply:

(A) Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this Section 7.01) will be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Trustee will give WRCOG written notice of any such succession hereunder.

(B) WRCOG may, upon not less than 60 days' prior written notice, remove the Trustee initially appointed and any successor thereto, and may appoint a successor thereto, but any Trustee will be a national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least $75,000,000 and subject to supervision or examination by federal or state authority. If such national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(C) The Trustee may at any time resign by giving written notice to WRCOG and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, WRCOG will promptly appoint a successor Trustee, satisfying the requirements of Section 7.01(B) above, by an instrument in writing. Any resignation or removal of the Trustee will become effective upon acceptance of appointment by the successor Trustee.

(D) If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, WRCOG will promptly appoint a successor Trustee by an instrument in writing.

(E) If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section within 45 days after the Trustee has given to WRCOG written notice or after a vacancy in the office of the Trustee has occurred by reason of its inability to act, the Trustee or any Bond Owner may apply, at the expense of WRCOG, to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Section 7.02. Liability of Trustee. With respect to the liability of the Trustee, the following will apply:

(A) The recitals of facts, covenants and agreements herein and in the Bonds contained will be taken as statements, covenants and agreements of WRCOG, and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of the Indenture or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee assumes no responsibility or liability for any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(B) The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture on their face.

Except as provided above in this paragraph, Trustee will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Indenture, and the Trustee will not be under any duty to make any investigation or inquiry as to-any statements contained or matters referred to in any such instrument.

(C) The Trustee will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(D) No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(E) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of WRCOG or any of the Owners pursuant to the Indenture unless such Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. The permissive right of the Trustee to do things enumerated in this Master Indenture shall not be construed as a duty.

(F) The Trustee may become the owner of the Bonds with the same rights it would have if it were not the Trustee.

(G) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without

its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee.

(H) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Master Indenture and delivered using Electronic Means; provided, however, that WRCOG shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions and containing specimen signatures of such Authorized Representatives, which incumbency certificate shall be amended by WRCOG whenever a person is to be added or deleted from the listing. If WRCOG elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. WRCOG understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative. WRCOG shall be responsible for ensuring that only Authorized Representatives transmit such Instructions to the Trustee and that WRCOG and all Authorized Representatives are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Corporation. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. WRCOG agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by WRCOG; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(I) The Trustee will have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(J) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee will not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

(K) The Trustee shall not be accountable for the use or application by WRCOG of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Master Indenture or any Supplemental Indenture or for the use and application of money received by any paying agent.

Section 7.03. Information; Books and Accounts. The Trustee will provide to WRCOG such information relating to the Bonds and the funds and accounts maintained by the Trustee hereunder as WRCOG may reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Trustee.

The Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Trustee, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts disbursed from the Redemption Fund and the accounts therein. Such books of record and accounts will, upon reasonable notice, at all times during business hours on any Business Day be subject to the inspection of WRCOG and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 7.04. Notice to Trustee. The Trustee may conclusively rely, without undertaking any investigation or inquiry, and will be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or proper parties.

The Trustee may consult with counsel, who may be counsel to WRCOG, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee will not be bound to recognize any person as the Owner of a Bond unless and until such person is the registered Owner of such Bond and such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Representative of WRCOG, and such certificate will be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation; Indemnification. WRCOG will pay to the Trustee from time to time reasonable compensation for all services rendered as Trustee under the Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of the

Trustee's in house or other attorneys and agents, incurred in and about the performance of their powers and duties under the Indenture.

WRCOG further agrees, to the extent permitted by applicable law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including, without limitation, legal fees and expenses) which are not due to its negligence or willful misconduct. As security for the performance of the obligations of WRCOG under this section pertaining to exercise and performance of the powers and duties of the Trustee hereunder related to any Bond or Series of Bonds, the Trustee shall have a lien prior to such Bond or Series of Bonds upon all property and funds held or collected by the Trustee as such pertaining to such Bond or Series of Bonds, except funds held in trust for the payment of principal of or interest or premiums on such Bond or Series of Bonds.

The obligation of WRCOG under this Section will survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

Section 7.06. Trustee as Owner. In the event the Trustee wishes to purchase the Bonds, the Trustee may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Trustee.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 8.01. Conditions for Amendment.

(A) Amendment with Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture with the written consent of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, or, alternatively, if such amendment or modification affects only one or more Series of Bonds, with the written consent of the Owners of at least a majority in aggregate principal amount of such Series (which may include Series to be issued contemporaneously with the amendment or modification), in each case exclusive of Bonds disqualified as provided in Section 8.03.

No such modification or amendment may:

(i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of WRCOG to pay the principal of, and the interest, any redemption premium or Penalties and Interest on, any Bond, without the express consent of the Owner of such Bond; or

(ii) permit the creation by WRCOG of any pledge or lien upon the Assessments pledged to any Series of Bonds superior to or on a parity with the pledges and liens created for the benefit of such Series of Bonds, without the express written consent of the Owners of all Outstanding Bonds of such Series; or

(iii) reduce the percentage of Bonds required for the amendment hereof; or

(iv) amend this Section 8.01.

Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(B) Amendment without Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) Additions. To add to the covenants and agreements of WRCOG contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon WRCOG, so long as such addition, limitation or surrender does not adversely affect any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(ii) Not Materially Adversely Affecting Bonds. To make modifications not adversely affecting any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(iii) Corrections. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as WRCOG may deem necessary or desirable and not inconsistent with the Indenture, and which will not materially adversely affect the rights of the Owners of the Bonds as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(iv) Issuance of Bonds. To issue Bonds in accordance with the Indenture.

(v) Credit Enhancements. To provide for the delivery of credit enhancements for one or more Bonds or Series of Bonds.

Section 8.02. Procedure for Amendment with Written Consent of Owners. WRCOG and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of the Indenture, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. With respect to such Supplemental Indenture under this Section, the following will apply:

(A) A copy of such Supplemental Indenture, together with a request to respective Owners for their consent thereto, will be mailed by first class mail, by the Trustee to each Owner of respective Bonds Outstanding, but failure to mail copies of such Supplemental Indenture and request will not affect the validity of the Supplemental Indenture when assented to as provided in this Section.

(B) Such Supplemental Indenture will not become effective unless there has been filed with the Trustee the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding or, if such amendment or modification affects only one or more Series of Bonds, with the written consent of the Owners of at least a majority in aggregate principal amount of such Series as applicable (exclusive of Bonds disqualified as provided in Section 8.03) and a notice has been mailed as described in subsection (A) above. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by Section 10.04.

Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(C) After the Owners of the required percentage of Bonds have filed their consents to the Supplemental Indenture, the Trustee will mail a notice to the Owners in the manner described in subsection (A) above for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section; provided, however, that failure to mail copies of this notice will not affect the validity of the Supplemental Indenture or consents thereto.

Proof of the mailing of such notice will be filed with the Trustee. A record, consisting of the papers required by this Section 8.02 to be filed with the Trustee, will be proof of the matters therein stated until the contrary is proved.

The Supplemental Indenture will become effective upon the filing with the Trustee of (a) the proof of the required notice, and (b) an approving opinion of Bond Counsel to the effect that the Supplemental Indenture complies with this Section 8.02. The Supplemental Indenture will be deemed conclusively binding (except as otherwise specifically provided in this Article) upon WRCOG and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 8.03. Disqualified Bonds. Bonds owned or held for the account of WRCOG, excepting any pension or retirement fund, will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and will not be entitled to consent to, or take any other action provided for in this Article VIII; except that in determining whether the Trustee will be protected in relying upon any such approval or consent of an Owner, only Bonds which a responsible officer of the Trustee having direct responsibility for the administration of the Indenture actually knows to be owned by or held for the account of WRCOG (excepting any pension or retirement fund) will be disregarded unless all Bonds are so owned, in which case such Bonds will be considered Outstanding for the purpose of such determination.

Upon request of the Trustee, WRCOG will specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 8.04. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VIII, the Indenture will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Indenture of WRCOG and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 8.05. Endorsement or Replacement of Bonds Issued After Amendment. WRCOG may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII may bear a notation, by endorsement or otherwise, in form approved by WRCOG, as to such action. In that case, upon request of the Owner of any Bond Outstanding at such effective date and presentation of his or her Bond for that purpose at the Principal Office of the Trustee or at such other office as WRCOG may select and designate for that purpose, a suitable notation will be made on such Bond.

WRCOG may determine that new Bonds, so modified as in the opinion of WRCOG is necessary to conform to such Owners' action, will be prepared, executed and delivered. In that case, upon request of the Owner of any Bonds then Outstanding, such new Bonds will be

exchanged at the Principal Office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.06. Amendatory Endorsement of Bonds. The provisions of this Article VIII will not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.07. Execution of Supplemental Indenture. Prior to executing any Supplemental Indenture hereunder, the Trustee will be entitled to receive an opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized and permitted by the Indenture and that all conditions precedent to the execution of such Supplemental Indenture have been met.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

Section 9.01. Events of Default. Any one or more of the following events will constitute an "Event of Default":

(A) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same will become due and payable, whether at maturity as therein expressed or from mandatory redemption;

(B) Default in the due and punctual payment of the interest on any Bond when and as the same will become due and payable; or

(C) Default by WRCOG in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after WRCOG has been given notice in writing of such default by the Trustee or any Owner; *provided, however,* if in the reasonable opinion of WRCOG the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by WRCOG within such thirty (30) day period and WRCOG shall thereafter diligently and in good faith cure such failure within a reasonable period of time, such period of time not to exceed one hundred eighty (180) days after such default notice is delivered to WRCOG .

Section 9.02. Remedies of Owners. Following the occurrence of an Event of Default, any Owner will have the right (and the right to instruct the Trustee, subject to the Trustee's rights under Section 7.02(E) hereof) for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit or proceeding at law or in equity to enforce its, his or her rights against WRCOG and any of the members, officers and employees of WRCOG, and to compel WRCOG or any such members, officers or employees to perform and carry out their duties under Chapter 29 or the Bond Act and their agreements with the Owners as provided in the Indenture; or

(B) By suit in equity to enjoin any actions or things that are unlawful or violate the rights of the Owners.

(C) To exercise every power and remedy available to it under Chapter 29 or the Bond Act.

Nothing in this article or in any other provisions of the Indenture or in the Bonds will affect or impair the obligation of WRCOG, which is absolute and unconditional, to pay the interest, redemption premium (if any), and Penalties and Interest on and principal of the Bonds to the respective owners of the Bonds when due, as herein provided, out of the Related Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver by any Owner of any default or breach of duty or contract will not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power and it will not be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by Chapter 29 or the Bond Act or by this article may be enforced and exercised from time to time and as often as will be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, WRCOG and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by Chapter 29, the Bond Act or any other law. In any suit, action or proceeding to enforce the provisions of this Master Indenture, the prevailing party shall be entitled to receive reasonable attorney's fees. In no event will the Trustee have any responsibility to cure or cause WRCOG or any other person or entity to cure an Event of Default hereunder.

Section 9.03. Application of Funds After Default. If an Event of Default shall occur and be continuing with respect to a Series of Bonds, all monies held or thereafter received by the Trustee with respect to such Series of Bonds, and any other funds then held or thereafter received by the Trustee with respect to such Series of Bonds under any of the provisions of this Master Indenture shall be applied in the following order:

(A) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of such Series of Bonds and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its accountants and counsel) incurred with respect to such Series of Bonds in and about the performance of its powers and duties under the Indenture;

(B) To the payment of Administrative Expenses of such Series of Bonds;

(C) To the payment of the principal of and interest then due on such Series of Bonds, in accordance with the provisions of this Master Indenture, in the following order of priority:

(i) First: To the payment to the persons entitled thereto of all installments of interest then due on such Series of Bonds, as applicable, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

(ii) Second: To the payment to the persons entitled thereto of all installments of unpaid principal of such Series of Bonds, as applicable, which shall have become due, whether at maturity or redemption, and, if the amount available shall not be sufficient to

pay in full all of such Series of Bonds together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

(iii) Third: If there shall exist any remainder after the foregoing payments, such remainder shall be paid to WRCOG as directed in a Certificate of WRCOG.

ARTICLE X

MISCELLANEOUS

Section 10.01. Discharge of Indenture. Subject to the provisions of Section 2.03 hereof regarding redemption, if WRCOG pays and discharges the entire indebtedness on all or a portion of any Bonds or Series of Bonds Outstanding in any one or more of the following ways:

(A) by paying or causing to be paid the principal of (including any Sinking Account Payments) and interest and any redemption premium on, all Bonds or Series of Bonds Outstanding, as and when the same become due and payable;

(B) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Section 4.01, is fully sufficient to pay such Bonds or Series of Bonds Outstanding, including all principal (including Sinking Account Payments), interest and any applicable redemption premiums with respect to such Bond or Series of Bonds being discharged or defeased; or

(C) by irrevocably depositing with the Trustee, in trust, cash and Federal Securities in such amount as WRCOG may determine, as confirmed by an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Section 4.01, be fully sufficient to pay and discharge the indebtedness on such Bonds or Series of Bonds, including all principal, Sinking Account Payments, interest and any applicable redemption premiums with respect to the Bond or Series of Bonds being discharged or defeased, at or before their respective maturity dates;

and if such Bonds or Series of Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as required by the Indenture (or provision satisfactory to the Trustee has been made for the giving of such notice), then, at the election of WRCOG, and notwithstanding that any Bonds or Series of Bonds have not been surrendered for payment, the pledge of the Assessments and other funds provided for in the Indenture and all other obligations of WRCOG under the Indenture with respect to all Bonds or Series of Bonds Outstanding will cease and terminate, except only: (i) the obligation of WRCOG to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and (ii) the obligation of WRCOG to pay or cause to be paid all amounts owing to the Trustee pursuant to Section 7.05 hereof.

If all Bonds or Series of Bonds outstanding are discharged pursuant to this Section, thereafter the Related Assessments will not be payable to the Trustee. Notice of election to discharge the Indenture with respect to such Bond or Series of Bonds will be filed with the Trustee.

Any funds thereafter held by the Trustee upon payment of all fees and expenses of the Trustee, which are not required for said purpose, will be paid over to WRCOG to be used by WRCOG as provided in Chapter 29 and the Bond Act.

Section 10.02. Benefits of Agreement Limited to Parties. Nothing in the Indenture, expressed or implied, is intended to give to any person other than WRCOG, the Trustee and the Owners, any right, remedy or claim under or by reason of the Indenture. Any covenants,

stipulations, promises or agreements in the Indenture contained by and on behalf of WRCOG will be for the sole and exclusive benefit of the Owners and the Trustee.

Section 10.03. Successor is Deemed Included in All Reference to Predecessor. Whenever in the Indenture or any Supplemental Indenture either WRCOG or the Trustee is named or referred to, such reference will be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of WRCOG or the Trustee will bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of registered Bonds and the amount, maturity, number and date of holding the same will be proved by the registry books.

Any consent, request, declaration or other instrument or writing of the then registered Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by WRCOG or the Trustee in good faith and in accordance therewith.

Section 10.05. Waiver of Personal Liability. No member, officer, agent or employee of WRCOG will be individually or personally liable for the payment of the principal of, or interest or any redemption premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.06. Notices to and Demand on Authority and Trustee. All notices or communications herein required or permitted to be given to WRCOG or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to WRCOG:	Western Riverside Council of Governments 3390 University Avenue, Suite 200 Riverside, CA 92501 Attention: Executive Director
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 400 South Hope Street, Suite 500, Los Angeles, CA 90071 Attention: Corporate Trust – Public Finance

Section 10.07. Partial Invalidity. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. WRCOG hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 10.08. Unclaimed Moneys. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to WRCOG (without liability for interest) free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to WRCOG and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to WRCOG as aforesaid, the Trustee may (at the cost of WRCOG) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to WRCOG of the moneys held for the payment thereof.

Section 10.09. Applicable Law. The Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 10.10. Content of Certificates. Every certificate with respect to compliance with a condition or covenant provided for in this Master Indenture shall include (a) a statement that the person or persons making or giving such certificate have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate made or given by an officer of WRCOG may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters, on information with respect to which is in the possession of WRCOG, or upon the certificate or opinion of or representations by an officer or officers of WRCOG, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

Section 10.11. Conclusive Evidence of Regularity. The issuance of each Series of Bonds pursuant to the Indenture will constitute conclusive evidence of the regularity of all proceedings under Chapter 29 and the Bond Act relative to their issuance and the levy of the Related Assessments.

Section 10.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal, including Sinking Account Payments, (and redemption premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Indenture is other than a Business Day, the payment of interest or principal, including Sinking Account Payments, (and any redemption premium) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no additional interest will accrue from such Interest Payment Date until such Business Day.

Section 10.13. Counterparts. This Master Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as WRCOG and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 10.14 Validity of Supplemental Indentures and the Original Bonds. All Original Bonds issued and the related Supplemental Indentures (including all Debt Service payment schedules related to the Original Bonds attached thereto) entered into prior to the Effective Date pursuant to the terms of Original Master Indenture pursuant to which the Original Bonds were issued shall remain in full force and effect except as the terms thereof conflict with

the terms of this Amended and Restated Master Indenture in which case the terms of this Amended and Restated Master Indenture shall prevail.

All Bonds issued with their initial date of issuance following the Effective Date of the Amended and Restated Master Indenture shall be issued in the applicable form of the Bonds set forth in Exhibit B to the Supplemental Indenture set forth in Exhibit A hereto.

Section 10.15 Effective Date of the Amended and Restated Master Indenture. This Amended and Restated Master Indenture shall become effective upon satisfaction of the requirements of Section 8.1 of the Original Indenture except as any such requirement is expressly waived by the Owner or Owners of the Original Bonds.

****

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

_____
Director of Energy & Environmental Programs

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By:_____
Authorized Representative

AMENDED AND RESTATED MASTER INDENTURE

EXHIBIT A

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE NO. [_]

between the

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

as trustee

Dated as of [ ], 20__

Relating to

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
GREENWORKS COMMERCIAL PACE PROGRAM
LIMITED OBLIGATION IMPROVEMENT BONDS
SERIES ___
(First Commercial Property Tranche)

(Supplemental to the MASTER INDENTURE, dated as of _____, 20__)

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SUPPLEMENTAL INDENTURE NO. [__]

THIS SUPPLEMENTAL INDENTURE NO. [__], dated as of [ ], 20__ (this "**Supplemental Indenture")**, is made by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State of California (the "**WRCOG**"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America (the "**Trustee**");

B A C K G R O U N D:

WHEREAS, WRCOG and the Trustee have executed and delivered a Master Indenture, dated as of February 1, 2021, as amended and restated by the Amended and Restated Master Indenture, dated as of _____, 20__, by and between WRCOG and the Trustee (as amended and restated, the "**Master Indenture**"), to provide for the terms and conditions of the issuance by WRCOG of one or more Series of Bonds (as defined in the Master Indenture) from time to time;

WHEREAS, in order to provide for the authentication and delivery of the Series ___ Bonds, to establish and declare the terms and conditions upon which the Series ___ Bonds are to be issued, to secure the Series ___ Bonds by a lien and charge upon (i) the Assessment or Assessments (as defined in the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto, the "Assessment" herein) together with all revenues, moneys, accounts receivable, contractual rights to payment, recoveries and other rights to payment of whatever kind with respect to such Assessment or Assessments or the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto (except amounts required hereunder to be deposited into the Administrative Expense Account of the Program Fund) that are or may be owed to, or collected or received by, WRCOG or any other entity acting on WRCOG's behalf, including, without limitation, any amounts relating thereto that may be held in the Depositary Account, the Assessment Installments, a Prepayment of the Assessment, the foreclosure on a Participating Parcel(s) set forth on Exhibit A hereto on which an Assessment has been levied, or any other payment or recovery with respect to an Assessment from any other source but excluding Annual Assessment Administrative Fees, and (ii) the Redemption Fund and all monies, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited in, the Redemption Fund, or owed to, or collected, recovered, received or held by, any other person that is required to credit to or deposit such monies or securities in the Redemption Fund by Chapter 29, the Bond Act or the terms of the Indenture attributable to proceeds of the Series ___ Bonds, such Assessment or Assessments and such Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto, in each case, derived from the Assessment Installments, a Prepayment of the Assessment, penalties and interest with respect to any delinquent Assessment Installment, the foreclosure on a Participating Parcel(s) set forth on Exhibit A hereto on which an Assessment has been levied, or payments pursuant to a Teeter Plan with respect to Assessments, if applicable, including any amounts relating thereto that may be held in the Depositary Account (the foregoing items in (i) and (ii) above collectively referred to as the "Series ___ Bond Collateral"), the Executive Committee has authorized the execution and delivery of this Supplemental Indenture;

WHEREAS, all acts and proceedings required by law and the Master Indenture necessary to make the Series ___ Bonds, when executed by WRCOG and authenticated and delivered by the Trustee, the duly issued, valid, binding and legal special obligations of WRCOG, and to constitute this Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Supplemental Indenture have been in all respects duly authorized; and

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

ARTICLE I
DEFINITIONS; AUTHORIZATION AND PURPOSE OF SERIES ___ BONDS; EQUAL SECURITY; COVENANTS

Section 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined in this Supplemental Indenture, the capitalized terms in this Supplemental Indenture will have the respective meanings that such terms have in the Master Indenture.

"***Closing Date***" means the date of initial issuance and delivery of the Series ___ Bonds hereunder.

"***Interest Payment Dates***" means the dates indicated in Appendix 1.

Optional: Only applies if a Reserve Fund is established for the Series of Bonds.

[*"**Series ___ Bond Reserve Requirement**"* means, initially, $_____.]

*"**Series ___ Bonds**"* means the Western Riverside Council of Governments Greenworks Commercial Pace Program Limited Obligation Improvement Bonds, Series 20__ (First Commercial Property Tranche) issued pursuant to this Supplemental Indenture.

Section 1.02. Interpretation. Section 1.03 of the Master Indenture shall govern interpretation of this Supplemental Indenture.

Section 1.03. Authorization. Each of the parties represents and warrants that it has full legal authority and is duly empowered to enter into this Supplemental Indenture and has taken all actions necessary to authorize the execution of this Supplemental Indenture by the officers and persons signing it.

Section 1.04. Representations of WRCOG. WRCOG hereby warrants and represents on the date hereof as follows:

(A) WRCOG is a joint powers authority duly organized, duly constituted and validly existing under the laws of the State of California, and has the full legal right, authority and power to enter into and carry out the terms and conditions of this Supplemental Indenture.

(B) No approval of, or consent from, any governmental authority (other than WRCOG's governing body) is required for the execution, delivery or performance by WRCOG of this Supplemental Indenture.

(C) The Indenture, when executed and delivered by WRCOG, shall be duly and validly authorized, executed and delivered by WRCOG.

(D) The execution, delivery and performance by WRCOG of this Supplemental Indenture and the performance by WRCOG of its obligations under the Indenture and the transactions contemplated hereby and thereby:

(i) do not contravene any provisions of law applicable to WRCOG, and

(ii) do not conflict with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which WRCOG is a party, by which WRCOG may be bound or to which WRCOG or its property may be subject.

(E) The Indenture constitutes the legal, valid and binding obligation of WRCOG, enforceable against WRCOG in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and by applicable laws and judicial decisions which may affect the remedies provided in the Indenture.

(F) WRCOG has complied with Section 3.04 of the Master Indenture in connection with the issuance of the Series ___ Bonds, and the aggregate initial principal amount of Bonds issued under the Master Indenture, after giving effect to the Series ___ Bonds, will be as indicated in Section 2.01(a) of Appendix 1.

(G) Each of the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto was executed and delivered by WRCOG in compliance with the requirements of the Bond Act, the Program Report, all relevant and applicable laws and regulations of the federal government and the State of California and all relevant and applicable resolutions of WRCOG.

(H) Based on the information provided to WRCOG by, and representations of, the Property Owners (as defined in the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto), the transactions represented by the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto, such Participating Parcels and such Property Owners satisfy all eligibility criteria under and underwriting requirements of the Bond 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 Act 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 Bond Act and all other relevant and applicable laws and regulations of the federal government and the State of California, the Program Report and all relevant and applicable resolutions of WRCOG.

(J) Without limiting Section 5.01(C) of the Master Indenture, WRCOG, either directly or through the Program Administrator or its other agents, has taken and shall continue to take all commercially reasonable steps necessary to ensure that all amounts owed under any and all Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto are accurately and timely entered on the tax roll of the applicable County.

ARTICLE II
ISSUANCE OF SERIES ___ BONDS

Section 2.01. Terms of Series ___ Bonds.

(A) The Series ___ Bonds authorized to be issued by WRCOG under and subject to the Bond Act and the terms of the Master Indenture, as supplemented and amended, and this Supplemental Indenture will be designated the Western Riverside Council of Governments Greenworks Commercial Pace Program Limited Obligation Improvement Bonds, Series 20__-([First] Commercial Property Tranche)", and will be issued in the original principal amount as indicated in Appendix 1.

The Series ___ Bonds shall be issued as fully registered Bonds without coupons.

(B) The Series ___ Bonds will be dated the Closing Date and will be payable on the Payment Dates and in the principal amounts, and will bear interest at the rate per annum (with accrued and unpaid interest payable on each Payment Date in accordance with Sections 2.02(B) and (C) of the Master Indenture), set forth in the schedule indicated in Appendix 1.

Section 2.02. Redemption of Series ___ Bonds.

(A) The Series __ Bonds are subject to mandatory redemption, as a whole or in part, from Prepayments and optional redemption as permitted herein below from amounts on deposit in the Redemption Fund, in each case as set forth in Appendix 1 hereof .

The Series ___ Bonds, or any part thereof, are subject to optional redemption only in the following circumstances:

(i) WRCOG shall give written notice to the Owner(s) and the Program Administrator of its intention to optionally redeem the Series ___ Bonds, as a whole or in part, and both the Owner(s) and the Program Administrator shall have provided their written consent to such redemption not less than 60 days prior to the proposed redemption date; or

(ii) (a) WRCOG shall give written notice to both the Owner(s) and the Program Administrator that the Annual Assessment Administrative Fee shall be insufficient to pay the Administrative Expenses for each such Bond Year throughout the remaining term of the Series ___ Bonds and that WRCOG intends to optionally redeem the Series ___ Bonds,

as a whole or in part, for the purpose of providing the funds necessary to cover such deficit from the interest rate savings to be achieved by such redemption and requesting that Owner(s), the Program Administrator or both agree to be contractually bound to provide the funds necessary to cover such deficit; and

(b) Neither the Owner(s) or the Program Administrator agree individually or collectively to be contractually bound to provide funds necessary to cover such deficit.

The Series ___ Bonds are not otherwise subject to optional redemption prior to maturity.

(B) Except as otherwise set forth in this Section 2.02 and in Appendix 1 hereto, Section 2.03 of the Master Indenture will govern redemption of the Series ___ Bonds.

Section 2.03. Form of Series ___ Bonds. The Series ___ Bonds, the Trustee's certificate of authentication, and the assignment to appear thereon, will be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Supplemental Indenture, the Resolution of Issuance and the Bond Act.

Section 2.04. Validity of Bonds. The validity of the authorization and issuance of the Series ___ Bonds will not be dependent upon the installation or operation of the Improvements (as defined in the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto) or upon the performance by any person of such person's obligation with respect to the Improvements.

Section 2.05. Registration of Series ___ Bonds. The Series __ Bonds shall be registered in the name of the Initial Purchaser indicated in Appendix 1.

ARTICLE III
USE OF PROCEEDS

Section 3.01. Issuance of Series ___ Bonds. Upon the execution and delivery of this Supplemental Indenture and satisfaction of the requirements for issuance of a Series of Bonds under Section 3.04 of the Master Indenture, WRCOG will execute and deliver the Series ___ Bonds in the aggregate principal amount as indicated in Appendix 1 to the Trustee for authentication and delivery to the Initial Purchaser thereof as indicated in Appendix 1.

Section 3.02. Application of Proceeds of Sale of Series ___ Bonds. Upon the receipt of payment for the Series ___ Bonds on the Closing Date, the Trustee will apply the proceeds of sale thereof (being an amount equal to the principal amount of the Series ___ Bonds) as indicated in Appendix 1.

ARTICLE IV
ADDITIONAL PROVISIONS

Section 4.01. Applicable Law. This Supplemental Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 4.02. Conflict with Bond Act. In the event of a conflict between any provisions of this Supplemental Indenture with any provision of the Bond Act as in effect on the Closing Date, the provision of the Bond Act 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 Act relative to their issuance and the levy of the Assessment (as defined in the Assessment Contract(s) with respect to the Participating Parcel(s) set forth on Exhibit A hereto).

Section 4.04. Confirmation of Master Indenture; Conflict With Master Indenture. All representations, covenants, warranties and other provisions of the Master Indenture, as previously amended and supplemented, unless specifically amended, modified or supplemented by this Supplemental Indenture, are hereby confirmed as applicable to this Supplemental Indenture. In the event of any conflict between the provisions of this Supplemental Indenture and the Master Indenture, the provisions of this Supplemental Indenture will govern.

Section 4.05. Counterparts. This Supplemental Indenture may be executed in counterparts, each of which will be deemed an original.

IN WITNESS WHEREOF, WRCOG and the Trustee have caused this Supplemental Indenture to be executed, all as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Authorized Representative

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

APPENDIX 1
BOND SPECIFICS

Article I

Section 1.01. Definitions

Interest Payment Dates: Interest on the Series __ Bonds is due and payable on March 2 and September 2 of each year, commencing on [DATE].

Principal of the Series __ Bonds is due on September 2 in the years identified below.

Article II

Section 2.01. Terms of Series ___ Bonds.

(a) Original principal amount of the Series ___ Bonds is $_____ and the aggregate principal amount of all Bonds issued under the Master Indenture, after giving effect to the Series ___ Bonds, is $_____.

(b) Interest Rate _____ is: _____%] [The Series ___ Bonds shall be payable at the rates , and will be payable on each Interest Payment Date, pursuant to Debt Service Schedule set forth on Attachment A to the Series ___ Bond.

(c) Interest on each Bond will be computed on the basis of a [360 day year of actual number of days in the period] [actual number of days in the year and actual number of days in the period].

Section 2.02. Redemption of Series ___ Bonds.

(a) *Mandatory Prepayment Redemption*. The Series ___ Bonds will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by WRCOG as a Prepayment of the Assessment, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Series ___ Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ___%.

Upon redemption of the Series ___ Bonds as set forth in this subsection, WRCOG shall cause the Initial Assessment to be reduced in an amount equal to the principal amount of the Series ___ Bonds redeemed.

(b) *Optional Redemption*. The Series ___ Bonds are subject to optional redemption pursuant to the Indenture, as a whole or in part, on any Interest Payment Date occurring on or after

ten years after the Closing Date from funds derived by WRCOG from any source other than Related Prepayments, at a price equal to:

(i) 100% of the principal amount of the Series ___ Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium, unless waived or reduced as consented by the Bond Owner equal to the following:

if made between the Closing Date and the date that is ten years after the Closing Date, 5.00% of the amount to be prepaid;

if made after the date that is eleven years after the Closing Date until the date that is twelve years after the Closing Date, 4.00% of the amount to be prepaid;

if made after the date that is twelve years after the Closing Date until the date that is thirteen years after the Closing Date, 3.00% of the amount to be prepaid;

if made after the date that is thirteen years after the Closing Date until the date that is fourteen years after the Closing Date, 2.00% of the amount to be prepaid;

if made after the date that is fourteen years after the Closing Date until the date that is fifteen years after the Closing Date, 1.00% of the amount to be prepaid;

if made after the date that is fifteen years after the Closing Date, 0.00% of the amount to be prepaid.

(c) *Extraordinary Mandatory Redemption from Excess Program Account Proceeds*. The Series ___ Bonds will be redeemed, as whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Excess Program Account Proceeds relating to this Bond and the Related Assessment Contract, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Series ___ Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ____%.

(d) *Mandatory Sinking Account Redemption*. All the Series ___ Bonds constitute Term Bonds, which will be subject to mandatory redemption in part by lot, from Sinking Account Payments made by WRCOG from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as shown in Attachment A.

However, if the Series ___ Bonds have been redeemed pursuant to an optional redemption or a mandatory prepayment redemption, the total amount of all future Sinking Account Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Account Payments on a pro rata basis in Authorized Denominations as determined by the Trustee, notice of which determination will be given by the Trustee to WRCOG.

Section 2.03. Registration of Series ___ Bonds.

The name of the Initial Purchaser is _____.

Article III

Section 3.01. Application of Proceeds of Sale of Series ___ Bonds.

(a) $_____ to the Capitalized Interest Account for the Series ___ Bonds within the Redemption Fund representing capitalized interest on the Series ___ Bonds.

(b) $_____ to the Costs of Issuance Account for the Series ___ Bonds within the Program Fund established pursuant to the Master Indenture.

(c) $_____ to the Program Account for the Series ___ Bonds within the Program Fund established pursuant to the Master Indenture.

(d) $_____ to the Administrative Expense Account of the Program Fund established pursuant to the Master Indenture.

[Unless otherwise instructed by WRCOG, each such account will be established for accounting purposes only.]

Optional: Utilized only if Reserve Fund established for the Series ___ Bonds.

[(e) $_____ to the Series Bond Reserve Fund established pursuant to this Supplemental Indenture.]

Optional: Utilized only if Reserve Fund established for the Series ___ Bonds.

[Article IV

Section 4.01. Series Bond Reserve Fund

(A) General. The Trustee shall establish and maintain the Series Bond Reserve Fund in trust separate and distinct from the other funds and accounts established hereunder. Except as provided below, all moneys in the Series Bond Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or the principal of the Series __ Bonds in the event that insufficient moneys are available in the Assessment Collection Account for the Series ___ Bonds within the Redemption Fund for such purpose or for the redemption or payment of Series ___ Bonds under subparagraph (E) below.

(B) Investment; Maintenance of Funds in the Series ___ Bond Reserve Fund. Moneys in the Series ___ Bond Reserve Fund shall be invested in Permitted Investments with a maturity of not greater than five years as directed in a Certificate of WRCOG; in the absence of direction, the Trustee shall invest such funds in a Permitted Investment described in clause (h) of the definition. The Trustee shall retain in the Series ___ Bond Reserve Fund all earnings on amounts on deposit in the Series ___ Bond Reserve Fund until the amount on deposit in the Series ___ Bond Reserve Fund exceeds the Series ___ Bond Reserve Requirement, then the amount in excess of the Series ___ Bond Reserve Requirement shall be transferred to the Assessment Collection Account for the Series ___ Bonds within the Redemption Fund.

Notwithstanding any other provision hereof, the failure to maintain an amount in the Series ___ Bond Reserve Fund equal to the Series ___ Bond Reserve Requirement shall not be a default or an Event of Default under the Master Indenture.

(C) Redemption as a Result of Principal Prepayments. In the event of a Prepayment (other than as a result of transfers made pursuant to subparagraph (E) below) of a Series __ Bond, WRCOG shall transfer a proportionate amount in the Reserve Fund to the [Assessment Collection Account for the Series ___ Bonds within the Redemption Fund] Redemption Fund. The proportionate amount shall be determined by multiplying (i) the fraction equal to the principal amount of Outstanding Series __ Bonds to be redeemed pursuant to Section 2.03(C) of the Master Indenture over the total principal amount of the Outstanding Series __ Bonds by (ii) the amounts on deposit in the Series __ Bond Reserve Fund, but in any event not in excess of the amount that will leave the balance in the Series __ Bond Reserve Fund equal to the Series __ Bond Reserve Requirement for the Series __ Bonds that will remain Outstanding following the redemption pursuant to Section 2.03(C) of the Master Indenture. Upon receipt of a Written Request from WRCOG, the Trustee shall transfer the proportionate amounts from the Series __ Bond Reserve Fund to the [Assessment Collection Account for the Series ___ Bonds within the Redemption Fund] in the amounts set forth in the Written Request.

(D) Use for Final Assessment Installment. WRCOG may, but is not obligated to, use a proportionate amount in the Series ___ Bond Reserve Fund to pay the final fiscal year's Assessment Installments to be levied on a Participating Parcel(s) set forth on Exhibit A hereto that is not delinquent in the payment of Assessment Installments. The proportionate amount shall be determined on the basis of (i) the principal amount of Outstanding Series __ Bonds attributable to the Participating Parcel(s) set forth on Exhibit A hereto and the total principal amount of the Outstanding Series __ Bonds and (ii) the amounts on deposit in the Series ___ Bond Reserve Fund, but in any event not in excess of the amount that will leave the balance in the Series ___ Bond Reserve Fund equal to the Series ___ Bond Reserve Requirement for all Outstanding Series __ Bonds for which principal will not be paid with the Assessment installments to be paid by the Participating Parcel(s) set forth on Exhibit A hereto in the next fiscal year. Upon receipt of a Written Request from WRCOG, the Trustee shall transfer the proportionate amounts from the Series ___ Bond Reserve Fund to the Assessment Collection Account for the Series ___ Bonds within the Redemption Fund in the amounts set forth in the Written Request.

(E) Additional Use of Series ___ Bond Reserve Fund; Reduction in Series ___ Bond Reserve Requirement. Pursuant to the terms of the Assessment Contracts related to the Series ___ Bond, if certain conditions are met, the Property Owner may request that the amount in the

Series ___ Bond Reserve Fund be utilized to prepay Assessments and redeem Series __ Bonds hereunder. Upon receipt of a Written Request from WRCOG, the Trustee will transfer all amounts in the Series ___ Bond Reserve Fund to the Prepayment Account for the Series ___ Bonds within the Redemption Fund to redeem Series __ Bonds under Section 2.03(C) of the Master Indenture. After such transfer, the Series ___ Bond Reserve Requirement thereafter will be zero and the Trustee will close the Series ___ Bond Reserve Fund.]

SUPPLEMENTAL INDENTURE

EXHIBIT A
LIST OF PARTICIPATING PARCELS

EXHIBIT B

FORM OF SERIES ___ BOND

SUPPLEMENTAL INDENTURE

EXHIBIT B

FORM OF BOND

**** WHILE THE BONDS ARE OWNED BY AN ACCREDITED INVESTOR OR A QUALIFIED INSTITUTIONAL BUYER, THE BONDS ARE SUBJECT TO TRANSFER RESTRICTIONS PURSUANT TO SECTION 2.05 OF THE MASTER INDENTURE****

Number ___-1 ***$_____***

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
Greenworks Commercial PACE Program
Limited Obligation Improvement Bonds, Series 20__
(First Commercial Property Tranche)

STATED INTEREST RATE	MATURITY DATE	DATED DATE
_____%	September 2, 20__	_____, 20__

REGISTERED OWNER:

PRINCIPAL AMOUNT: *** _____ DOLLARS***

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the California Streets and Highways Code (the "Bond Act"), the Western Riverside Council of Governments ("WRCOG"), will, out of the Redemption Fund established pursuant to a Master Indenture, dated as of February 1, 2021 (the "Original Master Indenture"), by and between WRCOG and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as amended and restated by an Amended and Restated Master Indenture, dated as of [March 1, 2024] by and between WRCOG and the Trustee (the "Original Master Indenture," as so amended and restated, the "Indenture"), pay to the registered owner named above, or registered assigns, the principal amount set forth above, and interest on such principal amount, at the times and in the amounts set forth in Attachment A in lawful money of the United States of America; in addition, the Bond shall accrue additional interest as set forth in Section 4.01(B) of the Indenture. In the event of the redemption of this Bond in part prior to maturity the principal amount and the interest on such principal amount if this Bond set forth in Attachment A will be subject to amendment without amending Attachment A and the Trustee shall have no obligation to revise Attachment A hereto to reflect such amendment.

Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Indenture.

This Bond bears interest from the Interest Payment Date next preceding its date of authentication and registration unless it is authenticated and registered (i) prior to an Interest Payment Date and after the close of business of the 15th day of the calendar month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii)

prior to the close of business on the 15th day of the calendar month preceding the first Interest Payment Date above, in which event it will bear interest from its date of delivery, until payment of such principal sum has been discharged.

Interest (excluding the final interest payment due upon maturity or earlier redemption) on and principal (excluding the final principal payment upon maturity or earlier redemption) of this Bond are payable in lawful money of the United States of America by the Trustee to the person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date preceding the applicable Interest Payment Date and Principal Payment Date by wire transfer of immediately available funds made on such Interest Payment Date and Principal Payment Date upon the written instructions by such Owner delivered to the Trustee at least five (5) Business Days prior to the applicable Record Date.

Payment of principal of this Bond and accrued interest and premium, if any, on this Bond upon final maturity or redemption in whole shall be payable in lawful money of the United States of America by the Trustee of immediately available funds, to the person whose name appears on the Bond Register as the Owner thereof, upon surrender of this Bond at the Corporate Trust Office of the Trustee.

Payment of principal of this Bond on any Interest Date and in the amount set forth in Attachment "A" hereto and accrued interest and premium, if any, on this Bond upon redemption in part shall be payable in lawful money of the United States of America by the Trustee to the person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date preceding the applicable Interest Payment Date, without surrender of this at the Corporate Trust Office of the Trustee, by wire transfer of immediately available funds made on such Interest Payment Date upon the written instructions by such Owner delivered to the Trustee at least five (5) Business Days prior to the applicable Record Date.

This Bond will continue to bear interest after maturity at the rate above stated if this Bond is presented at maturity and payment hereof is refused upon the sole ground that there are not sufficient moneys in the Redemption Fund with which to pay same. If this Bond is not presented at maturity, interest hereon will run only until maturity.

This Bond will not be entitled to any benefit under the Bond Act or the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon are dated and signed by the Trustee.

This Bond is issued by WRCOG under the Bond Act and the Indenture for the purpose of providing means for paying for the Improvements described in the Indenture. It is secured by the moneys in the Redemption Fund, the unpaid portion of Related Assessments made for the payment of those Related Improvements and any Penalties and Interest (as defined in the Indenture) received by WRCOG relating to the Related Assessments. Principal, interest and redemption premium, if any, is payable exclusively out of the Redemption Fund. This Bond and any other Bonds issued under the Indenture are referred to as the "Bonds."

This Bond is transferable by the registered Owner hereof, in person or by the Owner's attorney duly authorized in writing, at the office of the Trustee, subject to the terms and conditions

provided in the Resolution of Issuance and the Indenture, including the payment of certain charges, if any, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds, of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This Bond may only be transferred in an Authorized Denomination to (i) an Accredited Investor or Qualified Institutional Buyer who delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit B attached to the Indenture or (ii) WRCOG (or the Trustee at the direction of WRCOG).

Bonds will be registered only in the name of an individual (including joint owners), a corporation, a partnership or limited liability company, or a trust.

Neither WRCOG nor the Trustee will be required to make such exchange or registration of transfer of Bonds during the 15 days of the calendar month immediately preceding any Interest Payment Date.

WRCOG and the Trustee may treat the registered Owner hereof as the absolute owner for all purposes, and WRCOG and the Trustee will not be affected by any notice to the contrary.

Optional Redemption. The Bonds are subject to optional redemption pursuant to the Indenture, as a whole or in part, on any Interest Payment Date occurring on or after ten years after the Closing Date from funds derived by WRCOG from any source other than Related Prepayments, at a price equal to:

(i) 100% of the principal amount of the Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ___%.

Mandatory Sinking Account Redemption. All the Bonds constitute Term Bonds, which will be subject to mandatory redemption in part by lot, from Sinking Account Payments made by WRCOG from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as shown in Attachment A.

However, if the Bonds have been redeemed pursuant to an optional redemption or a mandatory prepayment redemption, the total amount of all future Sinking Account Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Account Payments on a pro rata basis in Authorized Denominations as determined by WRCOG, notice of which determination will be given by WRCOG to the Trustee.

Mandatory Prepayment Redemption. The Bonds will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Related Prepayments, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ___%.

Upon redemption of the Bonds as set forth in this subsection, WRCOG shall cause the Initial Assessment to be reduced in an amount equal to the principal amount of the Bonds redeemed.

Extraordinary Mandatory Redemption from Excess Program Account Proceeds. The Bonds will be redeemed, as whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Excess Program Account Proceeds relating to this Bond and the Related Assessment Contract, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ____%.

This Bond is a Limited Obligation Improvement Bond because, under the Indenture, WRCOG is not obligated to advance funds from WRCOG treasury to cover any deficiency that may occur in the related accounts of the Redemption Fund for the Bonds.

IN WITNESS WHEREOF, WRCOG has caused this Series ____ Bond to be executed in its name and on its behalf by the facsimile signatures of its Treasurer and Secretary all as of the Original Issue Date identified above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By:_____
Treasurer

Attest:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Series 20__ Bonds described in the within mentioned Indenture.

Dated: _____, 20___

The Bank of New York Mellon Trust Company, N.A., as Trustee

By:_____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within mentioned Bond and hereby irrevocably constitute(s) and appoint(s):

_____ attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

NOTICE: The signature(s) on this assignment must correspond with the name(s) as written on the face of the registered Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B-7

ATTACHMENT A
DEBT SERVICE SCHEDULE

Payment Date	Principal	Interest	Total

AMENDED AND RESTATED MASTER INDENTURE

EXHIBIT "B"

FORM OF TRANSFER LETTER

Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501

The Bank of New York Mellon Trust Company, N.A.
_____, ___

Re: Western Riverside Council of Governments
Greenworks Commercial PACE Program
Limited Obligation Improvement Bonds Series 20__
(First Commercial Property Tranche)

Ladies and Gentlemen:

The Western Riverside Council of Governments (the "Issuer") has issued the above-referenced Bonds (the "Bonds"). Capitalized terms used in this letter but not defined have the meaning given them in the Master Indenture, dated as February 1, 2021 (the "Original Master Indenture"), as amended by the Amended and Restated Master Indenture, dated as of _____, 20__ ("Amended and Restated Master Indenture"), and/or supplemented by Supplemental Indentures No. [__], dated as of ___, 20__ (the Original Master Indenture and Amended Restated Master Indenture, as supplemented, the "Indenture") relating to the Bonds.

In connection with our purchase on the date hereof of the Bonds, the undersigned (the "Bond Purchaser") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D, or a "Qualified Institutional Buyer" as defined in Rule 144A, promulgated under the Securities Act of 1933, as amended.

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal Bonds similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Bonds for not more than one account for investment purposes and not with a view to distributing the Bonds, to the extent not permitted under the applicable securities laws.

(d) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop

and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(e) The Bond Purchaser: (i) has conducted its own independent inquiry, examination and analysis with respect to the Bonds; (ii) has had an opportunity to ask questions of and receive answers from WRCOG about the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing; (iii) has been provided by WRCOG with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested; and (iv) the Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds.

(f) The Bond Purchaser (i) is not relying upon WRCOG, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(g) The Bond Purchaser understands and acknowledges (i) that the offering of the Bonds is not subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, and (ii) that WRCOG has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds and has not undertaken to provide to or for the benefit of holders of the Bonds financial or operating data or any other information with respect to the Bonds on an ongoing basis.

(h) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bonds.

(i) In the event that the Bond Purchaser wishes to sell the Bonds in the future, the Bond Purchaser agrees and acknowledges that the Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including, but not limited to, providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

(j) Bond Purchaser agrees to defend, indemnify and hold harmless WRCOG from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against WRCOG in any way relating to or arising out of a transfer by the Bond Purchaser of the Bonds to which this letter relates in violation of the restrictions contained in Section 2.05(B) of the Indenture.

Very truly yours,

[Insert]_____

By: _____

Name:
Title:

EXHIBIT "C"

ORIGINAL BONDS

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 210217-GWL-4481-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 210217-GWL-4503-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 210217-GWL-5462-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 210217-GWL-5498-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 210217-GWL-4787-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 210217-GWL-5707-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 220217-GWL-5659-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 220217-GWL-5661-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 220217-GWL-6677-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 220217-GWL-6508-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 220217-GWL-7101-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 220217-GWL-7421-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 230215-GWL-5597-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 230215-GWL-7669-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 230215-GWL-7780-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 230215-GWL-8059-W (First Commercial Property Tranche)

Western Riverside Council of Governments Greenworks Commercial PACE Program Limited Obligation Improvement Bonds, Series 230215-GWL-7407-W (First Commercial Property Tranche)

Attachment

WRCOG
Greenworks Commercial PACE Program
Bond Owner Consent and Waiver

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
GREENWORKS COMMERCIAL PACE PROGRAM
Limited Obligation Improvement Bonds
(First Commercial Property Tranche)

BOND OWNER CONSENT AND WAIVER

The undersigned, on behalf of [BOND OWNER] (the "Owner"), (i) hereby certifies that it is the original purchaser and present owner of the bond identified in Exhibit A attached hereto and incorporated by this reference (the "Bond") issued under the Indenture of Trust dated as of February 1, 2021 (the "Indenture"), by and between Western Riverside Council of Governments, as issuer (the "Issuer"), and The Bank of New York Mellon Trust Company, N.A., as trustee ("Trustee"), and (ii) hereby provides the following consent and waiver for and on behalf of the Owner:

1. Owner acknowledges that:

(a) the Indenture and the rights and obligations of Issuer and of the Owners of the Bonds may be amended or modified at any time with the written consent of the Owner pursuant to section 8.02 of the Indenture, *provided, however*, that such amendment or modification is to make corrections and is not inconsistent with the Indenture and which will not materially adversely affect the rights of the Owners of the Bond;

(b) Owner has received and reviewed (a) a copy of the Amended and Restated Master Indenture, dated as of March 1, 2024, by and between the Issuer and the Trustee (the "Amended and Restated Master Indenture") to amend and restate the Indenture, attached hereto as Exhibit A, and (b) this Bond Owner Consent and Waiver;

(c) the amendments to the Indenture are not prohibited pursuant to Section 8.01 and do not materially adversely affect the Bond in any material respect;

(d) WRCOG seeks prior written consent of the Owner for the Amended and Restated Master Indenture pursuant to Section 8.02 of the Indenture;

(e) Owner consents to the Amended and Restated Master Indenture;

(f) Owner hereby waives the requirements of Section 8.02 set forth below, with the exception of the requirement for the delivery of an approving opinion of Bond Counsel to the effect that the amendment or modification complies with Section 8.02:

(i) a copy of such amendment or modification, together with a request to Owner for its consent thereto, will be mailed by first class mail, by the Trustee to the Owner of Bonds Outstanding, but failure to mail copies of such amendment or modification and request will not affect the validity of the amendment or modification when assented to;

(ii) such amendment or modification will not become effective unless there has been filed with the Trustee the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.03) and a notice has been mailed as described in paragraph (i) above. Each such consent will be effective only if accompanied by proof of ownership of the Bonds in satisfaction of Section 10.4 of the Indenture for which such consent is given.

(iii) after the Owners of the required percentage of Bonds have filed their consents to the amendment or modification, the Trustee will mail a notice to the Owners in the manner described in clause (i) above for the mailing of the amendment or modification, stating in substance that the amendment or modification has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in Section 8.02; provided, however, that failure to mail copies of this notice will not affect the validity of the amendment or modification or consents thereto;

(iv) proof of the mailing of such notice will be filed with the Trustee;

(v) the amendment or modification will become effective upon the filing with the Trustee of (i) the proof of the required notice, and (ii) an approving opinion of Bond Counsel to the effect that the amendment or modification complies with Section 8.02; and

(vi) the amendment or modification 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 sixty (60) days after such filing specified in clause (v) above, 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; and

2. Owner hereby consents to the amendment and modification of the Indenture as specified in the Amended and Restated Master Indenture and consents to the Amended and Restated Master Indenture becoming effective and deemed conclusively binding effective March 1, 2024.

3. The undersigned certifies that he/she is duly and legally authorized to execute this Bond Owner Consent and Waiver for and on behalf of the Owner.

Dated: _____, 2024

[OWNER]

By: _____
Authorized Officer

EXHIBIT A

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **TUMF Program Activities Update: Approval of One TUMF Reimbursement Agreement, One TUMF Reimbursement Agreement Amendment, Three TUMF Credit Agreements, One TUMF Cooperative Agreement, and One TUMF Funding Agreement**

Contact: **Brian Piche-Cifuentes, Transportation Analyst I, bpiche-cifuentes@wrcog.us, (951) 405-6705**

Date: **March 4, 2024**

Recommended Action(s):

1. Authorize the Executive Director to execute a TUMF Reimbursement Agreement between WRCOG and the City of Hemet for the Planning and Engineering Phases of the Esplanade Avenue Widening Project in an amount not to exceed $200,000.
2. Authorize the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the City of Beaumont for the Engineering and Construction Phases of the Potrero Boulevard Interchange Project in an amount not to exceed $3,000,000.
3. Authorize the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Perris, and PW Land Investments, L.P., for the improvements of Evans Road for a maximum credit of $2,912,258.
4. Authorize the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Eastvale, and Arroyo CAP III-2, LLC., for the Widening of Limonite Avenue between Hamner Avenue to Sumner Avenue and Widening Hamner Avenue between Amberhill Avenue to Limonite Avenue with a maximum credit of $1,905,270.55.
5. Authorize the Executive Director to execute a TUMF Credit Agreement between WRCOG, the City of Wildomar, and D.R. Horton Los Angeles Holding Company, Inc., for the improvements to Palomar Road, construction of an additional lane of approximately 800 linear feet from the western limits of the project to Starbuck Circle, with a maximum credit of $392,000.
6. Authorize the Executive Director to execute a TUMF Cooperative Agreement between WRCOG, the Riverside County Transportation Commission, the City of Wildomar, for the Bundy Canyon Road and Wildomar Trail Interchanges at I-15.
7. Authorize the Executive Director to execute a TUMF Funding Agreement between the Riverside County Transportation Commission and WRCOG for the I-10/Highland Springs Interchange PA&ED Phase.

Summary:

Cities, including Beaumont, Eastvale, Hemet, Perris, and Wildomar, along with the County, are requesting to enter into TUMF agreements with WRCOG. This initiative involves an investment of

millions of dollars, which will be directed towards significant enhancements in roads and transportation systems throughout the subregion. Such an investment will improve the infrastructure, stimulate economic growth, reduce traffic congestion, and enhance the overall quality of life for residents and businesses in the area.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to request approval of one TUMF Reimbursement Agreement, one TUMF Reimbursement Agreement Amendment, two TUMF Credit Agreements, one TUMF Cooperative Agreement, and a TUMF Funding Agreement. This effort supports WRCOG's 2022-2027 Strategic Plan Goal #5 (Develop projects and programs that improve infrastructure and sustainable development in our subregion).

Discussion:

Background

WRCOG's TUMF Program is a subregional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in western Riverside County. A Reimbursement Agreement is a document between WRCOG and a member agency that allows WRCOG to provide funding for TUMF expenses incurred for the Planning, Design, Engineering, and/or Construction phase(s) of a TUMF project. To enter into a Reimbursement Agreement, the funding for the project must first be allocated in the appropriate TUMF Zone Transportation Improvement Program (TIP). TUMF Agreements and Amendments are initiated by their respective agencies when that agency is ready for the infrastructure development.

A TUMF Credit Agreement is a document between WRCOG, a member agency, and a developer, and allows WRCOG to provide credit towards TUMF fees. This credit is established by work completed for the Planning, Design, Engineering, and/or Construction Phase(s) of a TUMF facility. To enter into a Credit Agreement, the project must have eligible funding identified in WRCOG's current TUMF Nexus Study. TUMF Credit Agreements give credit for eligible infrastructure built as part of new development. Developers contribute to the TUMF Program through direct work on facilities. The maximum amount of credit a developer can receive is determined through the TUMF Nexus Study project list.

Present Situation

TUMF Reimbursement Agreement:

1. The TUMF Reimbursement Agreement between WRCOG and the City of Hemet will have the project work done for the engineering design and technical studies in support of the Esplanade Avenue sidewalk improvements between Warren Road and Sanderson Avenue.

TUMF Reimbursement Agreement Amendment:

1. The Potrero Boulevard Interchange Project (19-PS-BEA-1204) set the amount of funding in the Engineering and Construction phases to an amount not to exceed $250,000. An increase in project funding has now been requested by the City of Beaumont in an Amendment not to exceed $2,750,000, for a total of $3,000,000.

TUMF Credit Agreements:

1. The TUMF Credit Agreement between WRCOG, the City of Perris, and PW Land Investments, L.P., will have project work done on Evans Road beginning with the segment from Nuevo Road to I-215. PW Land Investments will be given credit up to a maximum amount of $2,912,258 for TUMF-eligible work.
2. The TUMF Credit Agreement between WRCOG, the City of Eastvale, and Arroyo CAP III-2, LLC., will have project work done for the widening of both Limonite Avenue, from 4 to 6 lanes for 3,600 feet between Hamner Avenue to Sumner Avenue, and Hamner Avenue, from 2 to 6 lanes for 500 feet between Amberhill Avenue to Limonite Avenue. Arroyo CAP III-2 will be given credit up to a maximum amount of $1,905,270.55 for TUMF-eligible work.
3. The TUMF Credit Agreement between WRCOG, the City of Wildomar, and D.R. Horton Los Angeles Holding Company, Inc., will have work done on Palomar Road constructing an additional lane of approximately 800 linear feet from the western limits of the project to Starbuck Circle, with a maximum credit of $392,000 for TUMF-eligible work.

TUMF Cooperative Agreement:

1. The TUMF Cooperative Agreement between WRCOG, Riverside County Transportation Commission (RCTC), and the City of Wildomar combines two previous reimbursement agreements and allows RCTC to invoice WRCOG directly for the preparation of a Project Study Report for the Bundy Canyon Road and Wildomar Trail interchanges at I-15.

TUMF Funding Agreement:

1. The TUMF Funding Agreement between WRCOG and Riverside County Transportation Commission (RCTC) will reallocate the remaining $1.5 million from the initial PSR agreement into the PA&ED phase of the project with an additional $2 million of TUMF Program funding for the I-10/Highland Springs Interchange.

Prior Action(s):

August 2, 2023: The Executive Committee authorized the Executive Director to execute two TUMF Reimbursement Agreements with the City of Wildomar for the Wildomar Trail interchange at I-15 and the Bundy Canyon Road interchange at I-15 for a combined amount not to exceed $2,000,000.

August 3, 2022: The Executive Committee authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Beaumont for Potrero Boulevard Interchange Project in an amount not to exceed $250,000.

January 15, 2020: WRCOG and RCTC entered into an agreement in order to outline the terms and conditions of the TUMF Program Funding for the Project PSR for the I-10/Highland Springs Interchange.

November 6, 2017: The Executive Committee authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Banning for the Right of Way and Construction phases for the I-10/Highland Springs Interchange.

Financial Summary:

TUMF liabilities with respect to Credit Agreements are recognized when the developer's credit exceeds the developer's obligation and creates projected liability. These liabilities are reflected as fiduciary fund long-term debt in WRCOG's financials under the TUMF Fund. These potential liabilities are subject to reimbursement based on the availability of funding in their respective TUMF Zones.

Attachment(s):

Attachment 1 - TUMF Reimbursement Agreement - Esplanade Avenue Improvements Project

Attachment 2 - TUMF Reimbursement Agreement Amendment No. 1 - Potrero Boulevard Interchange

Attachment 3 - TUMF Credit Agreement - Improvements on Evans Road

Attachment 4 - TUMF Credit Agreement - Widening of Limonite Avenue and Hamner Avenue

Attachment 5 - TUMF Credit Agreement - Palomar Road Improvements

Amendment 6 - TUMF Cooperative Agreement - Bundy Canyon Rd and Wildomar Trail at I-15

Attachment 7 - TUMF Funding Agreement - I-10/Highland Springs Interchange

Attachment

TUMF Reimbursement Agreement – Esplanade Improvements TUMF Project

TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM
AGREEMENT TO REIMBURSE TUMF FUNDS FOR PROFESSIONAL DESIGN SERVICES FOR THE
ESPLANADE IMPROVEMENTS TUMF PROJECT

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 City of Hemet, a subdivision of the State ("AGENCY"). WRCOG and AGENCY are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

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

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

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

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

AGREEMENT

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

1. Description of the Qualifying Project. This Agreement is intended to distribute TUMF Program Funds to the AGENCY for ESPLANADE IMPROVEMENTS TUMF PROJECT, (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) PS&E – Plans, Specifications and Estimates

2. WRCOG Funding Amount. WRCOG hereby agrees to distribute to AGENCY, on the terms and conditions set forth herein, a sum not to exceed **TWO HUNDRED THOUSAND DOLLARS ($200,000),** 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; and (8) 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. 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.

8. 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.

9. 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.

10. 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.

11. 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 **Noah Rao, Public Works Director/City Engineer**, or his or her designee, as the AGENCY's representative to WRCOG. The AGENCY's representative shall have the authority to act on behalf of the AGENCY for all purposes under this Agreement and shall coordinate all activities of the Project under the AGENCY's responsibility. The AGENCY shall work closely and cooperate fully with WRCOG's representative and any other agencies which may have jurisdiction over or an interest in the Project.

12. 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.

13. 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.

14. 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.

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

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

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

24. 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.

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

26. 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.

27. 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.

28. 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.

29. 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.

30. 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 Hemet – Public Works Department
445 E. Florida Avenue
Hemet, CA 92543
Attention: Noah Rau, Public Works Director
Telephone: (951) 765-2360
Facsimile: (951) 765-2336

If to WRCOG:
Western Riverside Council of Governments
3390 University Avenue; Suite 200
Riverside, California 92501
Attention: Christopher Gray, Deputy Executive Director
Telephone: (951) 405-6710
Facsimile: (951) 223-9720

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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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.

36. 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:_____
Dr. Kurt Wilson
Executive Director

Approved to Form:

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

CITY OF HEMET

By: _____ Date:_____
Mark Prestwich
City Manager

Approved to Form:

By:_____ Date:_____
Steven Graham
City Attorney

EXHIBIT "A"

SCOPE OF WORK

SCOPE OF WORK: This Agreement is solely for the purposes of engineering design and technical studies in support of the Esplanade Avenue sidewalk improvements between Warren Road and Sanderson Avenue.

EXHIBIT "A-1"

ESTIMATE OF COST

Phase	TUMF	LOCAL	TOTAL
PA&ED	$50,000	0	$50,000
PS&E	$150,000	0	$150,000
RIGHT OF WAY	0	0	0
CONSTRUCTION	TBD *		
TOTAL	$200,000	0	$200,000

Construction costs are not included in this Agreement, this Agreement is for Project Approvals & Environmental Documentation (PA&ED), Plans, Specifications, &Estimates (PS&E), and Right-of-way only.

EXHIBIT "A-2"

PROJECT SCHEDULE

TIMETABLE:

The timetable below includes the schedule for the PA&ED and PS&E only, as this agreement is for these items only. A separate agreement will be made at a later date for the construction portion of the agreement.

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	10/01/2024	$50,000	
PS&E	12/01/2024	$150,000	
RIGHT OF WAY	N/A		
CONSTRUCTION	TBD		
TOTAL		$200,000	

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
3390 University Avenue; Suite 450
Riverside, California 92501
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
3390 University Avenue; Suite 200
Riverside, California 92501
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

Attachment

TUMF Reimbursement Agreement Amendment No. 1 – Potrero Boulevard Interchange

AMENDMENT NO. 1 TO TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM AGREEMENT

POTRERO BOULEVARD INTERCHANGE

This Amendment No. 1 to Transportation Uniform Mitigation Fee Program Agreement ("Amendment No. 1") is entered into this 19 day of December, 2023, by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS ("WRCOG") and **City of Beaumont** ("AGENCY"). WRCOG and the AGENCY are sometimes referred to individually as "Party" and collectively as "Parties."

RECITALS

A. WRCOG and AGENCY have entered into an agreement titled "Transportation Uniform Mitigation Fee Program Agreement" that is dated **August 3, 2022** ("Agreement"). The Agreement provides the terms and conditions, scope of work, schedule and funding amount for the construction of the **Potrero Boulevard Interchange** (hereinafter the "Project").

B. The Parties desire to amend the Agreement by increasing the funding amount pursuant to Sections 6 and 33 of the Agreement.

C. Funds are being increased for this Project to complete the PS&E phase and will decrease the funds available for the construction phase.

AGREEMENT

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

1. The Funding Amount contained in Section 2 of the Agreement is hereby increased by $2,750,000 from "$250,000" to an amount not to exceed "$3,000,000"

2. The foregoing increase in the Funding Amount is within the Maximum TUMF Share.

3. Exhibits "A", "A-1", and "A-2" of the Agreement are hereby replaced in their entirety by Exhibits "A", "A-1", and "A-2" of this Amendment No. 1, which are attached hereto and incorporated by reference.

4. The above-stated Recitals are hereby fully incorporated into this Amendment No. 1.

6. Except to the extent specifically modified or amended hereunder, all of the terms, covenants and conditions of the Agreement shall remain in full force and effect between the Parties hereto.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be executed by their duly authorized representatives to be effective on the day and year first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	CITY OF BEAUMONT
By: _____	By: David Fenn
Dr. Kurt Wilson, Executive Director	David Fenn, Mayor

Approved to Form:

By: _____
Steven C. DeBaun
General Counsel

Approved to Form:

By: _____
City Attorney

Attest:

By: _____

Exhibit A

SCOPE OF SERVICES

1. **SCOPE OF WORK:**

The SR-60/Portero Boulevard Interchange project in the City of Beaumont will construct a six ramp, partial cloverleaf interchange in the City of Beaumont between Jack Rabbit Trail and the I-10/SR-60 junction. This is the second phase of a two-part project, where the first phase built the overcrossing of the SR-60 freeway.

EXHIBIT "A-1"

ESTIMATE OF COST

Phase	TUMF	LOCAL	TOTAL
PA&ED	COMPLETED		
PS&E	$3,000,000		$3,000,000
RIGHT OF WAY*		$4,553,000	$4,553,000
CONSTRUCTION*	$11,500,000	$33,077,000	$44,577,000
TOTAL	$14,500,000	$37,630,000	$52,130,000

- *Not included in current agreement. Agreement is only for the PS&E phase.

EXHIBIT "A-2"

PROJECT SCHEDULE

TIMETABLE:

Phase	Estimated Completion Date	Estimated Cost	Comments
PA&ED	Completed		
PS&E	2/14/2025	$3,000,000	
RIGHT OF WAY	2/14/2025	$4,553,000	
CONSTRUCTION	11/15/2057	$44,577,000	
TOTAL		$52,130,000	

Attachment

TUMF Improvement and Credit Liability Agreement – Improvements on Evans Road

IMPROVEMENT AND CREDIT / REIMBURSEMENT AGREEMENT
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

This **IMPROVEMENT AND CREDIT AGREEMENT** ("Agreement") is entered into this ___ day of _____ , 2023, (the "Effective Date") by and between the City of Perris, a California municipal corporation ("City"), the Western Riverside Council of Governments, a joint powers Agency, ("WRCOG") and PW Land Investments, L.P., a limited partnership, with its principal place of business at 4100 Newport Place Dr., Suite 790 Newport Beach, CA 92660 ("Developer"). City and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, Developer owns approximately 158.7 acres of real property located within the City of Perris, California, which is more specifically described in the legal description set forth in Exhibit "A", attached hereto and incorporated herein by this reference ("Property");

WHEREAS, Developer has obtained approvals from the City-certain entitlements and/or permits for the construction of improvements on the Property, which are more particularly described as 527 single family residential dwelling units of Tentative Tract Map No. 31157 ("Project");

WHEREAS, the City is a member agency of the WRCOG, a joint powers agency comprised of the County of Riverside and 18 cities located in Western Riverside County. WRCOG is the administrator for the Transportation Uniform Mitigation Fee ("TUMF") Program;

WHEREAS, as part of the TUMF Program, the City has adopted "Transportation Uniform Mitigation Fee Nexus Study: 2016 Update" ("2016 Nexus Study")

WHEREAS, as a condition to City's approval of the Project, City has required Developer to construct certain street and transportation system improvement(s) of regional importance ("TUMF Improvements");

WHEREAS, pursuant to the TUMF Program, the City requires Developer to pay the TUMF which covers the Developer's fair share of the costs to deliver those TUMF Improvements that help mitigate the Project's traffic impacts and burdens on the Regional System of Highways and Arterials (also known as the "TUMF Network"), generated by the Project and that are necessary to protect the safety, health and welfare of persons that travel to and from the Project using the TUMF Network;

WHEREAS, the TUMF Improvements have been designated as having Regional or Zonal Significance as further described in the 2016 Nexus Study and the 5 year Transportation Improvement Program as may be amended;

WHEREAS, City. WRCOG and Developer now desire to enter into this Agreement for the following purposes: (1) to provide for the timely delivery of the TUMF Improvements, (2) to ensure that delivery of the TUMF Improvements is undertaken as if the TUMF Improvements were constructed under the direction and authority of the City, (3) to provide a means by which the

Developer's costs for project delivery of the TUMF Improvements and related right-of-ways is offset against Developer's obligation to pay the applicable TUMF for the Project in accordance with the TUMF Administrative Plan adopted by WRCOG, and (4) to provide a means, subject to the separate approval of WRCOG, for Developer to be reimbursed to the extent the actual and authorized costs for the delivery of the TUMF Improvements exceeds Developer's TUMF obligation.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and City hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Construction of TUMF Improvements. Developer shall construct or have constructed at its own cost, expense, and liability certain street and transportation system improvements generally described as improvements on Evans Road, and as shown more specifically on the plans, profiles, and specifications which have been or will be prepared by or on behalf of Developer and approved by City, and which are incorporated herein by this reference ("TUMF Improvements"). Construction of the TUMF Improvements shall include any transitions and/or other incidental work deemed necessary for drainage or public safety. Developer shall be responsible for the replacement, relocation, or removal of any component of any existing public or private improvement in conflict with the construction or installation of the TUMF Improvements. Such replacement, relocation, or removal shall be performed to the complete satisfaction of City and the owner of such improvement. Developer further promises and agrees to provide all equipment, tools, materials, labor, tests, design work, and engineering services necessary to fully and adequately complete the TUMF Improvements. The estimated cost of the TUMF Improvements is $2,998,837 as shown in **Exhibit "C-1"**.

2.1 Pre-approval of Plans and Specifications. Developer is prohibited from commencing work on any portion of the TUMF Improvements until all plans and specifications for the TUMF Improvements have been submitted to and approved by City. Approval by City shall not relieve Developer from ensuring that all TUMF Improvements conform with all other requirements and standards set forth in this Agreement.

2.2 Permits and Notices. Prior to commencing any work, Developer shall, at its sole cost, expense, and liability, obtain all necessary permits and licenses and give all necessary and incidental notices required for the lawful construction of the TUMF Improvements and performance of Developer's obligations under this Agreement. Developer shall conduct the work in full compliance with the regulations, rules, and other requirements contained in any permit or license issued to Developer.

2.3 Public Works Requirements. In order to ensure that the TUMF Improvements will be constructed as if they had been constructed under the direction and supervision, or under the

authority of, City, Developer shall comply with all of the following requirements with respect to the construction of the TUMF Improvements:

(a) Developer shall obtain bids for the construction of the TUMF Improvements, in conformance with the standard procedures and requirements of City with respect to its public works projects, or in a manner which is approved by the City Engineer Department.

(b) The contract or contracts for the construction of the TUMF Improvements shall be awarded to the responsible bidder(s) submitting the lowest responsive bid(s) for the construction of the TUMF Improvements.

(c) Developer shall require, and the specifications and bid and contract documents shall require, all such contractors to pay prevailing wages (in accordance with Articles 1 and 2 of Chapter 1, Part 7, Division 2 of the Labor Code) and to otherwise comply with applicable provisions of the Labor Code, the Government Code and the Public Contract Code relating to public works projects of cities/counties and as required by the procedures and standards of City with respect to the construction of its public works projects or as otherwise directed by the City Engineer Department.

(d) All such contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the TUMF Improvements which they will construct in conformance with City's standard procedures and requirements.

(e) Developer and all such contractors shall comply with such other requirements relating to the construction of the TUMF Improvements which City may impose by written notification delivered to Developer and each such contractor at any time, either prior to the receipt of bids by Developer for the construction of the TUMF Improvements, or, to the extent required as a result of changes in applicable laws, during the progress of construction thereof.

Developer shall provide proof to City, at such intervals and in such form as City may require that the foregoing requirements have been satisfied as to the TUMF Improvements.

2.4 Quality of Work; Compliance With Laws and Codes. The construction plans and specifications for the TUMF Improvements shall be prepared in accordance with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements. The TUMF Improvements shall be completed in accordance with all approved maps, plans, specifications, standard drawings, and special amendments thereto on file with City, as well as all applicable federal, state, and local laws, ordinances, regulations, codes, standards, and other requirements applicable at the time work is actually commenced.

2.5 Standard of Performance. Developer and its contractors, if any, shall perform all work required, constructing the TUMF Improvements in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Developer represents and maintains that it or its contractors shall be skilled in the professional calling necessary to perform the work. Developer warrants that all of its employees and contractors shall have sufficient skill and experience to perform the work assigned to them, and that they shall have all licenses, permits, qualifications and approvals of

whatever nature that are legally required to perform the work, and that such licenses, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.

2.6 Alterations to TUMF Improvements. All work shall be done and the TUMF Improvements completed as shown on approved plans and specifications, and any subsequent alterations thereto. If during the course of construction and installation it is determined that the public interest requires alterations in the TUMF Improvements, Developer shall undertake such design and construction changes as may be reasonably required by City. Any and all alterations in the plans and specifications and the TUMF Improvements to be completed may be accomplished without first giving prior notice thereof to Developer's surety for this Agreement.

3.0 Maintenance of TUMF Improvements. City shall not be responsible or liable for the maintenance or care of the TUMF Improvements until City approves and accepts them. City shall exercise no control over the TUMF Improvements until accepted. Any use by any person of the TUMF Improvements, or any portion thereof, shall be at the sole and exclusive risk of Developer at all times prior to City's acceptance of the TUMF Improvements. Developer shall maintain all of the TUMF Improvements in a state of good repair until they are completed by Developer and approved and accepted by City, and until the security for the performance of this Agreement is released. It shall be Developer's responsibility to initiate all maintenance work, but if it shall fail to do so, it shall promptly perform such maintenance work when notified to do so by City. If Developer fails to properly prosecute its maintenance obligation under this section, City may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. City shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the TUMF Improvements or their condition prior to acceptance. In no event shall WRCOG be responsible for the maintenance, operation or care of the TUMF Improvements.

4.0 Fees and Charges. Developer shall, at its sole cost, expense, and liability, pay all fees, charges, and taxes arising out of the construction of the TUMF Improvements, including, but not limited to, all plan check, design review, engineering, inspection, sewer treatment connection fees, and other service or impact fees established by City.

5.0 City Inspection of TUMF Improvements. Developer shall, at its sole cost, expense, and liability, and at all times during construction of the TUMF Improvements, maintain reasonable and safe facilities and provide safe access for inspection by City of the TUMF Improvements and areas where construction of the TUMF Improvements is occurring or will occur.

6.0 Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Sections 8412 and 8414 of the Civil Code with respect to the TUMF Improvements, Developer shall provide to City such evidence or proof as City shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the TUMF Improvements, have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation. Rather than await the expiration of the said time for the recording of claims of liens, Developer may elect to provide to City a title insurance policy or other security acceptable to City guaranteeing that no such claims of liens will be recorded or become a lien upon any of the Property.

7.0 Acceptance of TUMF Improvements; As-Built or Record Drawings. If the TUMF Improvements are properly completed by Developer and approved by City, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, City shall be authorized to accept the TUMF Improvements. City may, in its sole and absolute discretion, accept fully completed portions of the TUMF Improvements prior to such time as all of the TUMF Improvements are complete, which shall not release or modify Developer's obligation to complete the remainder of the TUMF Improvements. Upon the total or partial acceptance of the TUMF Improvements by City, Developer shall file with the Recorder's Office of the County of Riverside a notice of completion for the accepted TUMF Improvements in accordance with California Civil Code sections 8182, 8184, 9204, and 9208 ("Notice of Completion"), at which time the accepted TUMF Improvements shall become the sole and exclusive property of City without any payment therefore. Notwithstanding the foregoing, City may not accept any TUMF Improvements unless and until Developer provides one (1) set of "as-built" or record drawings or plans to the City for all such TUMF Improvements. The drawings shall be certified and shall reflect the condition of the TUMF Improvements as constructed, with all changes incorporated therein.

8.0 Warranty and Guarantee. Developer hereby warrants and guarantees all the TUMF Improvements against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of the TUMF Improvements, for a period of one (1) year following completion of the work and acceptance by City ("Warranty"). During the Warranty, Developer shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the TUMF Improvements, in accordance with the current ordinances, resolutions, regulations, codes, standards, or other requirements of City, and to the approval of City. All repairs, replacements, or reconstruction during the Warranty shall be at the sole cost, expense, and liability of Developer and its surety. As to any TUMF Improvements which have been repaired, replaced, or reconstructed during the Warranty, Developer and its surety hereby agree to extend the Warranty for an additional one (1) year period following City's acceptance of the repaired, replaced, or reconstructed TUMF Improvements. Nothing herein shall relieve Developer from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any TUMF Improvement following expiration of the Warranty or any extension thereof. Developer's warranty obligation under this section shall survive the expiration or termination of this Agreement.

9.0 Administrative Costs. If Developer fails to construct and install all or any part of the TUMF Improvements, or if Developer fails to comply with any other obligation contained herein, Developer and its surety shall be jointly and severally liable to City for all administrative expenses, fees, and costs, including reasonable attorney's fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

10.0 Default; Notice; Remedies.

10.1 Notice. If Developer neglects, refuses, or fails to fulfill or timely complete any obligation, term, or condition of this Agreement, or if City determines there is a violation of any federal, state, or local law, ordinance, regulation, code, standard, or other requirement, City may at any time thereafter declare Developer to be in default or violation of this Agreement and make written demand upon Developer or its surety, or both, to immediately remedy the default or

violation ("Notice"). Developer shall substantially commence the work required to remedy the default or violation within five (5) days of the Notice. If the default or violation constitutes an immediate threat to the public health, safety, or welfare, City may provide the Notice verbally, and Developer shall substantially commence the required work within twenty-four (24) hours thereof. Immediately upon City's issuance of the Notice, Developer and its surety shall be liable to City for all costs of construction and installation of the TUMF Improvements and all other administrative costs or expenses as provided for in this Section 10.0 of this Agreement.

10.2 Failure to Remedy; City Action. If the work required to remedy the noticed default or violation is not diligently prosecuted to a completion acceptable to City within the time frame contained in the Notice, City may complete all remaining work, arrange for the completion of all remaining work, and/or conduct such remedial activity as in its sole and absolute discretion it believes is required to remedy the default or violation. All such work or remedial activity shall be at the sole and absolute cost, expense, and liability of Developer and its surety, without the necessity of giving any further notice to Developer or surety. City's right to take such actions shall in no way be limited by the fact that Developer or its surety may have constructed any of the TUMF Improvements at the time of City's demand for performance. In the event City elects to complete or arrange for completion of the remaining work and the TUMF Improvements, City may require all work by Developer or its surety to cease in order to allow adequate coordination by City.

10.3 Other Remedies. No action by City pursuant to this Section 10.0 et seq. of this Agreement shall prohibit City from exercising any other right or pursuing any other legal or equitable remedy available under this Agreement or any federal, state, or local law. City may exercise its rights and remedies independently or cumulatively, and City may pursue inconsistent remedies. City may institute an action for damages, injunctive relief, or specific performance.

11.0 Security; Surety Bonds. Prior to the commencement of any work on the TUMF Improvements, Developer or its contractor shall provide City with surety bonds in the amounts and under the terms set forth below ("Security"). The amount of the Security shall be based on the estimated actual costs to construct the TUMF Improvements, as determined by City after Developer has awarded a contract for construction of the TUMF Improvements to the lowest responsive and responsible bidder in accordance with this Agreement ("Estimated Costs"). If City determines, in its sole and absolute discretion, that the Estimated Costs have changed, Developer or its contractor shall adjust the Security in the amount requested by City. Developer's compliance with this Section 11.0 et seq. of this Agreement shall in no way limit or modify Developer's indemnification obligation provided in Section 12.0 of this Agreement.

11.1 Performance Bond. To guarantee the faithful performance of the TUMF Improvements and all the provisions of this Agreement, to protect City if Developer is in default as set forth in Section 10.0 et seq. of this Agreement, and to secure the one-year guarantee and warranty of the TUMF Improvements, Developer or its contractor shall provide City a faithful performance bond in an amount which sum shall be not less than one hundred percent (100%) of the Estimated Costs. The City may, in its sole and absolute discretion, partially release a portion or portions of the security provided under this section as the TUMF Improvements are accepted by City, provided that Developer is not in default on any provision of this Agreement and the total remaining security is not less than twenty percent (20%) of the Estimated Costs. All security

provided under this section shall be released at the end of the Warranty period, or any extension thereof as provided in Section 11.0 of this Agreement, provided that Developer is not in default on any provision of this Agreement.

11.2 Labor & Material Bond. To secure payment to the contractors, subcontractors, laborers, materialmen, and other persons furnishing labor, materials, or equipment for performance of the TUMF Improvements and this Agreement, Developer or its contractor shall provide City a labor and materials bond in an amount which sum shall not be less than one hundred percent (100%) of the Estimated Costs. The security provided under this section may be released by written authorization of City after six (6) months from the date City accepts the TUMF Improvements. The amount of such security shall be reduced by the total of all stop notice or mechanic's lien claims of which City is aware, plus an amount equal to twenty percent (20%) of such claims for reimbursement of City's anticipated administrative and legal expenses arising out of such claims.

11.3 Additional Requirements. The surety for any surety bonds provided as Security shall have a current A.M. Best rating of at least "A" and FSC-VIII, shall be licensed to do business in California, and shall be satisfactory to City. As part of the obligation secured by the Security and in addition to the face amount of the Security, Developer, its contractor or the surety shall secure the costs and reasonable expenses and fees, including reasonable attorney's fees and costs, incurred by City in enforcing the obligations of this Agreement. Developer, its contractor and the surety shall stipulate and agree that no change, extension of time, alteration, or addition to the terms of this Agreement, the TUMF Improvements, or the plans and specifications for the TUMF Improvements shall in any way affect its obligation on the Security.

11.4 Evidence and Incorporation of Security. Evidence of the Security shall be provided on the forms set forth in Exhibit "B", unless other forms are deemed acceptable by the City, and when such forms are completed to the satisfaction of City, the forms and evidence of the Security shall be attached hereto as Exhibit "B" and incorporated herein by this reference.

12.0 Indemnification. Developer shall defend, indemnify, and hold harmless City, the Western Riverside Council of Governments (WRCOG), their elected officials, board members, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental agency, arising out of or incident to any acts, omissions, negligence, or willful misconduct of Developer, its employees, contractors, or agents in connection with the performance of this Agreement, or arising out of or in any way related to or caused by the TUMF Improvements or their condition prior to City's approval and acceptance of the TUMF Improvements ("Claims"). This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys fees, and related costs or expenses, and the reimbursement of City, WRCOG, their elected officials, board members, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any Claim which is caused solely and exclusively by the negligence or willful misconduct of City as determined by a court or administrative body of competent jurisdiction. Developer's obligation to indemnify shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance

proceeds, if any, received by City, WRCOG, their elected officials, board members, employees, or agents.

13.0 Insurance.

13.1 Types; Amounts. Developer shall procure and maintain, and shall require its contractors to procure and maintain, during performance of this Agreement, insurance of the types and in the amounts described below ("Required Insurance"). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this Agreement or be no less than two times the specified occurrence limit.

13.1.1 General Liability. Occurrence form general liability insurance at least as broad as Insurance Services Office Form CG 00 01, or equivalent form, with an occurrence limit of Two Million Dollars ($2,000,000) and aggregate limit of Four Million Dollars ($4,000,000) for bodily injury, personal injury, and property damage.

13.1.2 Business Automobile Liability. Business automobile liability insurance at least as broad as Insurance Services Office Form CA 00 01 (coverage symbol 1 – any auto), or equivalent form, with a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence. Such insurance shall include coverage for the ownership, operation, maintenance, use, loading, or unloading of any auto owned, leased, hired, or borrowed by the insured or for which the insured is responsible.

13.1.3 Workers' Compensation. Workers' compensation insurance with limits as required by the Labor Code of the State of California and employers' liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence, at all times during which insured retains employees.

13.1.4 Professional Liability. For any consultant or other professional who will engineer or design the TUMF Improvements, liability insurance for errors and omissions with limits not less than Two Million Dollars ($2,000,000) per occurrence, shall be procured and maintained for a period of five (5) years following completion of the TUMF Improvements. Such insurance shall be endorsed to include contractual liability.

13.2 Deductibles. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

13.3 Additional Insured; Separation of Insureds. The Required Insurance, except for the professional liability and workers' compensation insurance, shall name City, WRCOG, their elected officials, board members, officers, employees, and agents as additional insureds with respect to work performed by or on behalf of Developer or its contractors, including any materials, parts, or equipment furnished in connection therewith. For Required Insurance provided by Developer's contractors, WRCOG shall be added as an additional insured using ISO CG 2038 or an exact equivalent. The Required Insurance shall contain standard separation of insureds

provisions, and shall contain no special limitations on the scope of its protection to City, WRCOG, their elected officials, board members, officers, employees, or agents.

13.4 Primary Insurance; Waiver of Subrogation. The Required Insurance, except for the professional liability and workers' compensation insurance shall be primary with respect to any insurance or self-insurance programs covering City, WRCOG, their elected officials, board members, officers, employees, or agents. The Required Insurance, except for the professional liability insurance, shall provide that the insurance company waives all right of recovery by way of subrogation against City and WRCOG in connection with any damage or harm covered by such policy.

13.5 Certificates; Verification. Developer and its contractors shall furnish City with original certificates of insurance and endorsements effecting coverage for the Required Insurance. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by City before work pursuant to this Agreement can begin. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

13.6 Term; Cancellation Notice. Developer and its contractors shall maintain the Required Insurance for the term of this Agreement and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide that the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on thirty (30) days' prior written notice to City. If such notice of cancellation endorsements are unavailable, Developer shall provide such thirty (30) days' written notice of cancellation.

13.7 Insurer Rating. Unless approved in writing by City, all Required Insurance shall be placed with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least "A" and FSC-VIII.

14.0 TUMF Credit.

14.1 Developer's TUMF Obligation. Developer hereby agrees and accepts that as of the date of this Agreement, the amount Developer is obligated to pay to City pursuant to City of Perris Ordinance No. 1352 as part of the TUMF Program is approximately Five Million Three Hundred and Twenty Four Thousand Eight Hundred Eight ($5,324,808) as provided in Exhibit "F" ("TUMF Obligation"). This TUMF Obligation shall be initially determined under the TUMF fee schedule in effect for the City at the time the Developer submits a building permit application for the TUMF Improvement. Notwithstanding, this TUMF Obligation does not have to be paid until the Certificate of Occupancy is obtained.

14.2 Fee Adjustments. Notwithstanding the foregoing, Developer agrees that this Agreement shall not estop City from adjusting the TUMF in accordance with the provisions of Ordinance No. 1352.

14.3 Credit Offset Against TUMF Obligation. Pursuant to City of Perris Ordinance No. 1352 and in consideration for Developer's obligation under this Agreement for the delivery of TUMF Improvements, credit shall be applied by City to offset the TUMF Obligation ("Credit") subject to adjustment and reconciliation under Section 14.5 of this agreement. Developer hereby

agrees that the amount of the Credit shall be applied after Developer has initiated the process of project delivery of TUMF Improvements to the lowest responsible bidder in accordance with this Agreement. Developer further agrees that the dollar amount of the Credit shall be equal to the lesser of: (A) the bid amount set forth in the contract awarded to the lowest responsible bidder, or (B) the unit cost assumptions for the TUMF Improvement in effect at the time of the contract award, as such assumptions are identified and determined in the most recent TUMF Nexus Study and the TUMF Administrative Plan adopted by WRCOG ("Unit Cost Assumptions"). As of the date of this Agreement based on the Unit Cost Assumptions, Developer is eligible for approximately $2,912,258 in Credits as provided in Exhibit "F".

The bid amount and the Unit Cost Assumptions shall hereafter be collectively referred to as "Estimated Credit". At no time will the Credit exceed the Developer's TUMF Obligation. If the dollar amount of the Estimated Credit exceeds the dollar amount of the TUMF Obligation, Developer will be deemed to have completely satisfied its TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. If the dollar amount of the Estimated Credit is less than the dollar amount of the TUMF Obligation, the Developer agrees the Credit shall be applied to offset the TUMF Obligation as follows:

(i) For residential units in the Project, the Credit shall be applied to all residential units to offset and/or satisfy the TUMF Obligation. The residential units for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to each unit, shall be identified in the notice provided to the Developer by City pursuant to this section.

(ii) For commercial and industrial structures in the Project, the Credit shall be applied to all commercial and industrial development to offset and/or satisfy the TUMF Obligation. The commercial or industrial structure(s) for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to such structure(s), shall be identified in the notice provided to the Developer by City pursuant to this section.

City shall provide Developer written notice of the determinations that City makes pursuant to this section, including how the Credit is applied to offset the TUMF Obligation as described above.

14.4 Verified Cost of the TUMF Improvements. Upon recordation of the Notice of Completion for the TUMF Improvements and acceptance of the TUMF Improvements by City, Developer shall submit to the City Engineer the information set forth in the attached Exhibit "C". The City Engineer, or his or her designee, shall use the information provided by Developer to calculate the total actual costs incurred by Developer in delivering the TUMF Improvements covered under this Agreement ("Verified Costs"). The City Engineer will use his or her best efforts to determine the amount of the Verified Costs and provide Developer written notice thereof within thirty (30) calendar days of receipt of all the required information from Developer. The City may request that WRCOG calculate the amount of the Verified Cost. In this case, the City shall provide WRCOG written notice and all necessary documentation and allow WRCOG fifteen (15) days to determine costs. City will notify the Developer within the previous thirty (30) day deadline.

14.5 Reconciliation; Final Credit Offset Against TUMF Obligation. The Developer is aware of and accepts the fact that Credits are speculative and conceptual in nature. The actual

amount of Credit that shall be applied by City to offset the TUMF Obligation shall be equal to the lesser of: (A) the Verified Costs or (B) Unit Cost Assumptions for the TUMF Improvements as determined in accordance with Section 14.3 of this Agreement ("Actual Credit"). No Actual Credit will be awarded until the Verified Costs are determined through the reconciliation process. Please be advised that while a Developer may use an engineer's estimates in order to estimate Credits for project planning purposes, the Actual Credit awarded will only be determined by the reconciliation process.

(a) TUMF Balance. If the dollar amount of the Actual Credit is less than the dollar amount of the TUMF Obligation, the City Engineer shall provide written notice to Developer of the amount of the difference owed ("TUMF Balance") and Developer shall pay the TUMF Balance in accordance with City Ordinance No. 1352 to fully satisfy the TUMF Obligation.

(b) TUMF Reimbursement. If the dollar amount of the Actual Credit exceeds the TUMF Obligation, Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. City shall provide Developer written notice of the determinations that City makes pursuant to this section.

(c) TUMF Overpayment. If the dollar amount of the Actual Credit exceeds the Estimated Credit, but is less than the TUMF Obligation, but the Actual Credit plus additional monies collected by City from Developer for the TUMF Obligation exceed the TUMF Obligation ("TUMF Overpayment"), Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may be entitled to a refund. The City Engineer shall provide written notice to WRCOG and the Developer of the amount of the TUMF Overpayment and City shall direct WRCOG to refund the Developer in accordance with City Ordinance No. 1352.

14.6 Reimbursement Agreement. If authorized under either Section 14.3 or Section 14.5 Developer may apply to City and WRCOG for a reimbursement agreement for the amount by which the Actual Credit exceeds the TUMF Obligation, as determined pursuant to Section 14.3 of this Agreement, City Ordinance No. 1352, and the TUMF Administrative Plan adopted by WRCOG ("Reimbursement Agreement"). If City and WRCOG agree to a Reimbursement Agreement with Developer, the Reimbursement Agreement shall be executed on the form set forth in Exhibit "D," and shall contain the terms and conditions set forth therein. The Parties agree that the Reimbursement Agreement shall be subject to all terms and conditions of this Agreement, and that upon execution, an executed copy of the Reimbursement Agreement shall be attached hereto and shall be incorporated herein as a material part of this Agreement as though fully set forth herein.

15.0 Miscellaneous.

15.1 Assignment. Developer may, as set forth herein, assign all or a portion of its rights pursuant to this Agreement to a purchaser of a portion or portions of the Property ("Assignment"), provided that City consents in writing to such Assignment. Developer and such purchaser and assignee ("Assignee") shall provide to City such reasonable proof as it may require that Assignee is the

purchaser of such portions of the Property. Any assignment pursuant to this Section shall not be effective unless and until Developer and Assignee have executed an assignment agreement. with City in a form reasonably acceptable to City, whereby Developer and Assignee agree, except as may be otherwise specifically provided therein, to the following: (1) that Assignee shall receive all or a portion of Developer's rights pursuant to this Agreement, including such credit as is determined to be applicable to the portion of the Property purchased by Assignee pursuant to Section 14.0 et seq. of this Agreement, (2) that Assignee shall be bound by all applicable provisions of this Agreement, and (3) that the City consents to such Assignment, which will not be unreasonably withheld or delayed.

15.2 Relationship Between the Parties. The Parties hereby mutually agree that this Agreement shall not operate to create the relationship of partnership, joint venture, or agency between or among City, WRCOG and Developer. Developer's contractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of City. This Agreement shall be interpreted and administered in a manner consistent with the TUMF Administrative Plan in effect at the time this Agreement is executed.

15.3 Warranty as to Property Ownership; Authority to Enter Agreement. Developer hereby warrants that it owns fee title to the Property and that it has the legal capacity to enter into this Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

15.4 Prohibited Interests. Developer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Developer, to solicit or secure this Agreement. Developer also warrants that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Developer, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon the making of this Agreement. For breach of this warranty, City shall have the right to rescind this Agreement without liability.

15.5 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To CITY: CITY OF PERRIS
Perris City Hall
101 North D Street
Perris, CA 92570
Attention: Clara Miramontes, City Manager
Phone: (951) 943-6100

To Developer: PW Land Investments, L.P.
4100 Newport Place Dr., Suite 790
Newport Beach, CA 92660
Attention: Randall C. Luce

Phone: (949) 333-6752

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

15.6 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.

15.7 Construction; References; Captions. It being agreed the Parties or their agents have participated 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 Developer include all personnel, employees, agents, and contractors of Developer, except as otherwise specified in this Agreement. All references to City 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.

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

15.9 Termination. This Agreement shall terminate 10 years after the Effective Date, unless extended in writing by the Parties. In addition, this Agreement shall terminate 5 years after the Effective Date in the event that the TUMF Improvements as specified in the Credit Agreement is not commenced within 5 years of the Effective Date.

15.9.1 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 right by custom, estoppel, or otherwise.

15.9.2 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

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

15.9.4 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.

15.9.5 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the

appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

15.9.6 Time is of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with due diligence to complete all covenants and conditions.

15.9.7 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

15.9.8 Entire Agreement. This Agreement contains the entire agreement between City and Developer and supersedes any prior oral or written statements or agreements between City and Developer.

[SIGNATURES OF PARTIES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

DEVELOPER:

PW LAND INVESTMENTS, L.P., a Delaware limited partnership

By: MISSION PACIFIC INVESTORS, LLC, a Delaware limited liability company

By: Randall C. Luce
Managing Principal

ATTEST:

By:
Its:

CITY OF PERRIS:

By:
Its:

ATTEST:

By:
Its:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS:

By:
Its: Executive Director

ATTEST:

By:
Its:

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

[ATTACH BEHIND THIS PAGE]

EXHIBIT A-1

Exhibit "A"

Legal Description

Real property in the City of Perris, County of Riverside, State of California, described as follows:

PARCELS 1 THROUGH 6, INCLUSIVE, OF PARCEL MAP NO. 38375 AS SHOWN ON PARCEL MAP RECORDED OCTOBER 25, 2023 IN BOOK 257, PAGES 40, THROUGH 45, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

EXHIBIT A-2

EXHIBIT “B”

FORMS FOR SECURITY

[ATTACHED BEHIND THIS PAGE]

EXHIBIT B-1

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

PERFORMANCE BOND

WHEREAS, the City of Perris ("City") has executed an agreement with _____ (hereinafter "Developer"), requiring Developer to perform certain work consisting of but not limited to, furnishing all labor, materials, tools, equipment, services, and incidentals for the construction of street and transportation system improvements (hereinafter the "Work");

WHEREAS, the Work to be performed by Developer is more particularly set forth in that certain TUMF Improvement and Credit/Reimbursement Agreement dated _____, (hereinafter the "Agreement"); and

WHEREAS, the Agreement is hereby referred to and incorporated herein by this reference; and

WHEREAS, Developer or its contractor is required by the Agreement to provide a good and sufficient bond for performance of the Agreement, and to guarantee and warranty the Work constructed thereunder.

NOW, THEREFORE, we the undersigned, _____ , as Principal and _____, a corporation organized and existing under the laws of the State of _____ and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the City in the sum of _____ ($ _____), said sum being not less than one hundred percent (100%) of the total cost of the Work as set forth in the Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such, that if Developer and its contractors, or their heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, agreements, guarantees, and warranties in the Agreement and any alteration thereof made as therein provided, to be kept and performed at the time and in the manner therein specified and in all respects according to their intent and meaning, and to indemnify and save harmless City, its officers, employees, and agents, as stipulated in the Agreement, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Agreement or to the Work to be performed

EXHIBIT B-2

thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the Work.

IN WITNESS WHEREOF, we have hereto set our hands and seals this ____ day on _____, 20 .

Principal

_____

By:

President

Surety

_____

By:

Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE §1189**

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.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me,

_____,
Date Here Insert Name and Title of the Officer

personally appeared _____ ,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title of Type of Document:_____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

0 Corporate Officer – Title(s): _____

0 Partner - 0 Limited 0 General
0 Individual 0 Attorney in Fact
0 Trustee 0 Guardian or Conservator

Signer's Name: _____

0 Corporate Officer – Title(s): _____

0 Partner - 0 Limited 0 General
0 Individual 0 Attorney in Fact
0 Trustee 0 Guardian or Conservator

EXHIBIT B-4

• Other: _____	• Other: _____
_____	_____
Signer is Representing: _____	Signer is Representing: _____
_____	_____

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____ , certify that I am the _____ Secretary of the corporation named as principal in the attached bond, that _____who signed the said bond on behalf of the principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.

(Corporate Seal)

Signature

_____

Date

NOTE: A copy of the power of attorney to local representatives of the bonding company may be attached hereto.

BOND NO. _____
INITIAL PREMIUM:_____
SUBJECT TO RENEWAL

LABOR & MATERIAL BOND

WHEREAS, the City of Perris ("City") has executed an agreement with _____ (hereinafter "Developer"), requiring Developer to perform certain work consisting of but not limited to, furnishing all labor, materials, tools, equipment, services, and incidentals for the construction of street and transportation system improvements (hereinafter "Work");

WHEREAS, the Work to be performed by Developer is more particularly set forth in that certain Improvement and Credit / Reimbursement Agreement dated _____, (hereinafter the "Agreement"); and

WHEREAS, Developer or its contractor is required to furnish a bond in connection with the Agreement providing that if Developer or any of his or its contractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the provisions of 3248 of the California Civil Code, with respect to such work or labor, that the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, we the undersigned, _____ , as Principal and _____, a corporation organized and existing under the laws of the State of _____ and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the City and to any and all material men, persons, companies or corporations furnishing materials, provisions, and other supplies used in, upon, for or about the performance of the said Work, and all persons, companies or corporations renting or hiring teams, or implements or machinery, for or contributing to said Work to be done, and all persons performing work or labor upon the same and all persons supplying both work and materials as aforesaid, the sum of

_____
($ _____), said sum being not less than 100% of the total amount payable by Developer under the terms of the Agreement, for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if Developer or its contractors, or their heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Work contracted to be done, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the

EXHIBIT B-6

Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein.

In case legal action is required to enforce the provisions of this bond, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to court costs, necessary disbursements and other consequential damages. In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to make claims under Sections 8024, 8400, 8402, 8404, 8430, 9100 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the Agreement or to the Work to be performed thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the Work.

IN WITNESS WHEREOF, we have hereto set our hands and seals this ____ day on _____, 20 .

Principal

_____

By:

President

Surety

_____

By:

Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE §1189**

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.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me,

_____,
Date Here Insert Name and Title of the Officer

personally appeared _____ ,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title of Type of Document:_____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name:	Signer's Name:
0 Corporate Officer – Title(s):	0 Corporate Officer – Title(s):
0 Partner - 0 Limited 0 General 0 Individual 0 Attorney in Fact 0 Trustee 0 Guardian or Conservator	0 Partner - 0 Limited 0 General 0 Individual 0 Attorney in Fact 0 Trustee 0 Guardian or Conservator

EXHIBIT B-8

• Other: _____	• Other: _____
_____	_____
Signer is Representing: _____	Signer is Representing: _____
_____	_____

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____ , certify that I am the _____ Secretary of the corporation named as principal in the attached bond, that _____who signed the said bond on behalf of the principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.

(Corporate Seal)

Signature

_____

Date

NOTE: A copy of the power of attorney to local representatives of the bonding company may be attached hereto.

EXHIBIT "C"

DOCUMENTATION TO BE PROVIDED TO CITY BY DEVELOPER FOR DETERMINATION OF CONSTRUCTION COSTS

To assist City in determining the Construction Costs for a completed TUMF Improvement, Developer shall provide the following documents to City:

1. Plans, specifications and Developer's civil engineer's cost estimate;

2. List of bidders from whom bids were requested;

3. Construction schedules and progress reports;

4. Contracts, insurance certificates and change orders with each contractor or vendor;

5. Invoices received from all vendors;

6. Canceled checks for payments made to contractors and vendors (copy both front and back of canceled checks);

7. Spreadsheet showing total costs incurred in and related to the construction of each TUMF Improvement and the check number for each item of cost and invoice;

8. Final lien releases from each contractor and vendor; and

9. Such further documentation as may be reasonably required by AGENCY to evidence the completion of construction and the payment of each item of cost and invoice.

EXHIBIT C-1

EXIBHIT "C-1"

ESTIMATED COST OF TUMF IMPROVEMENTS

EXHIBIT C-1

PARK WEST - EVANS ROAD

ESTIMATE OF PROBABLE COST - TUMF FACILITIES

Date 10/27/2023

	UNIT	PRICE	QTY		AMOUNT
IMPROVEMENT COSTS - PREVAILING WAGE					
Paving - 5.5" AC/15.5" AB	SF	6.00	134,521		807,128
Balance Subgrade	CY	5.00	2,491		12,454
8" Curb & Gutter	LF	29.00	4,960		143,840
Tie curb into local depressions	LF	1,318.00	10		13,180
4" Concrete Sidewalk	SF	7.75	38,840		301,010
Access Ramps	EA	1,375.00	8		11,000
Signing and Striping	LS	81,018.00	1		81,018
18" RCP Storm Drain	LF	116.40	679		79,036
24" RCP Storm Drain	LF	146.40	485		71,004
7' Wide Catch Basin and Local Depression	EA	10,536.00	10		105,360
TOTAL IMPROVEMENT COSTS					**1,625,029**
CONSULTANT/PERMITTING COSTS					
Engineering	LS	126,304.00	1		126,304
Construction Staking	LS	56,375.00	1		56,375
Soils Observation/Testing	LS	31,163.00	1		31,163
Plan Check Fees	LS	81,904.00	1		81,904
Inspection Fees	LS	48,751.00	1		48,751
Construction Management	LS	72,831.00	1		72,831
TOTAL CONSULTANT/PERMITTING COSTS				$	**417,328**
RIGHT OF WAY COSTS					
Right of Way (proration of segment in Nexus Study)	%	24.4%	3,023,000		737,612
TOTAL RIGHT OF WAY COSTS				$	**737,612**
SUBTOTAL				$	**2,779,969**
Contingency - (From Nexus Study)				$	**218,868**
TOTAL				$	**2,998,837**

EXHIBIT C-2

EXHIBIT "D"

REIMBURSEMENT AGREEMENT
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into this ___ day of _____ , 20___, by and between the City of Perris, a California municipal corporation ("City"), and_____ , a , with its principal place of business at ("Developer"). City and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, City and Developer are parties to an agreement dated _____ , 20___, entitled "Improvement and Credit Agreement - Transportation Uniform Mitigation Fee Program" (hereinafter "Credit Agreement");

WHEREAS, Sections 14.1 through 14.3 of the Credit Agreement provide that Developer is obligated to pay City the TUMF Obligation, as defined therein, but shall receive credit to offset the TUMF Obligation if Developer constructs and City accepts the TUMF Improvements in accordance with the Credit Agreement;

WHEREAS, Section 14.5 of the Credit Agreement provides that if the dollar amount of the credit to which Developer is entitled under the Credit Agreement exceeds the dollar amount of the TUMF Obligation, Developer may apply to City and WRCOG for a reimbursement agreement for the amount by which the credit exceeds the TUMF Obligation;

WHEREAS, Section 14.5 additionally provides that a reimbursement agreement executed pursuant to the Credit Agreement (i) shall be executed on the form attached to the Credit Agreement, (ii) shall contain the terms and conditions set forth therein, (iii) shall be subject to all terms and conditions of the Credit Agreement, and (iv) shall be attached upon execution to the Credit Agreement and incorporated therein as a material part of the Credit Agreement as though fully set forth therein; and

WHEREAS, City and WRCOG have consented to execute a reimbursement agreement with Developer pursuant to the Credit Agreement, (insert appropriate reference for city or county), and the TUMF Administrative Plan adopted by WRCOG.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

EXHIBIT D-1

2.0 Effectiveness. This Agreement shall not be effective unless and until the Credit Agreement is effective and in full force in accordance with its terms.

3.0 Definitions. Terms not otherwise expressly defined in this Agreement, shall have the meaning and intent set forth in the Credit Agreement.

4.0 Amount of Reimbursement. Subject to the terms, conditions, and limitations set forth in this Agreement, the Parties hereby agree that Developer is entitled to receive the dollar amount by which the Actual Credit exceeds the dollar amount of the TUMF Obligation as determined pursuant to the Credit Agreement, (insert appropriate reference for city or county), and the TUMF Administrative Plan adopted by WRCOG ("Reimbursement").The Reimbursement shall be subject to verification by WRCOG. City and Developer shall provide any and all documentation reasonably necessary for WRCOG to verify the amount of the Reimbursement. The Reimbursement shall be in an amount not exceeding [INSERT DOLLAR AMOUNT] ("Reimbursement Amount"). City shall be responsible for obtaining the Reimbursement Amount from WRCOG and transmitting the Reimbursement Amount to the Developer. In no event shall the dollar amount of the Reimbursement exceed the difference between the dollar amount of all credit applied to offset the TUMF Obligation pursuant to Section 14.3, 14.4, and 14.5 of the Credit Agreement, and one hundred (100%) of the approved unit awarded, as such assumptions are identified and determined in the Nexus Study and the TUMF Administrative Plan adopted by WRCOG.

5.0 Payment of Reimbursement; Funding Contingency. The payment of the Reimbursement Amount shall be subject to the following conditions:

5.1 Developer shall have no right to receive payment of the Reimbursement unless and until (i) the TUMF Improvements are completed and accepted by City in accordance with the Credit Agreement, (ii) the TUMF Improvements are scheduled for funding pursuant to the five-year Transportation Improvement Program adopted annually by WRCOG, (iii) WRCOG has funds available and appropriated for payment of the Reimbursement amount.

5.2 Developer shall not be entitled to any interest or other cost adjustment for any delay between the time when the dollar amount of the Reimbursement is determined and the time when payment of the Reimbursement is made to Developer by WRCOG through City.

6.0 Affirmation of Credit Agreement. City and Developer represent and warrant to each other that there have been no written or oral modifications or amendments of the Credit Agreement, except by this Agreement. City and Developer ratify and reaffirm each and every one of their respective rights and obligations arising under the Credit Agreement. City and Developer represent and warrant that the Credit Agreement is currently an effective, valid, and binding obligation.

7.0 Incorporation Into Credit Agreement. Upon execution of this Agreement, an executed original of this Agreement shall be attached as Exhibit "D" to the Credit Agreement and shall be incorporated therein as a material part of the Credit Agreement as though fully set forth therein.

8.0 Terms of Credit Agreement Controlling. Each Party hereby affirms that all provisions of the Credit Agreement are in full force and effect and shall govern the actions of the Parties under

EXHIBIT D-2

this Agreement as though fully set forth herein and made specifically applicable hereto, including without limitation, the following sections of the Credit Agreement: Sections 10.0 through 10.3, Section 12.0, Sections 13.0 through 13.7, Sections 14.0 through 14.6, and Sections 15.0 through 15.17.

[SIGNATURES OF PARTIES ON NEXT PAGE]

EXHIBIT D-3

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

_____
("Developer")

By: _____

Its:

ATTEST:

By: ____

Its:

City of Perris

By: _____

Its:

ATTEST:

By: ____

Its:

EXHIBIT D-4

EXHIBIT "E"

TUMF CREDIT / REIMBURSEMENT ELIGIBILITY PROCESS

1. Prior to the construction of any TUMF Improvement, Developer shall follow the steps listed below:

(a) Prepare a separate bid package for the TUMF and DIF Improvements.

(b) The plans, cost estimate, specifications and contract document shall require all contractors to pay prevailing wages and to comply with applicable provisions of the Labor Code, Government Code, and Public Contract Code relating to Public Works Projects.

(c) Bids shall be obtained and processed in accordance with the formal public works bidding requirements of the City.

(d) The contract(s) for the construction of TUMF Improvements shall be awarded to the lowest responsible bidder(s) for the construction of such facilities in accordance with the City's requirements and guidelines.

(e) Contractor(s) shall be required to provide proof of insurance coverage throughout the duration of the construction.

2. Prior to the determination and application of any Credit pursuant to a TUMF Improvement and Credit Agreement executed between City and Developer ("Agreement"), Developer shall provide the City and WRCOG with the following:

(a) Copies of all information listed under Item 1 above.

(b) Surety Bond, Letter of Credit, or other form of security permitted under the Agreement and acceptable to the City and WRCOG, guaranteeing the construction of all applicable TUMF Improvements.

3. Prior to the City's acceptance of any completed TUMF Improvement, and in order to initiate the construction cost verification process, the Developer shall comply with the requirements as set forth in Sections 7, 14.2 and 14.3 of the Agreement, and the following conditions shall also be satisfied:

(a) Developer shall have completed the construction of all TUMF Improvements in accordance with the approved Plans and Specifications.

(b) Developer shall have satisfied the City's inspection punch list.

(c) After final inspection and approval of the completed TUMF Improvements, the City shall have provided the Developer a final inspection release letter.

(d) City shall have filed a Notice of Completion with respect to the TUMF Improvements pursuant to Section 3093 of the Civil Code with the County Recorder's Office, and provided a copy of filed Notice of Completion to WRCOG.

(e) Developer shall have provided City a copy of the As-Built plans for the TUMF Improvements.

(f) Developer shall have provided City copies of all permits or agreements that may have been required by various resource/regulatory agencies for construction, operation and maintenance of any TUMF Improvements.

(g) Developer shall have submitted a documentation package to the City to determine the final cost of the TUMF Improvements, which shall include at a minimum, the following documents related to the TUMF Improvements:

(i) Plans, specifications, and Developer's Civil Engineer's cost estimates; or Engineer's Report showing the cost estimates.

(ii) Contracts/agreements, insurance certificates and change orders with each vendor or contractor.

(iii) Invoices from all vendors and service providers.

(iv) Copies of cancelled checks, front and back, for payments made to contractors, vendors and service providers.

(v) Final lien releases from each contractor and vendor (unconditional waiver and release).

(vi) Certified contract workers payroll for City verification of compliance with prevailing wages.

(vii) A total cost summary, in spreadsheet format (MS Excel is preferred) and on disk, showing a breakdown of the total costs incurred. The summary should include for each item claimed the check number, cost, invoice numbers, and name of payee. See attached sample for details. [ATTACH SAMPLE, IF APPLICABLE; OTHERWISE DELETE REFERENCE TO ATTACHED SAMPLE

EXHIBIT "F"

ESTIMATED TUMF FEE OBLIGATION, FUNDS AVAILABLE IN THE PROGRAM, REIMBURSEMENTS OR FEE CREDIT

1) Project total dwelling units single family detached residential:			
TR 31157-1		131	DU
TR 31157-2		80	DU
Tr 31157-3		184	DU
TR 31157		132	DU
		527	DU
2) Project TUMF fee obligation			
Total single family dwelling units		527	DU
	x$	10,104.00	
	$	5,324,808	
Total TUMF Obligation	$	5,324,808	
3) The following facilities are included in the TUMF Program:			
Evans Road	$	2,912,258	
4) Construction Costs:			
Evans Road	$	2,998,837	
5) Improvement Costs Eligible for Fee Credit			
Evans Road	$	2,912,258	
6) Project is expected to pay the following TUMF Fees:			
Project TUMF Obligation	$	5,324,808	
Eligible for Fee Credit	-$	2,912,258	
Remaining TUMF Fees	$	2,412,550	

TUMF OBLIGATION AND AVAILABILITY

Part I: TUMF Fee Obligation

Product Type	Units	SF	TUMF Fee	Total Obligation
SFD	527	(na)	10,104	5,324,808
Total ("TUMF Obligation")				**5,324,808**

Part II: TUMF Availability Calculation

Part II.a TUMF Availability: TUMF Cost Assumption Data

	Area Plan:	Central				New Lane Cost:	$ 5,950,000
						ROW Cost:	$ 3,023,000
	Street Name:	**Evans**				Interchange Cost:	$ -
	Segment From:	Nuevo				Bridge Cost	$ -
	Segment To:	I-215				Rail Road Crossing Cost:	$ -
						Subtotal:	$ 8,973,000
	Existing Lanes:	-					
	Future Lanes:	4				Planning (10%):	$ 595,000
	Increasing Lanes:	4				Engineering (25%):	$ 1,488,000
	Miles:	1.99				Contingency (10%):	$ 897,000
						Subtotal:	$ 2,980,000
						Total Cost:	**$ 11,953,000**

Part II.b TUMF Availability: TUMF Price per Linear Foot / per Lane Calculation

						Price per Lane Mile:	$ 1,501,633
						Price per Lane Linear Foot:	**$ 284.40**

Part II.c TUMF Availability: TUMF Availability for Said Improvement

TUMF STREET SEGMENT: **Evans**

Full Width Lane	Lane No.	Sta. Beg.	Sta. End	Total LF	TUMF Amount
	Lane 1	3747	6307	2,560.00	$ 728,065
	Lane 2	3747	6307	2,560.00	$ 728,065
	Lane 3	3747	6307	2,560.00	$ 728,065
	Lane 4	3747	6307	2,560.00	$ 728,065
	Lane 5	(na)	(na)	-	$ -
	Lane 6	(na)	(na)	-	$ -
			Subtotal (Full Width Lanes):		**$ 2,912,258**
			Total ("Unit Cost Assumptions"):		**$ 2,912,258**

Part III: Estimated Costs for TUMF Facilities

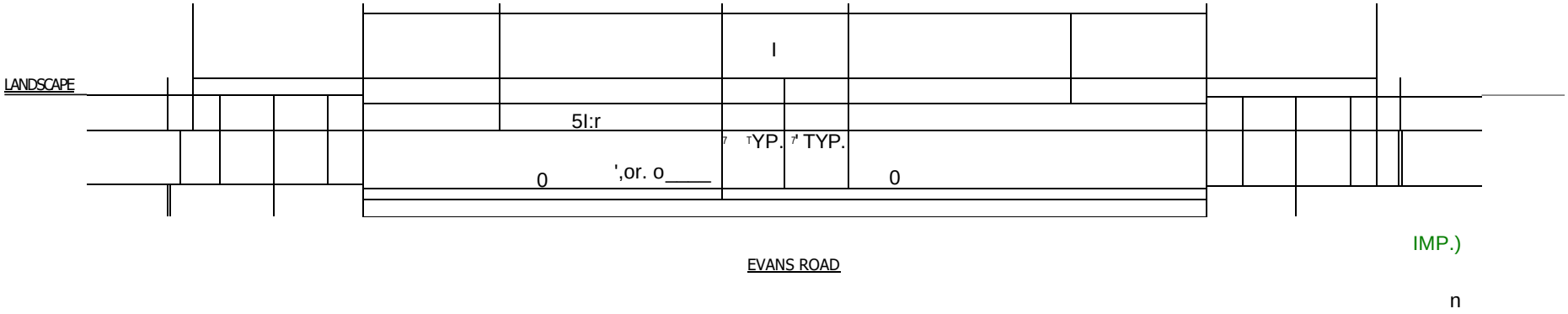
TUMF STREET SEGMENT: **Evans**

Lane Segment Length: 2,560

Estimated Costs		
Street Improvements	4 lanes, turn pockets, curb, gutter, sidewalk	$ 1,369,629
Drainage Improvements	SD laterals and catch basins	$ 255,400
	Subtotal Estimated Construction Costs	$ 1,625,029
	R/W Costs (segment proration):	$ 737,612
	Planning/Engineering/Permitting/Inspection:	$ 417,328
	Contingency (segment proration):	$ 218,868
	Subtotal:	$ 1,373,808
	Total Estimated Cost:	**$ 2,998,837**
	TUMF CREDIT*:	**$ 2,912,258**

01006.0006/920 561.1

EVANS ROAD TYPICAL SECTION



Attachment

TUMF Improvement and Credit Liability Agreement – Widening of Limonite Avenue and Hamner Avenue

IMPROVEMENT AND CREDIT / REIMBURSEMENT AGREEMENT
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

This **IMPROVEMENT AND CREDIT AGREEMENT** ("Agreement") is entered into this ___ day of _____, 20___, (the "Effective Date") by and between the City of Eastvale, a California municipal corporation ("AGENCY"), the Western Riverside Council of Governments, a joint powers Agency, ("WRCOG") and Arroyo CAP III-2, LLC, a Delaware Limited Liability Company ("Developer"). AGENCY and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, Developer owns 69.8 acres of real property located within the AGENCY of Eastvale, California, which is more specifically described in the legal description set forth in Exhibit "A", attached hereto and incorporated herein by this reference ("Property");

WHEREAS, Developer has requested from AGENCY-certain entitlements and/or permits for the construction of 438 units (improvements) on the Property, which are more particularly described as Project No. PLN21-20039 and/or Tract Map 38920 (PHASE A) ("Project");

WHEREAS, the AGENCY is a member agency of WRCOG, a joint powers agency comprised of the County of Riverside and 18 cities located in Western Riverside County. WRCOG is the administrator for the Transportation Uniform Mitigation Fee ("TUMF") Program;

WHEREAS, as part of the TUMF Program, the AGENCY has adopted "Transportation Uniform Mitigation Fee Nexus Study: 2016 Update" ("2016 Nexus Study")

WHEREAS, as a condition to AGENCY's approval of the Project, AGENCY has required Developer to construct certain street and transportation system improvement(s) of regional importance ("TUMF Improvements");

WHEREAS, pursuant to the TUMF Program, the AGENCY requires Developer to pay the TUMF which covers the Developer's fair share of the costs to deliver those TUMF Improvements that help mitigate the Project's traffic impacts and burdens on the Regional System of Highways and Arterials (also known as the "TUMF Network"), generated by the Project and that are necessary to protect the safety, health and welfare of persons that travel to and from the Project using the TUMF Network;

WHEREAS, the TUMF Improvements have been designated as having Regional or Zonal Significance as further described in the 2016 Nexus Study and the 5 year Transportation Improvement Program as may be amended;

WHEREAS, AGENCY. WRCOG and Developer now desire to enter into this Agreement for the following purposes: (1) to provide for the timely delivery of the TUMF Improvements, (2) to ensure that delivery of the TUMF Improvements is undertaken as if the TUMF Improvements were constructed under the direction and authority of the AGENCY, (3) to provide a means by which the Developer's costs for project delivery of the TUMF Improvements and related right-of-

way is offset against Developer's obligation to pay the applicable TUMF for the Project in accordance with the TUMF Administrative Plan adopted by WRCOG, and (4) to provide a means, subject to the separate approval of WRCOG, for Developer to be reimbursed to the extent the actual and authorized costs for the delivery of the TUMF Improvements exceeds Developer's TUMF obligation.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and AGENCY hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Construction of TUMF Improvements. Developer shall construct or have constructed at its own cost, expense, and liability certain street and transportation system improvements generally described as **Widening Limonite Avenue from 4 to 6 lanes for 3,600 feet between Hamner Avenue to Sumner Avenue and Widening Hamner Avenue from 2 to 6 lanes for 500 feet between Amberhill Avenue to Limonite Avenue (PHASE A),** and as shown more specifically on the plans, profiles, and specifications which have been or will be prepared by or on behalf of Developer and approved by AGENCY, and which are incorporated herein by this reference ("TUMF Improvements"). Construction of the TUMF Improvements shall include any transitions and/or other incidental work deemed necessary for drainage or public safety. Developer shall be responsible for the replacement, relocation, or removal of any component of any existing public or private improvement in conflict with the construction or installation of the TUMF Improvements. Such replacement, relocation, or removal shall be performed to the complete satisfaction of AGENCY and the owner of such improvement. Developer further promises and agrees to provide all equipment, tools, materials, labor, tests, design work, and engineering services necessary to fully and adequately complete the TUMF Improvements.

2.1 Pre-approval of Plans and Specifications. Developer is prohibited from commencing work on any portion of the TUMF Improvements until all plans and specifications for the TUMF Improvements have been submitted to and approved by AGENCY. Approval by AGENCY shall not relieve Developer from ensuring that all TUMF Improvements conform with all other requirements and standards set forth in this Agreement.

2.2 Permits and Notices. Prior to commencing any work, Developer shall, at its sole cost, expense, and liability, obtain all necessary permits and licenses and give all necessary and incidental notices required for the lawful construction of the TUMF Improvements and performance of Developer's obligations under this Agreement. Developer shall conduct the work in full compliance with the regulations, rules, and other requirements contained in any permit or license issued to Developer.

2.3 Public Works Requirements. In order to insure that the TUMF Improvements will be constructed as if they had been constructed under the direction and supervision, or under the

authority of, AGENCY, Developer shall comply with all of the following requirements with respect to the construction of the TUMF Improvements:

(a) Developer shall obtain bids for the construction of the TUMF Improvements, in conformance with the standard procedures and requirements of AGENCY with respect to its public works projects, or in a manner which is approved by the Public Works Department.

(b) The contract or contracts for the construction of the TUMF Improvements shall be awarded to the responsible bidder(s) submitting the lowest responsive bid(s) for the construction of the TUMF Improvements.

(c) Developer shall require, and the specifications and bid and contract documents shall require, all such contractors to pay prevailing wages (in accordance with Articles 1 and 2 of Chapter 1, Part 7, Division 2 of the Labor Code) and to otherwise comply with applicable provisions of the Labor Code, the Government Code and the Public Contract Code relating to public works projects of cities/counties and as required by the procedures and standards of AGENCY with respect to the construction of its public works projects or as otherwise directed by the Public Works Department.

(d) All such contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the TUMF Improvements which they will construct in conformance with AGENCY's standard procedures and requirements.

(e) Developer and all such contractors shall comply with such other requirements relating to the construction of the TUMF Improvements which AGENCY may impose by written notification delivered to Developer and each such contractor at any time, either prior to the receipt of bids by Developer for the construction of the TUMF Improvements, or, to the extent required as a result of changes in applicable laws, during the progress of construction thereof.

Developer shall provide proof to AGENCY, at such intervals and in such form as AGENCY may require that the foregoing requirements have been satisfied as to the TUMF Improvements.

2.4 Quality of Work; Compliance With Laws and Codes. The construction plans and specifications for the TUMF Improvements shall be prepared in accordance with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements. The TUMF Improvements shall be completed in accordance with all approved maps, plans, specifications, standard drawings, and special amendments thereto on file with AGENCY, as well as all applicable federal, state, and local laws, ordinances, regulations, codes, standards, and other requirements applicable at the time work is actually commenced.

2.5 Standard of Performance. Developer and its contractors, if any, shall perform all work required, constructing the TUMF Improvements in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Developer represents and maintains that it or its contractors shall be skilled in the professional calling necessary to perform the work. Developer warrants that all of its employees and contractors shall have sufficient skill and experience to perform the work

assigned to them, and that they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the work, and that such licenses, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.

2.6 Alterations to TUMF Improvements. All work shall be done and the TUMF Improvements completed as shown on approved plans and specifications, and any subsequent alterations thereto. If during the course of construction and installation it is determined that the public interest requires alterations in the TUMF Improvements, Developer shall undertake such design and construction changes as may be reasonably required by AGENCY. Any and all alterations in the plans and specifications and the TUMF Improvements to be completed may be accomplished without first giving prior notice thereof to Developer's surety for this Agreement.

3.0 Maintenance of TUMF Improvements. AGENCY shall not be responsible or liable for the maintenance or care of the TUMF Improvements until AGENCY approves and accepts them. AGENCY shall exercise no control over the TUMF Improvements until accepted. Any use by any person of the TUMF Improvements, or any portion thereof, shall be at the sole and exclusive risk of Developer at all times prior to AGENCY's acceptance of the TUMF Improvements. Developer shall maintain all of the TUMF Improvements in a state of good repair until they are completed by Developer and approved and accepted by AGENCY, and until the security for the performance of this Agreement is released. It shall be Developer's responsibility to initiate all maintenance work, but if it shall fail to do so, it shall promptly perform such maintenance work when notified to do so by AGENCY. If Developer fails to properly prosecute its maintenance obligation under this section, AGENCY may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. AGENCY shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the TUMF Improvements or their condition prior to acceptance. In no event shall WRCOG be responsible for the maintenance, operation or care of the TUMF Improvements

4.0 Fees and Charges. Developer shall, at its sole cost, expense, and liability, pay all fees, charges, and taxes arising out of the construction of the TUMF Improvements, including, but not limited to, all plan check, design review, engineering, inspection, sewer treatment connection fees, and other service or impact fees established by AGENCY.

5.0 AGENCY Inspection of TUMF Improvements. Developer shall, at its sole cost, expense, and liability, and at all times during construction of the TUMF Improvements, maintain reasonable and safe facilities and provide safe access for inspection by AGENCY of the TUMF Improvements and areas where construction of the TUMF Improvements is occurring or will occur.

6.0 Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Sections 8412 and 8414 of the Civil Code with respect to the TUMF Improvements, Developer shall provide to AGENCY such evidence or proof as AGENCY shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the TUMF Improvements, have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation. Rather than await the expiration of the said time for the recording of claims of liens, Developer may elect to provide to AGENCY a title insurance policy or other security acceptable to AGENCY guaranteeing that no such claims of liens will be recorded or become a lien upon any of the Property.

7.0 Acceptance of TUMF Improvements; As-Built or Record Drawings. If the TUMF Improvements are properly completed by Developer and approved by AGENCY, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, AGENCY shall be authorized to accept the TUMF Improvements. AGENCY may, in its sole and absolute discretion, accept fully completed portions of the TUMF Improvements prior to such time as all of the TUMF Improvements are complete, which shall not release or modify Developer's obligation to complete the remainder of the TUMF Improvements. Upon the total or partial acceptance of the TUMF Improvements by AGENCY, Developer shall file with the Recorder's Office of the County of Riverside a notice of completion for the accepted TUMF Improvements in accordance with California Civil Code sections 8182, 8184, 9204, and 9208 ("Notice of Completion"), at which time the accepted TUMF Improvements shall become the sole and exclusive property of AGENCY without any payment therefore. Notwithstanding the foregoing, AGENCY may not accept any TUMF Improvements unless and until Developer provides one (1) set of "as-built" or record drawings or plans to the AGENCY for all such TUMF Improvements. The drawings shall be certified and shall reflect the condition of the TUMF Improvements as constructed, with all changes incorporated therein.

8.0 Warranty and Guarantee. Developer hereby warrants and guarantees all the TUMF Improvements against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of the TUMF Improvements, for a period of one (1) year following completion of the work and acceptance by AGENCY ("Warranty"). During the Warranty, Developer shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the TUMF Improvements, in accordance with the current ordinances, resolutions, regulations, codes, standards, or other requirements of AGENCY, and to the approval of AGENCY. All repairs, replacements, or reconstruction during the Warranty shall be at the sole cost, expense, and liability of Developer and its surety. As to any TUMF Improvements which have been repaired, replaced, or reconstructed during the Warranty, Developer and its surety hereby agree to extend the Warranty for an additional one (1) year period following AGENCY's acceptance of the repaired, replaced, or reconstructed TUMF Improvements. Nothing herein shall relieve Developer from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any TUMF Improvement following expiration of the Warranty or any extension thereof. Developer's warranty obligation under this section shall survive the expiration or termination of this Agreement.

9.0 Administrative Costs. If Developer fails to construct and install all or any part of the TUMF Improvements, or if Developer fails to comply with any other obligation contained herein, Developer and its surety shall be jointly and severally liable to AGENCY for all administrative expenses, fees, and costs, including reasonable attorney's fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

10.0 Default; Notice; Remedies.

10.1 Notice. If Developer neglects, refuses, or fails to fulfill or timely complete any obligation, term, or condition of this Agreement, or if AGENCY determines there is a violation of any federal, state, or local law, ordinance, regulation, code, standard, or other requirement, AGENCY may at any time thereafter declare Developer to be in default or violation of this

Agreement and make written demand upon Developer or its surety, or both, to immediately remedy the default or violation ("Notice"). Developer shall substantially commence the work required to remedy the default or violation within five (5) days of the Notice. If the default or violation constitutes an immediate threat to the public health, safety, or welfare, AGENCY may provide the Notice verbally, and Developer shall substantially commence the required work within twenty-four (24) hours thereof. Immediately upon AGENCY's issuance of the Notice, Developer and its surety shall be liable to AGENCY for all costs of construction and installation of the TUMF Improvements and all other administrative costs or expenses as provided for in this Section 10.0 of this Agreement.

10.2 Failure to Remedy; AGENCY Action. If the work required to remedy the noticed default or violation is not diligently prosecuted to a completion acceptable to AGENCY within the time frame contained in the Notice, AGENCY may complete all remaining work, arrange for the completion of all remaining work, and/or conduct such remedial activity as in its sole and absolute discretion it believes is required to remedy the default or violation. All such work or remedial activity shall be at the sole and absolute cost, expense, and liability of Developer and its surety, without the necessity of giving any further notice to Developer or surety. AGENCY's right to take such actions shall in no way be limited by the fact that Developer or its surety may have constructed any of the TUMF Improvements at the time of AGENCY's demand for performance. In the event AGENCY elects to complete or arrange for completion of the remaining work and the TUMF Improvements, AGENCY may require all work by Developer or its surety to cease in order to allow adequate coordination by AGENCY.

10.3 Other Remedies. No action by AGENCY pursuant to this Section 10.0 et seq. of this Agreement shall prohibit AGENCY from exercising any other right or pursuing any other legal or equitable remedy available under this Agreement or any federal, state, or local law. AGENCY may exercise its rights and remedies independently or cumulatively, and AGENCY may pursue inconsistent remedies. AGENCY may institute an action for damages, injunctive relief, or specific performance.

11.0 Security; Surety Bonds. Prior to the commencement of any work on the TUMF Improvements, Developer or its contractor shall provide AGENCY with surety bonds in the amounts and under the terms set forth below ("Security"). The amount of the Security shall be based on the estimated actual costs to construct the TUMF Improvements, as determined by AGENCY after Developer has awarded a contract for construction of the TUMF Improvements to the lowest responsive and responsible bidder in accordance with this Agreement ("Estimated Costs"). If AGENCY determines, in its sole and absolute discretion, that the Estimated Costs have changed, Developer or its contractor shall adjust the Security in the amount requested by AGENCY. Developer's compliance with this Section 11.0 et seq. of this Agreement shall in no way limit or modify Developer's indemnification obligation provided in Section 12.0 of this Agreement.

11.1 Performance Bond. To guarantee the faithful performance of the TUMF Improvements and all the provisions of this Agreement, to protect AGENCY if Developer is in default as set forth in Section 10.0 et seq. of this Agreement, and to secure the one-year guarantee and warranty of the TUMF Improvements, Developer or its contractor shall provide AGENCY a faithful performance bond in an amount which sum shall be not less than one hundred percent

(100%) of the Estimated Costs. The AGENCY may, in its sole and absolute discretion, partially release a portion or portions of the security provided under this section as the TUMF Improvements are accepted by AGENCY, provided that Developer is not in default on any provision of this Agreement and the total remaining security is not less than $3,054,000.00 (100%) of the Estimated Costs. All security provided under this section shall be released at the end of the Warranty period, or any extension thereof as provided in Section 11.0 of this Agreement, provided that Developer is not in default on any provision of this Agreement.

11.2 Labor & Material Bond. To secure payment to the contractors, subcontractors, laborers, materialmen, and other persons furnishing labor, materials, or equipment for performance of the TUMF Improvements and this Agreement, Developer or its contractor shall provide AGENCY a labor and materials bond in an amount which sum shall not be less than one hundred percent (100%) of the Estimated Costs. The security provided under this section may be released by written authorization of AGENCY after six (6) months from the date AGENCY accepts the TUMF Improvements. The amount of such security shall be reduced by the total of all stop notice or mechanic's lien claims of which AGENCY is aware, plus an amount equal to twenty percent (20%) of such claims for reimbursement of AGENCY's anticipated administrative and legal expenses arising out of such claims.

11.3 Additional Requirements. The surety for any surety bonds provided as Security shall have a current A.M. Best rating of at least "A" and FSC-VIII, shall be licensed to do business in California, and shall be satisfactory to AGENCY. As part of the obligation secured by the Security and in addition to the face amount of the Security, Developer, its contractor or the surety shall secure the costs and reasonable expenses and fees, including reasonable attorney's fees and costs, incurred by AGENCY in enforcing the obligations of this Agreement. Developer, its contractor and the surety shall stipulate and agree that no change, extension of time, alteration, or addition to the terms of this Agreement, the TUMF Improvements, or the plans and specifications for the TUMF Improvements shall in any way affect its obligation on the Security.

11.4 Evidence and Incorporation of Security. Evidence of the Security shall be provided on the forms set forth in Exhibit "B", unless other forms are deemed acceptable by the AGENCY, and when such forms are completed to the satisfaction of AGENCY, the forms and evidence of the Security shall be attached hereto as Exhibit "B" and incorporated herein by this reference.

12.0 Indemnification. Developer shall defend, indemnify, and hold harmless AGENCY, the Western Riverside Council of Governments (WRCOG), their elected officials, board members, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental agency, arising out of or incident to any acts, omissions, negligence, or willful misconduct of Developer, its employees, contractors, or agents in connection with the performance of this Agreement, or arising out of or in any way related to or caused by the TUMF Improvements or their condition prior to AGENCY's approval and acceptance of the TUMF Improvements ("Claims"). This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorney fees, and related costs or expenses, and the reimbursement of AGENCY, WRCOG, their elected officials, board members, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any Claim

which is caused solely and exclusively by the negligence or willful misconduct of AGENCY as determined by a court or administrative body of competent jurisdiction. Developer's obligation to indemnify shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by AGENCY, WRCOG, their elected officials, board members, employees, or agents.

13.0 Insurance.

13.1 Types; Amounts. Developer shall procure and maintain, and shall require its contractors to procure and maintain, during performance of this Agreement, insurance of the types and in the amounts described below ("Required Insurance"). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this Agreement or be no less than two times the specified occurrence limit.

13.1.1 General Liability. Occurrence form general liability insurance at least as broad as Insurance Services Office Form CG 00 01, or equivalent form, with an occurance limit of Two Million Dollars ($2,000,000) and aggregate limit of Four Million Dollars ($4,000,000) for bodily injury, personal injury, and property damage.

13.1.2 Business Automobile Liability. Business automobile liability insurance at least as broad as Insurance Services Office Form CA 00 01 (coverage symbol 1 – any auto), or equivalent form, with a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence. Such insurance shall include coverage for the ownership, operation, maintenance, use, loading, or unloading of any auto owned, leased, hired, or borrowed by the insured or for which the insured is responsible.

13.1.3 Workers' Compensation. Workers' compensation insurance with limits as required by the Labor Code of the State of California and employers' liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence, at all times during which insured retains employees.

13.1.4 Professional Liability. For any consultant or other professional who will engineer or design the TUMF Improvements, liability insurance for errors and omissions with limits not less than Two Million Dollars ($2,000,000) per occurrence, shall be procured and maintained for a period of five (5) years following completion of the TUMF Improvements. Such insurance shall be endorsed to include contractual liability.

13.2 Deductibles. Any deductibles or self-insured retentions must be declared to and approved by AGENCY. At the option of AGENCY, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects AGENCY, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial guarantee satisfactory to AGENCY guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

13.3 Additional Insured; Separation of Insureds. The Required Insurance, except for the professional liability and workers' compensation insurance, shall name AGENCY, WRCOG, their elected officials, board members, officers, employees, and agents as additional insureds with respect to work performed by or on behalf of Developer or its contractors, including any materials,

parts, or equipment furnished in connection therewith. For Required Insurance provided by Developer's contractors, WRCOG shall be added as an additional insured using ISO CG 2038 or an exact equivalent. The Required Insurance shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of its protection to AGENCY, WRCOG, their elected officials, board members, officers, employees, or agents.

13.4 Primary Insurance; Waiver of Subrogation. The Required Insurance, except for the professional liability and workers' compensation insurance shall be primary with respect to any insurance or self-insurance programs covering AGENCY, WRCOG, their elected officials, board members, officers, employees, or agents. The Required Insurance, except for the professional liability insurance, shall provide that the insurance company waives all right of recovery by way of subrogation against AGENCY and WRCOG in connection with any damage or harm covered by such policy.

13.5 Certificates; Verification. Developer and its contractors shall furnish AGENCY with original certificates of insurance and endorsements effecting coverage for the Required Insurance. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by AGENCY before work pursuant to this Agreement can begin. AGENCY reserves the right to require complete, certified copies of all required insurance policies, at any time.

13.6 Term; Cancellation Notice. Developer and its contractors shall maintain the Required Insurance for the term of this Agreement and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide that the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on thirty (30) days' prior written notice to AGENCY. If such notice of cancellation endorsements are unavailable, Developer shall provide such thirty (30) days' written notice of cancellation.

13.7 Insurer Rating. Unless approved in writing by AGENCY, all Required Insurance shall be placed with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least "A" and FSC-VIII.

14.0 TUMF Credit.

14.1 Developer's TUMF Obligation. Developer hereby agrees and accepts that as of the date of this Agreement, the amount Developer is obligated to pay to AGENCY _ pursuant to Ordinance No. 2018-14 as part of the TUMF Program is **Two Million Eight Hundred Eighty-Two Thousand Forty Dollars** ($2,882,040.00) ("TUMF Obligation"). This TUMF Obligation shall be initially determined under the TUMF fee schedule in effect for the AGENCY at the time the Developer submits a building permit application for the TUMF Improvement. Notwithstanding, this TUMF Obligation does not have to be paid until the Certificate of Occupancy is obtained.

14.2 Fee Adjustments. Notwithstanding the foregoing, Developer agrees that this Agreement shall not estop AGENCY from adjusting the TUMF in accordance with the provisions of Ordinance No. (insert appropriate reference for city or county).

14.3 Credit Offset Against TUMF Obligation. Pursuant to Ordinance No. (insert appropriate reference for city or county) and in consideration for Developer's obligation under this Agreement for the delivery of TUMF Improvements, credit shall be applied by AGENCY to offset the TUMF Obligation ("Credit") subject to adjustment and reconciliation under Section 14.5 of this agreement. Developer hereby agrees that the amount of the Credit shall be applied after Developer has initiated the process of project delivery of TUMF Improvements to the lowest responsible bidder in accordance with this Agreement. Developer further agrees that the dollar amount of the Credit shall be equal to the lesser of: (A) the bid amount set forth in the contract awarded to the lowest responsible bidder, or (B) the unit cost assumptions for the TUMF Improvement in effect at the time of the contract award, as such assumptions are identified and determined in the most recent TUMF Nexus Study and the TUMF Administrative Plan adopted by WRCOG ("Unit Cost Assumptions").

The bid amount and the Unit Cost Assumptions shall hereafter be collectively referred to as "Estimated Credit". At no time will the Credit exceed the Developer's TUMF Obligation. If the dollar amount of the Estimated Credit exceeds the dollar amount of the TUMF Obligation, Developer will be deemed to have completely satisfied its TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. If the dollar amount of the Estimated Credit is less than the dollar amount of the TUMF Obligation, the Developer agrees the Credit shall be applied to offset the TUMF Obligation as follows:

(i) For residential units in the Project, the Credit shall be applied to all residential units to offset and/or satisfy the TUMF Obligation. The residential units for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to each unit, shall be identified in the notice provided to the Developer by AGENCY pursuant to this section.

(ii) For commercial and industrial structures in the Project, the Credit shall be applied to all commercial and industrial development to offset and/or satisfy the TUMF Obligation. The commercial or industrial structure(s) for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to such structure(s), shall be identified in the notice provided to the Developer by AGENCY pursuant to this section.

AGENCY shall provide Developer written notice of the determinations that AGENCY makes pursuant to this section, including how the Credit is applied to offset the TUMF Obligation as described above.

14.4 Verified Cost of the TUMF Improvements. Upon recordation of the Notice of Completion for the TUMF Improvements and acceptance of the TUMF Improvements by AGENCY, Developer shall submit to the AGENCY Public Works Director the information set forth in the attached Exhibit "C". The AGENCY Public Works Director, or his or her designee, shall use the information provided by Developer to calculate the total actual costs incurred by Developer in delivering the TUMF Improvements covered under this Agreement ("Verified Costs"). The AGENCY Public Works Director will use his or her best efforts to determine the amount of the Verified Costs and provide Developer written notice thereof within thirty (30)

calendar days of receipt of all the required information from Developer. The Agency may request that WRCOG calculate the amount of the Verified Cost. In this case, the AGENCY shall provide WRCOG written notice and all necessary documentation and allow WRCOG fifteen (15) days to determine costs. Agency will notify the Developer within the previous thirty (30) day deadline

14.5 Reconciliation; Final Credit Offset Against TUMF Obligation. The Developer is aware of and accepts the fact that Credits are speculative and conceptual in nature. The actual amount of Credit that shall be applied by AGENCY to offset the TUMF Obligation shall be equal to the lesser of: (A) the Verified Costs or (B) Unit Cost Assumptions for the TUMF Improvements as determined in accordance with Section 14.3 of this Agreement ("Actual Credit"). No Actual Credit will be awarded until the Verified Costs are determined through the reconciliation process. Please be advised that while a Developer may use an engineer's estimates in order to estimate Credits for project planning purposes, the Actual Credit awarded will only be determined by the reconciliation process.

(a) TUMF Balance. If the dollar amount of the Actual Credit is less than the dollar amount of the TUMF Obligation, the AGENCY Public Works Director shall provide written notice to Developer of the amount of the difference owed ("TUMF Balance") and Developer shall pay the TUMF Balance in accordance with (insert appropriate reference for city or county) to fully satisfy the TUMF Obligation (see Exhibit "F" - Example "A").

(b) TUMF Reimbursement. If the dollar amount of the Actual Credit exceeds the TUMF Obligation, Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. AGENCY shall provide Developer written notice of the determinations that AGENCY makes pursuant to this section (see Exhibit "F" - Example "B").

(c) TUMF Overpayment. If the dollar amount of the Actual Credit exceeds the Estimated Credit, but is less than the TUMF Obligation, but the Actual Credit plus additional monies collected by AGENCY from Developer for the TUMF Obligation exceed the TUMF Obligation ("TUMF Overpayment"), Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may be entitled to a refund. The AGENCY's Public Works Director shall provide written notice to WRCOG and the Developer of the amount of the TUMF Overpayment and AGENCY shall direct WRCOG to refund the Developer in accordance with (insert appropriate reference for city or county) (see Exhibit "F" - Example C)

14.6 Reimbursement Agreement. If authorized under either Section 14.3 or Section 14.5 Developer may apply to AGENCY and WRCOG for a reimbursement agreement for the amount by which the Actual Credit exceeds the TUMF Obligation, as determined pursuant to Section 14.3 of this Agreement, Ordinance No. (insert appropriate reference for city or county), and the TUMF Administrative Plan adopted by WRCOG ("Reimbursement Agreement"). If AGENCY and WRCOG agree to a Reimbursement Agreement with Developer, the Reimbursement Agreement shall be executed on the form set forth in Exhibit "D," and shall contain the terms and conditions set forth therein. The Parties agree that the Reimbursement Agreement shall be subject to all terms and conditions of this Agreement, and that upon execution, an executed copy of the

Reimbursement Agreement shall be attached hereto and shall be incorporated herein as a material part of this Agreement as though fully set forth herein.

15.0 Miscellaneous.

15.1 Assignment. Developer may, as set forth herein, assign all or a portion of its rights pursuant to this Agreement to a purchaser of a portion or portions of the Property ("Assignment"). Developer and such purchaser and assignee ("Assignee") shall provide to AGENCY such reasonable proof as it may require that Assignee is the purchaser of such portions of the Property. Any assignment pursuant to this Section shall not be effective unless and until Developer and Assignee have executed an assignment agreement with AGENCY in a form reasonably acceptable to AGENCY, whereby Developer and Assignee agree, except as may be otherwise specifically provided therein, to the following: (1) that Assignee shall receive all or a portion of Developer's rights pursuant to this Agreement, including such credit as is determined to be applicable to the portion of the Property purchased by Assignee pursuant to Section 14.0 et seq. of this Agreement, and (2) that Assignee shall be bound by all applicable provisions of this Agreement.

15.2 Relationship Between the Parties. The Parties hereby mutually agree that this Agreement shall not operate to create the relationship of partnership, joint venture, or agency between or among AGENCY. WRCOG and Developer. Developer's contractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of AGENCY. This Agreement shall be interpreted and administered in a manner consistent with the TUMF Administrative Plan in effect at the time this Agreement is executed.

15.3 Warranty as to Property Ownership; Authority to Enter Agreement. Developer hereby warrants that it owns fee title to the Property and that it has the legal capacity to enter into this Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

15.4 Prohibited Interests. Developer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Developer, to solicit or secure this Agreement. Developer also warrants that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Developer, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon the making of this Agreement. For breach of this warranty, AGENCY shall have the right to rescind this Agreement without liability.

15.5 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY:

TO WRCOG:

Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Attention: Executive Director
Telephone: (951) 405-6700
Fax No. (951) 223-9720

To Developer: _____
Attn: _____
_____
_____
Fax No. (___) _____

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

15.6 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.

15.7 Construction; References; Captions. It being agreed the Parties or their agents have participated 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 Developer include all personnel, employees, agents, and contractors of Developer, except as otherwise specified in this Agreement. All references to AGENCY 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.

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

15.9 Termination. This Agreement shall terminate 10 years after the Effective Date, unless extended in writing by the Parties. In addition, this Agreement shall terminate 5 years after the Effective Date in the event that the TUMF Improvements as specified in the Credit Agreement is not commenced within 5 years of the Effective Date.

15.9.1 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 right by custom, estoppel, or otherwise.

15.9.2 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal

representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

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

15.9.4 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.

15.9.5 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

15.9.6 Time is of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with due diligence to complete all covenants and conditions.

15.9.7 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

15.9.8 Entire Agreement. This Agreement contains the entire agreement between AGENCY and Developer and supersedes any prior oral or written statements or agreements between AGENCY and Developer.

[SIGNATURES OF PARTIES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

DEVELOPER:
ARROYO CAP III-2, LLC

By: _____

Its: _____

ATTEST:

By: _____
Its: _____

WESTERN RIVERSIDE COUNCIL OF GOVERNMENT:

By: _____
Its: Executive Director-_____

ATTEST:

By: _____
Its: _____

AGENCY:
CITY OF EASTVALE

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

[ATTACH BEHIND THIS PAGE]

A PORTION OF PARCEL "A", OF LOT LINE ADJUSTMENT NO. 2022-001, RECORDED AUGUST 24, 2022 AS INST. NO. 2022-0370918, OFFICIAL RECORDS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER, CALIFORNIA, AND A PORTION OF THE SOUTHEAST QUARTER SECTION 24, TOWNSHIP 2 SOUTH RANGE 7 WEST, AS SHOWN BY SECTIONALIZED SURVEY OF THE JURUPA RANCHO, AS SHOWN BY MAP ON FILE IN BOOK 9 OF MAPS, PAGE 33, RECORDS SAN BERNARDINO COUNTY, STATE OF CALIFORNIA.

EXHIBIT “B”

FORMS FOR SECURITY

[ATTACHED BEHIND THIS PAGE]

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

PERFORMANCE BOND

WHEREAS, the City of Eastvale ("AGENCY") has executed an agreement with Arroyo CAP III-2, LLC, a Delaware Limited Company (hereinafter "Developer"), requiring Developer to perform certain work consisting of but not limited to, furnishing all labor, materials, tools, equipment, services, and incidentals for the construction of street and transportation system improvements (hereinafter the "Work");

WHEREAS, the Work to be performed by Developer is more particularly set forth in that certain TUMF Improvement and Credit/Reimbursement Agreement dated _____, (hereinafter the "Agreement"); and

WHEREAS, the Agreement is hereby referred to and incorporated herein by this reference; and

WHEREAS, Developer or its contractor is required by the Agreement to provide a good and sufficient bond for performance of the Agreement, and to guarantee and warranty the Work constructed thereunder.

NOW, THEREFORE, we the undersigned, _____, as Principal and _____, a corporation organized and existing under the laws of the State of _____ and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the AGENCY in the sum of Three Million Fifty-Four Thousand Dollars ($3,054,000.00), said sum being not less than one hundred percent (100%) of the total cost of the Work as set forth in the Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such, that if Developer and its contractors, or their heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, agreements, guarantees, and warranties in the Agreement and any alteration thereof made as therein provided, to be kept and performed at the time and in the manner therein specified and in all respects according to their intent and meaning, and to indemnify and save harmless AGENCY, its officers, employees, and agents, as stipulated in the Agreement, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by AGENCY in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Agreement or to the Work to be performed

thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the Work.

IN WITNESS WHEREOF, we have hereto set our hands and seals this ____ day on _____, 20__.

_____
Principal

By: _____
President

_____
Surety

By: _____
Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE §1189**

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.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me,

_____,
Date Here Insert Name and Title of the Officer

personally appeared _____,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title of Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer – Title(s): _____	☐ Corporate Officer – Title(s): _____
☐ Partner - ☐ Limited ☐ General	☐ Partner - ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator

☐Other:_____

_____

_____

Signer is Representing:___

_

_____

_

☐Other:_____

_____

_____

Signer is Representing:___

_

_____

_

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the _____ Secretary of the corporation named as principal in the attached bond, that _____ who signed the said bond on behalf of the principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.

(Corporate Seal)

_____
Signature

_____
Date

NOTE: A copy of the power of attorney to local representatives of the bonding company may be attached hereto.

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

LABOR & MATERIAL BOND

WHEREAS, the City of Eastvale ("AGENCY") has executed an agreement with Arroyo CAP III-2, LLC, a Delaware Limited Company (hereinafter "Developer"), requiring Developer to perform certain work consisting of but not limited to, furnishing all labor, materials, tools, equipment, services, and incidentals for the construction of street and transportation system improvements (hereinafter "Work");

WHEREAS, the Work to be performed by Developer is more particularly set forth in that certain Improvement and Credit / Reimbursement Agreement dated _____, (hereinafter the "Agreement"); and

WHEREAS, Developer or its contractor is required to furnish a bond in connection with the Agreement providing that if Developer or any of his or its contractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the provisions of 3248 of the California Civil Code, with respect to such work or labor, that the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, we the undersigned, _____, as Principal and _____, a corporation organized and existing under the laws of the State of _____ and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the AGENCY and to any and all material men, persons, companies or corporations furnishing materials, provisions, and other supplies used in, upon, for or about the performance of the said Work, and all persons, companies or corporations renting or hiring teams, or implements or machinery, for or contributing to said Work to be done, and all persons performing work or labor upon the same and all persons supplying both work and materials as aforesaid, the sum of Three Million Fifty-Four Thousand Dollars ($3,054,000.00), said sum being not less than 100% of the total amount payable by Developer under the terms of the Agreement, for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if Developer or its contractors, or their heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Work contracted to be done, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, and all other applicable laws

of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein.

In case legal action is required to enforce the provisions of this bond, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to court costs, necessary disbursements and other consequential damages. In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to make claims under Sections 8024, 8400, 8402, 8404, 8430, 9100 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the Agreement or to the Work to be performed thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the Work.

IN WITNESS WHEREOF, we have hereto set our hands and seals this ____ day on _____, 20__.

_____
Principal

By: _____
President

_____
Surety

By: _____
Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE §1189**

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.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me,

_____,
Date Here Insert Name and Title of the Officer

personally appeared _____,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 _____
Signa
ture of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title of Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer – Title(s): _____	☐ Corporate Officer – Title(s): _____
☐ Partner - ☐ Limited ☐ General	☐ Partner - ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator

☐Other:_____

_____

_____

Signer is Representing:___

_

_____

_

☐Other:_____

_____

_____

Signer is Representing:___

_

_____

_

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the _____ Secretary of the corporation named as principal in the attached bond, that _____ who signed the said bond on behalf of the principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.

(Corporate Seal)

_____
Signature

_____
Date

NOTE: A copy of the power of attorney to local representatives of the bonding company may be attached hereto.

EXHIBIT "C"

DOCUMENTATION TO BE PROVIDED TO AGENCY BY DEVELOPER FOR DETERMINATION OF VERIFIED COSTS

To assist AGENCY in determining the Verified Costs for a completed TUMF Improvement, Developer shall provide the following documents to AGENCY:

1. Plans, specifications and Developer's civil engineer's cost estimate;

2. If Developer is seeking Credit for such costs, documentation evidencing cost of any required environmental studies, preparation of designs, plans and specifications, required right of way acquisition, and other costs directly related to the development of the TUMF Improvement. Only actual, documented and reasonable costs directly related to the TUMF Improvement will be considered. Costs should be documented as specified below.

3. Costs claimed for right of way acquisition must be accompanied by an appraisal (no more than two years old at the time of acquisition) completed by an MAI appraiser, and documentation of transfer of such right of way to the AGENCY, or applicable public agency. The appraisal must be approved by the AGENCY as valid and acceptable.

4. List of bidders from whom bids were requested;

5. Construction schedules and progress reports;

6. Contracts, insurance certificates and change orders with each contractor, consultant, service provider or vendor;

7. Invoices received from all contractors, consultants, service providers and vendors;

8. Canceled checks for payments made to contractors, consultants, service providers and vendors (copy both front and back of canceled checks);

9. Spreadsheet showing total costs incurred in and related to the construction of each TUMF Improvement and the check number for each item of cost and invoice;

10. Final lien releases from each contractor and vendor; and

11. Such further documentation as may be reasonably required by AGENCY to evidence the completion of construction and the payment of each item of cost and invoice.

EXHIBIT "D"

REIMBURSEMENT AGREEMENT
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into this ___ day of _____, 20___, by and between the City of Eastvale, California municipal corporation ("AGENCY"), the Western Riverside Council of Governments ("WRCOG"), a Joint Powers Agency and Arroyo CAP III-2, LLC, a Delaware Limited Company (hereinafter "Developer"), with its principal place of business at 18575 Jamboree Rd. STE 350, Irvine, CA 92612 ("Developer"). AGENCY and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, AGENCY, WRCOG and Developer are parties to an agreement dated _____, 20___, entitled "Improvement and Credit Agreement - Transportation Uniform Mitigation Fee Program" (hereinafter "Credit Agreement");

WHEREAS, Sections 14.1 through 14.3 of the Credit Agreement provide that Developer is obligated to pay AGENCY the TUMF Obligation, as defined therein, but shall receive credit to offset the TUMF Obligation if Developer constructs and AGENCY accepts the TUMF Improvements in accordance with the Credit Agreement;

WHEREAS, Section 14.5 of the Credit Agreement provides that if the dollar amount of the credit to which Developer is entitled under the Credit Agreement exceeds the dollar amount of the TUMF Obligation, Developer may apply to AGENCY and WRCOG for a reimbursement agreement for the amount by which the credit exceeds the TUMF Obligation;

WHEREAS, Section 14.5 additionally provides that a reimbursement agreement executed pursuant to the Credit Agreement (i) shall be executed on the form attached to the Credit Agreement, (ii) shall contain the terms and conditions set forth therein, (iii) shall be subject to all terms and conditions of the Credit Agreement, and (iv) shall be attached upon execution to the Credit Agreement and incorporated therein as a material part of the Credit Agreement as though fully set forth therein; and

WHEREAS, AGENCY and WRCOG have consented to execute a reimbursement agreement with Developer pursuant to the Credit Agreement, (insert appropriate reference for city or county), and the TUMF Administrative Plan adopted by WRCOG.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Effectiveness. This Agreement shall not be effective unless and until the Credit Agreement is effective and in full force in accordance with its terms.

3.0 Definitions. Terms not otherwise expressly defined in this Agreement, shall have the meaning and intent set forth in the Credit Agreement.

4.0 Amount of Reimbursement. Subject to the terms, conditions, and limitations set forth in this Agreement, the Parties hereby agree that Developer is entitled to receive the dollar amount by which the Actual Credit exceeds the dollar amount of the TUMF Obligation as determined pursuant to the Credit Agreement, (insert appropriate reference for city or county), and the TUMF Administrative Plan adopted by WRCOG ("Reimbursement").The Reimbursement shall be subject to verification by WRCOG. AGENCY and Developer shall provide any and all documentation reasonably necessary for WRCOG to verify the amount of the Reimbursement. The Reimbursement shall be in an amount not exceeding [INSERT DOLLAR AMOUNT] ("Reimbursement Amount"). WRCOG shall, upon receipt and approval of information requested by WRCOG, shall be responsible for transmitting the Reimbursement Amount to the Developer. In no event shall the dollar amount of the Reimbursement exceed the difference between the dollar amount of all credit applied to offset the TUMF Obligation pursuant to Section 14.3, 14.4, and 14.5 of the Credit Agreement, and one hundred (100%) of the approved unit awarded, as such assumptions are identified and determined in the Nexus Study and the TUMF Administrative Plan adopted by WRCOG.

5.0 Payment of Reimbursement; Funding Contingency. The payment of the Reimbursement Amount shall be subject to the following conditions:

5.1 Developer shall have no right to receive payment of the Reimbursement unless and until (i) the TUMF Improvements are completed and accepted by AGENCY in accordance with the Credit Agreement, (ii) the TUMF Improvements are scheduled for funding pursuant to the five-year Transportation Improvement Program adopted annually by WRCOG, (iii) WRCOG has funds available and appropriated for payment of the Reimbursement amount.

5.2 Developer shall not be entitled to any interest or other cost adjustment for any delay between the time when the dollar amount of the Reimbursement is determined and the time when payment of the Reimbursement is made to Developer by WRCOG through AGENCY.

6.0 Affirmation of Credit Agreement. AGENCY and Developer represent and warrant to each other that there have been no written or oral modifications or amendments of the Credit Agreement, except by this Agreement. AGENCY and Developer ratify and reaffirm each and every one of their respective rights and obligations arising under the Credit Agreement. AGENCY and Developer represent and warrant that the Credit Agreement is currently an effective, valid, and binding obligation.

7.0 Incorporation Into Credit Agreement. Upon execution of this Agreement, an executed original of this Agreement shall be attached as Exhibit "D" to the Credit Agreement and shall be incorporated therein as a material part of the Credit Agreement as though fully set forth therein.

8.0 Terms of Credit Agreement Controlling. Each Party hereby affirms that all provisions of the Credit Agreement are in full force and effect and shall govern the actions of the Parties under

this Agreement as though fully set forth herein and made specifically applicable hereto, including without limitation, the following sections of the Credit Agreement: Sections 10.0 through 10.3, Section 12.0, Sections 13.0 through 13.7, Sections 14.0 through 14.6, and Sections 15.0 through 15.17.

[SIGNATURES OF PARTIES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

_____
("Developer")

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

CITY OF EASTVALE

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

EXHIBIT "E"

TUMF CREDIT / REIMBURSEMENT ELIGIBILITY PROCESS

1. Prior to the construction of any TUMF Improvement, Developer shall follow the steps listed below:

(a) Prepare a separate bid package for the TUMF Improvements.

(b) The plans, cost estimate, specifications and contract document shall require all contractors to pay prevailing wages and to comply with applicable provisions of the Labor Code, Government Code, and Public Contract Code relating to Public Works Projects.

(c) Bids shall be obtained and processed in accordance with the formal public works bidding requirements of the AGENCY.

(d) The contract(s) for the construction of TUMF Improvements shall be awarded to the lowest responsible bidder(s) for the construction of such facilities in accordance with the AGENCY's requirements and guidelines.

(e) Contractor(s) shall be required to provide proof of insurance coverage throughout the duration of the construction.

2. Prior to the determination and application of any Credit pursuant to a TUMF Improvement and Credit Agreement executed between AGENCY and Developer ("Agreement"), Developer shall provide the AGENCY and WRCOG with the following:

(a) Copies of all information listed under Item 1 above.

(b) Surety Bond, Letter of Credit, or other form of security permitted under the Agreement and acceptable to the AGENCY and WRCOG, guaranteeing the construction of all applicable TUMF Improvements.

3. Prior to the AGENCY's acceptance of any completed TUMF Improvement, and in order to initiate the construction cost verification process, the Developer shall comply with the requirements as set forth in Sections 7, 14.2 and 14.3 of the Agreement, and the following conditions shall also be satisfied:

(a) Developer shall have completed the construction of all TUMF Improvements in accordance with the approved Plans and Specifications.

(b) Developer shall have satisfied the AGENCY's inspection punch list.

(c) After final inspection and approval of the completed TUMF Improvements, the AGENCY shall have provided the Developer a final inspection release letter.

(d) AGENCY shall have filed a Notice of Completion with respect to the TUMF Improvements pursuant to Section 3093 of the Civil Code with the County Recorder's Office, and provided a copy of filed Notice of Completion to WRCOG.

(e) Developer shall have provided AGENCY a copy of the As-Built plans for the TUMF Improvements.

(f) Developer shall have provided AGENCY copies of all permits or agreements that may have been required by various resource/regulatory agencies for construction, operation and maintenance of any TUMF Improvements.

(g) Developer shall have submitted a documentation package to the AGENCY to determine the final cost of the TUMF Improvements, which shall include at a minimum, the following documents related to the TUMF Improvements:

(i) Plans, specifications, and Developer's Civil Engineer's cost estimates; or Engineer's Report showing the cost estimates.

(ii) If DEVELOPER is seeking Credit for such costs, documentation evidencing cost of any required environmental studies, preparation of designs, plans and specifications, required right of way acquisition, and other costs directly related to the development of the TUMF Improvements. Only actual, documented and reasonable costs directly related to the TUMF Improvements will be considered. Costs should be documented as specified below.

(iii) Costs claimed for right of way acquisition must be accompanied by an appraisal (no more than two years old at the time of acquisition) completed by an MAI appraiser, and documentation of transfer of such right of way to the AGENCY, or applicable public agency. The appraisal must be approved by the AGENCY as valid and acceptable.

(iv) Contracts/agreements, insurance certificates and change orders with each vendor or contractor.

(v) Invoices from all contractors, consultants, service providers and vendors.

(vi) Copies of cancelled checks, front and back, for payments made to contractors, consultants, service providers and vendors.

(vii) Final lien releases from each contractor and vendor (unconditional waiver and release).

(viii) Certified contract workers payroll for AGENCY verification of compliance with prevailing wages.

(ix) A total cost summary, in spreadsheet format (MS Excel is preferred) and on disk, showing a breakdown of the total costs incurred. The summary should include for each item claimed the check number, cost, invoice numbers, and name of payee. See

attached sample for details. [ATTACH SAMPLE, IF APPLICABLE; OTHERWISE DELETE REFERENCE TO ATTACHED SAMPLE

EXHIBIT "F"

RECONCILIATION EXAMPLES

All examples are based on a single family residential development project of 200 dwelling units:
200 SF dwelling units @ $6,650 / dwelling unit = $1,330,000 in fees (TUMF Obligation)

Example A: "TUMF BALANCE"

CREDIT
TUMF Obligation: $1,330,000
Estimated Credit: Bid ($1,500,000) or unit Cost Assumption ($1,600,000) whichever is less $1,500,000
Potential Reimbursement: ($170,000)

RECONCILIATION
TUMF Obligation: $1,330,000
Actual Credit: $1,200,000
TUMF Balance (Payment to TUMF): **$130,000**

Example B: "REIMBURSEMENT"

CREDIT
TUMF Obligation: $1,330,000
Estimated Credit: Bid ($1,500,000) or unit Cost Assumption ($1,600,000) whichever is less $1,500,000
Potential Reimbursement: ($170,000)

RECONCILIATION
TUMF Obligation: $1,330,000
Actual Credit: $1,500,000
Reimbursement Agreement with Developer (Based on Priority Ranking): (**$170,000)**

Example C: "TUMF OVERPAYMENT"

CREDIT
TUMF Obligation: $1,330,000
Estimated Credit: Bid ($1,200,000) or unit Cost Assumption ($1,500,000) whichever is less $1,200,000
Remaining TUMF Obligation: $130,000
Prorated Fee: $130,000 / 200 du = $650 / du

RECONCILIATION
Actual Credit: $1,300,000
TUMF payments from Developer ($650 per unit x 200 units) $130,000
Actual Credit plus TUMF Payment $1,430,000

TUMF Obligation: $1,330,000
Actual Credit plus TUMF Payment $1,430,000
TUMF Overpayment (Refund to Developer): (**$100,000)**

Attachment

TUMF Improvement and Credit Liability Agreement – Palomar Road Improvements

IMPROVEMENT AND CREDIT / REIMBURSEMENT AGREEMENT
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

This **IMPROVEMENT AND CREDIT AGREEMENT** ("Agreement") is entered into this ___ day of _____, 20___, (the "Effective Date") by and between the City of Wildomar, a California municipal corporation ("AGENCY"), the Western Riverside Council of Governments, a joint powers Agency, ("WRCOG") and D.R. Horton Los Angeles Holding Company, Inc., a California corporation, with its principal place of business at 2280 Wardlow Circle, Suite 100, Corona, California 92880 ("Developer"). AGENCY and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, Developer owns 46.73 acres of real property located within the City of Wildomar, California, which is more specifically described in the legal description set forth in Exhibit "A", attached hereto and incorporated herein by this reference ("Property");

WHEREAS, Developer has requested from AGENCY-certain entitlements and/or permits for the construction of improvements on the Property, which are more particularly described as Avalino (Tract No. 31896), a residential development planned for 117 single family detached homes ("Project");

WHEREAS, the AGENCY is a member agency of WRCOG, a joint powers agency comprised of the County of Riverside and 18 cities located in Western Riverside County. WRCOG is the administrator for the Transportation Uniform Mitigation Fee ("TUMF") Program;

WHEREAS, as part of the TUMF Program, the AGENCY has adopted "Transportation Uniform Mitigation Fee Nexus Study: 2016 Update" ("2016 Nexus Study")

WHEREAS, as a condition to AGENCY's approval of the Project, AGENCY has required Developer to construct certain street and transportation system improvement(s) of regional importance ("TUMF Improvements");

WHEREAS, pursuant to the TUMF Program, the AGENCY requires Developer to pay the TUMF which covers the Developer's fair share of the costs to deliver those TUMF Improvements that help mitigate the Project's traffic impacts and burdens on the Regional System of Highways and Arterials (also known as the "TUMF Network"), generated by the Project and that are necessary to protect the safety, health and welfare of persons that travel to and from the Project using the TUMF Network;

WHEREAS, the TUMF Improvements have been designated as having Regional or Zonal Significance as further described in the 2016 Nexus Study and the 5 year Transportation Improvement Program as may be amended;

WHEREAS, AGENCY. WRCOG and Developer now desire to enter into this Agreement for the following purposes: (1) to provide for the timely delivery of the TUMF Improvements, (2) to ensure that delivery of the TUMF Improvements is undertaken as if the TUMF Improvements

were constructed under the direction and authority of the AGENCY, (3) to provide a means by which the Developer's costs for project delivery of the TUMF Improvements and related right-of-way is offset against Developer's obligation to pay the applicable TUMF for the Project in accordance with the TUMF Administrative Plan adopted by WRCOG, and (4) to provide a means, subject to the separate approval of WRCOG, for Developer to be reimbursed to the extent the actual and authorized costs for the delivery of the TUMF Improvements exceeds Developer's TUMF obligation.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and AGENCY hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Construction of TUMF Improvements. Developer shall construct or have constructed at its own cost, expense, and liability certain street and transportation system improvements generally described as construction of an additional lane of approximately 800 linear feet along Palomar Road, from the western limits of the project to Starbuck Circle, and as shown more specifically on the plans, profiles, and specifications which have been or will be prepared by or on behalf of Developer and approved by AGENCY, and which are incorporated herein by this reference ("TUMF Improvements"). Construction of the TUMF Improvements shall include any transitions and/or other incidental work deemed necessary for drainage or public safety. Developer shall be responsible for the replacement, relocation, or removal of any component of any existing public or private improvement in conflict with the construction or installation of the TUMF Improvements. Such replacement, relocation, or removal shall be performed to the complete satisfaction of AGENCY and the owner of such improvement. Developer further promises and agrees to provide all equipment, tools, materials, labor, tests, design work, and engineering services necessary to fully and adequately complete the TUMF Improvements.

2.1 Pre-approval of Plans and Specifications. Developer is prohibited from commencing work on any portion of the TUMF Improvements until all plans and specifications for the TUMF Improvements have been submitted to and approved by AGENCY. Approval by AGENCY shall not relieve Developer from ensuring that all TUMF Improvements conform with all other requirements and standards set forth in this Agreement.

2.2 Permits and Notices. Prior to commencing any work, Developer shall, at its sole cost, expense, and liability, obtain all necessary permits and licenses and give all necessary and incidental notices required for the lawful construction of the TUMF Improvements and performance of Developer's obligations under this Agreement. Developer shall conduct the work in full compliance with the regulations, rules, and other requirements contained in any permit or license issued to Developer.

2.3 Public Works Requirements. In order to insure that the TUMF Improvements will be constructed as if they had been constructed under the direction and supervision, or under the

authority of, AGENCY, Developer shall comply with all of the following requirements with respect to the construction of the TUMF Improvements:

(a) Developer shall obtain bids for the construction of the TUMF Improvements, in conformance with the standard procedures and requirements of AGENCY with respect to its public works projects, or in a manner which is approved by the Public Works Department.

(b) The contract or contracts for the construction of the TUMF Improvements shall be awarded to the responsible bidder(s) submitting the lowest responsive bid(s) for the construction of the TUMF Improvements.

(c) Developer shall require, and the specifications and bid and contract documents shall require, all such contractors to pay prevailing wages (in accordance with Articles 1 and 2 of Chapter 1, Part 7, Division 2 of the Labor Code) and to otherwise comply with applicable provisions of the Labor Code, the Government Code and the Public Contract Code relating to public works projects of cities/counties and as required by the procedures and standards of AGENCY with respect to the construction of its public works projects or as otherwise directed by the Public Works Department.

(d) All such contractors shall be required to provide proof of insurance coverage throughout the term of the construction of the TUMF Improvements which they will construct in conformance with AGENCY's standard procedures and requirements.

(e) Developer and all such contractors shall comply with such other requirements relating to the construction of the TUMF Improvements which AGENCY may impose by written notification delivered to Developer and each such contractor at any time, either prior to the receipt of bids by Developer for the construction of the TUMF Improvements, or, to the extent required as a result of changes in applicable laws, during the progress of construction thereof.

Developer shall provide proof to AGENCY, at such intervals and in such form as AGENCY may require that the foregoing requirements have been satisfied as to the TUMF Improvements.

2.4 Quality of Work; Compliance With Laws and Codes. The construction plans and specifications for the TUMF Improvements shall be prepared in accordance with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements. The TUMF Improvements shall be completed in accordance with all approved maps, plans, specifications, standard drawings, and special amendments thereto on file with AGENCY, as well as all applicable federal, state, and local laws, ordinances, regulations, codes, standards, and other requirements applicable at the time work is actually commenced.

2.5 Standard of Performance. Developer and its contractors, if any, shall perform all work required, constructing the TUMF Improvements in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Developer represents and maintains that it or its contractors shall be skilled in the professional calling necessary to perform the work. Developer warrants that

all of its employees and contractors shall have sufficient skill and experience to perform the work assigned to them, and that they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the work, and that such licenses, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.

2.6 Alterations to TUMF Improvements. All work shall be done and the TUMF Improvements completed as shown on approved plans and specifications, and any subsequent alterations thereto. If during the course of construction and installation it is determined that the public interest requires alterations in the TUMF Improvements, Developer shall undertake such design and construction changes as may be reasonably required by AGENCY. Any and all alterations in the plans and specifications and the TUMF Improvements to be completed may be accomplished without first giving prior notice thereof to Developer's surety for this Agreement.

3.0 Maintenance of TUMF Improvements. AGENCY shall not be responsible or liable for the maintenance or care of the TUMF Improvements until AGENCY approves and accepts them. AGENCY shall exercise no control over the TUMF Improvements until accepted. Any use by any person of the TUMF Improvements, or any portion thereof, shall be at the sole and exclusive risk of Developer at all times prior to AGENCY's acceptance of the TUMF Improvements. Developer shall maintain all of the TUMF Improvements in a state of good repair until they are completed by Developer and approved and accepted by AGENCY, and until the security for the performance of this Agreement is released. It shall be Developer's responsibility to initiate all maintenance work, but if it shall fail to do so, it shall promptly perform such maintenance work when notified to do so by AGENCY. If Developer fails to properly prosecute its maintenance obligation under this section, AGENCY may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. AGENCY shall not be responsible or liable for any damages or injury of any nature in any way related to or caused by the TUMF Improvements or their condition prior to acceptance. In no event shall WRCOG be responsible for the maintenance, operation or care of the TUMF Improvements

4.0 Fees and Charges. Developer shall, at its sole cost, expense, and liability, pay all fees, charges, and taxes arising out of the construction of the TUMF Improvements, including, but not limited to, all plan check, design review, engineering, inspection, sewer treatment connection fees, and other service or impact fees established by AGENCY.

5.0 AGENCY Inspection of TUMF Improvements. Developer shall, at its sole cost, expense, and liability, and at all times during construction of the TUMF Improvements, maintain reasonable and safe facilities and provide safe access for inspection by AGENCY of the TUMF Improvements and areas where construction of the TUMF Improvements is occurring or will occur.

6.0 Liens. Upon the expiration of the time for the recording of claims of liens as prescribed by Sections 8412 and 8414 of the Civil Code with respect to the TUMF Improvements, Developer shall provide to AGENCY such evidence or proof as AGENCY shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment to the construction of the TUMF Improvements, have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation. Rather than await the expiration of the said time for the recording of claims of liens, Developer may elect to provide to AGENCY a title insurance

policy or other security acceptable to AGENCY guaranteeing that no such claims of liens will be recorded or become a lien upon any of the Property.

7.0 Acceptance of TUMF Improvements; As-Built or Record Drawings. If the TUMF Improvements are properly completed by Developer and approved by AGENCY, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, AGENCY shall be authorized to accept the TUMF Improvements. AGENCY may, in its sole and absolute discretion, accept fully completed portions of the TUMF Improvements prior to such time as all of the TUMF Improvements are complete, which shall not release or modify Developer's obligation to complete the remainder of the TUMF Improvements. Upon the total or partial acceptance of the TUMF Improvements by AGENCY, Developer shall file with the Recorder's Office of the County of Riverside a notice of completion for the accepted TUMF Improvements in accordance with California Civil Code sections 8182, 8184, 9204, and 9208 ("Notice of Completion"), at which time the accepted TUMF Improvements shall become the sole and exclusive property of AGENCY without any payment therefore. Notwithstanding the foregoing, AGENCY may not accept any TUMF Improvements unless and until Developer provides one (1) set of "as-built" or record drawings or plans to the AGENCY for all such TUMF Improvements. The drawings shall be certified and shall reflect the condition of the TUMF Improvements as constructed, with all changes incorporated therein.

8.0 Warranty and Guarantee. Developer hereby warrants and guarantees all the TUMF Improvements against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of the TUMF Improvements, for a period of one (1) year following completion of the work and acceptance by AGENCY ("Warranty"). During the Warranty, Developer shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the TUMF Improvements, in accordance with the current ordinances, resolutions, regulations, codes, standards, or other requirements of AGENCY, and to the approval of AGENCY. All repairs, replacements, or reconstruction during the Warranty shall be at the sole cost, expense, and liability of Developer and its surety. As to any TUMF Improvements which have been repaired, replaced, or reconstructed during the Warranty, Developer and its surety hereby agree to extend the Warranty for an additional one (1) year period following AGENCY's acceptance of the repaired, replaced, or reconstructed TUMF Improvements. Nothing herein shall relieve Developer from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any TUMF Improvement following expiration of the Warranty or any extension thereof. Developer's warranty obligation under this section shall survive the expiration or termination of this Agreement.

9.0 Administrative Costs. If Developer fails to construct and install all or any part of the TUMF Improvements, or if Developer fails to comply with any other obligation contained herein, Developer and its surety shall be jointly and severally liable to AGENCY for all administrative expenses, fees, and costs, including reasonable attorney's fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

10.0 Default; Notice; Remedies.

10.1 Notice. If Developer neglects, refuses, or fails to fulfill or timely complete any obligation, term, or condition of this Agreement, or if AGENCY determines there is a violation of any federal, state, or local law, ordinance, regulation, code, standard, or other requirement, AGENCY may at any time thereafter declare Developer to be in default or violation of this Agreement and make written demand upon Developer or its surety, or both, to immediately remedy the default or violation ("Notice"). Developer shall substantially commence the work required to remedy the default or violation within five (5) days of the Notice. If the default or violation constitutes an immediate threat to the public health, safety, or welfare, AGENCY may provide the Notice verbally, and Developer shall substantially commence the required work within twenty-four (24) hours thereof. Immediately upon AGENCY's issuance of the Notice, Developer and its surety shall be liable to AGENCY for all costs of construction and installation of the TUMF Improvements and all other administrative costs or expenses as provided for in this Section 10.0 of this Agreement.

10.2 Failure to Remedy; AGENCY Action. If the work required to remedy the noticed default or violation is not diligently prosecuted to a completion acceptable to AGENCY within the time frame contained in the Notice, AGENCY may complete all remaining work, arrange for the completion of all remaining work, and/or conduct such remedial activity as in its sole and absolute discretion it believes is required to remedy the default or violation. All such work or remedial activity shall be at the sole and absolute cost, expense, and liability of Developer and its surety, without the necessity of giving any further notice to Developer or surety. AGENCY's right to take such actions shall in no way be limited by the fact that Developer or its surety may have constructed any of the TUMF Improvements at the time of AGENCY's demand for performance. In the event AGENCY elects to complete or arrange for completion of the remaining work and the TUMF Improvements, AGENCY may require all work by Developer or its surety to cease in order to allow adequate coordination by AGENCY.

10.3 Other Remedies. No action by AGENCY pursuant to this Section 10.0 et seq. of this Agreement shall prohibit AGENCY from exercising any other right or pursuing any other legal or equitable remedy available under this Agreement or any federal, state, or local law. AGENCY may exercise its rights and remedies independently or cumulatively, and AGENCY may pursue inconsistent remedies. AGENCY may institute an action for damages, injunctive relief, or specific performance.

11.0 Security; Surety Bonds. Prior to the commencement of any work on the TUMF Improvements, Developer or its contractor shall provide AGENCY with surety bonds in the amounts and under the terms set forth below ("Security"). The amount of the Security shall be based on the estimated actual costs to construct the TUMF Improvements, as determined by AGENCY after Developer has awarded a contract for construction of the TUMF Improvements to the lowest responsive and responsible bidder in accordance with this Agreement ("Estimated Costs"). If AGENCY determines, in its sole and absolute discretion, that the Estimated Costs have changed, Developer or its contractor shall adjust the Security in the amount requested by AGENCY. Developer's compliance with this Section 11.0 et seq. of this Agreement shall in no way limit or modify Developer's indemnification obligation provided in Section 12.0 of this Agreement.

11.1 Performance Bond. To guarantee the faithful performance of the TUMF Improvements and all the provisions of this Agreement, to protect AGENCY if Developer is in default as set forth in Section 10.0 et seq. of this Agreement, and to secure the one-year guarantee and warranty of the TUMF Improvements, Developer or its contractor shall provide AGENCY a faithful performance bond in an amount which sum shall be not less than one hundred percent (100%) of the Estimated Costs. The AGENCY may, in its sole and absolute discretion, partially release a portion or portions of the security provided under this section as the TUMF Improvements are accepted by AGENCY, provided that Developer is not in default on any provision of this Agreement and the total remaining security is not less than _____ (___%) of the Estimated Costs. All security provided under this section shall be released at the end of the Warranty period, or any extension thereof as provided in Section 11.0 of this Agreement, provided that Developer is not in default on any provision of this Agreement.

11.2 Labor & Material Bond. To secure payment to the contractors, subcontractors, laborers, materialmen, and other persons furnishing labor, materials, or equipment for performance of the TUMF Improvements and this Agreement, Developer or its contractor shall provide AGENCY a labor and materials bond in an amount which sum shall not be less than one hundred percent (100%) of the Estimated Costs. The security provided under this section may be released by written authorization of AGENCY after six (6) months from the date AGENCY accepts the TUMF Improvements. The amount of such security shall be reduced by the total of all stop notice or mechanic's lien claims of which AGENCY is aware, plus an amount equal to twenty percent (20%) of such claims for reimbursement of AGENCY's anticipated administrative and legal expenses arising out of such claims.

11.3 Additional Requirements. The surety for any surety bonds provided as Security shall have a current A.M. Best rating of at least "A" and FSC-VIII, shall be licensed to do business in California, and shall be satisfactory to AGENCY. As part of the obligation secured by the Security and in addition to the face amount of the Security, Developer, its contractor or the surety shall secure the costs and reasonable expenses and fees, including reasonable attorney's fees and costs, incurred by AGENCY in enforcing the obligations of this Agreement. Developer, its contractor and the surety shall stipulate and agree that no change, extension of time, alteration, or addition to the terms of this Agreement, the TUMF Improvements, or the plans and specifications for the TUMF Improvements shall in any way affect its obligation on the Security.

11.4 Evidence and Incorporation of Security. Evidence of the Security shall be provided on the forms set forth in Exhibit "B", unless other forms are deemed acceptable by the AGENCY, and when such forms are completed to the satisfaction of AGENCY, the forms and evidence of the Security shall be attached hereto as Exhibit "B" and incorporated herein by this reference.

12.0 Indemnification. Developer shall defend, indemnify, and hold harmless AGENCY, the Western Riverside Council of Governments (WRCOG), their elected officials, board members, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental agency, arising out of or incident to any acts, omissions, negligence, or willful misconduct of Developer, its employees, contractors, or agents in connection with the performance of this Agreement, or

arising out of or in any way related to or caused by the TUMF Improvements or their condition prior to AGENCY's approval and acceptance of the TUMF Improvements ("Claims"). This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorney fees, and related costs or expenses, and the reimbursement of AGENCY, WRCOG, their elected officials, board members, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any Claim which is caused solely and exclusively by the negligence or willful misconduct of AGENCY as determined by a court or administrative body of competent jurisdiction. Developer's obligation to indemnify shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by AGENCY, WRCOG, their elected officials, board members, employees, or agents.

13.0 Insurance.

13.1 Types; Amounts. Developer shall procure and maintain, and shall require its contractors to procure and maintain, during performance of this Agreement, insurance of the types and in the amounts described below ("Required Insurance"). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this Agreement or be no less than two times the specified occurrence limit.

13.1.1 General Liability. Occurrence form general liability insurance at least as broad as Insurance Services Office Form CG 00 01, or equivalent form, with an occurance limit of Two Million Dollars ($2,000,000) and aggregate limit of Four Million Dollars ($4,000,000) for bodily injury, personal injury, and property damage.

13.1.2 Business Automobile Liability. Business automobile liability insurance at least as broad as Insurance Services Office Form CA 00 01 (coverage symbol 1 – any auto), or equivalent form, with a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence. Such insurance shall include coverage for the ownership, operation, maintenance, use, loading, or unloading of any auto owned, leased, hired, or borrowed by the insured or for which the insured is responsible.

13.1.3 Workers' Compensation. Workers' compensation insurance with limits as required by the Labor Code of the State of California and employers' liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence, at all times during which insured retains employees.

13.1.4 Professional Liability. For any consultant or other professional who will engineer or design the TUMF Improvements, liability insurance for errors and omissions with limits not less than Two Million Dollars ($2,000,000) per occurrence, shall be procured and maintained for a period of five (5) years following completion of the TUMF Improvements. Such insurance shall be endorsed to include contractual liability.

13.2 Deductibles. Any deductibles or self-insured retentions must be declared to and approved by AGENCY. At the option of AGENCY, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects AGENCY, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial

guarantee satisfactory to AGENCY guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

13.3 Additional Insured; Separation of Insureds. The Required Insurance, except for the professional liability and workers' compensation insurance, shall name AGENCY, WRCOG, their elected officials, board members, officers, employees, and agents as additional insureds with respect to work performed by or on behalf of Developer or its contractors, including any materials, parts, or equipment furnished in connection therewith. For Required Insurance provided by Developer's contractors, WRCOG shall be added as an additional insured using ISO CG 2038 or an exact equivalent. The Required Insurance shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of its protection to AGENCY, WRCOG, their elected officials, board members, officers, employees, or agents.

13.4 Primary Insurance; Waiver of Subrogation. The Required Insurance, except for the professional liability and workers' compensation insurance shall be primary with respect to any insurance or self-insurance programs covering AGENCY, WRCOG, their elected officials, board members, officers, employees, or agents. The Required Insurance, except for the professional liability insurance, shall provide that the insurance company waives all right of recovery by way of subrogation against AGENCY and WRCOG in connection with any damage or harm covered by such policy.

13.5 Certificates; Verification. Developer and its contractors shall furnish AGENCY with original certificates of insurance and endorsements effecting coverage for the Required Insurance. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by AGENCY before work pursuant to this Agreement can begin. AGENCY reserves the right to require complete, certified copies of all required insurance policies, at any time.

13.6 Term; Cancellation Notice. Developer and its contractors shall maintain the Required Insurance for the term of this Agreement and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide that the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on thirty (30) days' prior written notice to AGENCY. If such notice of cancellation endorsements are unavailable, Developer shall provide such thirty (30) days' written notice of cancellation.

13.7 Insurer Rating. Unless approved in writing by AGENCY, all Required Insurance shall be placed with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least "A" and FSC-VIII.

14.0 TUMF Credit.

14.1 Developer's TUMF Obligation. Developer hereby agrees and accepts that as of the date of this Agreement, the amount Developer is obligated to pay to AGENCY pursuant to Ordinance No. 244 as part of the TUMF Program is **one million, one hundred eighty-two thousand, one hundred and sixty-eight dollars ($1,182,168)** ("TUMF Obligation"). This TUMF Obligation shall be initially determined under the TUMF fee schedule in effect for the

AGENCY at the time the Developer submits a building permit application for the TUMF Improvement. Notwithstanding, this TUMF Obligation does not have to be paid until the Certificate of Occupancy is obtained.

14.2 Fee Adjustments. Notwithstanding the foregoing, Developer agrees that this Agreement shall not estop AGENCY from adjusting the TUMF in accordance with the provisions of Ordinance No. 244.

14.3 Credit Offset Against TUMF Obligation. Pursuant to Ordinance No. 244 and in consideration for Developer's obligation under this Agreement for the delivery of TUMF Improvements, credit shall be applied by AGENCY to offset the TUMF Obligation ("Credit") subject to adjustment and reconciliation under Section 14.5 of this agreement. Developer hereby agrees that the amount of the Credit shall be applied after Developer has initiated the process of project delivery of TUMF Improvements to the lowest responsible bidder in accordance with this Agreement. Developer further agrees that the dollar amount of the Credit shall be equal to the lesser of: (A) the bid amount set forth in the contract awarded to the lowest responsible bidder, or (B) the unit cost assumptions for the TUMF Improvement in effect at the time of the contract award, as such assumptions are identified and determined in the most recent TUMF Nexus Study and the TUMF Administrative Plan adopted by WRCOG ("Unit Cost Assumptions").

The bid amount and the Unit Cost Assumptions shall hereafter be collectively referred to as "Estimated Credit". At no time will the Credit exceed the Developer's TUMF Obligation. If the dollar amount of the Estimated Credit exceeds the dollar amount of the TUMF Obligation, Developer will be deemed to have completely satisfied its TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. If the dollar amount of the Estimated Credit is less than the dollar amount of the TUMF Obligation, the Developer agrees the Credit shall be applied to offset the TUMF Obligation as follows:

(i) For residential units in the Project, the Credit shall be applied to all residential units to offset and/or satisfy the TUMF Obligation. The residential units for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to each unit, shall be identified in the notice provided to the Developer by AGENCY pursuant to this section.

(ii) For commercial and industrial structures in the Project, the Credit shall be applied to all commercial and industrial development to offset and/or satisfy the TUMF Obligation. The commercial or industrial structure(s) for which the TUMF Obligation has been offset and/or satisfied by use of the Credit, and the amount of offset applicable to such structure(s), shall be identified in the notice provided to the Developer by AGENCY pursuant to this section.

AGENCY shall provide Developer written notice of the determinations that AGENCY makes pursuant to this section, including how the Credit is applied to offset the TUMF Obligation as described above.

14.4 Verified Cost of the TUMF Improvements. Upon recordation of the Notice of Completion for the TUMF Improvements and acceptance of the TUMF Improvements by AGENCY, Developer shall submit to the AGENCY Public Works Director the information set forth in the attached Exhibit "C". The AGENCY Public Works Director, or his or her designee, shall use the information provided by Developer to calculate the total actual costs incurred by Developer in delivering the TUMF Improvements covered under this Agreement ("Verified Costs"). The AGENCY Public Works Director will use his or her best efforts to determine the amount of the Verified Costs and provide Developer written notice thereof within thirty (30) calendar days of receipt of all the required information from Developer. The Agency may request that WRCOG calculate the amount of the Verified Cost. In this case, the AGENCY shall provide WRCOG written notice and all necessary documentation and allow WRCOG fifteen (15) days to determine costs. Agency will notify the Developer within the previous thirty (30) day deadline

14.5 Reconciliation; Final Credit Offset Against TUMF Obligation. The Developer is aware of and accepts the fact that Credits are speculative and conceptual in nature. The actual amount of Credit that shall be applied by AGENCY to offset the TUMF Obligation shall be equal to the lesser of: (A) the Verified Costs or (B) Unit Cost Assumptions for the TUMF Improvements as determined in accordance with Section 14.3 of this Agreement ("Actual Credit"). No Actual Credit will be awarded until the Verified Costs are determined through the reconciliation process. Please be advised that while a Developer may use an engineer's estimates in order to estimate Credits for project planning purposes, the Actual Credit awarded will only be determined by the reconciliation process.

(a) TUMF Balance. If the dollar amount of the Actual Credit is less than the dollar amount of the TUMF Obligation, the AGENCY Public Works Director shall provide written notice to Developer of the amount of the difference owed ("TUMF Balance") and Developer shall pay the TUMF Balance in accordance with City to fully satisfy the TUMF Obligation (see Exhibit "F" - Example "A").

(b) TUMF Reimbursement. If the dollar amount of the Actual Credit exceeds the TUMF Obligation, Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may apply for a reimbursement agreement, to the extent applicable, as provided in Section 14.6 of this Agreement. AGENCY shall provide Developer written notice of the determinations that AGENCY makes pursuant to this section (see Exhibit "F" - Example "B").

(c) TUMF Overpayment. If the dollar amount of the Actual Credit exceeds the Estimated Credit, but is less than the TUMF Obligation, but the Actual Credit plus additional monies collected by AGENCY from Developer for the TUMF Obligation exceed the TUMF Obligation ("TUMF Overpayment"), Developer will be deemed to have fully satisfied the TUMF Obligation for the Project and may be entitled to a refund. The AGENCY's Public Works Director shall provide written notice to WRCOG and the Developer of the amount of the TUMF Overpayment and AGENCY shall direct WRCOG to refund the Developer in accordance with City (see Exhibit "F" - Example C)

14.6 Reimbursement Agreement. If authorized under either Section 14.3 or Section 14.5 Developer may apply to AGENCY and WRCOG for a reimbursement agreement for the amount by which the Actual Credit exceeds the TUMF Obligation, as determined pursuant to Section 14.3 of this Agreement, Ordinance No. 244, and the TUMF Administrative Plan adopted by WRCOG ("Reimbursement Agreement"). If AGENCY and WRCOG agree to a Reimbursement Agreement with Developer, the Reimbursement Agreement shall be executed on the form set forth in Exhibit "D," and shall contain the terms and conditions set forth therein. The Parties agree that the Reimbursement Agreement shall be subject to all terms and conditions of this Agreement, and that upon execution, an executed copy of the Reimbursement Agreement shall be attached hereto and shall be incorporated herein as a material part of this Agreement as though fully set forth herein.

15.0 Miscellaneous.

15.1 Assignment. Developer may, as set forth herein, assign all or a portion of its rights pursuant to this Agreement to a purchaser of a portion or portions of the Property ("Assignment"). Developer and such purchaser and assignee ("Assignee") shall provide to AGENCY such reasonable proof as it may require that Assignee is the purchaser of such portions of the Property. Any assignment pursuant to this Section shall not be effective unless and until Developer and Assignee have executed an assignment agreement with AGENCY in a form reasonably acceptable to AGENCY, whereby Developer and Assignee agree, except as may be otherwise specifically provided therein, to the following: (1) that Assignee shall receive all or a portion of Developer's rights pursuant to this Agreement, including such credit as is determined to be applicable to the portion of the Property purchased by Assignee pursuant to Section 14.0 et seq. of this Agreement, and (2) that Assignee shall be bound by all applicable provisions of this Agreement.

15.2 Relationship Between the Parties. The Parties hereby mutually agree that this Agreement shall not operate to create the relationship of partnership, joint venture, or agency between or among AGENCY. WRCOG and Developer. Developer's contractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of AGENCY. This Agreement shall be interpreted and administered in a manner consistent with the TUMF Administrative Plan in effect at the time this Agreement is executed.

15.3 Warranty as to Property Ownership; Authority to Enter Agreement. Developer hereby warrants that it owns fee title to the Property and that it has the legal capacity to enter into this Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

15.4 Prohibited Interests. Developer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Developer, to solicit or secure this Agreement. Developer also warrants that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Developer, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon the making of this Agreement. For breach of this warranty, AGENCY shall have the right to rescind this Agreement without liability.

15.5 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY: Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501

Attention: Executive Director
Telephone: (951) 405-6700
Fax No. (951) 223-9720

To Developer: D.R. Horton Los Angeles Holding Company, Inc.
Attn: Jennifer O'Leary
2280 Wardlow Circle, Suite 100
Corona, CA 92880
Fax No. (800) 975-4461

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

15.6 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.

15.7 Construction; References; Captions. It being agreed the Parties or their agents have participated 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 Developer include all personnel, employees, agents, and contractors of Developer, except as otherwise specified in this Agreement. All references to AGENCY 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.

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

15.9 Termination. This Agreement shall terminate 10 years after the Effective Date, unless extended in writing by the Parties. In addition, this Agreement shall terminate 5 years after the Effective Date in the event that the TUMF Improvements as specified in the Credit Agreement is not commenced within 5 years of the Effective Date.

15.9.1 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 right by custom, estoppel, or otherwise.

15.9.2 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

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

15.9.4 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.

15.9.5 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

15.9.6 Time is of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with due diligence to complete all covenants and conditions.

15.9.7 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

15.9.8 Entire Agreement. This Agreement contains the entire agreement between AGENCY and Developer and supersedes any prior oral or written statements or agreements between AGENCY and Developer.

[SIGNATURES OF PARTIES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

DEVELOPER:
D.R. HORTON LOS ANGELES HOLDING COMPANY, INC.,
a California corporation

By: _____

Its: _____

ATTEST:

By: _____
Its: _____

WESTERN RIVERSIDE COUNCIL OF GOVERNMENT:

By: _____
Its: Executive Director-_____

ATTEST:

By: _____
Its: _____

AGENCY:
CITY OF WILDOMAR

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

[ATTACH BEHIND THIS PAGE]

Real property in the City of Wildomar, County of Riverside, State of California, described as follows:

PARCEL A: (APN: 380-210-004)

PARCEL 3 OF PARCEL MAPS 8828, IN THE UNINCORPORATED AREA OF RIVERSIDE, AS SHOWN BY PARCEL MAP ON FILE IN BOOK 43, PAGE(S) 99 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B: (APN: 380-160-017 AND 380-160-018)

LOT 1 AS SHOWN ON CERTIFICATE OF COMPLIANCE RECORDED DECEMBER 7, 2022 AS INSTRUMENT NO. 2022-0493466 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF BLOCK "M" OF ELSINORE, AS SHOWN BY MAP ON FILE IN BOOK 4, PAGE 174, OF MAPS, IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE PARCEL SHOWN ON MAP ON FILE IN BOOK 107, PAGE 83, OF RECORDS OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORINIA; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID PARCEL, THE FOLLOWING (3) COURSES: 1. NORTH 24°18'03" WEST, 908.64 FEET; 2. NORTH 26°27'46" WEST, 402.49 FEET; 3. NORTH 13°18'05" WEST, 533.21 FEET TO THE NORTHEAST CORNER OF SAID PARCEL, SAID CORNER ALSO BEING A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF THE A.T.&S.F. RIGHT OF WAY, ABANDONED, (100 FEET WIDE), SAID POINT BEING A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 5679.65 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 44°56'58" EAST; THENCE SOUTHEASTERLY ALONG SAID RIGHT OF WAY AND SAID CURVE, THROUGH A CENTRAL ANGLE OF 0°10'11", AN ARC LENGTH OF 16.82 FEET; THENCE CONTINUING SOUTHEASTERLY ALONG SAID RIGHT OF WAY, SOUTH 44°52'51" EAST A DISTANCEOF 1743.59 FEET, TO A POINT ON THE SOUTHERLY LINE OF RANCHO LA LAGUNA, AS SHOWN ON AFORE MENTIONED RECORD OF SURVEY; THENCE LEAVING SAID SOUTHWESTERLY RIGHT OF WAY, SOUTH 50°54'43" EAST, ALONG SAID SOUTHERLY LINE OF RANCHO LA LAGUNA, A DISTANCE OF 779.80 FEET, TO THE POINT OF BEGINNING.

PARCEL C: (APN: 380-210-008 AND 380-210-005)

PARCEL 4 OF PARCEL MAP 8828, AS SHOWN BY MAP ON FILE IN BOOK 43, PAGE 99 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL D: (APN: 380-210-003)

PARCEL 2 OF PARCEL MAP 8828 AS SHOWN BY MAP ON FILE IN BOOK 43, PAGE 99 OF PARCEL MAPS, RIVERSIDE COUNTY RECORDS.

PARCEL E: (APN: 380-210-016)

PARCEL B AS SHOWN ON LOT LINE ADJUSTMENT NO 4447, AS EVIDENCED BY DOCUMENT RECORDED OCTOBER 4, 2002 AS INSTRUMENT NO. 2002-555294 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF PARCEL 2 OF PARCEL MAP 29005, AS SHOWN BY MAP ON FILE IN BOOK 197 OF PARCEL MAPS, PAGES 1 THROUGH 3, INCLUSIVE, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER, AND THAT PORTION OF BLOCK "M", AS SHOWN ON "MAP OF BLOCKS K, L, & M ELSINORE", ON FILE IN BOOK 4, PAGE 174, OF MAPS, IN THE OFFICE OF THE SAN DIEGO COUNTY RECORDER, DESCRIBED AS FOLLOWS:

COMMENCING AT RANCHO LA LAGUNA CORNER #13; THENCE SOUTH 50° 00' 00" WEST 197.94 FEET (NORTH 50° 56' 06" EAST 197.18 FEET PER PM 197/1-3 TO THE INTERSECTION OF THE RANCHO LA LAGUNA LINE AND THE CENTERLINE OF THE COUNTY ROAD DESCRIBED BY DEED RECORDED IN BOOK 406, PAGE 98 OF DEEDS, ON 3-18-15 (CURRENTLY KNOWN AS PALOMAR STREET); THENCE CONTINUING SOUTH 50° 00' 00" WEST 30.03 FEET TO THE WESTERLY RIGHT OF WAY LINE OF THE ABOVE MENTIONED PALOMAR STREET, ALSO BEING THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 50° 00' 00" WEST 616.75 FEET, MORE OR LESS, (NORTH 50° 56' 06" EAST PER PM 197/1-3) TO THE SOUTHERLY CORNER OF SAID PARCEL 2; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 2, NORTH 44° 52' 39" WEST 348.19 FEET, MORE OR LESS; THENCE LEAVING SAID LINE, NORTH 50° 58' 54" EAST 660.97 FEET, MORE OR LESS, TO A POINT ON THE CURVED WESTERLY RIGHT OF WAY LINE OF PALOMAR STREET, SAID CURVE BEING CONCAVE EASTERLY HAVING A RADIUS OF 388.10 FEET, A RADIAL TO SAID POINT BEARS SOUTH 68° 59' 42" WEST; THENCE SOUTHERLY ALONG SAID OF WAY LINE THROUGH A CENTRAL ANGLE OF 20° 44' 56" AND AN ARC LENGTH OF 140.55 FEET; THENCE SOUTH 41° 45' 16" EAST 207.57 FEET, MORE OR LESS, (NORTH 42° 14' WEST PER INST. 406/98, 3-18-15) TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF TAKEN BY FINAL ORDER OF CONDEMNATION RECORDED MARCH 7, 2011 AS INSTRUMENT NO. 2011-0103417 OF OFFICIAL RECORDS.

EXHIBIT “B”

FORMS FOR SECURITY

[ATTACHED BEHIND THIS PAGE]

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

PERFORMANCE BOND

WHEREAS, the [INSERT "City" OR "County"] of _____ ("AGENCY") has executed an agreement with _____ (hereinafter "Developer"), requiring Developer to perform certain work consisting of but not limited to, furnishing all labor, materials, tools, equipment, services, and incidentals for the construction of street and transportation system improvements (hereinafter the "Work");

WHEREAS, the Work to be performed by Developer is more particularly set forth in that certain TUMF Improvement and Credit/Reimbursement Agreement dated _____, (hereinafter the "Agreement"); and

WHEREAS, the Agreement is hereby referred to and incorporated herein by this reference; and

WHEREAS, Developer or its contractor is required by the Agreement to provide a good and sufficient bond for performance of the Agreement, and to guarantee and warranty the Work constructed thereunder.

NOW, THEREFORE, we the undersigned, _____, as Principal and _____, a corporation organized and existing under the laws of the State of _____ and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the AGENCY in the sum of _____ ($_____), said sum being not less than one hundred percent (100%) of the total cost of the Work as set forth in the Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such, that if Developer and its contractors, or their heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, agreements, guarantees, and warranties in the Agreement and any alteration thereof made as therein provided, to be kept and performed at the time and in the manner therein specified and in all respects according to their intent and meaning, and to indemnify and save harmless AGENCY, its officers, employees, and agents, as stipulated in the Agreement, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by AGENCY in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Agreement or to the Work to be performed

thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the Work.

IN WITNESS WHEREOF, we have hereto set our hands and seals this ____ day on _____, 20__.

_____
Principal

By: _____
President

_____
Surety

By: _____
Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE §1189**

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.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me,

_____,
Date Here Insert Name and Title of the Officer

personally appeared _____,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 _____
Signa
ture of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title of Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner - ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator

Signer's Name: _____
☐ Corporate Officer – Title(s): _____
☐ Partner - ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator

EXHIBIT B-4

☐Other:_____

_____

_____

Signer is Representing:___

_

_____

_

☐Other:_____

_____

_____

Signer is Representing:___

_

_____

_

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the _____ Secretary of the corporation named as principal in the attached bond, that _____ who signed the said bond on behalf of the principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.

(Corporate Seal)

_____
Signature

_____
Date

NOTE: A copy of the power of attorney to local representatives of the bonding company may be attached hereto.

BOND NO. _____
INITIAL PREMIUM: _____
SUBJECT TO RENEWAL

LABOR & MATERIAL BOND

WHEREAS, the [INSERT "City" OR "County"] of _____ ("AGENCY") has executed an agreement with _____ (hereinafter "Developer"), requiring Developer to perform certain work consisting of but not limited to, furnishing all labor, materials, tools, equipment, services, and incidentals for the construction of street and transportation system improvements (hereinafter "Work");

WHEREAS, the Work to be performed by Developer is more particularly set forth in that certain Improvement and Credit / Reimbursement Agreement dated _____, (hereinafter the "Agreement"); and

WHEREAS, Developer or its contractor is required to furnish a bond in connection with the Agreement providing that if Developer or any of his or its contractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the provisions of 3248 of the California Civil Code, with respect to such work or labor, that the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, we the undersigned, _____, as Principal and _____, a corporation organized and existing under the laws of the State of _____ and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the AGENCY and to any and all material men, persons, companies or corporations furnishing materials, provisions, and other supplies used in, upon, for or about the performance of the said Work, and all persons, companies or corporations renting or hiring teams, or implements or machinery, for or contributing to said Work to be done, and all persons performing work or labor upon the same and all persons supplying both work and materials as aforesaid, the sum of _____ ($_____), said sum being not less than 100% of the total amount payable by Developer under the terms of the Agreement, for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if Developer or its contractors, or their heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Work contracted to be done, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the

Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein.

In case legal action is required to enforce the provisions of this bond, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to court costs, necessary disbursements and other consequential damages. In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to make claims under Sections 8024, 8400, 8402, 8404, 8430, 9100 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the Agreement or to the Work to be performed thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the Work.

IN WITNESS WHEREOF, we have hereto set our hands and seals this ____ day on _____, 20__.

_____
Principal

By: _____
President

_____
Surety

By: _____
Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE §1189**

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.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me,

_____,
Date Here Insert Name and Title of the Officer

personally appeared _____,
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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 _____
Signa
ture of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title of Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer – Title(s): _____	☐ Corporate Officer – Title(s): _____
☐ Partner - ☐ Limited ☐ General	☐ Partner - ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator

☐Other:_____ ☐Other:_____

_____ _____

_____ _____

Signer is Representing:___ Signer is Representing:___

_ _

_____ _____

_ _

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the _____ Secretary of the corporation named as principal in the attached bond, that _____ who signed the said bond on behalf of the principal was then _____ of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.

(Corporate Seal)

_____
Signature

_____
Date

NOTE: A copy of the power of attorney to local representatives of the bonding company may be attached hereto.

EXHIBIT "C"

DOCUMENTATION TO BE PROVIDED TO AGENCY BY DEVELOPER FOR DETERMINATION OF VERIFIED COSTS

To assist AGENCY in determining the Verified Costs for a completed TUMF Improvement, Developer shall provide the following documents to AGENCY:

1. Plans, specifications and Developer's civil engineer's cost estimate;

2. If Developer is seeking Credit for such costs, documentation evidencing cost of any required environmental studies, preparation of designs, plans and specifications, required right of way acquisition, and other costs directly related to the development of the TUMF Improvement. Only actual, documented and reasonable costs directly related to the TUMF Improvement will be considered. Costs should be documented as specified below.

3. Costs claimed for right of way acquisition must be accompanied by an appraisal (no more than two years old at the time of acquisition) completed by an MAI appraiser, and documentation of transfer of such right of way to the AGENCY, or applicable public agency. The appraisal must be approved by the AGENCY as valid and acceptable.

4. List of bidders from whom bids were requested;

5. Construction schedules and progress reports;

6. Contracts, insurance certificates and change orders with each contractor, consultant, service provider or vendor;

7. Invoices received from all contractors, consultants, service providers and vendors;

8. Canceled checks for payments made to contractors, consultants, service providers and vendors (copy both front and back of canceled checks);

9. Spreadsheet showing total costs incurred in and related to the construction of each TUMF Improvement and the check number for each item of cost and invoice;

10. Final lien releases from each contractor and vendor; and

11. Such further documentation as may be reasonably required by AGENCY to evidence the completion of construction and the payment of each item of cost and invoice.

EXHIBIT "D"

REIMBURSEMENT AGREEMENT
TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into this ___ day of _____, 20___, by and between the [INSERT "City" OR "County"] of _____, [**INSERT "a California municipal corporation" FOR CITY OR "a subdivision of the State of California" FOR COUNTY**] ("AGENCY"), the Western Riverside Council of Governments ("WRCOG"), a Joint Powers Agency and _____, a California [**INSERT TYPE OF ENTITY - corporation, partnership, sole proprietorship or other legal entity**], with its principal place of business at [**ENTER ADDRESS**] ("Developer"). AGENCY and Developer are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, AGENCY, WRCOG and Developer are parties to an agreement dated _____, 20___, entitled "Improvement and Credit Agreement - Transportation Uniform Mitigation Fee Program" (hereinafter "Credit Agreement");

WHEREAS, Sections 14.1 through 14.3 of the Credit Agreement provide that Developer is obligated to pay AGENCY the TUMF Obligation, as defined therein, but shall receive credit to offset the TUMF Obligation if Developer constructs and AGENCY accepts the TUMF Improvements in accordance with the Credit Agreement;

WHEREAS, Section 14.5 of the Credit Agreement provides that if the dollar amount of the credit to which Developer is entitled under the Credit Agreement exceeds the dollar amount of the TUMF Obligation, Developer may apply to AGENCY and WRCOG for a reimbursement agreement for the amount by which the credit exceeds the TUMF Obligation;

WHEREAS, Section 14.5 additionally provides that a reimbursement agreement executed pursuant to the Credit Agreement (i) shall be executed on the form attached to the Credit Agreement, (ii) shall contain the terms and conditions set forth therein, (iii) shall be subject to all terms and conditions of the Credit Agreement, and (iv) shall be attached upon execution to the Credit Agreement and incorporated therein as a material part of the Credit Agreement as though fully set forth therein; and

WHEREAS, AGENCY and WRCOG have consented to execute a reimbursement agreement with Developer pursuant to the Credit Agreement, (insert appropriate reference for city or county), and the TUMF Administrative Plan adopted by WRCOG.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

TERMS

1.0 Incorporation of Recitals. The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Effectiveness. This Agreement shall not be effective unless and until the Credit Agreement is effective and in full force in accordance with its terms.

3.0 Definitions. Terms not otherwise expressly defined in this Agreement, shall have the meaning and intent set forth in the Credit Agreement.

4.0 Amount of Reimbursement. Subject to the terms, conditions, and limitations set forth in this Agreement, the Parties hereby agree that Developer is entitled to receive the dollar amount by which the Actual Credit exceeds the dollar amount of the TUMF Obligation as determined pursuant to the Credit Agreement, (insert appropriate reference for city or county), and the TUMF Administrative Plan adopted by WRCOG ("Reimbursement").The Reimbursement shall be subject to verification by WRCOG. AGENCY and Developer shall provide any and all documentation reasonably necessary for WRCOG to verify the amount of the Reimbursement. The Reimbursement shall be in an amount not exceeding [INSERT DOLLAR AMOUNT] ("Reimbursement Amount"). WRCOG shall, upon receipt and approval of information requested by WRCOG, shall be responsible for transmitting the Reimbursement Amount to the Developer. In no event shall the dollar amount of the Reimbursement exceed the difference between the dollar amount of all credit applied to offset the TUMF Obligation pursuant to Section 14.3, 14.4, and 14.5 of the Credit Agreement, and one hundred (100%) of the approved unit awarded, as such assumptions are identified and determined in the Nexus Study and the TUMF Administrative Plan adopted by WRCOG.

5.0 Payment of Reimbursement; Funding Contingency. The payment of the Reimbursement Amount shall be subject to the following conditions:

5.1 Developer shall have no right to receive payment of the Reimbursement unless and until (i) the TUMF Improvements are completed and accepted by AGENCY in accordance with the Credit Agreement, (ii) the TUMF Improvements are scheduled for funding pursuant to the five-year Transportation Improvement Program adopted annually by WRCOG, (iii) WRCOG has funds available and appropriated for payment of the Reimbursement amount.

5.2 Developer shall not be entitled to any interest or other cost adjustment for any delay between the time when the dollar amount of the Reimbursement is determined and the time when payment of the Reimbursement is made to Developer by WRCOG through AGENCY.

6.0 Affirmation of Credit Agreement. AGENCY and Developer represent and warrant to each other that there have been no written or oral modifications or amendments of the Credit Agreement, except by this Agreement. AGENCY and Developer ratify and reaffirm each and every one of their respective rights and obligations arising under the Credit Agreement. AGENCY and Developer represent and warrant that the Credit Agreement is currently an effective, valid, and binding obligation.

7.0 Incorporation Into Credit Agreement. Upon execution of this Agreement, an executed original of this Agreement shall be attached as Exhibit "D" to the Credit Agreement and shall be incorporated therein as a material part of the Credit Agreement as though fully set forth therein.

8.0 Terms of Credit Agreement Controlling. Each Party hereby affirms that all provisions of the Credit Agreement are in full force and effect and shall govern the actions of the Parties under this Agreement as though fully set forth herein and made specifically applicable hereto, including without limitation, the following sections of the Credit Agreement: Sections 10.0 through 10.3, Section 12.0, Sections 13.0 through 13.7, Sections 14.0 through 14.6, and Sections 15.0 through 15.17.

[SIGNATURES OF PARTIES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

_____
("Developer")

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

[INSERT "City" OR "County") of _____

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

EXHIBIT "E"

TUMF CREDIT / REIMBURSEMENT ELIGIBILITY PROCESS

1. Prior to the construction of any TUMF Improvement, Developer shall follow the steps listed below:

(a) Prepare a separate bid package for the TUMF Improvements.

(b) The plans, cost estimate, specifications and contract document shall require all contractors to pay prevailing wages and to comply with applicable provisions of the Labor Code, Government Code, and Public Contract Code relating to Public Works Projects.

(c) Bids shall be obtained and processed in accordance with the formal public works bidding requirements of the AGENCY.

(d) The contract(s) for the construction of TUMF Improvements shall be awarded to the lowest responsible bidder(s) for the construction of such facilities in accordance with the AGENCY's requirements and guidelines.

(e) Contractor(s) shall be required to provide proof of insurance coverage throughout the duration of the construction.

2. Prior to the determination and application of any Credit pursuant to a TUMF Improvement and Credit Agreement executed between AGENCY and Developer ("Agreement"), Developer shall provide the AGENCY and WRCOG with the following:

(a) Copies of all information listed under Item 1 above.

(b) Surety Bond, Letter of Credit, or other form of security permitted under the Agreement and acceptable to the AGENCY and WRCOG, guaranteeing the construction of all applicable TUMF Improvements.

3. Prior to the AGENCY's acceptance of any completed TUMF Improvement, and in order to initiate the construction cost verification process, the Developer shall comply with the requirements as set forth in Sections 7, 14.2 and 14.3 of the Agreement, and the following conditions shall also be satisfied:

(a) Developer shall have completed the construction of all TUMF Improvements in accordance with the approved Plans and Specifications.

(b) Developer shall have satisfied the AGENCY's inspection punch list.

(c) After final inspection and approval of the completed TUMF Improvements, the AGENCY shall have provided the Developer a final inspection release letter.

(d) AGENCY shall have filed a Notice of Completion with respect to the TUMF Improvements pursuant to Section 3093 of the Civil Code with the County Recorder's Office, and provided a copy of filed Notice of Completion to WRCOG.

(e) Developer shall have provided AGENCY a copy of the As-Built plans for the TUMF Improvements.

(f) Developer shall have provided AGENCY copies of all permits or agreements that may have been required by various resource/regulatory agencies for construction, operation and maintenance of any TUMF Improvements.

(g) Developer shall have submitted a documentation package to the AGENCY to determine the final cost of the TUMF Improvements, which shall include at a minimum, the following documents related to the TUMF Improvements:

(i) Plans, specifications, and Developer's Civil Engineer's cost estimates; or Engineer's Report showing the cost estimates.

(ii) If DEVELOPER is seeking Credit for such costs, documentation evidencing cost of any required environmental studies, preparation of designs, plans and specifications, required right of way acquisition, and other costs directly related to the development of the TUMF Improvements. Only actual, documented and reasonable costs directly related to the TUMF Improvements will be considered. Costs should be documented as specified below.

(iii) Costs claimed for right of way acquisition must be accompanied by an appraisal (no more than two years old at the time of acquisition) completed by an MAI appraiser, and documentation of transfer of such right of way to the AGENCY, or applicable public agency. The appraisal must be approved by the AGENCY as valid and acceptable.

(iv) Contracts/agreements, insurance certificates and change orders with each vendor or contractor.

(v) Invoices from all contractors, consultants, service providers and vendors.

(vi) Copies of cancelled checks, front and back, for payments made to contractors, consultants, service providers and vendors.

(vii) Final lien releases from each contractor and vendor (unconditional waiver and release).

(viii) Certified contract workers payroll for AGENCY verification of compliance with prevailing wages.

(ix) A total cost summary, in spreadsheet format (MS Excel is preferred) and on disk, showing a breakdown of the total costs incurred. The summary should

include for each item claimed the check number, cost, invoice numbers, and name of payee. See attached sample for details.

Attachment

TUMF Cooperative Agreement Between Riverside County Transportation Commission, City of Wildomar, and WRCOG – Bundy Canyon Road and Wildomar Trail Interchanges at I-15

Agreement No.

COOPERATIVE AGREEMENT
BETWEEN

RIVERSIDE COUNTY TRANSPORTATION COMMISSION,
CITY OF WILDOMAR, AND WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

FOR THE PREPARATION OF THE BUNDY CANYON ROAD AND WILDOMAR TRAIL INTERCHANGES AT INTERSTATE 15 PROJECT STUDY REPORTS

1. Parties and Date. This Cooperative Agreement ("Agreement") is made and entered into this ____ day of _____, 2024 ("Effective Date"), by and between the Riverside County Transportation Commission (RCTC), City of Wildomar (Wildomar), and Western Riverside Council of Governments (WRCOG). RCTC, Wildomar, and WRCOG may collectively be referred to as the "Parties."

2. Recitals.

2.1 (WRCOG) has allocated $2,000,000 for the preparation of a Project Study Report (PSR) for the Bundy Canyon Road and Wildomar Trail Interchanges at Interstate 15 (collectively the Projects).

2.2 WRCOG and the Wildomar have entered into funding agreements allocating said $2,000,000 for the preparation of a PSR for the Projects

2.3 The Projects are located adjacent to and within the jurisdictional boundaries of the City of Wildomar.

2.4 Wildomar has requested that RCTC be the lead agency for the preparation of the PSR for the Projects.

2.5 RCTC has agreed to act as the lead agency for the preparation of the PSR for the Projects.

2.6 The purpose of this Agreement is to identify the Projects and to set forth the terms and conditions by which WRCOG will release TUMF Program Funds for the Projects and to outline the administration roles and responsibilities for each agency.

3. Terms.

3.1 Preparation of Two Separate PSR's for Bundy Canyon Road and Wildomar Trail Interchanges. RCTC shall prepare a separate PSR for each of the Projects solely using funds allocated by WRCOG. RCTC shall be the lead agency for the preparation of the PSR. The Parties agree that RCTC shall not have any obligation to fund the preparation of the PSR using its own funds. In the case that additional funds are needed

to complete the PSR, the source of funding for the PSR needed beyond the funding described in Section 2.2 or any other phases of the Projects, or construction of any portion or all of the Projects, shall be by an amendment. RCTC shall complete preparation of the PSR within the term of this Agreement, as provided in Section 3.3, unless extended by mutual agreement of the Parties.

3.2 Funding. WRCOG hereby agrees to distribute to RCTC, on the terms and conditions set forth herein, a sum not to exceed, $2,000,000 ("Funding Amount") to be used to reimburse RCTC for expenses incurred in preparation of PSR's for the Projects. The Funding Amount shall also be used to reimburse Wildomar for its staff time. The Funding Amount shall consist of the $2,000,000 in TUMF Program Funds for the Projects. The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Projects.

A Procedures for Distribution of TUMF Program Funds to RCTC and Wildomar. RCTC shall be responsible for initial payment of all costs of the Projects as they are incurred. Following payment of such costs, RCTC shall submit invoices to WRCOG requesting reimbursement of eligible costs for the Projects. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to the RCTC, and documents evidencing RCTC's payment of the invoices or demands for payment. Documents evidencing RCTC'S payment of the invoices shall be retained for four (4) years and shall be made available for review by WRCOG. RCTC shall submit invoices not more often than monthly and not less often than quarterly. Procedures for distribution of TUMF Program Funds to Wildomar shall follow procedures set forth in the separate TUMF Agreement between Wildomar and WRCOG for the applicable interchanges.

B Review and Reimbursement by WRCOG. Upon receipt of an invoice from RCTC, WRCOG may request additional documentation or explanation of the costs for the Projects for which reimbursement is sought. Procedures for review and reimbursement by WRCOG to Wildomar shall follow procedures set forth in the separate TUMF Agreement between Wildomar and WRCOG for the applicable interchanges.

C. Funding Amount/Adjustment. If a post Projects audit or review indicates that WRCOG has provided reimbursement to RCTC in an amount in excess of the amount outlined in Section 3.2 of this Agreement or has provided reimbursement of ineligible costs of the projects, RCTC shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

3.3 Term of Agreement.

The term of this Agreement shall extend from the Effective date (as set forth above) and will remain in effect through January _____, 2027, or until written agreement by the Parties that the Projects have been completed, unless earlier terminated as provided in this Agreement.

3.4 Use of PSR. The Parties understand and agree that the PSR's, upon completion, may be used by Wildomar and/or Caltrans for completion of other phases of the Projects.

3.5. Cooperation. RCTC, Wildomar, and WRCOG agree to cooperate in the development of the PSR for the Projects and the implementation of this Agreement.

3.6 Reporting. RCTC shall, in a timely manner, provide milestone reports to Wildomar and/or WRCOG, detailing the progress of preparation of the PSR.

3.7 Mutual Indemnification.

A. RCTC shall, at its sole cost and expense, indemnify, defend and hold Wildomar and WRCOG, and their respective city councils, elected and appointed officials, officers, employees, agents, those Wildomar agents serving as independent contractors in the role of Wildomar officials, consultants and contractors, and each of them, free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, judgments, penalties, damages or injuries, in law or in equity, to property or persons, including wrongful death, whether actual, alleged or threatened, which arise in any manner out of, pertain to, or relate to, in whole or in part, to any negligent acts, omissions or breach of law, recklessness, or willful misconduct of RCTC, its board, directors, officials, officers, employees, agents, consultants or contractors in the performance of RCTC's obligations under this Agreement, including but expressly not limited to fees of accountants or other professionals, and all costs associated therewith, and the payment of all reasonable attorneys' fees and costs.

B. Wildomar shall, at its sole cost and expense, indemnify, defend and hold RCTC and WRCOG , and their respective directors, board, city council, elected or appointed officials, officers, employees, agents, those RCTC or Wildomar agents serving as independent contractors in the role of RCTC or Wildomar officials, consultants and contractors, and each of them, free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, judgments, penalties, damages or injuries, in law or in equity, to property or persons, including wrongful death, whether actual, alleged, or threatened, which in any manner arise out of, pertain to, or relate to, in whole or in part, to any negligent acts, omissions or breach of law, recklessness, or willful misconduct of Wildomar, its city council, elected or appointed officials, officers, employees, agents, those Wildomar agents serving as independent contractors in the role of Wildomar officials, consultants or contractors in the performance of Wildomar obligations under this Agreement, including but expressly not limited to fees of accountants or other professionals, and all costs associated therewith, and the payment of all reasonable attorneys' fees and costs.

C. WRCOG shall, at its sole cost and expense, indemnify, defend and hold RCTC and Wildomar, and its directors, board, city council, elected or appointed officials, officers, employees, agents, and each of them, free and harmless from any and

all claims, demands, causes of action, costs, expenses, liabilities, losses, judgments, penalties, damages or injuries, in law or in equity, to property or persons, including wrongful death, whether actual, alleged or threatened, which in any manner arise out of, pertain to, or relate to, in whole or in part, to any negligent acts, omissions or breach of law, recklessness, or willful misconduct of WRCOG, its board, elected or appointed officials, officers, employees, agents, in the performance of WRCOG's obligations under this Agreement, including but expressly not limited to fees of accountants or other professionals, and all costs associated therewith, and the payment of all reasonable attorneys' fees and costs.

3.8 RCTC Disclaimer. In no event shall RCTC be responsible or liable for the quality, suitability, operability or condition of any design or construction by the Project consultants or the contractor, as applicable, and RCTC expressly disclaims any and all express or implied representations or warranties with respect thereto, including any warranties of suitability or fitness for use.

3.9 Amendments. The terms and conditions of this Agreement shall not be altered or modified at any time except by a written amendment executed by the mutual consent of the Parties by an instrument in writing.

3.10 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of either Party shall be deemed to waive or render unnecessary such Party's consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

3.11 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Funding Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

3.12 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, shall survive any such expiration or termination.

3.13 Third Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

3.14 Termination. Any Party may terminate this Agreement by giving thirty (30) days written notice thereof.

3.15 Assignment or Transfer. The Parties 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 the other Parties. 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.

3.16 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

3.17 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To RCTC: Riverside County Transportation Commission
4080 Lemon Street, Third Floor
P.O. Box 12008
Riverside, CA 92502-2208
Attention: Executive Director

To Wildomar: City of Wildomar
23873 Clinton Keith Road, Suite 201
Wildomar, California 92595
Attention: Director of Public Works

Copy to:

To WRCOG : Western Riverside Council of Governments
3390 University Ave, Suite 200
Riverside, California 92501
Attention: Executive Director

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

3.18 Time of Performance. Time is of the essence in the performance of this Agreement.

3.19 Governing Law. This Agreement is in all respects governed by California law and venue for any dispute shall be in Riverside County.

3.20 Insurance. The Parties each verify that they are self-insured or maintain insurance coverage through a Joint Powers Authority in reasonable and customary amounts for their respective operations.

3.21 Authority to Enter into 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.

3.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

3.23 Entire Agreement. This Agreement contains the entire agreement of the Parties relating to the subject matter hereof and supersedes all prior negotiations, agreements, or understandings.

[Signatures on following page]

SIGNATURE PAGE
TO
BUNDY CANYON ROAD AND WILDOMAR TRAIL INTERCHANGES AT INTERSTATE 15 PROJECT STUDY REPORT COOPERATIVE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Cooperative Agreement on the date first herein above written.

RIVERSIDE COUNTY
TRANSPORTATION COMMISSION

By: _____
Anne Mayer, Executive Director

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Dr. Kurt Wilson, Executive Director

CITY OF WILDOMAR

By: _____

Title: _____

ATTEST:

By: _____

Title: _____

Attachment

TUMF Funding Agreement Between Riverside County Transportation Commission and Western Riverside Council of Governments for the I-10/Highland Springs Interchange PA&ED Phase

Agreement No. [17-PS-BAN-1191]

FUNDING AGREEMENT
BETWEEN
RIVERSIDE COUNTY TRANSPORTATION COMMISSION AND WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS FOR THE I-10/HIGHLAND SPRINGS INTERCHANGE PA&ED PHASE

1. Parties and Date. This Funding Agreement ("Agreement") is made and entered into this 21 day of February, 2024, (the "Effective Date") by and between the Riverside County Transportation Commission and the Western Riverside Council of Governments

2. Recitals.

2.1 The Western Riverside Council of Governments ("WRCOG") is the Administrator of the Transportation Uniform Mitigation Fee Program of Western Riverside County ("TUMF Program").

2.2 WRCOG allocated $2 million of TUMF Program funding for the preparation of a Project Study Report ("PSR") for the I-10/Highland Springs Interchange (the "Project").

2.3 The cities of Banning, Beaumont, and the Riverside County Transportation Commission ("RCTC") have entered into an Agreement for the preparation of the Project PSR.

2.4 WRCOG and RCTC entered into an agreement, dated January 15, 2020, (the "PSR Agreement") in order to outline the terms and conditions of TUMF Program funding for the Project PSR.

2.5 RCTC has spent approximately $500,0000 of the TUMF Program funding subject to the PSR Agreement.

2.6 RCTC has requested the remaining $1.5 million of TUMF Program funding be reallocated from the PSR Agreement into the Project Approvals & Environmental Document ("PA&ED") phase of the Project.

2.7 In addition to the reallocation request, RCTC has requested an additional $2 million in TUMF Program funding for the Project.

2.8 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 for the Project.

3. Terms.

3.1 Administration of the PA&ED Phase of the Project.

A. RCTC shall administer, as lead agency, the PA&ED phase of the Project. The Parties agree that RCTC shall not have any obligation to fund the administration of the PA&ED work using its own funds. In the case that additional funds are needed to complete the PA&ED phase of the Project , the source of funding for the PA&ED phase of the Project needed beyond the funding described in Section 3.2 of this Agreement or any other phases of the Project, or construction of any portion or all of the Project, shall be by separate agreement(s).

3.2 Funding. WRCOG hereby agrees to distribute to RCTC, on the terms and conditions set forth herein, a sum not to exceed Three Million and Five Hundred Thousand Dollars ($3,500,000), to be used by RCTC for the PA&ED phase of the Project ("Funding Amount") to be used for reimbursing RCTC for Project expenses. The Funding Amount shall consist of the remaining $1,500,000 allocated pursuant to the PSR Agreement and an additional $2,000,000 in TUMF Program Funds. The Parties acknowledge and agree that the Funding Amount may be less than the actual cost of the Project.

3.3 Procedures for Distribution of TUMF Program Funds to RCTC.

A. Initial Payment by the RCTC. RCTC shall be responsible for initial payment of all the Project costs as they are incurred. Following payment of such Project costs, RCTC 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 RCTC, and documents evidencing RCTC's payment of the invoices or demands for payment. Documents evidencing RCTC'S payment of the invoices shall be retained for four (4) years and shall be made available for review by WRCOG. RCTC 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 RCTC, WRCOG may request additional documentation or explanation of the Project costs for which reimbursement is sought.

C. Funding Amount/Adjustment. If a post Project audit or review indicates that WRCOG has provided reimbursement to RCTC in an amount in excess of the amount outlined in Section 3.2 of this Agreement or has provided reimbursement of ineligible Project costs, RCTC shall reimburse WRCOG for the excess or ineligible payments within 30 days of notification by WRCOG.

3.4 Term of Agreement. The term of this Agreement shall extend from the Effective date (as set forth above) and will remain in effect through December 31, 2026, or until written agreement by the Parties that the Project has been completed, unless earlier terminated as provided in this Agreement.

3.5 Accounting. RCTC shall within fifteen (15) days provide a full reporting and accounting of all funds received and expended pursuant to this Agreement during its term.

3.6 Reporting. RCTC shall, in a timely manner, provide milestone reports to WRCOG, detailing the progress of the PA&ED phase of the Project.

3.7 Mutual Indemnification.

A. RCTC shall, at its sole cost and expense, indemnify, defend and hold WRCOG, and its elected and appointed officials, officers, employees, agents, and each of them, free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, judgments, penalties, damages or injuries, in law or in equity, to property or persons, including wrongful death, whether actual, alleged or threatened, which arise in any manner out of, pertain to, or relate to, in whole or in part, to any negligent acts, omissions or breach of law, recklessness, or willful misconduct of RCTC, its board, directors, officials, officers, employees, agents, consultants or contractors in the performance of RCTC's obligations under this Agreement , including but expressly not limited to fees of accountants or other professionals, and all costs associated therewith, and the payment of all reasonable attorneys' fees and costs.

B. WRCOG shall, at its sole cost and expense, indemnify, defend and hold RCTC, and its directors, board, city council, elected or appointed officials, officers, employees, agents, and each of them, free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, judgments, penalties, damages or injuries, in law or in equity, to property or persons, including wrongful death, whether actual, alleged or threatened, which in any manner arise out of, pertain to, or relate to, in whole or in part, to any negligent acts, omissions or breach of law, recklessness, or willful misconduct of WRCOG, its board, elected or appointed officials, officers, employees, agents, including but expressly not limited to fees of accountants or other professionals, and all costs associated therewith, and the payment of all reasonable attorneys' fees and costs.

3.8 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of either Party shall be deemed to waive or render unnecessary such Party's consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

3.9 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

3.10 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, shall survive any such expiration or termination.

3.11 Third Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

3.12 Termination. Any Party may terminate this Agreement by giving thirty (30) days written notice thereof.

3.13 Assignment or Transfer. The Parties 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 the other Parties. 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.

3.14 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation

3.15 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To RCTC: Riverside County Transportation Commission
4080 Lemon Street, Third Floor
P.O. Box 12008
Riverside, CA 92502-2208
Attention: Executive Director

To WRCOG : Western Riverside Council of Governments
3390 University Ave, Suite 200
Riverside, California 92501
Attention: Executive Director

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

3.16 Time of Performance. Time is of the essence in the performance of this Agreement.

3.17 Governing Law. This Agreement is in all respects governed by California law and venue for any dispute shall be in Riverside County.

3.18 Insurance. The Parties each verify that they are self-insured or maintain insurance coverage in reasonable and customary amounts for their respective operations.

3.19 Authority to Enter into 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.

3.20 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

3.21 Entire Agreement. This Agreement contains the entire agreement of the Parties relating to the subject matter hereof and supersedes all prior negotiations, agreements or understandings.

3.22 Amendments. The terms and conditions of this Agreement shall not be altered or modified at any time except by a written amendment executed by the mutual consent of the Parties by an instrument in writing.

[Signatures on following page]

SIGNATURE PAGE
TO
FUNDING AGREEMENT
BETWEEN
RIVERSIDE COUNTY TRANSPORTATION COMMISSION AND
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS FOR THE
I-10/HIGHLAND SPRINGS INTERCHANGE PA&ED PHASE

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the Effective Date.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

By: _____
Anne Mayer, Executive Director

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Dr. Kurt Wilson, Executive Director

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: Strategic Planning Session Changes to Mission Statement and Guiding Principles

Contact: Dr. Kurt Wilson, Executive Director, kwilson@wrcog.us, (951) 405-6701

Date: March 4, 2024

Recommended Action(s):

1. Approve revisions to the WRCOG Strategic Plan to include the addition of clarifying language to the Mission Statement and the addition of Guiding Principles.

Summary:

At the annual WRCOG Strategic Planning session, members discussed enhancements to the Mission Statement and introduced Guiding Principles to shape the organization's long-term culture and decision-making. An Ad Hoc Committee was formed, with members appointed to discuss these items. The Administration & Finance Committee reviewed and recommended the proposed changes for the Executive Committee's consideration. These changes involve specifying "regionally-significant" programs in the Mission Statement and establishing principles that emphasize mission alignment, fairness, public trust, and long-term thinking to guide future actions and improvements.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to update the current Mission Statement and add Guiding Principles to the Strategic Plan. This item aligns with WRCOG's 2022-2027 Strategic Plan Goal #4 (Communicate proactively about the role and activities of the Council of Governments).

Discussion:

Background

The annual Strategic Planning session highlighted the significant accomplishments made by staff over the past year in working toward the goals of the Executive Committee. It also included a recap of the annual surveys of both staff and Committee members.

The most common sentiment shared by members was the desire for WRCOG to refrain from entering into new programs that are either risky or inconsistent with WRCOG's core mission. Additional frustrations were shared about the frailty of the regional transportation infrastructure and the desire for WRCOG to continue partnering with the Riverside County Transportation Commission where practical. Several members expressed appreciation for the current efforts to bring more grant funds to the

subregion and posed questions about how member agencies could more easily support one another on grant applications of mutual interest.

After continued discussion, two additional changes were borne from the session: the addition of clarifying language to the Mission Statement and the addition of a set of Guiding Principles.

Mission Statement

The current Mission Statement references 'programs' in a way that could be considered ambiguous in terms of the types of programs in which WRCOG can or should participate. Following a conversation at the Strategic Planning session about the benefits of constraining programs to only those consistent with the broader mission and core purpose of WRCOG, the proposed amendment to the Mission Statement includes adding the words 'implement regionally-significant' when describing the types of programs that are appropriate for WRCOG. The updated Mission Statement reads as follows:

The Mission of the Western Riverside Council of Governments is to facilitate, plan, and identify funding opportunities for critical infrastructure projects and implement regionally-significant programs that benefit its member agencies and the communities they serve.

Guiding Principles

The Strategic Plan sets forth a series of tasks, or goals, to be completed. Upon completion, new goals may replace old ones as priorities change or organizational capacity increases. To date, those tasks have been aligned with the desire of the Executive Committee to make specific improvements to the organization.

Unlike individual tasks that change over time, the organizational culture is the result of repetitive actions and unwavering commitments to certain principles. Today, those principles are generally understood by staff but are not documented in a way that institutionalizes them against staffing changes. This documentation is proposed in the form of Guiding Principles that influence decision-making by Committee members and staff. Rather than tasks to be completed, the Guiding Principles are intended to be long-term reminders of important lessons that were learned over the years. They will not restrict any voting options for Committee members, but will provide a barometer that can optionally be considered in the course of leading the organization.

1. STAY TRUE TO WRCOG'S MISSION

Maximize value to member agencies by prioritizing resources to support issues of mutual concern that are consistent with our core mission.

2. PRIORITIZE FAIRNESS

Strive for an environment in which each member agency's voice is heard and respected, and employees work in an environment where they feel safe, protected, and valued.

3. EARN PUBLIC TRUST

Respect the obligations and responsibilities of handling the public's business by maximizing

transparency, incorporating industry best practices, and representing the interests of the people we serve.

4. THINK WITH A LONG-TERM FOCUS

Evaluate programs through a holistic and long-term lens that protects the general fund by mitigating unintended consequences, protecting the WRCOG brand, and striking a responsible balance between innovation and risk.

Present Situation

The Strategic Plan was adopted in 2021 and is reviewed annually. On January 12, 2024, 14 members of the Executive Committee convened for the annual Strategic Planning session where they received a status update on achievements related to the Strategic Plan Goals and discussed whether any changes or revisions should be added to the plan. While no changes were recommended to the Strategic Plan goals, a minor change to the Mission Statement and the addition of Guiding Principles to the plan were recommended.

Members in attendance included:

City of Banning - Reuben Gonzalez
City of Beaumont - Mike Lara
City of Calimesa - Wendy Hewitt
City of Canyon Lake - Mark Terry
City of Corona - Jacque Casillas
City of Eastvale - Christian Dinco
City of Hemet - Jackie Peterson
City of Jurupa Valley - Chris Barajas (Chair)
City of Lake Elsinore - Brian Tisdale
City of Menifee - Bob Karwin
City of Norco - Kevin Bash
City of Perris - Rita Rogers
City of San Jacinto - Crystal Ruiz
City of Temecula - James Stewart
City of Wildomar - Joseph Morabito
County, District 1 - Kevin Jeffries
County, District 2 - Karen Spiegel
County, District 3 - Chuck Washington
Eastern Municipal Water District - Phil Paule
Western Water - Brenda Dennstedt

Non-voting members in attendance included Technical Advisory Committee Chair, Rod Butler, City of Jurupa Valley.

If approved, the changes will take effect immediately and will continue to form the foundation of the staff workplan.

Prior Action(s):

February 15, 2024: The Administration & Finance Committee recommended the proposed changes to the Mission Statement and the Guiding Principles for the Executive Board's consideration.

January 12, 2024: The Executive Committee held a third Strategic Planning session; there were no reportable actions.

Financial Summary:

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

Attachment(s):

Attachment 1 - WRCOG Strategic Plan 2022 - 2027

Attachment 2 - WRCOG Strategic Plan Workshop PowerPoint January 12, 2024

Attachment 3 - 2023 WRCOG Member Survey Results

Attachment 4 - 2023 WRCOG Staff Survey Results

Attachment

WRCOG STRATEGIC PLAN 2022-2027



WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS STRATEGIC PLAN

2022-2027

DKS

Prepared by DKS Associates
Anaheim, CA

EXECUTIVE SUMMARY

This document will serve as the Western Riverside Council of Government's 2022-2027 Strategic Plan. Its purpose is to help WRCOG prioritize its efforts, allocating both fiscal and human resources to achieve a shared Vision and Goals that also reflect community priorities and needs. The Plan is the result of a comprehensive review by DKS Associates of the following:

- The WRCOG annual budget;
- Executive Committee meetings (agendas, minutes);
- News articles;
- Demographic data; and
- Incorporation documents.

DKS staff held virtual meetings with members of the Executive Committee during November and December prior to the Strategic Plan Workshop. Participants discussed their views on the opportunities and challenges ahead for the agency. This includes discussions regarding the areas which WRCOG should and should not become involved in terms of local governance and regional planning.
Interviews were also held via conference calls with the management team and key staff members from all WRCOG departments.
In addition, the team held brief interviews with City Managers from member agencies and also received email comments describing their views on the best role for WRCOG to play as it relates to their particular agency.
This information helped guide a Strategic Planning Workshop for the Committee held Friday, December 3, 2021. The meeting, which was open to the public, was used to define the agency's Mission Statement, Vision Statement, Core Values and Goals to guide WRCOG's future operations.

WRCOG
Western Riverside
Council of Governments

WRCOG GOALS

1. Serve as an advocate at the regional, state, and federal level for the Western Riverside subregion.

2. Identify and help secure grants and other potential funding opportunities for projects and programs that benefit member agencies.

3. Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

4. Communicate proactively about the role and activities of the Council of Governments.

5. Develop projects and programs that improve infrastructure and sustainable development in our subregion.

6. Develop and implement programs that support resilience for our region.

7. Provide a safe, inclusive environment that values employees.

Each Goal is intended to focus the agency's fiscal and human resources on areas of highest priority.

WRCOG
Western Riverside
Council of Governments

MISSION, VISION AND VALUES

The purpose of establishing WRCOG's Mission, Vision and Core Values is to clearly define why the agency was created; how the Executive Committee envisions its future and what principles members and staff will adhere to as part of conducting its business.

Mission

The Mission of the Western Riverside Council of Governments is to facilitate, plan and identify funding opportunities for critical infrastructure projects and programs that benefit its member agencies and the communities they serve.

Vision

The Western Riverside Council of Governments provides a strong regional voice representing the interests of its member agencies, securing funding, and facilitating investments in transportation and infrastructure to ensure a sustainable, safe and economically strong region.

Core Values

Integrity
Transparency
Collaboration
Innovation
Diversity
Accountability
Sustainability
Inclusion

Goal 1:
Serve as an advocate at the regional, state and federal level for the Western Riverside subregion.






The Executive Committee's strongest support was for a goal to re-establish WRCOG as a vocal and recognized advocate for the Western Riverside subregion. Strategies to support this goal include:

- **1.1 Provide consistent updates regarding legislative actions that impact WRCOG member agencies to Committee members and member agency staff members.**
- **1.2 Update the legislative platform detailing WRCOG's position(s) on issues that affect member agencies and actively promote that platform.**
- **1.3 Explore options for the creation of a legislative action committee.**
- **1.4 Provide opportunities for WRCOG members to actively participate in efforts in Sacramento to shape policy and effectively communicate regional successes.**

Goal 2:
Identify and help secure grants and other potential funding opportunities for projects and programs that benefit member agencies.

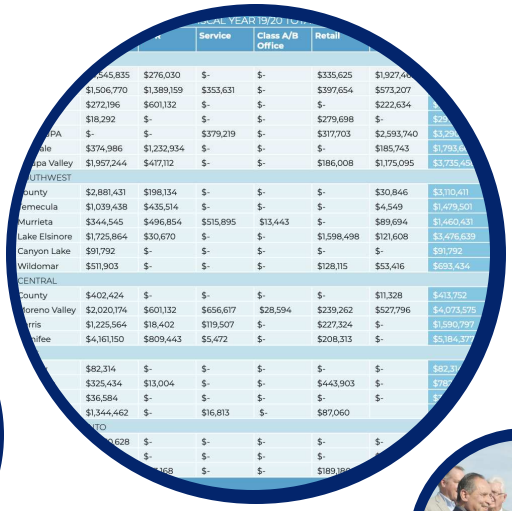


Many of the WRCOG member agencies lack the capacity to track and apply for grant opportunities to fund projects and programs with both local and regional benefits. The Executive Committee established a goal to prioritize WRCOG's role in tracking funding opportunities and assisting in the application process to secure funds. Strategies include:

- **2.1 Track and provide updates on regional, state and federal grant opportunities of interest to WRCOG and its member agencies.**
- **2.2 Provide staff support and/or access to consultants for grant research and application preparation.**
- **2.3 Consider providing training opportunities for grant writing and management to member agencies.**

Goal 3:
Ensure fiscal solvency and stability of the Western Riverside Council of Governments.





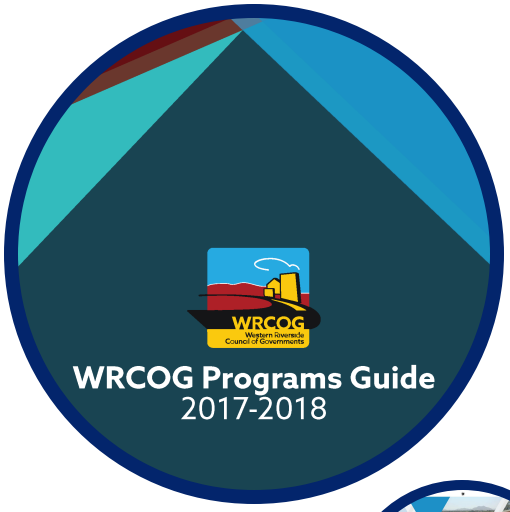




The Executive Committee and management team acknowledge and value WRCOG's commitment to maintaining adequate reserves and working within a balanced budget. Strategies to support this Goal include:

- **3.1 Maintain sound, responsible fiscal policies.**
- **3.2 Develop a process to vet fiscal impact(s) and potential risk(s) for all new programs and projects.**
- **3.3 Provide detailed financial statements for public review online.**

Goal 4:
Communicate proactively about the role and activities of the Council of Governments.







The Executive Committee believes communication with local and regional agencies is essential to the long-range viability of WRCOG. Staff has already begun work on several strategies including the following:

- **4.1 Develop a Communications Strategic Plan.**
- **4.2 Use social media to disseminate positive news, milestones and accomplishments throughout the region.**
- **4.3 Promote regional interaction and coordination with surrounding communities and service providers including schools, economic development interests, transportation and non-profit agencies.**

Goal 5:
Develop projects and programs that improve infrastructure and sustainable development in our region.

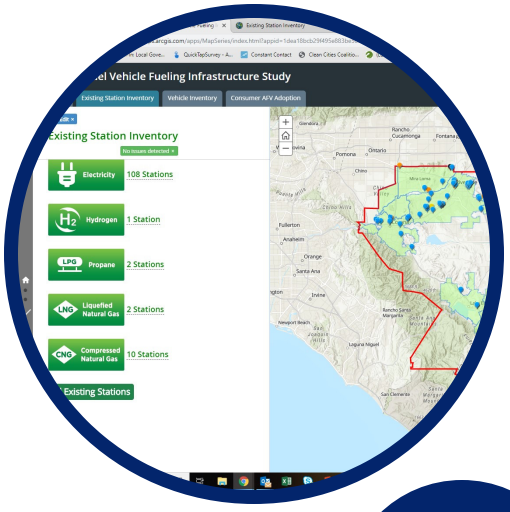




The Executive Committee remains committed to prioritizing investments in Western Riverside County that contributes to its future economic development and overall quality of life for its residents. By providing a regional forum to address, define and deliver solutions to regional problems, WRCOG can serve a critical role in contributing to the overall health of the region. Strategies include:

- **5.1 Support investment in projects, infrastructure and programs in the region including:**
    - 5.1.1 Transportation infrastructure,
    - 5.1.2 Water and wastewater infrastructure, and
    - 5.1.3 Broadband/Smart Cities infrastructure.
- **5.2 Support the Resilient IE Grants in conjunction with the San Bernardino County Transportation Authority.**
- **5.3 Continue collaboration with regional agencies to address pollution control, stormwater runoff and other environmental concerns.**

Goal 6:
Develop and implement programs that support resilience for our region.







WRCOG has delivered several successful programs which have supported resilience throughout the Western Riverside County subregion. The Executive Committee supports these efforts by establishing a specific goal to address efficiency. Strategies include the following:

- **6.1 Incentivize programs for saving electricity, water and other essential resources through the Inland Regional Energy Network.**
- **6.2 Supporting efforts to promote the Clean Cities Coalition.**
- **6.3 Continuing to support the Solid Water & Recycling Program.**

Goal 7:
Provide a safe, inclusive environment that values employees.







WRCOG employees are fundamental to carrying out the Strategic Plan and ensuring that each goal is achieved. The purpose of this goal is to ensure that the COG continues to provide a positive work environment and can retain and attract high quality employees. Strategies include the following:

- **7.1 Develop and implement organization-wide staff succession planning.**
- **7.2 Support employee training, enrichment and recognition, including team building opportunities.**
- **7.3 Establish clear performance standards for the workforce and provide annual employee reviews.**
- **7.4 Promote diversity, equity and inclusion in all hiring practices.**

Attachment

WRCOG Strategic Plan Workshop
Presentation - January 12, 2024

WELCOME

STRATEGIC PLANNING SESSION

Did You Know?

Founded in 1991

Over **2** million people served in the WRCOG region

Connects 18 cities, the County of Riverside, 2 water districts, the County Board of Education, and March JPA

$111M for transportation projects since 2021

Local Resiliency programs and special events for cleaner communities

4 Regional programs providing the community with clean energy options

Mission Statement

The Mission of the Western Riverside Council of Governments is to facilitate, plan, and identify funding opportunities for critical infrastructure projects and programs that benefit its member agencies and the communities they serve.

Vision Statement

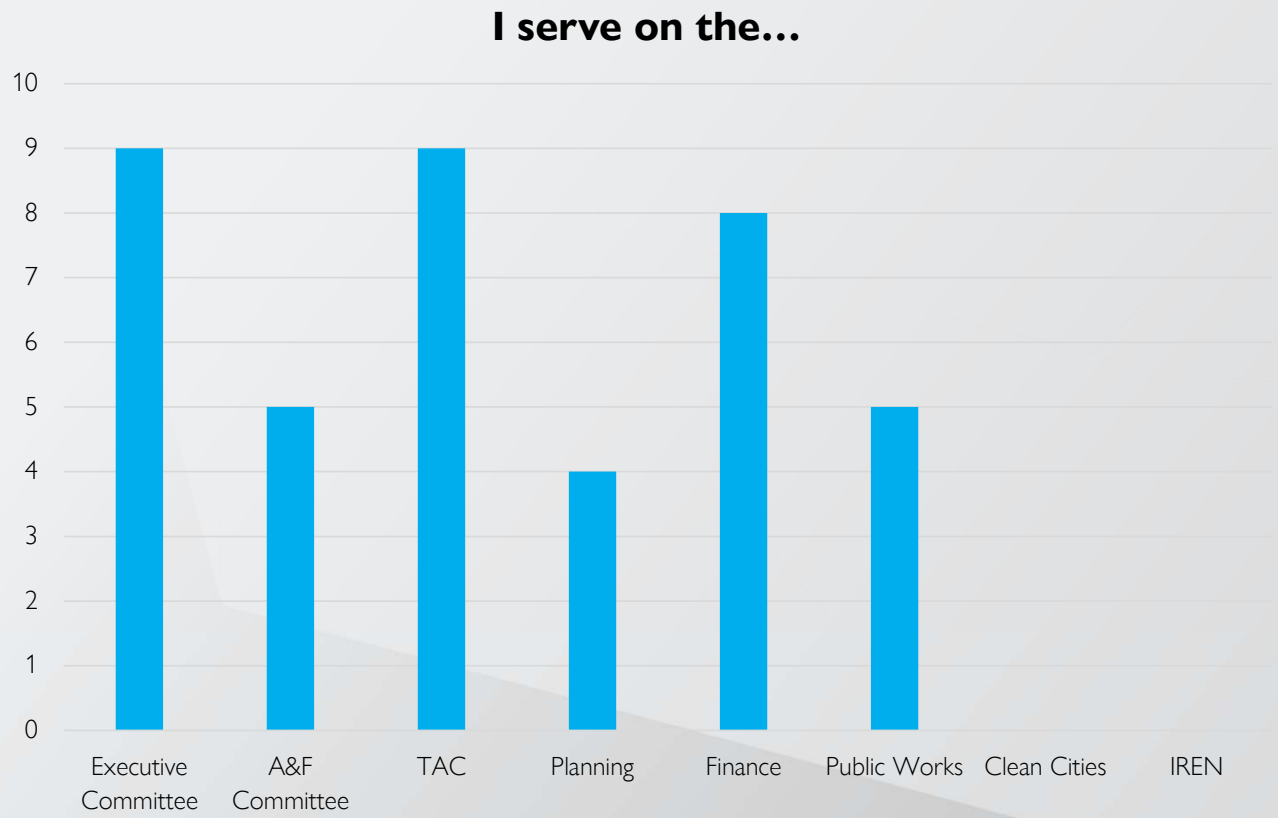
The Western Riverside Council of Governments provides a strong regional voice representing the interests of its member agencies, securing funding, and facilitating investments in transportation and infrastructure to ensure a sustainable, safe, and economically strong region.

Core Values

Integrity
Transparency
Collaboration
Innovation

Diversity
Accountability
Sustainability
Inclusion

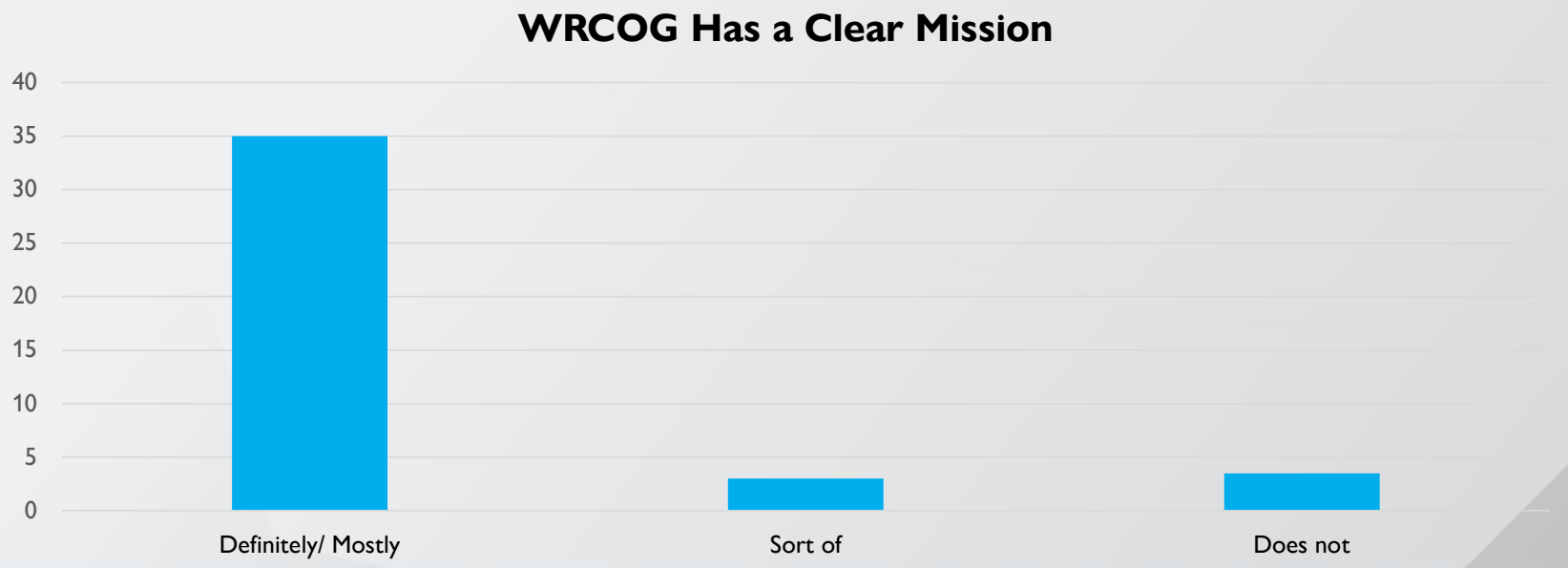
Member Survey



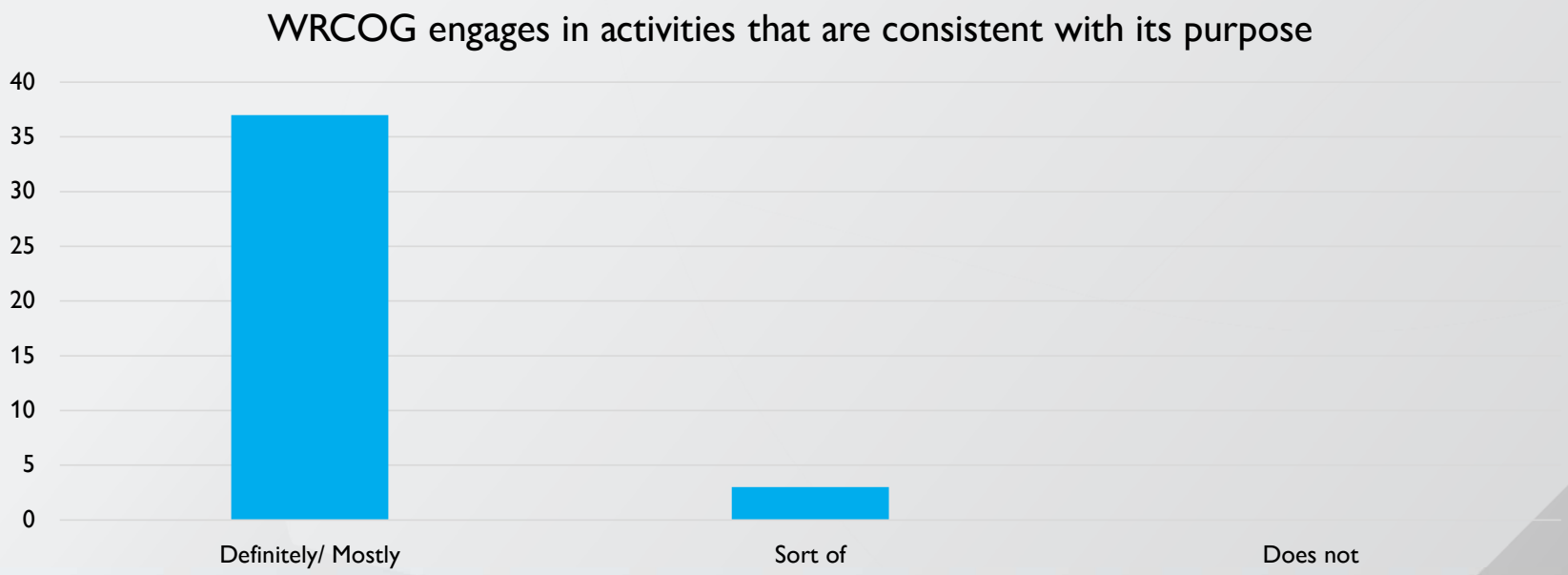
Member Survey



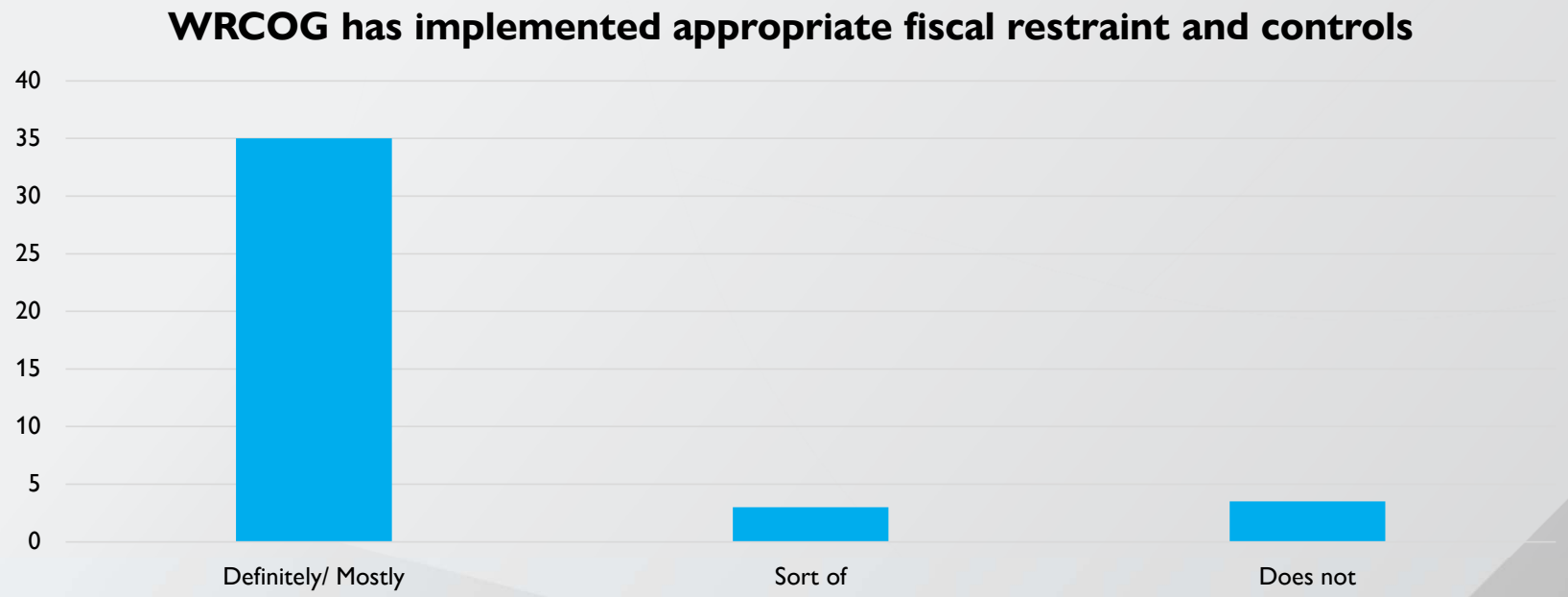
Member Survey



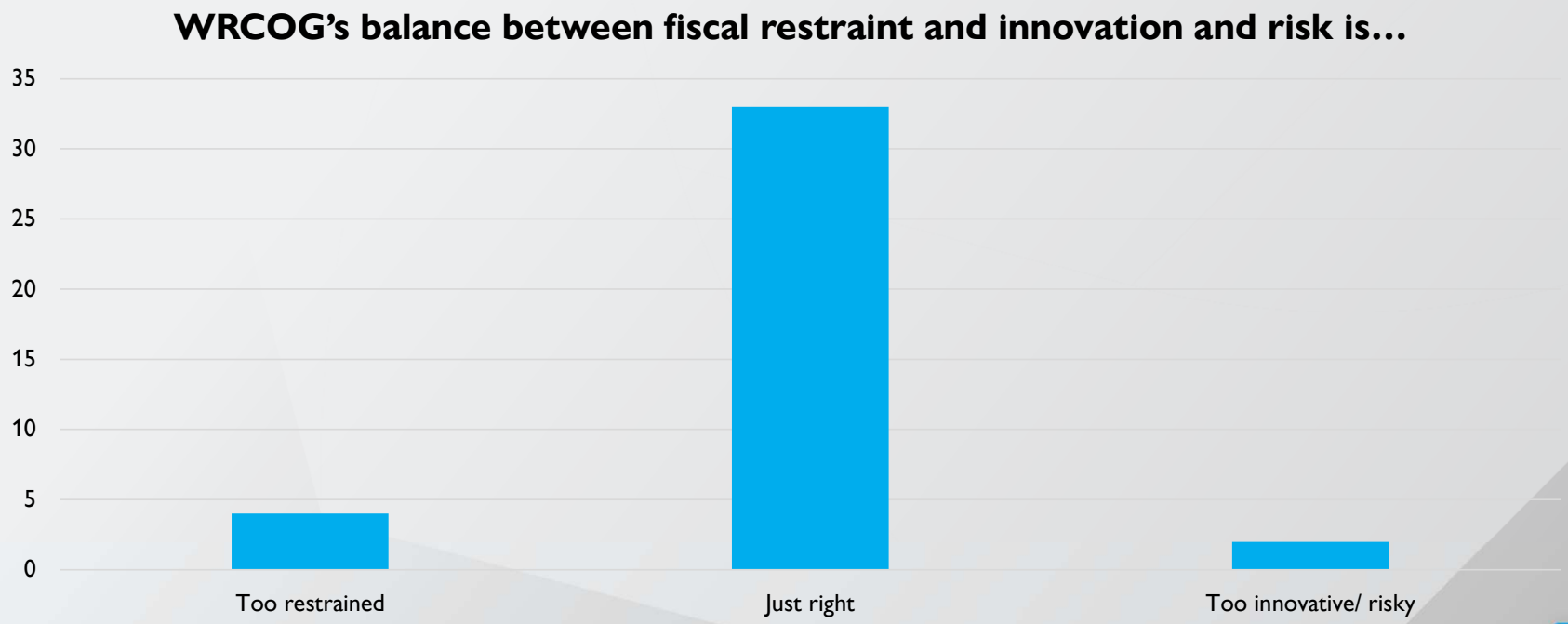
Member Survey



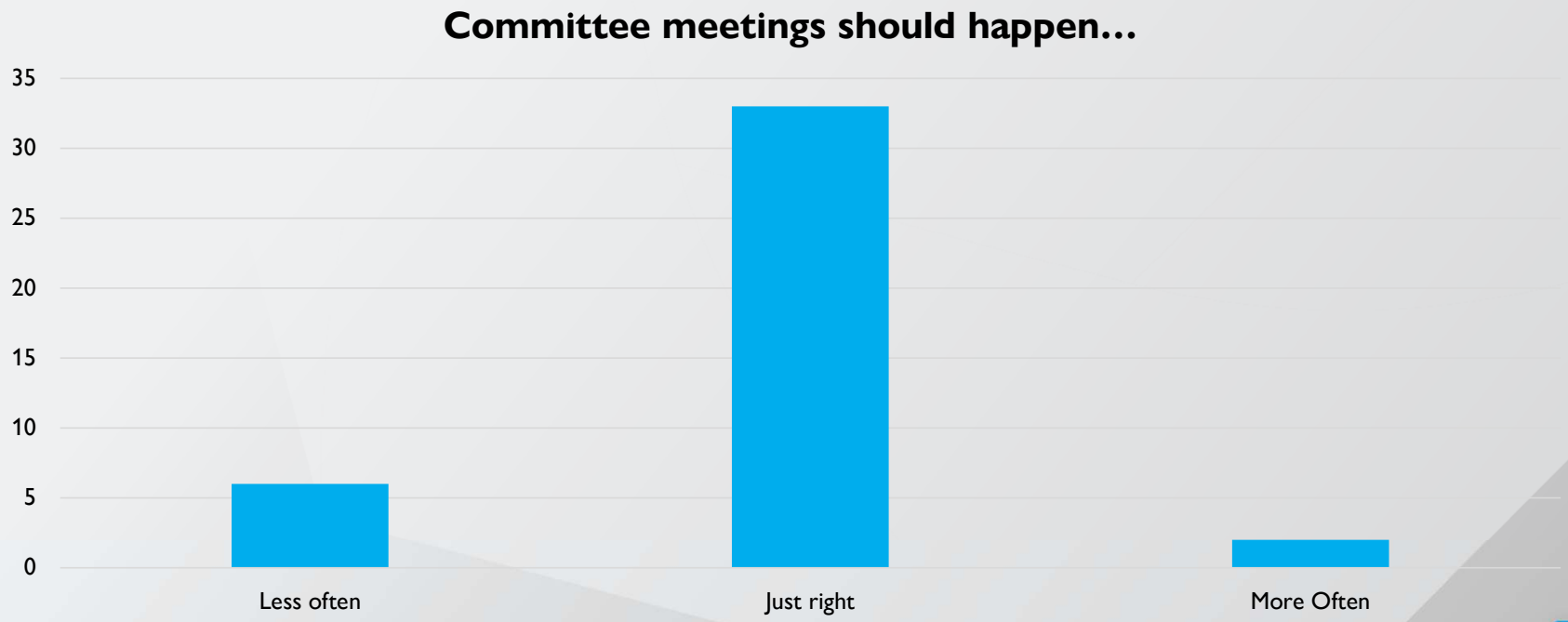
Member Survey



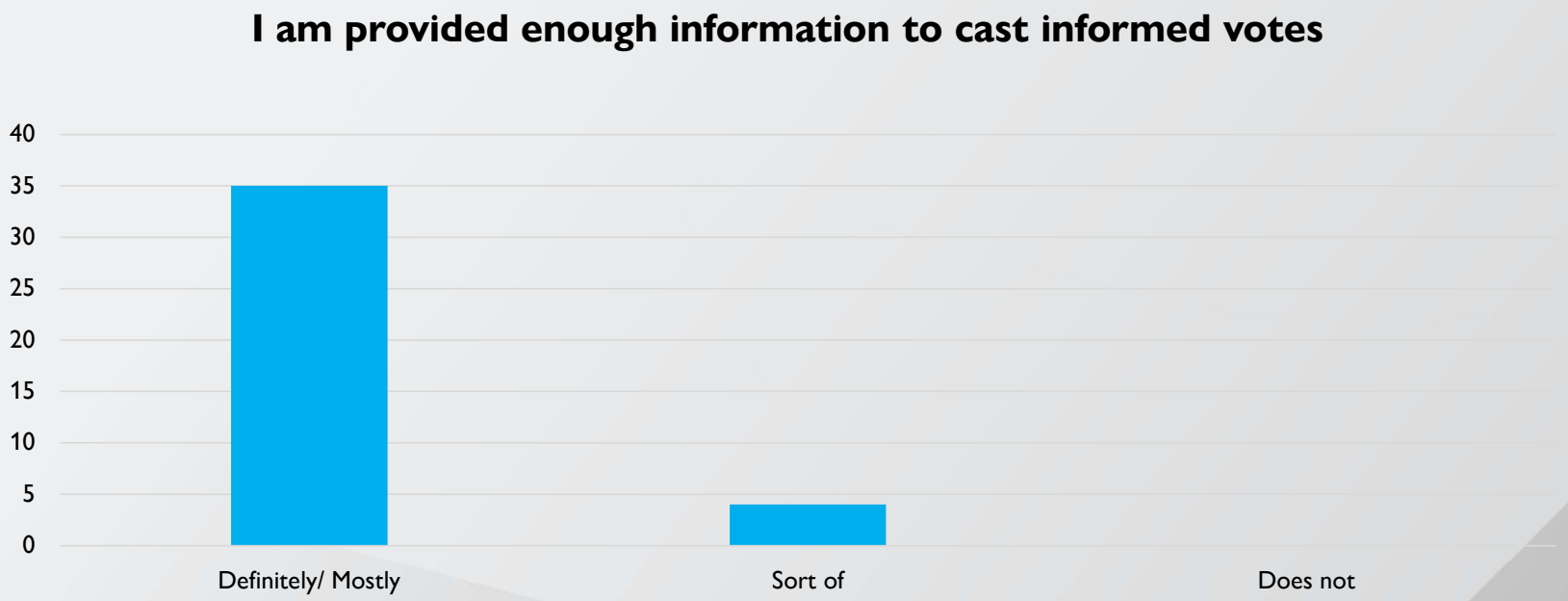
Member Survey



Member Survey



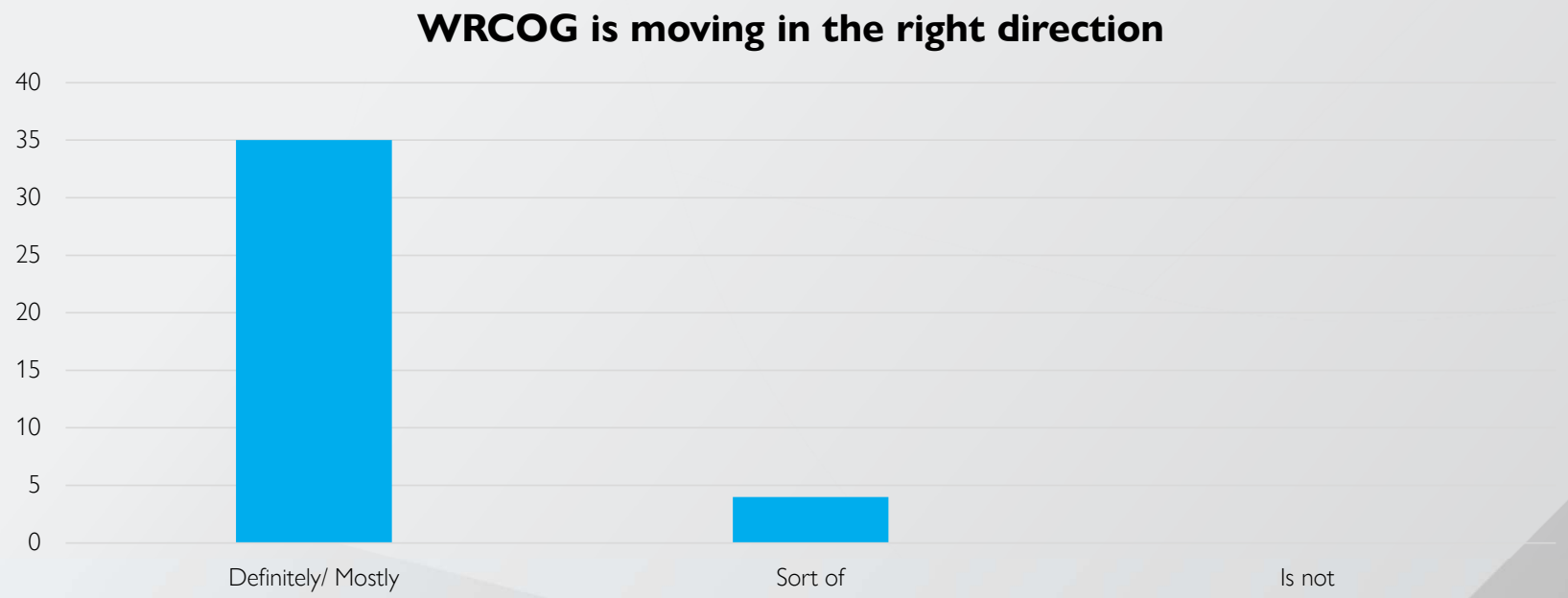
Member Survey



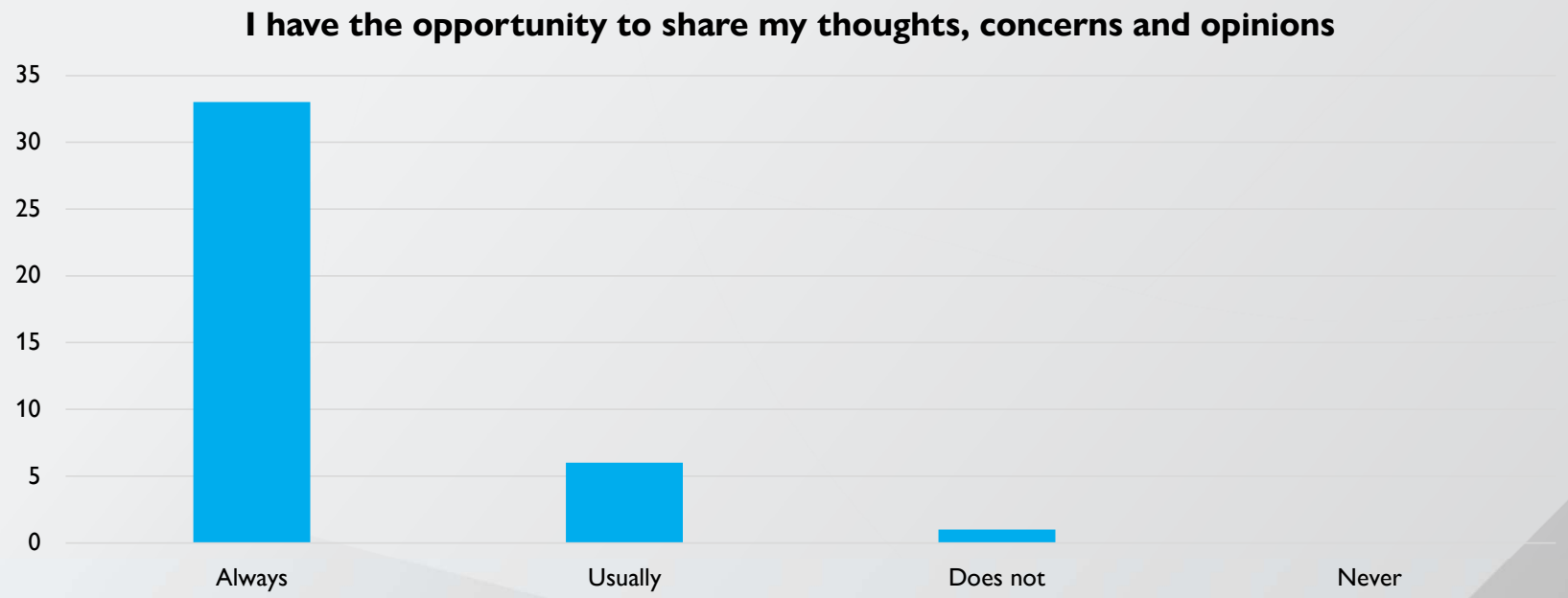
Member Survey



Member Survey

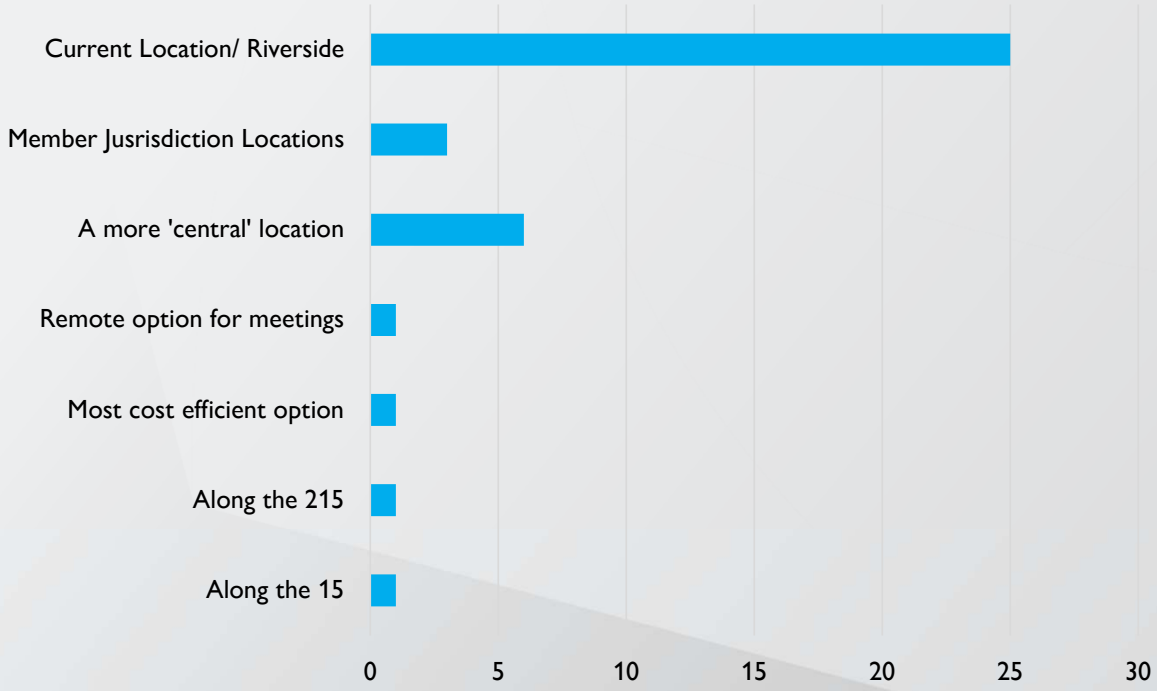


Member Survey



Member Survey

Where (geographically) should the WRCOG offices be located?



Member Survey

On which activities should WRCOG focus its resources?



Member Survey

Are there any thoughts you'd like to share?

- Enjoyed the Fellowship program; would use it more if we could have this funded through WRCOG entirely.
- I am displeased with WRCOG's approach of regularly outsourcing programs that cities are obligated to follow. It would be more beneficial if they had trained staff readily available to offer assistance or guidance on these matters. If programs are consistently outsourced, it raises the question of the purpose of membership.
- Still looking for more clarity on WRCOGs mission and value add. I'm not seeing a strong case currently for why it exists.
- I recommend that WRCOG consider collaborating more closely with RCFC&WCD to help provide more regional solutions, funding, projects, etc… for NPDES programs. I also suggest that WRCOG consider being involved with regional grant applications for projects that span or benefit multiple jurisdictions and agencies. I am newer to the Solid Waste committee but I think more frequent meetings there could be helpful. I understand from a recent meeting our agency had with CalRecycle that they feel our meeting frequency is not enough.

Member Survey

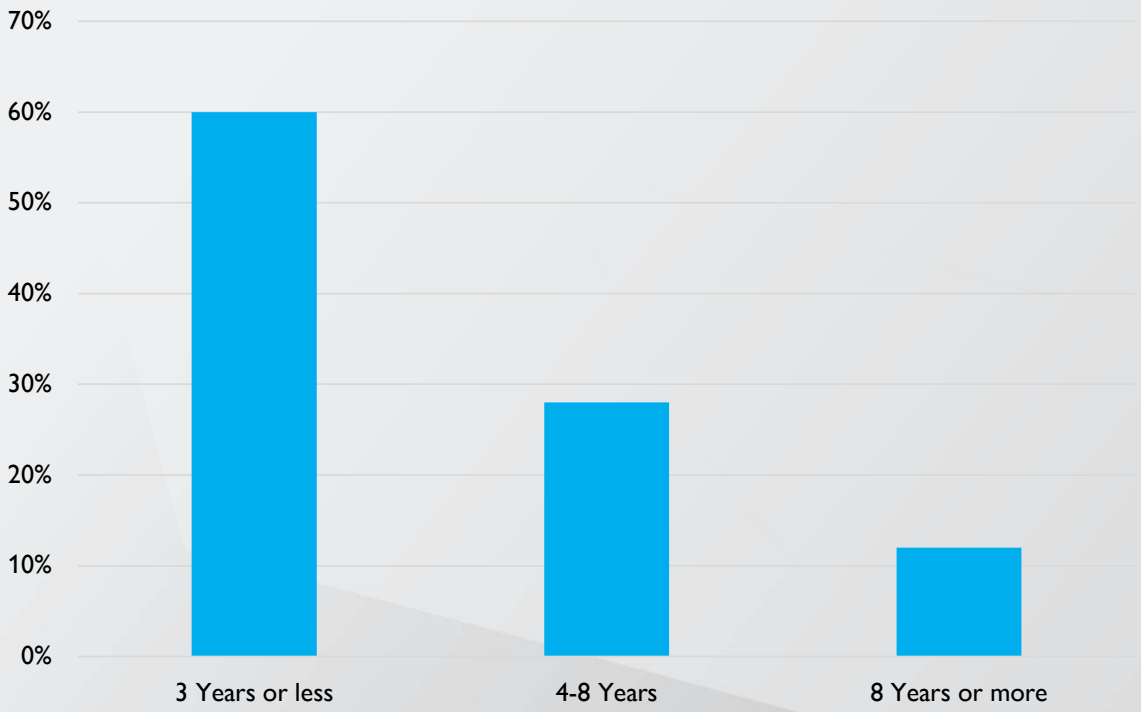
- Enjoying the new leadership. I believe the last many years of the prior leadership saw WRCOG venturing into areas likely outside the intent of the JPA.
- I believe WRCOG is in a better financial position, that the staff is working well and efficiently, and that Dr. Kurt Wilson has brought with him invaluable skills that have greatly improved WRCOG and our staff.
- I'd recommend changing the format for the way financials are presented.
- I think WRCOG could have a strong voice on legislative matters.
- I think we need to look at options to a different type of general assembly. Such as a breakfast or online voting something less labor intensive for staff.

Member Survey

- I'm impressed with the team. Happy to be a part of this group!
- Wish cities would work together more instead of serving self interests
- I think we are on the right track.
- Thanks to Kurt for his leadership
- Get out of the energy business.

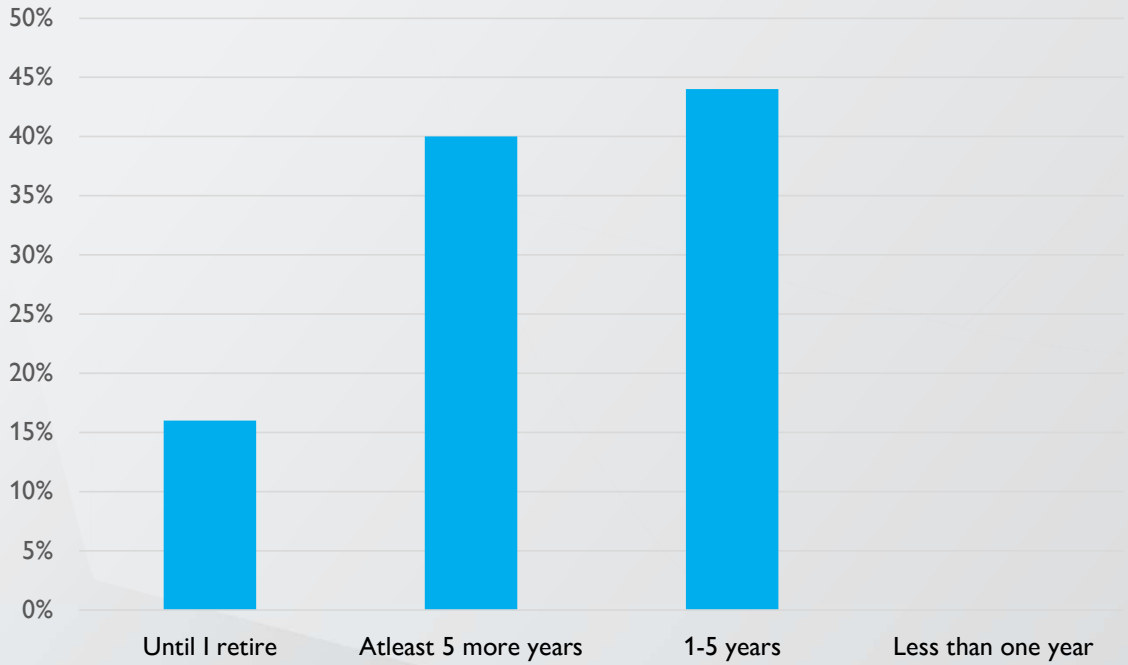
Employee Survey

Working at WRCOG



Employee Survey

Plans to continue with WRCOG



Employee Survey

	Definitely/ Mostly	Sort of	Not at all
I am _____happy working for WRCOG	100%		
I feel safe in my work environment	100%		
I feel valued/ seen at work	88%	12%	
WRCOG cares about my professional growth and development	84%	16%	
WRCOG respects my work-life balance	100%		
I enjoy working with my colleagues	100%		
My colleagues are as committed to hard work as I am	92%	8%	
I have confidence in the vision and abilities of senior management	96%	4%	
I bring value by providing meaningful work	96%	4%	

Employee Survey

	Definitely/ Mostly	Sort of	Not at all
WRCOG's reputation has improved in the last few years	100%		
Remote work options are important to me	92%	8%	
A modified work schedule is important to me	96%	4%	
Committee members understand/ appreciate the full scope and value of WRCOG	60%	36%	4%

	Too much	the right amount	Not enough
I have access to training to improve my skills	0	84%	16%

	high	about average	low
My compensation level is	4%	84%	12%
We have opportunities for social interactions with co-workers		88%	12%

Goal #1: Serve as an advocate at the regional, state, and federal level for the Western Riverside region

Completed

- Approved the 2023 Legislative Platform
- Formed a Legislative Advocacy Committee
- Participated in Legislative Hearing regarding warehouses and their impacts in Western Riverside County
- Attended over 80 Community events and 120 Stakeholder meetings
- Hosted WRCOG Open House



In Progress

- Additional engagement with State and Federal legislative and regulatory bodies

Goal #2: Identify and help secure grants and other potential funding for projects and programs that benefit member agencies

Completed

- Bi- Weekly Grant Update
- Bi-weekly Housing
- Grant Updates
- $6 million in grants for WRCOG programs
- 7 Direct Assistance Projects funded by SCAG REAP Grant

In Progress

- Application for $200M in CPRG funding
- Application for $200M CEC Grant
- Qualifying for $1.5M REAP 2.0 Grant

Goal #3: Ensure fiscal solvency and stability of the Western Riverside Council of Governments

Completed:

- New framework for programs and projects
- FY 2021/2022 Audit received an unmodified opinion
- Applied for GFOA Award for Annual Comprehensive Financial Report
- Foundation fund balance
- Completed initial fiscal sustainability model
- Fiscal department review recommendations implemented

In Progress:

- Cost Savings Project
- New Accounting Software

Goal #4: Communicate proactively about the role and activities of the Council of Governments

Completed:

- Regular Social Media and Newsletter Communication
- Regular participation in Member Events and Agency Milestone Celebrations
- General Assembly Event with attendance topping 700
- Co-Host Regional Water Task force

In Progress:

- Website Refresh and Updates
- General Assembly 2024
- Communications Master Plan
- Community Presentations



Goal #4: Communicate Proactively

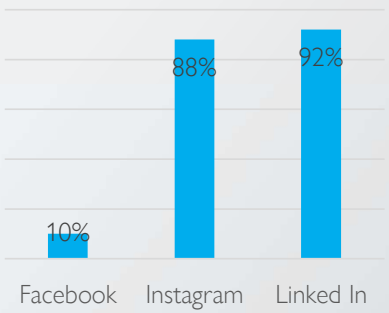
E- Communicator

	2023 Average
Sent	1500
Open Rate	32%
Unique Click Thru	4%
Most popular stories	Water Task Force Year End Forum Fellowship I-REN Food Rescue Program

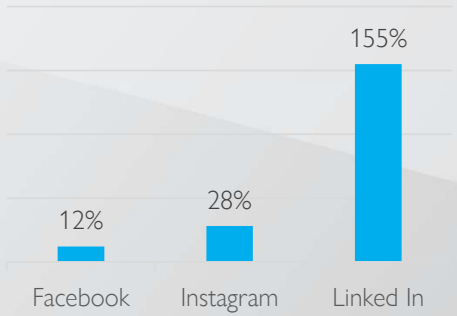


Social Media

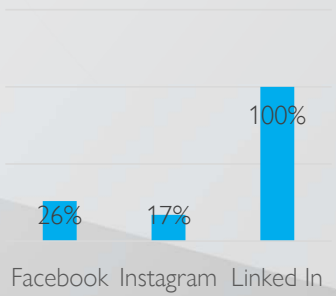
Followers 01/23- 01/24



Impressions/ Reach 01/23- 01/24



Page Visits/ Interactions 01/23- 01/24





	Most Engaging Posts
FB	Fellowship Opportunities and Oil Filter events ESA Day WRCOG Open House
IG	GA Recap Fellowship Streetlights Program ESA Day
LI	WRCOG at State of the City Celebrations Fellowship Opportunities

Goal #5: Develop projects and programs that improve infrastructure in our subregion

Completed:

- Collected $70M (FY 2021/2022) and $41M (FY 2022/2023)
- Monthly Updates and Financial Collections of TUMF Fees ($10M)
- Zone Meetings and Yearly TIP updates
- Technical work for the TUMF Nexus Study
- Completed our Industrial Trip Generation Study
- Transitioned 2 agencies to use the online TUMF payment platform (Beaumont, Lake Elsinore)
- Secured $2M in grants for Climate Resiliency Project
- TUMF Expenditure Report

In Progress:

- New TUMF Nexus Study
- Regional study on VMT mitigation

Goal #6: Develop and implement programs that support resilience for our region.

Completed:

- Reunited $139,920 with its rightful owners through PACE Escheatment
- Secured $142,000 for property owners with PACE assessments through the California Housing Finance Agency
- Placed 11 Energy Fellows
- 57 I-REN related workshops with member agencies
- Hosted 24 used oil events
- Implemented the regional food rescue programs with 5 member agencies



In Progress

- Used Oil Program grant from the State of California
- 12 Electronic Annual Reports for member agencies
- Used Oil Annual Reports for 16 member agencies
- 6 Love Your Neighborhood Events
- Secured long-term funding for the Love Your Neighborhood and Regional Energy Pathways Ambassador programs
- Assisted member agencies with securing $800,000 in grants for Broadband projects

Goal #7: Provide a safe, inclusive environment that values employees.

Completed:

- Implemented the Classification & Compensation Study
- Completed Round 7 of the Fellowship Programs
- Implemented Pre-Employment Screening and Safety Monitoring for employees

In Progress:

- Round 8 of the Fellowship
- Comprehensive Update of Agency Policies & Procedures



WRCOG is developing a comprehensive training program

- CalPERS Educational Forum
- MMASC Conference
- California Society of Municipal Finance Officers Conference
- Confident Communicators Workshops modeled after Toastmasters
- Monthly Lunch and Learns for staff on various topics
- Executive and ICA Conferences
- Partnerships:
  - County of Riverside – COR Learning
  - East Inland Empire Employment Relations Consortium – Liebert Cassidy & Whitmore

Guiding Principles

- Do the right thing on behalf of those impacted by our decisions.

- Continually strengthen our financial position by protecting the General Fund, mitigating risks, and focusing on long-term financial impacts of decisions.

- Maximize value to member agencies and their constituents through transparency, consumer protections, and operational efficiencies.
- Purposefylly allocate resources to activities that are consistent with the WRCOG mission by resisting the temptation to take on new programs that are not aligned with that mission

Thank you!

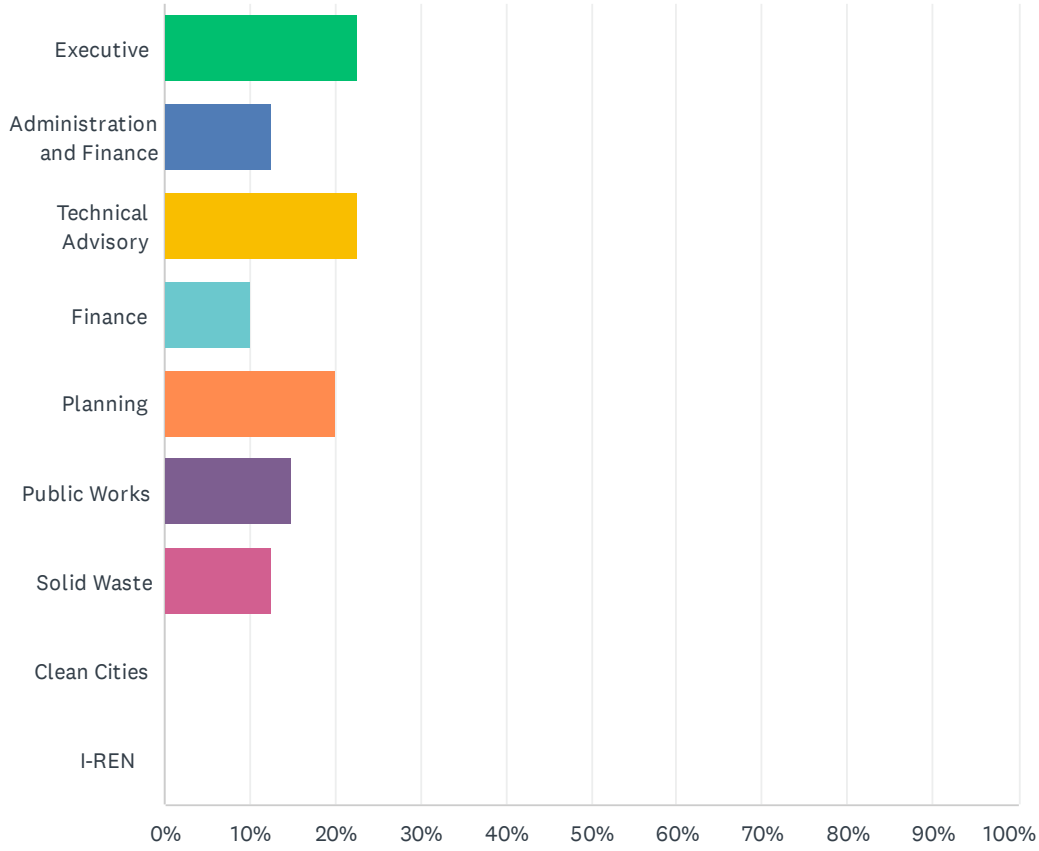
Attachment

WRCOG 2023 MEMBERS

SURVEY RESULTS

Q1 I serve on the _____ committee.

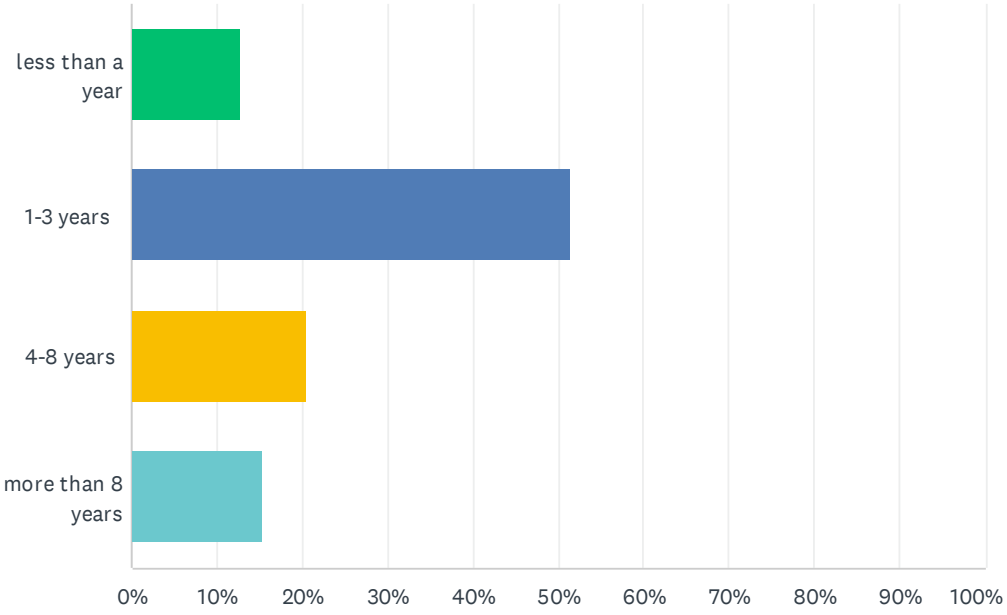
Answered: 40 Skipped: 0



ANSWER CHOICES	RESPONSES	
Executive	22.50%	9
Administration and Finance	12.50%	5
Technical Advisory	22.50%	9
Finance	10.00%	4
Planning	20.00%	8
Public Works	15.00%	6
Solid Waste	12.50%	5
Clean Cities	0.00%	0
I-REN	0.00%	0
Total Respondents: 40		

Q2 I have been a committee member for

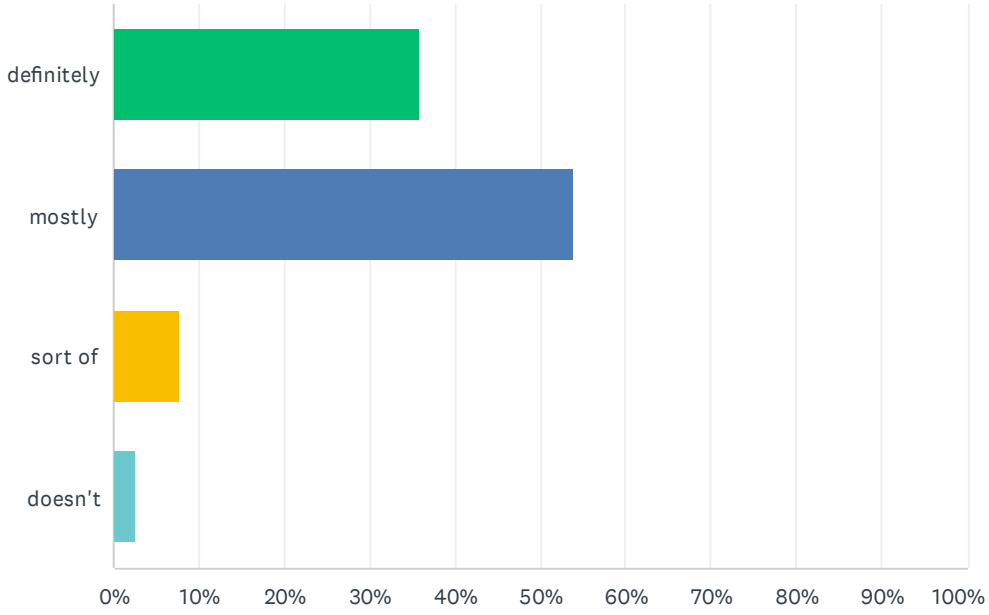
Answered: 39 Skipped: 1



ANSWER CHOICES	RESPONSES	
less than a year	12.82%	5
1-3 years	51.28%	20
4-8 years	20.51%	8
more than 8 years	15.38%	6
TOTAL		39

Q3 WRCOG _____ has/have a clear mission.

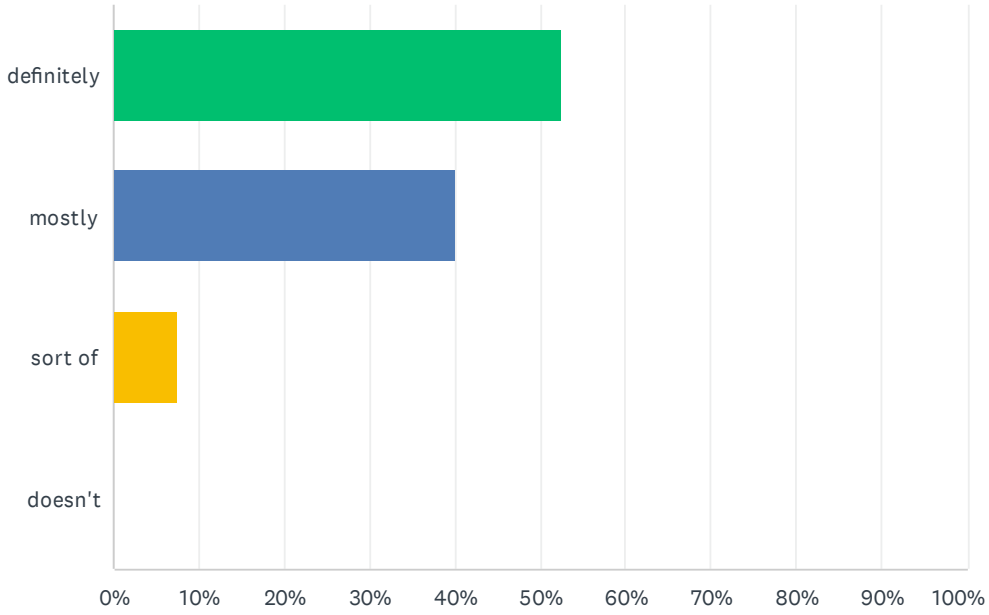
Answered: 39 Skipped: 1



ANSWER CHOICES	RESPONSES	
definitely	35.90%	14
mostly	53.85%	21
sort of	7.69%	3
doesn't	2.56%	1
TOTAL		39

Q4 WRCOG _____ engage(s) in activities that are consistent with its purpose.

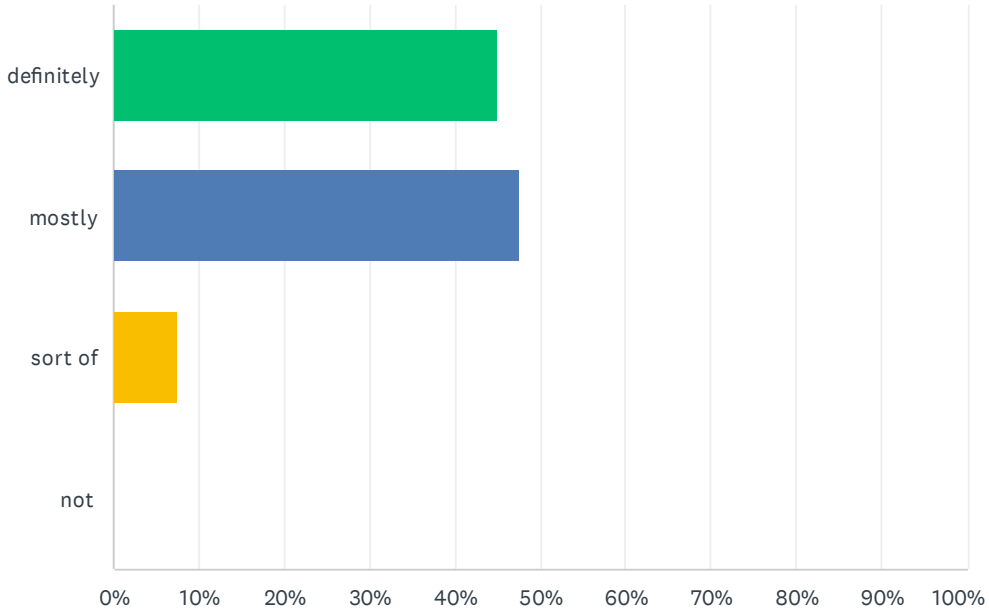
Answered: 40 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	52.50%	21
mostly	40.00%	16
sort of	7.50%	3
doesn't	0.00%	0
TOTAL		40

Q5 WRCOG has _____ implemented appropriate fiscal restraint and controls.

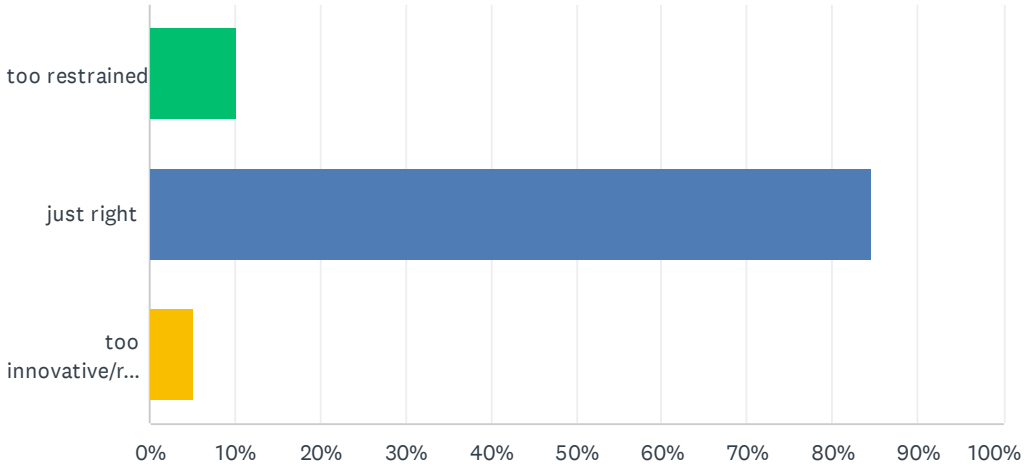
Answered: 40 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	45.00%	18
mostly	47.50%	19
sort of	7.50%	3
not	0.00%	0
TOTAL		40

Q6 WRCOG's balance between fiscal restraint and innovation/risk is _____.

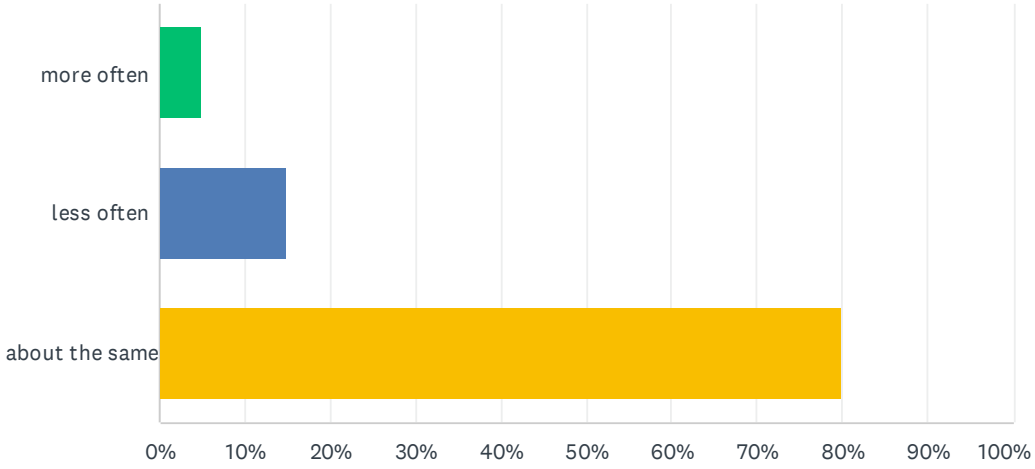
Answered: 39 Skipped: 1



ANSWER CHOICES	RESPONSES	
too restrained	10.26%	4
just right	84.62%	33
too innovative/risky	5.13%	2
TOTAL		39

Q7 Committee meetings should happen _____.

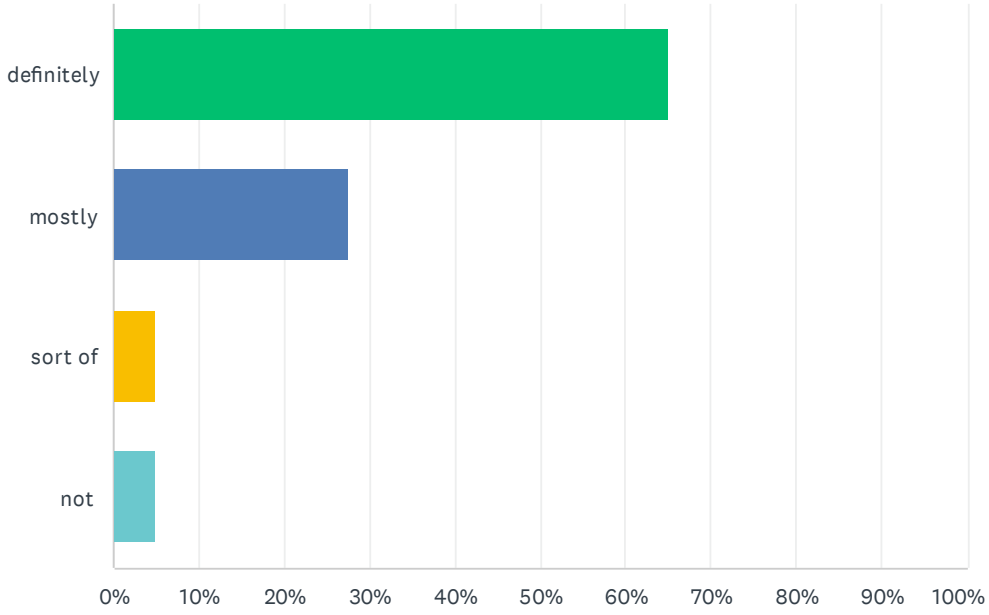
Answered: 40 Skipped: 0



ANSWER CHOICES	RESPONSES	
more often	5.00%	2
less often	15.00%	6
about the same	80.00%	32
TOTAL		40

Q8 I am _____ provided enough information to cast informed votes.

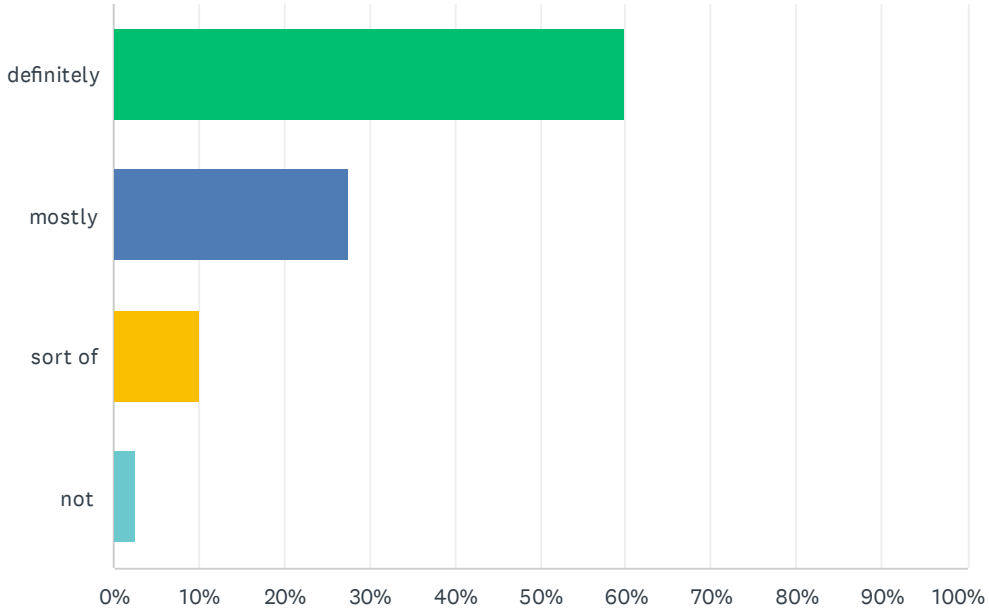
Answered: 40 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	65.00%	26
mostly	27.50%	11
sort of	5.00%	2
not	5.00%	2
Total Respondents: 40		

Q9 I am _____ proud to be associated with WRCOG.

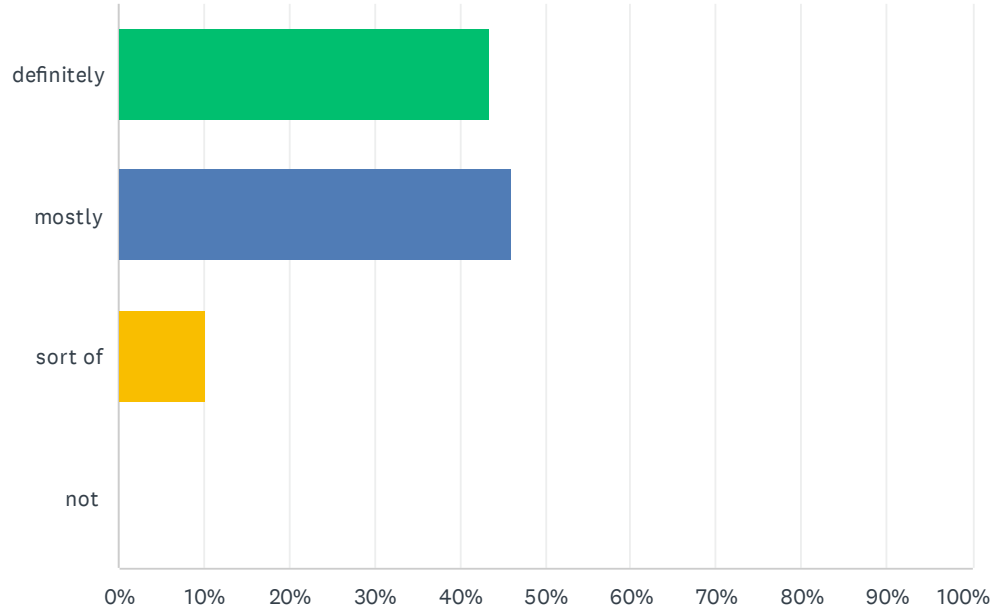
Answered: 40 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	60.00%	24
mostly	27.50%	11
sort of	10.00%	4
not	2.50%	1
TOTAL		40

Q10 WRCOG is _____ moving in the right direction

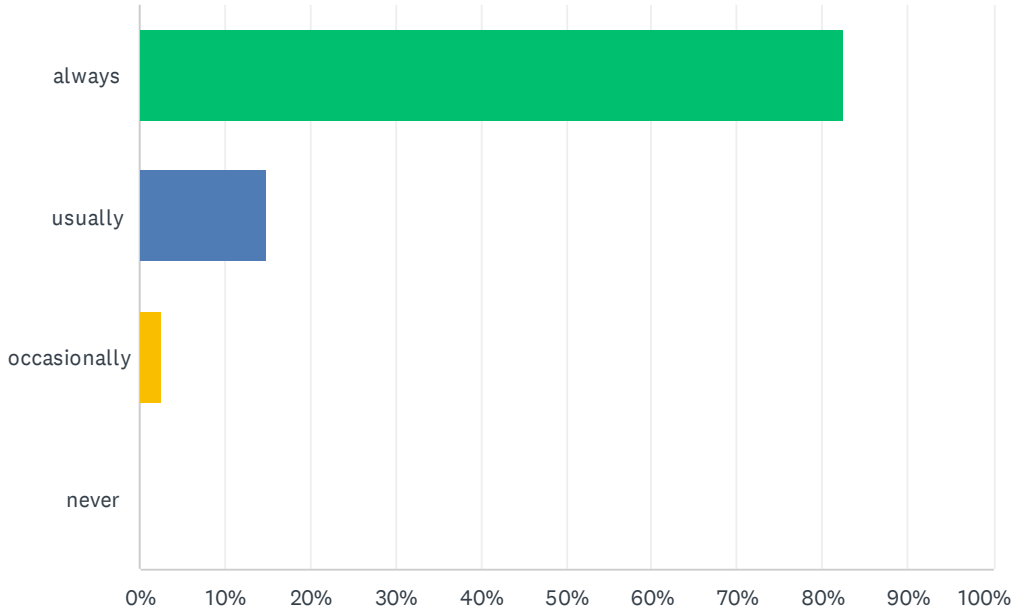
Answered: 39 Skipped: 1



ANSWER CHOICES	RESPONSES	
definitely	43.59%	17
mostly	46.15%	18
sort of	10.26%	4
not	0.00%	0
TOTAL		39

Q11 I _____ have the opportunity to share my thoughts, concerns, and opinions.

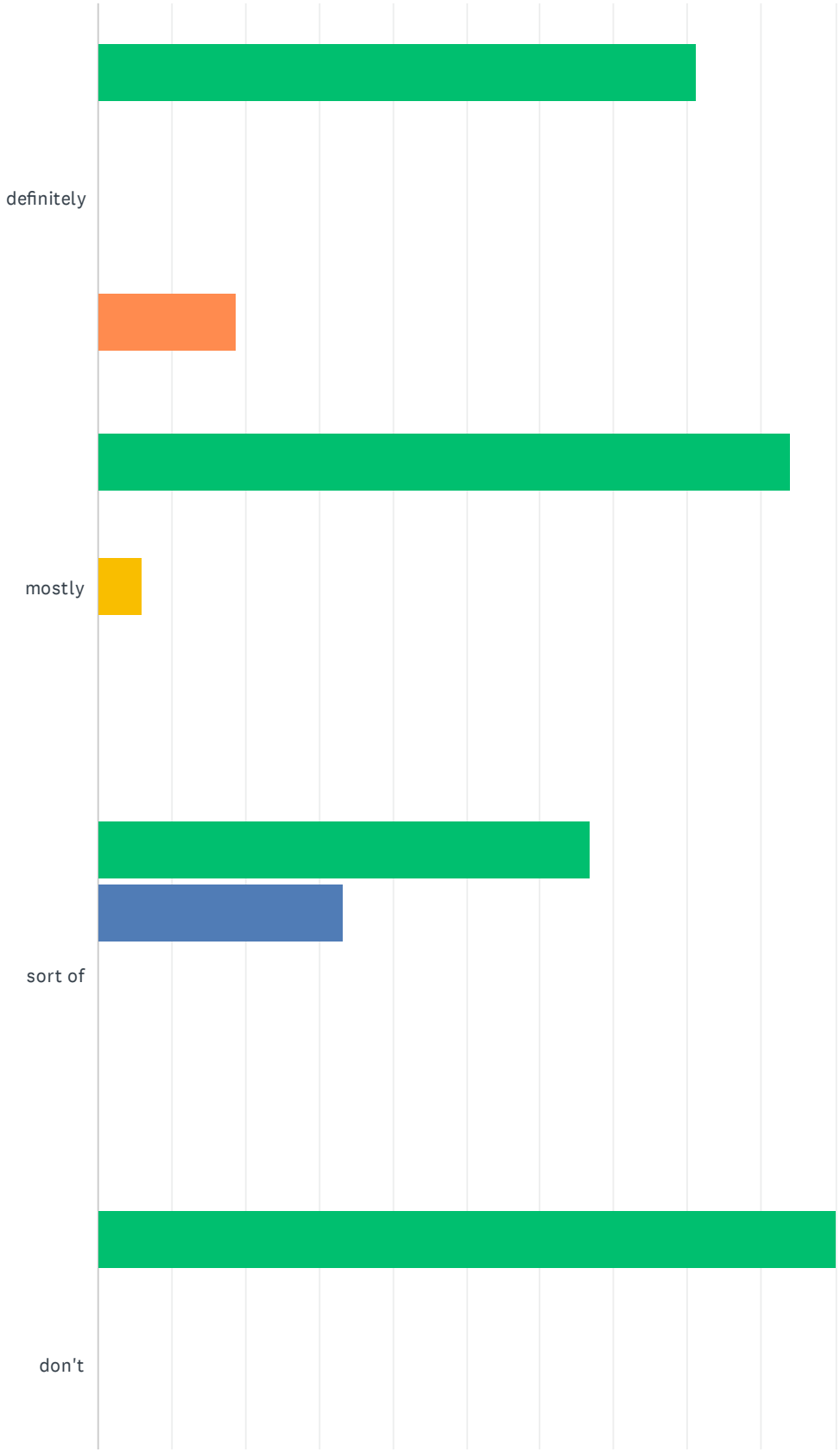
Answered: 40 Skipped: 0



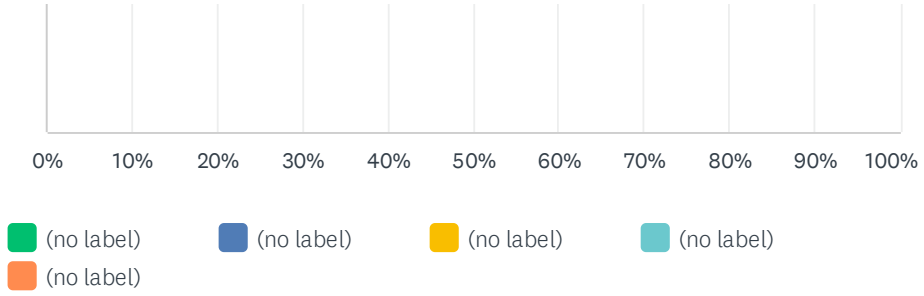
ANSWER CHOICES	RESPONSES	
always	82.50%	33
usually	15.00%	6
occasionally	2.50%	1
never	0.00%	0
TOTAL		40

Q12 I _____ understand the full scope and value of WRCOG.

Answered: 36 Skipped: 4



Committee 2023 annual survey



	(NO LABEL)	(NO LABEL)	(NO LABEL)	(NO LABEL)	(NO LABEL)	TOTAL	WEIGHTED AVERAGE
definitely	81.25% 13	0.00% 0	0.00% 0	0.00% 0	18.75% 3	16	1.75
mostly	94.12% 16	0.00% 0	5.88% 1	0.00% 0	0.00% 0	17	1.12
sort of	66.67% 2	33.33% 1	0.00% 0	0.00% 0	0.00% 0	3	1.33
don't	100.00% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	1	1.00

Q13 Where (geographically) should the WRCOG offices be located?

Answered: 32 Skipped: 8

#	RESPONSES	DATE
1	Current location is ideal.	12/15/2023 1:41 PM
2	A few suggestions. 1) Either near where they already are. 2) along the 15 corridor (Dos Lagos area) 3) along the 215 corridor	11/28/2023 2:30 PM
3	Temecula, of course.	11/28/2023 11:19 AM
4	I like the WRCOG office location where it is in Riverside.	11/20/2023 8:47 AM
5	County government center (where they are currently)	11/16/2023 11:33 AM
6	The current location is acceptable.	11/15/2023 8:54 AM
7	riverside is good	11/14/2023 3:13 PM
8	A centrally located city with less congestion and easier parking would be nice. Getting through Moreno Valley into Riverside is very difficult some days.	11/13/2023 3:39 PM
9	Central to the region it serves	11/13/2023 11:42 AM
10	Riverside.	11/13/2023 8:35 AM
11	Probably where they are, although actively promoting remote meetings would be nice.	11/13/2023 7:24 AM
12	Riverside	11/10/2023 8:59 PM
13	The current location makes sense. However, if there is to be an increased frequency in any meetings, alternative locations similar to what RCTC does for their TAC meetings could help.	11/10/2023 10:47 AM
14	Riverside	11/10/2023 8:11 AM
15	At its current location.	11/9/2023 6:00 PM
16	where the best rent is. actually i do not believe has to be in downtown riverside.	11/9/2023 12:18 PM
17	In the center of the region	11/9/2023 11:42 AM
18	I think it is fine where it is.	11/9/2023 11:20 AM
19	Riverside/Moreno Valley area	11/9/2023 8:45 AM
20	Although traffic is an issue, I think Riverside makes sense due to central location within the region.	11/9/2023 8:42 AM
21	WRCOG is currently located in Riverside, CA. While it is the most populous city, a more centralized location in the County would be ideal for travel of all participating agencies.	11/9/2023 8:14 AM
22	Location is fine	11/9/2023 7:51 AM
23	They should visit local jurisdictions.	11/9/2023 7:32 AM
24	No changes	11/9/2023 7:26 AM
25	Riverside makes the most sense to me.	11/9/2023 6:37 AM
26	Riverside is fine. it's hard to find a central place.	11/8/2023 10:28 PM
27	Riverside is fine	11/8/2023 10:26 PM
28	City of Riverside	11/8/2023 8:50 PM
29	Riverside City seems fair and centrally located to most.	11/8/2023 8:00 PM
30	Riverside	11/8/2023 5:28 PM

31	Riverside is perfect.	11/8/2023 5:27 PM
32	Riverside	11/8/2023 5:25 PM

Q14 On which activities should WRCOG focus its resources?

Answered: 27 Skipped: 13

#	RESPONSES	DATE
1	Regional opportunities for homeless, and funding opportunities for housing and energy efficiency.	12/15/2023 1:41 PM
2	Just as the manual says: a. Serve as a forum for consideration, study and recommendation on area-wide and regional problems; b. Assemble information helpful in the consideration of problems peculiar to Western Riverside County; c. Explore practical avenues for intergovernmental cooperation, coordination and action in the interest of local public welfare and means of improvements in the administration of governmental services; and d. Serve as the clearinghouse review body for Federally-funded projects in accordance with Circular A-95 in conjunction with the Southern California Association of Governments.	11/28/2023 2:30 PM
3	WRCOG is innovative and searching for programs that can benefit the region. Keep it up.	11/28/2023 11:19 AM
4	Energy, battery storage, charging stations, electric car battery recycling, green house gas consultant to develop a model on activities.	11/16/2023 11:33 AM
5	On its core mission. TUMF is a big part of this mission, so advocating for transportation infrastructure should be a priority.	11/15/2023 8:54 AM
6	intergovernmental coordination	11/14/2023 3:13 PM
7	Infrastructure is prime. Our area has grown so much, and we need to make sure our roads are in good shape and the noise and air quality remain good.	11/13/2023 3:39 PM
8	Regional advocacy to the State and County	11/13/2023 11:42 AM
9	Notifying members about the full range of services at their disposal.	11/13/2023 8:35 AM
10	Perhaps on a suite of services that different jurisdictions can opt in to participating in, so that Cities only participate in those programs they are interested in, and not others.	11/13/2023 7:24 AM
11	Assist agencies with improvements that will help the region.	11/10/2023 8:59 PM
12	Programs and solutions that require regional collaboration, funding, and coordination and programs that are too large for any one agency to effectively handle individually.	11/10/2023 10:47 AM
13	Good question, I think would be worth revisiting the charter of the JPA and then set priorities with the Executive and TAC for each fiscal year.	11/9/2023 12:18 PM
14	Through TUMF - Local infrastructure that impacts the most residents or provides the needed improvements for the area. Through IREN - Much needed energy efficiency projects. Advocacy for local control and agreed upon priorities.	11/9/2023 11:42 AM
15	The Current ones	11/9/2023 11:20 AM
16	TUMF	11/9/2023 8:45 AM
17	transportation has to be addressed in the region and somehow the Governor must understand the adverse impacts CDFW and HCD is having on affordable housing.	11/9/2023 8:42 AM
18	WRCOG should continue to look towards innovation and regional solutions to issues of its member agencies.	11/9/2023 8:14 AM
19	Edible food recovery	11/9/2023 7:51 AM
20	Jurisdiction support.	11/9/2023 7:32 AM
21	Emerging trends to land use, transportation, housing, and economy	11/9/2023 7:26 AM
22	Transportation, because that seems to be a consistent issue across the County.	11/9/2023 6:37 AM

23	Supporting regional planning efforts; providing technical assistance to us all; advocating for regional investments by the state, county, etc	11/8/2023 10:28 PM
24	Clean energy, climate change, air quality, homeless, affordable housing, best practice and model ordinance development	11/8/2023 8:50 PM
25	TUMF, IREN, Commercial PACE, WATER reservoir collaboration, Fed grant opportunities.	11/8/2023 8:00 PM
26	Innovative approaches to supporting local government in whatever the current issue is	11/8/2023 5:28 PM
27	Transportation	11/8/2023 5:25 PM

Q15 Are there any other thoughts you'd like to share?

Answered: 19 Skipped: 21

#	RESPONSES	DATE
1	Enjoyed the Fellowship program; would use it more if we could have this funded through WRCOG entirely.	11/28/2023 11:19 AM
2	no	11/14/2023 3:13 PM
3	Not at this time.	11/13/2023 3:39 PM
4	None	11/13/2023 11:42 AM
5	I am displeased with WRCOG's approach of regularly outsourcing programs that cities are obligated to follow. It would be more beneficial if they had trained staff readily available to offer assistance or guidance on these matters. If programs are consistently outsourced, it raises the question of the purpose of membership.	11/13/2023 8:35 AM
6	Still looking for more clarity on WRCOGs mission and value add. I'm not seeing a strong case currently for why it exisits.	11/13/2023 7:24 AM
7	I recommend that WRCOG consider collaborating more closely with RCFC&WCD to help provide more regional solutions, funding, projects, etc… for NPDES programs. I also suggest that WRCOG consider being involved with regional grant applications for projects that span or benefit multiple jurisdictions and agencies. I am newer to the Solid Waste committee but I think more frequent meetings there could be helpful. I understand from a recent meeting our agency had with CalRecycle that they feel our meeting frequency is not enough.	11/10/2023 10:47 AM
8	Enjoying the new leadership. I believe the last many years of the prior leadership saw WRCOG venturing into areas likely outside the intent of the JPA.	11/9/2023 12:18 PM
9	I believe WRCOG is in a better financial position, that the staff is working well and efficiently, and that Dr. Kurt Wilson has brought with him invaluable skills that have greatly improved WRCOG and our staff.	11/9/2023 11:42 AM
10	no	11/9/2023 11:20 AM
11	I'd recommend changing the format for the way financials are presented.	11/9/2023 8:45 AM
12	I think WRCOG could have a strong voice on legislative matters.	11/9/2023 8:42 AM
13	No	11/9/2023 7:51 AM
14	I think we need to look at options to a different type of general assembly. Such as a breakfast or online voting something less labor intensive for staff.	11/9/2023 6:37 AM
15	I'm impressed with the team. Happy to be a part of this group!	11/8/2023 10:28 PM
16	Wish cities would work together more instead of serving self interests	11/8/2023 10:26 PM
17	I think we are on the right track.	11/8/2023 8:00 PM
18	Thanks to Kurt for his leadership	11/8/2023 5:28 PM
19	get out of the energy business	11/8/2023 5:25 PM

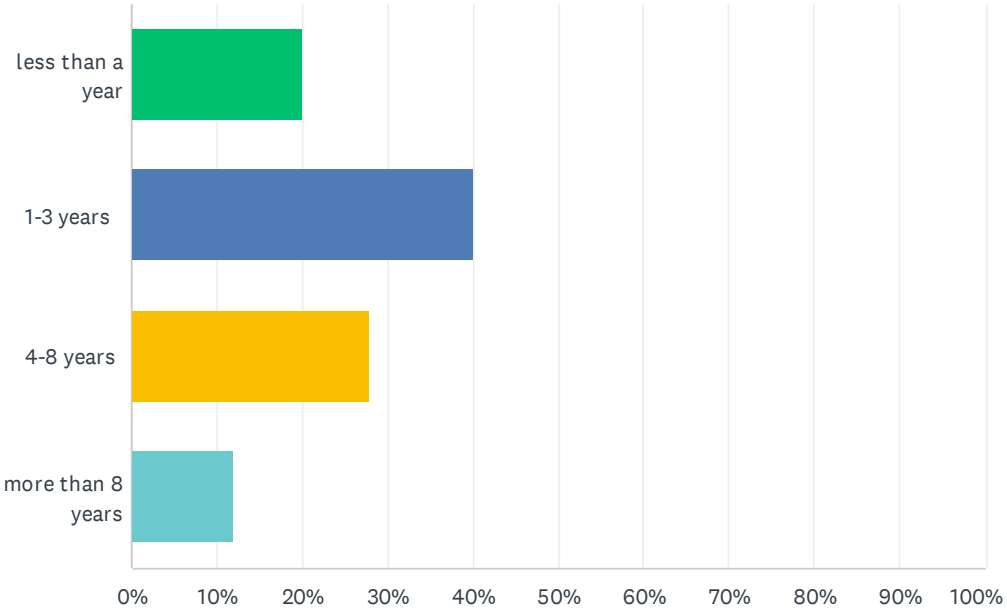
Attachment

WRCOG 2023 STAFF

SURVEY RESULTS

Q1 I have worked here for _____.

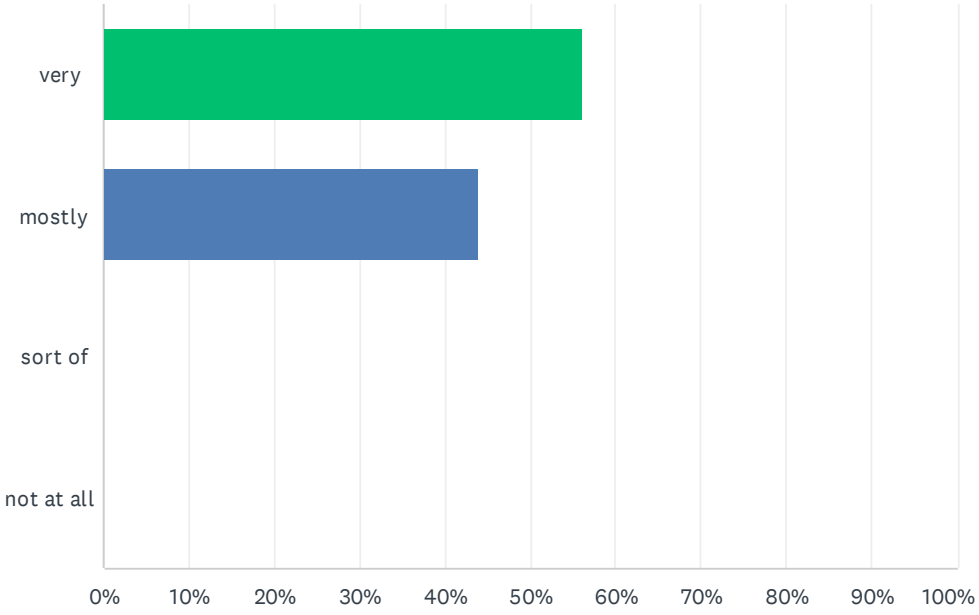
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
less than a year	20.00%	5
1-3 years	40.00%	10
4-8 years	28.00%	7
more than 8 years	12.00%	3
TOTAL		25

Q2 I am _____ happy working for WRCOG.

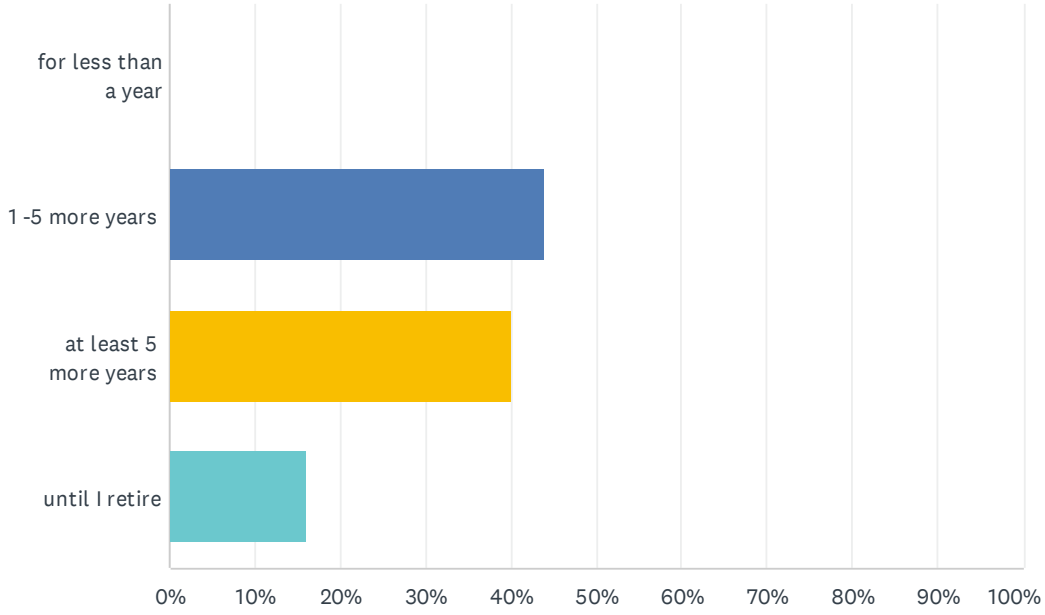
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
very	56.00%	14
mostly	44.00%	11
sort of	0.00%	0
not at all	0.00%	0
TOTAL		25

Q3 I plan to keep working here _____.

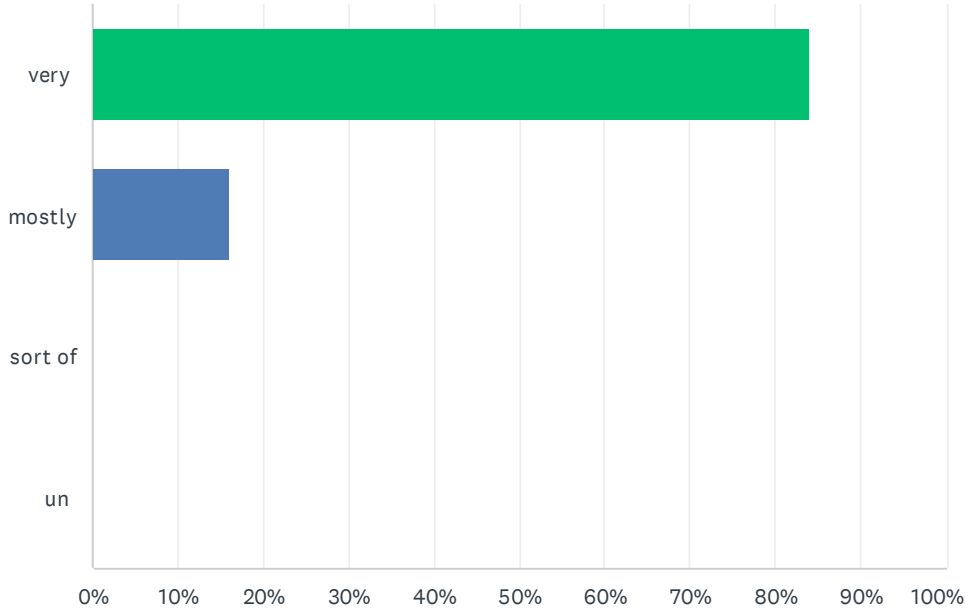
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
for less than a year	0.00%	0
1 -5 more years	44.00%	11
at least 5 more years	40.00%	10
until I retire	16.00%	4
Total Respondents: 25		

Q4 I feel _____ safe in my work environment.

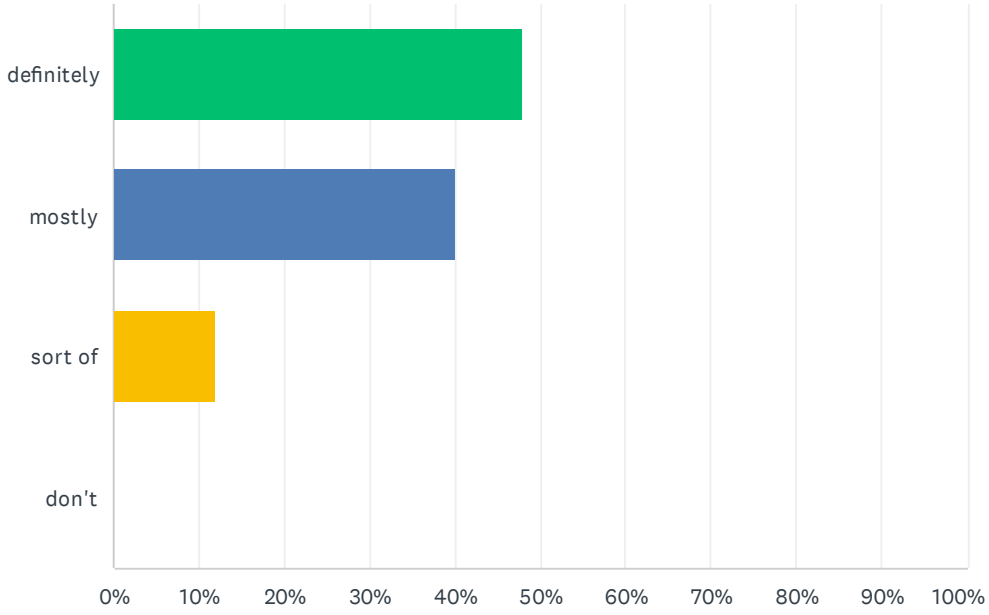
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
very	84.00%	21
mostly	16.00%	4
sort of	0.00%	0
un	0.00%	0
TOTAL		25

Q5 I _____ feel valued/seen at work.

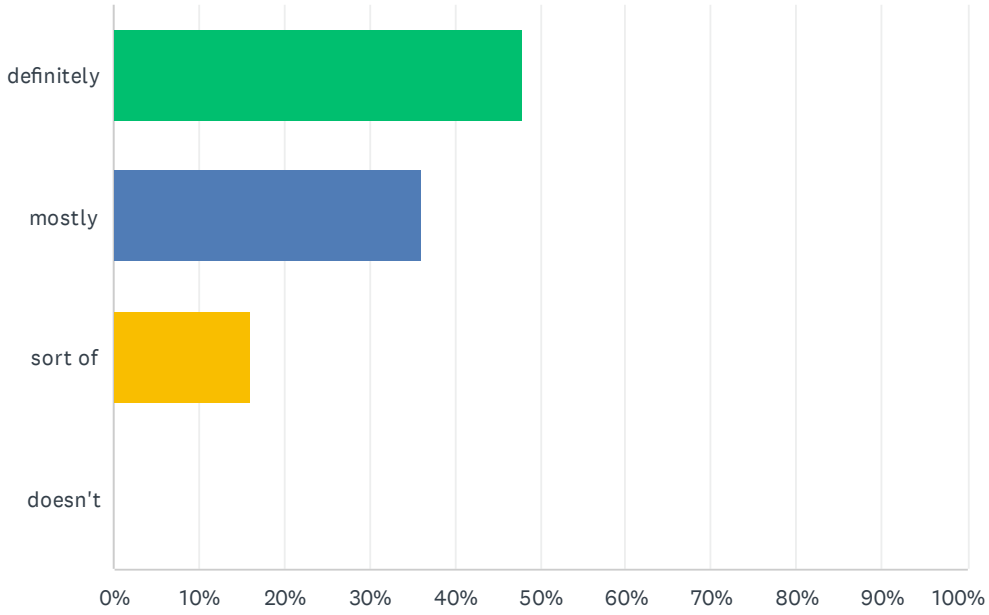
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	48.00%	12
mostly	40.00%	10
sort of	12.00%	3
don't	0.00%	0
TOTAL		25

Q6 WRCOG _____ care(s) about my professional growth and development

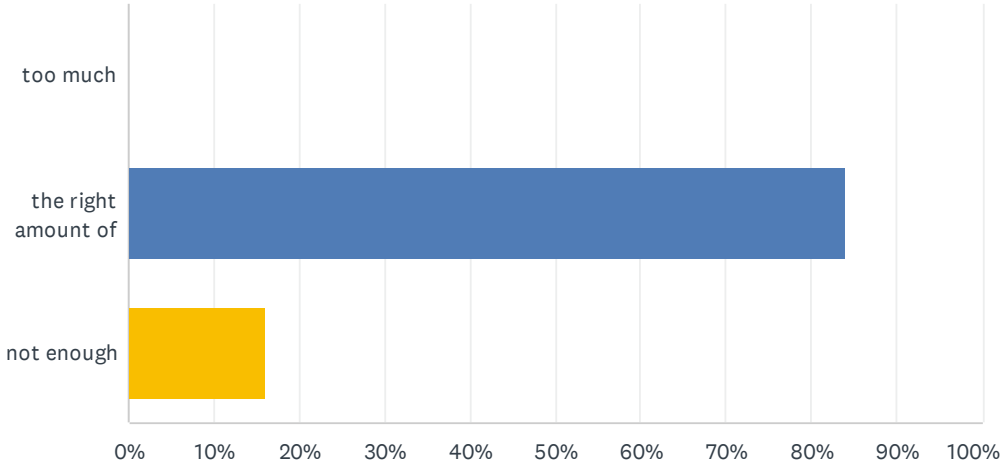
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	48.00%	12
mostly	36.00%	9
sort of	16.00%	4
doesn't	0.00%	0
TOTAL		25

Q7 I have _____ access to training to improve my skills.

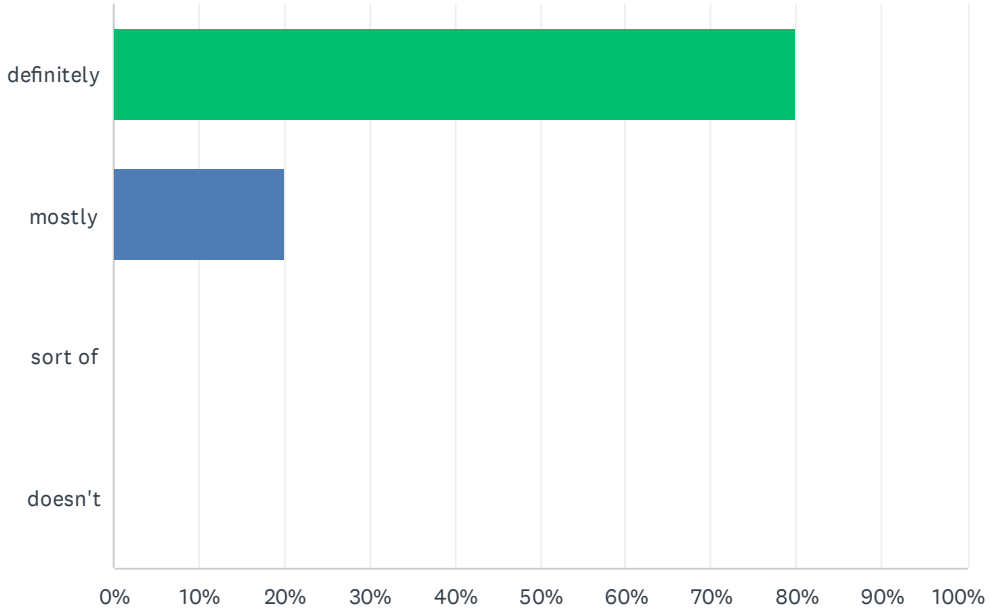
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
too much	0.00%	0
the right amount of	84.00%	21
not enough	16.00%	4
TOTAL		25

Q8 WRCOG _____ respect(s) my work-life balance

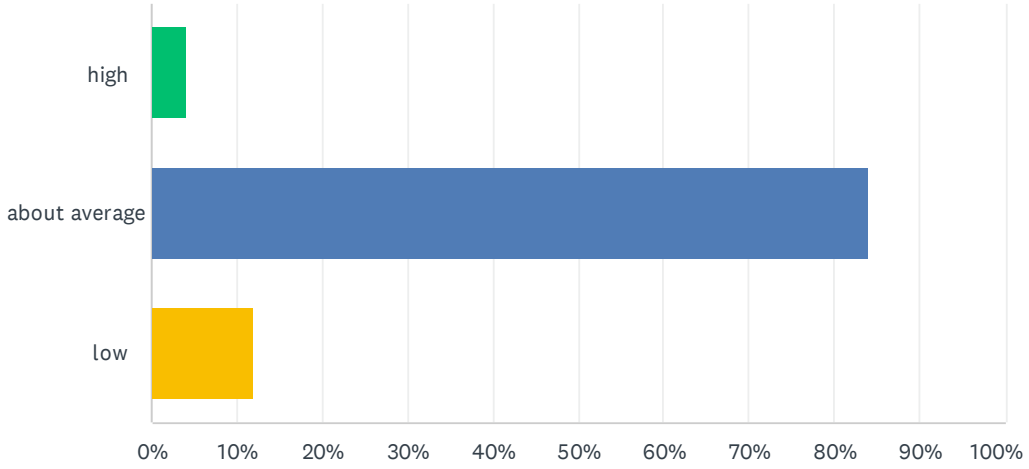
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	80.00%	20
mostly	20.00%	5
sort of	0.00%	0
doesn't	0.00%	0
TOTAL		25

Q9 My compensation level is _____ compared to market conditions.

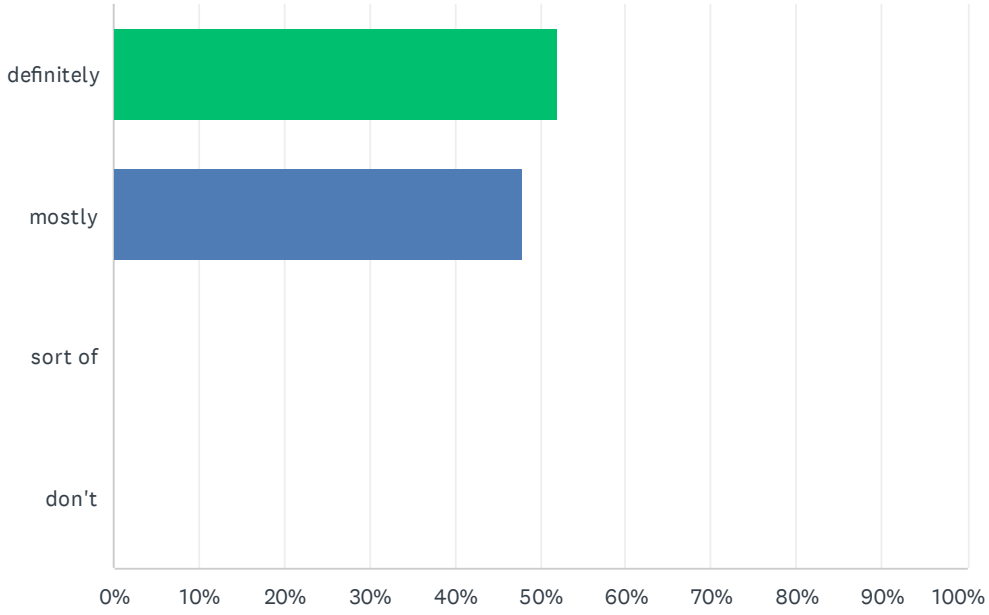
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
high	4.00%	1
about average	84.00%	21
low	12.00%	3
TOTAL		25

Q10 I _____ enjoy working with my colleagues.

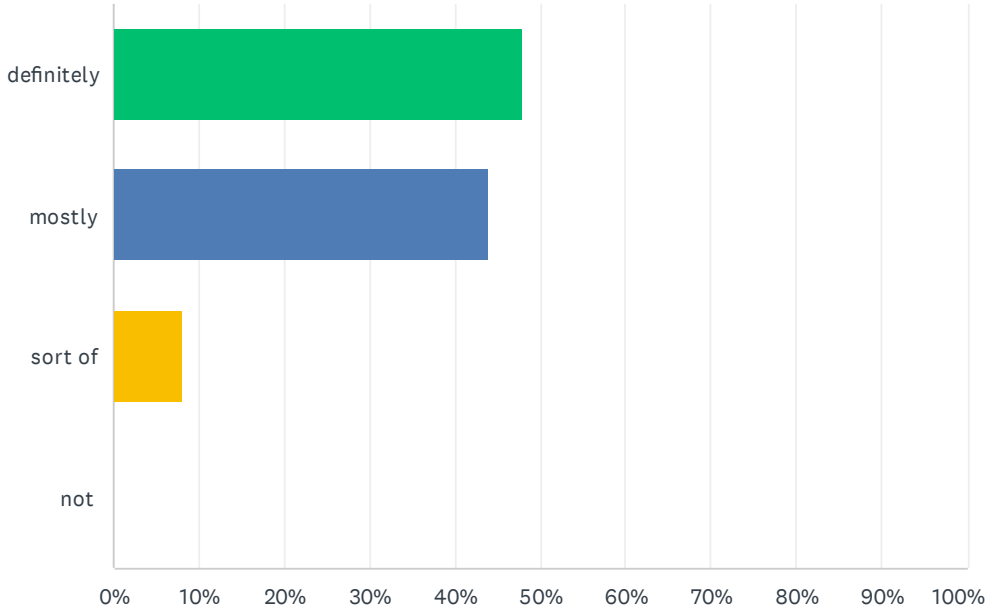
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	52.00%	13
mostly	48.00%	12
sort of	0.00%	0
don't	0.00%	0
TOTAL		25

Q11 My colleagues are _____ as committed to hard work as I am.

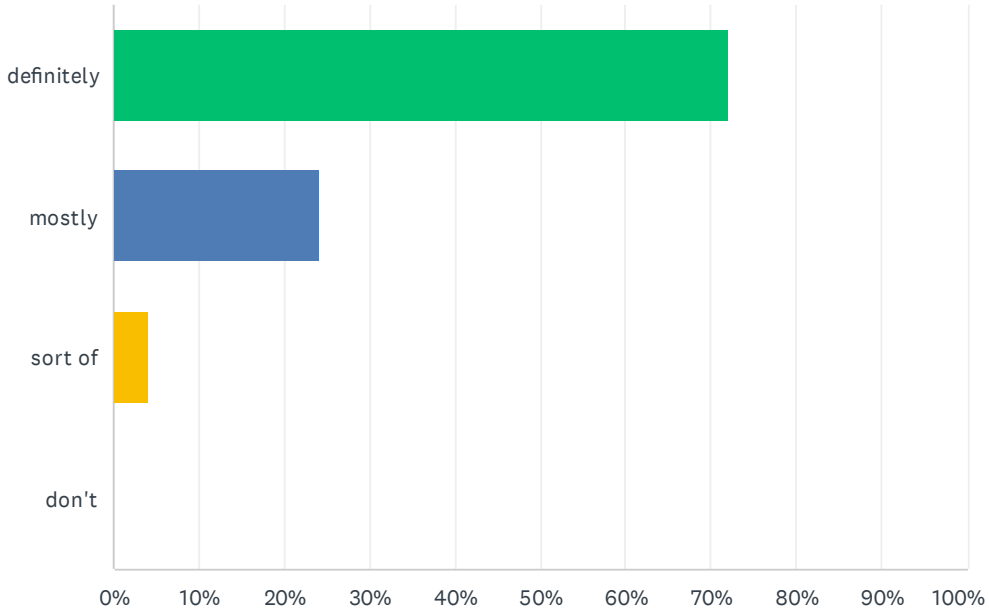
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	48.00%	12
mostly	44.00%	11
sort of	8.00%	2
not	0.00%	0
TOTAL		25

Q12 I _____ have confidence in the vision and abilities of senior management.

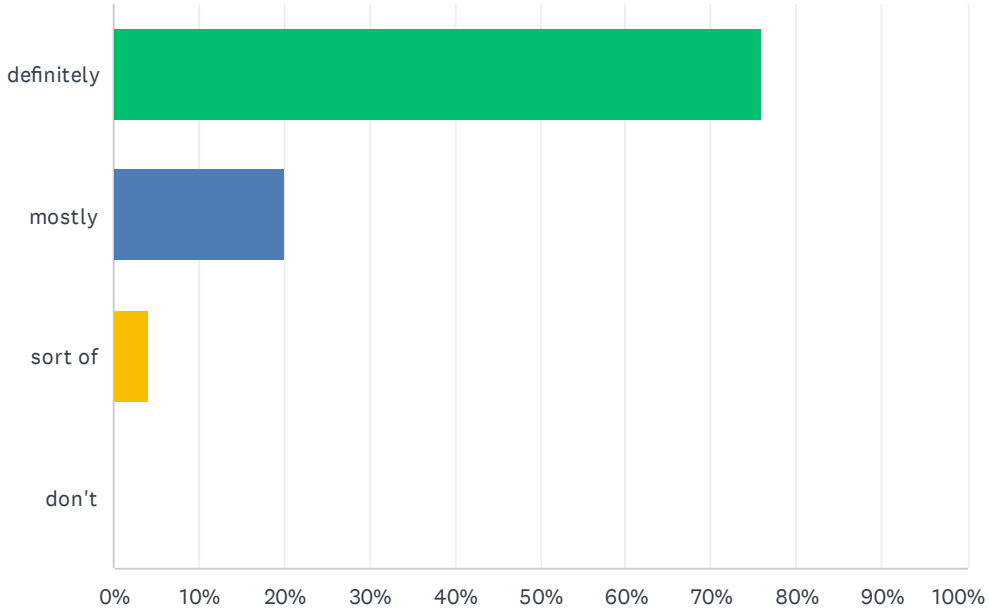
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	72.00%	18
mostly	24.00%	6
sort of	4.00%	1
don't	0.00%	0
TOTAL		25

Q13 I _____ bring value by providing meaningful work.

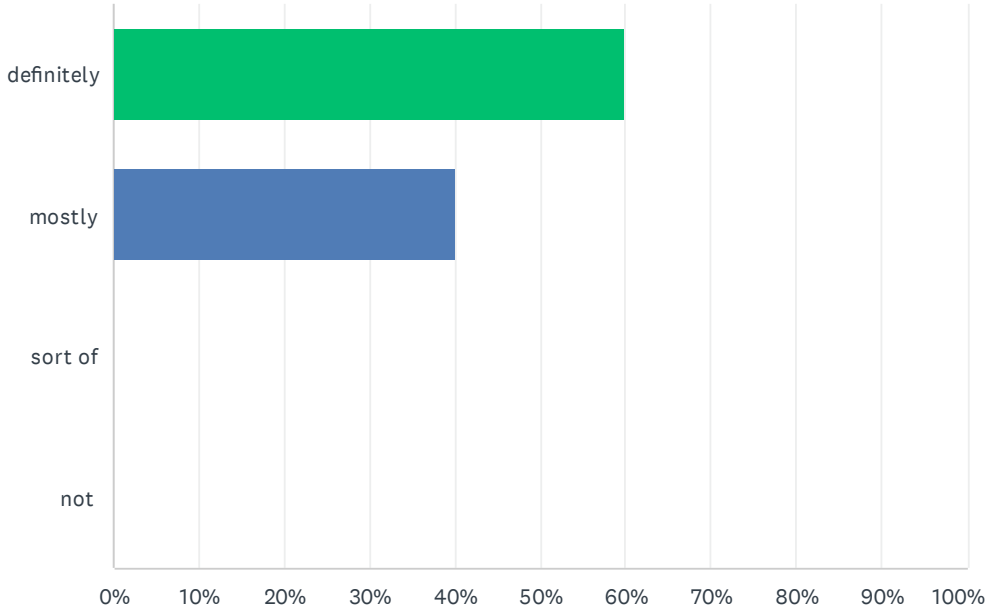
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	76.00%	19
mostly	20.00%	5
sort of	4.00%	1
don't	0.00%	0
TOTAL		25

Q14 WRCOG's reputation has _____ improved in the last few years.

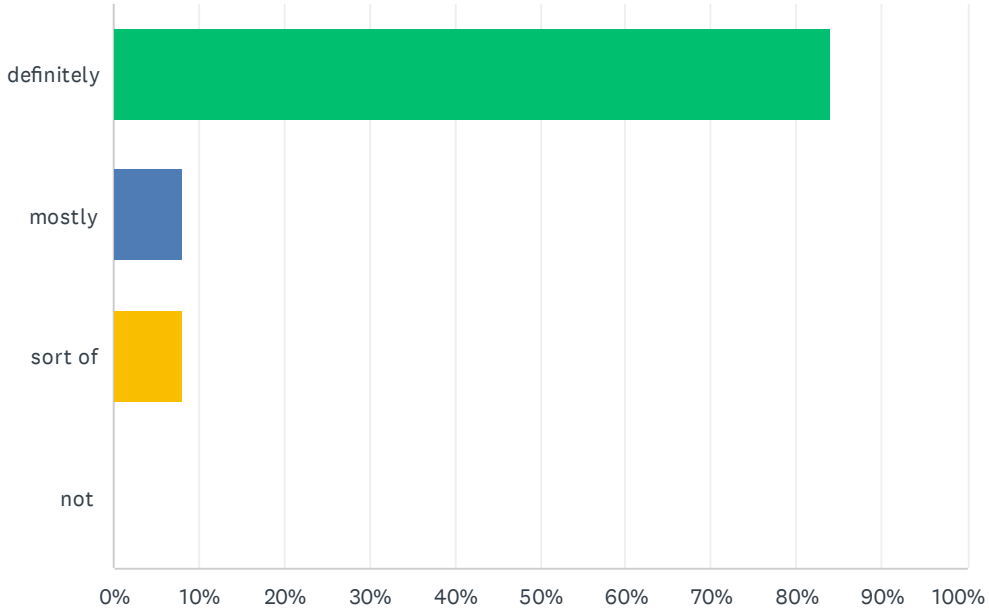
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	60.00%	15
mostly	40.00%	10
sort of	0.00%	0
not	0.00%	0
TOTAL		25

Q15 Remote work options are _____ important to me.

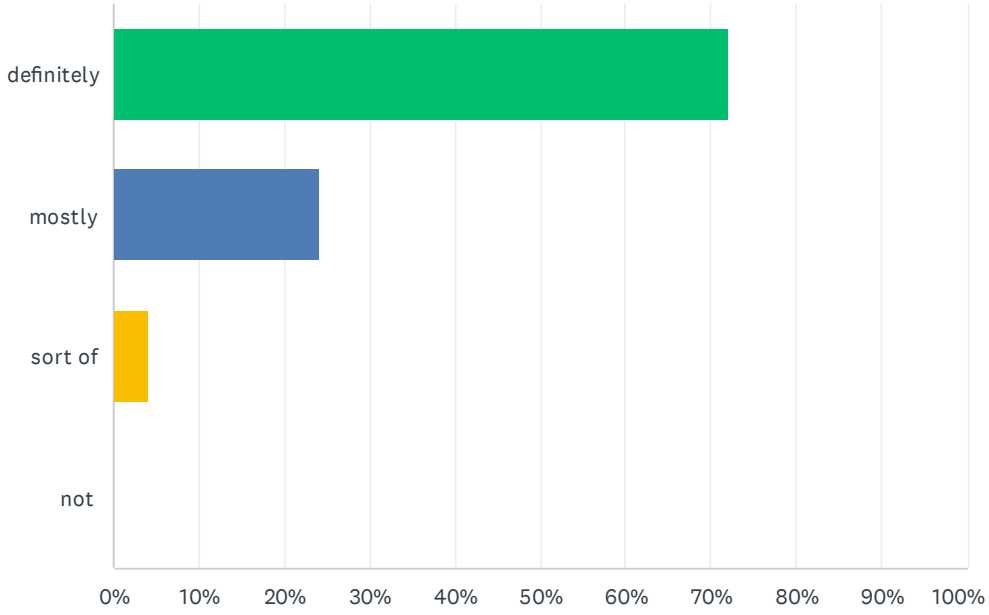
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	84.00%	21
mostly	8.00%	2
sort of	8.00%	2
not	0.00%	0
TOTAL		25

Q16 A modified work schedule is _____ important to me.

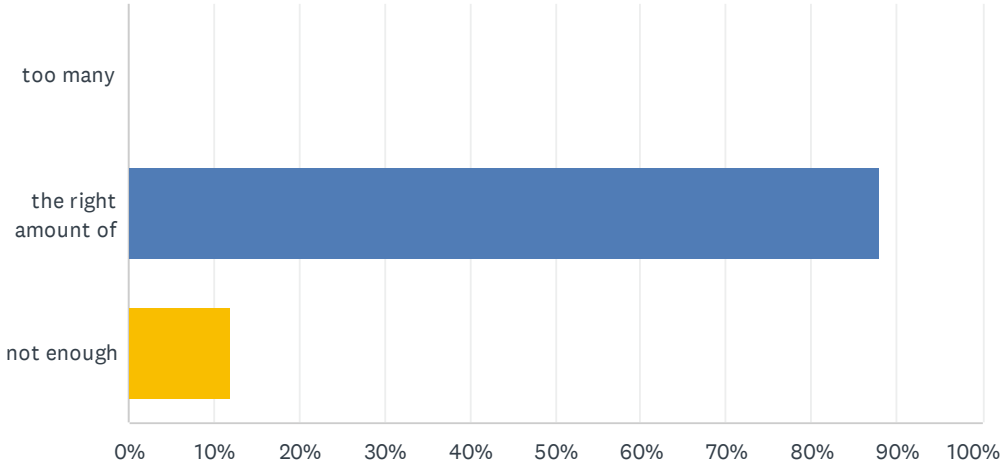
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	72.00%	18
mostly	24.00%	6
sort of	4.00%	1
not	0.00%	0
TOTAL		25

Q17 We have _____ opportunities for social interactions with coworkers.

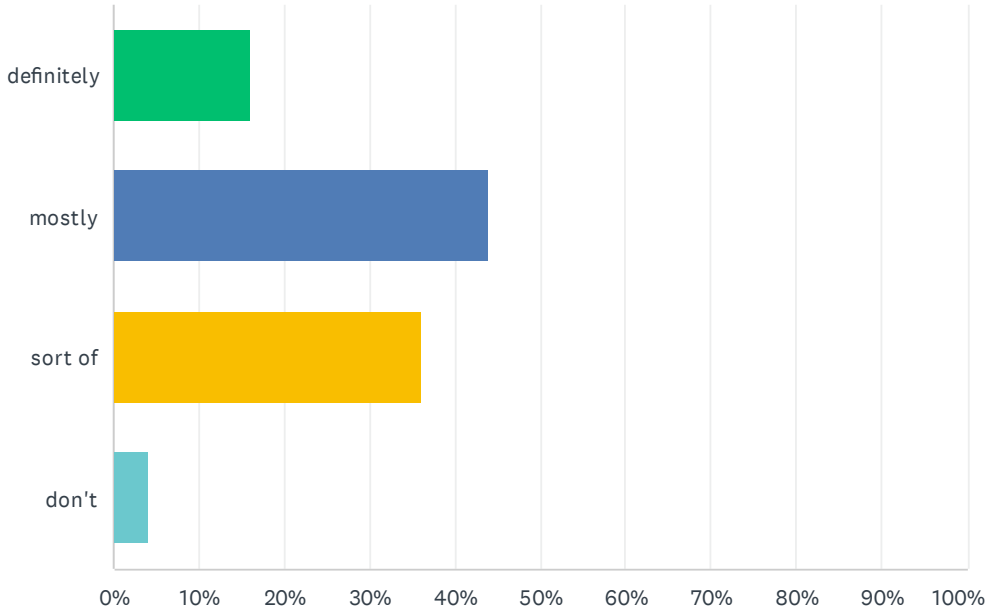
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
too many	0.00%	0
the right amount of	88.00%	22
not enough	12.00%	3
TOTAL		25

Q18 Committee members _____ understand/appreciate the full scope and value of WRCOG.

Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
definitely	16.00%	4
mostly	44.00%	11
sort of	36.00%	9
don't	4.00%	1
TOTAL		25

Q19 If we move offices, what should we consider for location and design?

Answered: 25 Skipped: 0

#	RESPONSES	DATE
1	More workspaces for collaboration- not just a conference room setting (smart board/TV, couch), a kitchen with a cooking surface/lunch room, good natural lighting, areas for walking, parking structure in the building, garden space, nearby eateries.	11/21/2023 4:40 PM
2	Murrieta, Menifee, and Perris	11/16/2023 9:57 AM
3	Location should be at a safe area. Design should be based off ratio of remote vs onsite work.	11/15/2023 11:05 AM
4	Within walking distance to food shops/restaurants	11/15/2023 10:17 AM
5	A centralized location within the county and access via public transportation, as we have staff who travel from within and outside the county; appropriately sized conference rooms for committee meetings, staff meetings, etc.; proper conference room technology to support meetings; proximity to restaurants; decent sized staff work space; decent sized storage room; if some Program Managers will have an office, ALL Program Managers should have an office. If staff are able to share work stations (rotating in-office work days), larger sized work space may be doable. Ergonomics should be thought of, e.g., rising desks / workstations. I feel we should consider owning, not leasing. WRCOG is around for the long haul, is it not?	11/14/2023 4:30 PM
6	I dont have a preference	11/14/2023 4:15 PM
7	Consider Moreno Valley or the east/ south side of Riverside- 215 at Meridian or Alessandro to avoid traffic back up in downtown. Consider some offices to be places where people in the office can go for telephone conversations and writing, since open cubes make it really hard to concentrate on calls and written work.	11/14/2023 7:55 AM
8	More conference rooms	11/13/2023 11:35 AM
9	Easily accessible, secure, affordable.	11/9/2023 8:08 AM
10	Please consider easily accessible location for longer distance commuters. Also, for the days I have to be in the office, I love the access to food and safe walking areas that we currently have and would greatly appreciate similar access with a new location.	11/8/2023 4:19 PM
11	I believe one of the biggest considerations the office should consider if they decide to move offices would be that they're accessible via public transportation whether it'd be bus or train.	11/8/2023 11:44 AM
12	proximity to member agencies, environment for staff such as the walkability of the surrounding area, diversity of places to eat for lunch, an office space that is open and fosters collaboration and teamwork.	11/8/2023 10:26 AM
13	Commute, employee parking accessibility and manager offices. The amount of open designated spaces is frustrating. I thankfully live close to the office but others do not the commute can take a toll on one for sure. Personally, I dislike traffic with a passion so I can sympathize with my colleagues having to sit in it for more than 2 hours to get home. Program managers should all have an office it should not be a first come first serve. I believe they all work hard and should have the privacy they need to conduct daily tasks.	11/8/2023 10:08 AM
14	location near the current one. People consider jobs based on location. If they accepted the job based on that and you change said location, it feels a bit like bait and switch. But, if WFH remains, location of building isn't nearly as important to me.	11/8/2023 9:10 AM
15	Please consider a central location for members and staff within a radius of Temecula, Banning/San Jacinto, to Corona/Eastvale area possibly with free and safe parking.	11/8/2023 8:51 AM
16	I think it would be great if our future location included EV chargers, as many staff drive EVs and or plug-in hybrids. I like the central location of being in downtown Riverside and would like to stay in DTR. An office with more amenities would be nice (gym, full kitchen, outdoor patios, etc).	11/8/2023 8:06 AM

17	Close to freeways, centrally located to member agencies if possible, located in western Riverside County. A semi-open floorplan/desk positioning so that multiple people can have conversations and not be heard in other's meetings/phone calls - Currently It's hard to have calls/zoom meetings when my desk neighbors have a call/meeting as well. Striking a balance between cubicles vs. our current open floor plan would be good. Having 1-2 meeting rooms seems appropriate for meetings with vendors, member agency staff, consultants, our Committee meetings, and Departmental meetings. Having a closed-off front waiting area/reception area from the rest of where staff work for safety from visitors. Have a break room and outdoor eating/break place. Free or unpaid parking so staff don't run the risk of having to pay for parking. Good lighting and AC/Heating/Ventilation so that it's not dusty or stuffy if in an older building.	11/7/2023 5:32 PM
18	In between San Bernardino and Riverside. Office Building and safe neighborhood	11/7/2023 5:26 PM
19	Near a highway, since most staff travel on a highway to the office. In addition, the need to provide areas for staff to participate in virtual meetings without background noise.	11/7/2023 4:40 PM
20	Collaboration space, conference room space, parking, restaurants nearby	11/7/2023 4:22 PM
21	A new office space should have enough meeting rooms so that we are able to host a majority of our committee meetings in the office rather than having to schedule meetings through outside parties. I am less concerned about the actual office space and want to make sure we have sufficient meeting space.	11/7/2023 4:13 PM
22	Location should be central to our members, likely close to where we're currently at.	11/7/2023 4:05 PM
23	Centrally located, not farther south. Would be nice to be walking distance from restaurants for lunch. Hopefully in the future I can take public transit to work, but it also depends on Metrolink/RTA schedules Good size conference rooms, at least one the size of Citrus or larger, another the size of Palm, and a additional open space with a table would be nice too. Since staff work remote, work stations with docks that people can use each day would be great. Every staff person can have a locker or file cabinet for storage on site in a designated area. Or each team gets storage space. Maybe each department/ team has a shared working space with smaller desks to create collaboration when we're in the office. Lots of open space with a few private phone booths seems like a cool idea.	11/7/2023 4:01 PM
24	Smaller meeting spaces for team meetings. Good balance of natural light in the office.	11/7/2023 3:59 PM
25	Safe location for walking breaks, with near-ish options for meals (for meetings we feed members) or just lunch options for staff.	11/7/2023 3:53 PM

Q20 Is there anything else you'd like to share?

Answered: 12 Skipped: 13

#	RESPONSES	DATE
1	I've really enjoyed working at WRCOG. My team is excellent, and many of them make working here fun; some make it a challenge and should chill out a bit, but overall, it's a great team dynamic. The leadership is listening and is responsive to our needs. We are a small but effective agency, and it shows in the work product.	11/21/2023 4:40 PM
2	I appreciate the agency and it's efforts to hear feedback from its employees. I think it would be great for employee moral to have more in office events.	11/15/2023 11:05 AM
3	I have noticed a lot of attention given to staff improvement (job skills, task / project management, etc.) - I appreciate that. I feel like, as an agency, as well as within at department levels, we are starting to run like a well-oiled COG, pun completely intended.	11/14/2023 4:30 PM
4	I think our new Executive Director has done an outstanding job in the time he has been here. The introduction of the Strategic Plan not only identified a mission for WRCOG but I know what my role is in the effort. The communication among teams has increased. His vision of cross functional project management is visionary and will help with successional planning for the agency. I thing our staff feels valued that they are an integral part in our growth as an agency. I also appreciate the ability to seek and participate in training that enrich my career growth and goals.	11/14/2023 4:15 PM
5	WRCOG's internal operations have improved immensely since I began working here. There are still a few things that can be improved, namely with accounting, but overall, we are headed in the right direction.	11/9/2023 8:08 AM
6	WRCOG is a wonderful place to work and I am proud to contribute to this new family and will strive to keep it a safe and fun place for everyone.	11/8/2023 4:19 PM
7	While I do believe we have a solid work/life balance mechanism at WRCOG, I think looking at the job market, a lot of other agencies offer much more generous PTO policies. Giving employees more PTO every year would add to our work/life balance and it would increase morale.	11/8/2023 8:06 AM
8	I like the direction that WRCOG seems to be heading in as an overall organization and leadership. I like the training offerings that help staff develop professionally, trainings that work for WRCOG specifically, government in general, and even in private industry. I like the updated compensation. Overall seems like the changes implemented in the last few years have been good.	11/7/2023 5:32 PM
9	No	11/7/2023 4:22 PM
10	I would like WRCOG to do an in-depth evaluation of our benefits. I find that the majority of our benefits have limited utility for me personally. I also believe that our current HR Staff have limited understanding of the various benefit options and will require outside assistance to make any meaningful change.	11/7/2023 4:13 PM
11	Remote work is extremely important to me. I think we keep a good balance of creating intentional in-person days at the office. I take advantage when I'm in the office without having to go all the time which is great. I feel connected to my coworkers with the face time I get now. In promoting sustainability and resiliency, I think remote work aligns with WRCOG's goals.	11/7/2023 4:01 PM
12	n/a	11/7/2023 3:53 PM

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: Approval of Fiscal Year 2023/2024 Mid-Year Budget Amendment

Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741

Date: March 4, 2024

Recommended Action(s):

1. Approve the Fiscal Year 2023/2024 Mid-Year Budget Amendment.

Summary:

The mid-year budget review identified eight budget items with revenue or expenditure levels different from the adopted levels. Along with frugal spending habits, this is primarily the result of new funding sources or, in the case of the Transportation Uniform Mitigation Fee (TUMF) Program, revenues far exceeding projections. In order to ensure the budget accurately reflects our most current estimates of revenues and expenditures, a series of budget amendments are recommended. The combined **revenue increases** equal $95,174 and the combined **expenditure decreases** equal $1,206,225 for a net impact (improvement) of $1,301,399.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to request approval of a mid-year budget amendment. This effort aligns with WRCOG's 2022-2027 Strategic Plan Goal #3 (Ensure fiscal solvency and stability of the Western Riverside Council of Governments).

Discussion:

Background

The WRCOG annual budget is adopted prior to the start of each fiscal year. It reflects the anticipated revenue and spending levels of each fund based on information known at the time. Throughout the year, staff tracks actual revenues and expenditures and compares them to the levels projected when the budget was adopted. The mid-year budget amendment process reflects updated assumptions for each fund.

Clean Cities Program: The Clean Cities Program has a current budget of $434,600, which consists of several funding sources, including dues, allocations from other programs, and grants from various sources. Two additional revenue sources are being added to the Clean Cities Program in this amendment.

The first is for $19,437 for the National Renewable Energy Laboratory Jumpstart Working Group Facilitation. This initiative is funded by the Department of Energy and establishes the Inland Zero-Emission Vehicle Working Group which is designed to provide resources to public and private fleets and industry stakeholders to transition to zero-emission vehicles. This item includes a corresponding increase in expenditures under consulting labor for the same amount.

The second is for $86,600 for the Clean Cities Environmental Justice Initiative. This initiative is funded by the Department of Energy and will increase understanding of mobility challenges in local disadvantaged communities and suggest methods for addressing these challenges with clean mobility options. Funding supports a full time Fellow. There will also be an increase primarily in salaries / benefits for the cost of the Fellow for the same amount.

Solid Waste Program: The Solid Waste Program has a current budget of $343,931, which consists of dues from member jurisdictions for general program services, as well as payments from members for the Food Waste Recovery initiative. The Executive Committee previously approved an opt-in program to assist member agencies in the implementation of requirements from Senate Bill (SB) 1383. The Solid Waste Program is funded by participating member agencies. An increase of $161,982 in revenues is being added to the Solid Waste budget related to the Food Waste Recovery Initiative efforts. The Initiative aims to assist participating cities with SB 1383 required food rescue efforts. This includes inspections of edible food generators, food rescue organizations, complaint tracking, social media, workshops and outreach, and education. There will also be a corresponding increase in consulting labor of $141,306.

Integrated Climate Adaptation & Resilience Program (ICARP): The ICARP Adaptation Planning Grant from the Governor's Office of Planning & Research (OPR) awarded WRCOG with a grant of $471,000. The implementation continues through January 2026 to develop the Energy Resilience Plan 2.0 which will identify the potential to install microgrids at public facilities and determine feasibility to implement community resilience centers at sites identified by member agencies. $94,200 of the total revenue, and a corresponding expenditure amount for salaries, benefits, legal, and consulting labor, will be accounted for in Fiscal Year (FY) 2023/2024, and the remaining funds will be allocated in later years.

Gas Company Partnership: The SoCalGas Regional Energy Pathways (REP) Program engages and funds WRCOG to serve as the Ambassador, or the local "go to" resource, to help public sector customers in Riverside and San Bernardino Counties increase their energy efficiency with SoCalGas' programs. The REP Program was originally scheduled to start on July 1, 2023, but did not launch until January 1, 2024. This results in a reduction of current year revenues with the balance deferred to the next fiscal year. Additionally, the overall grant increased by 15% (from $100,000 to $115,000). The net result is a reduction of current year revenues and expenditures from $60,000 to $40,000.

Inland Regional Energy Network (I-REN) Program: The I-REN budget is fully funded by the California Public Utilities Commission for a 6-year total of $65,577,932. Each fiscal year, some portion of that total is budgeted with the balance carrying forward throughout the 6-year period. For FY 2023/2024, I-REN had a budget of approximately $10M, spread across three sectors: 1) Public, 2) Workforce Education & Training, and 3) Codes & Standards. Through December 2023, approximately $2M in expenses have been incurred. The rate of spending continues to increase as the Program matures; however, the anticipated expenses for the Direct Incentive line item in the current fiscal year budget are expected to be less than the budgeted amount by $1.5M. The deferred funds must be spent by 2027.

Commercial Property Assessed Clean Energy (PACE) Program: The statewide Commercial PACE Program consists of fixed costs to operate the Program and variable costs that correspond with the revenue of new projects. A low number of projects maintains the Program and additional above-baseline expenditures are only borne from new revenue-producing projects. The current year revenue estimates of $148,172 are based on the fixed costs of operating the Program and were always expected to increase in the event additional projects were completed. The Program has closed three projects through the first half of the year, totaling $241,000 in revenue, so a budget amendment of approximately $93,000 is included in this proposed amendment package.

These three projects include 1) a solar project in Carlsbad for approximately $13,000 in revenue, 2) a new construction project (including seismic, building envelope, water conservation, and electrical improvements) in Imperial for $50,000 in revenue, and 3) a new construction (including seismic, building envelope, water conservation, and electrical improvement) project in Sand City for $178,000 in revenue.

TUMF Program: Through December 2023, the TUMF Program collected $42.3M, which far exceeded the projected mid-year collections of $25M. TUMF collections for all of last fiscal year were $73M. Based on the current number of TUMF applications and the current number of projects with pending TUMF payments (as noted in the WRCOG online TUMF Calculation and Payment portal), development activity continues to occur at a pace higher than originally anticipated. FY 2023/2024 collections were originally projected at $50M, but are now being increased to $72.5M based on current trends. Based on prior year recommendations from WRCOG's audit, WRCOG is only classifying its 4% administrative fee as revenues, so these revenues are currently budgeted at $2M, and would be increased by $900,000, to $2.9M.

While the overall level of development activity has increased beyond projections, the relative amount of activity within each major sector has also changed. TUMF is collected on five main categories of development including:

1. Single-family residential
2. Multi-family residential
3. Retail
4. Service / Commercial
5. Industrial

Over the past several months, the relative contribution of single-family residential has increased so that single-family residential accounts for 60% of total collections, as opposed to 50% from what was originally budgeted. This increase has been offset by lower than anticipated collections for multi-family, retail, and commercial development projects. Together, those three uses account for 20% of total collections, and the remaining 20% coming from the industrial land use type, which will remain at the same percentage of overall collections as originally budgeted. This budget amendment not only increases overall revenues, but also reallocates the anticipated collections to increase and decrease in the categories described above. This trend is expected to continue for the remainder of FY 2023/2024.

General Fund Investment Income: Earnings from interest have increased since the original budget was adopted. The Federal Funds Rate increased from approximately 5% (at the time the budget was being prepared) to approximately 5.5% today, and have held steady with no decreases. This has provided a

substantial increase in interest revenue to the Agency as General Fund investments are being invested in the California Asset Management Plan, where rates are now approaching 5.5%. The adopted revenue estimate of $200,000 is now expected to increase to $500,000 for FY 2023/2024. This estimate incorporates the possibility of a decrease in the Federal Funds Rate during the current fiscal year.

In total, the proposed amendment package includes a $1,489,137 increase in revenues and a $187,738 increase in expenditures to WRCOG's General Fund (110). It also includes an increase of $106,037 in revenues and expenditures in the Clean Cities Fund (120). There would be a decrease of $1,500,000 in revenues and expenditures in the I-REN Fund (180). In total, the Agency budget will have a net increase in revenues of $95,174 and a net decrease in expenditures of $1,206,225.

Prior Action(s):

None.

Financial Summary:

In total, there will be a $1,489,137 increase in revenues and a $187,738 increase in expenditures to WRCOG's General Fund (110). There will be an increase of $106,037 in revenues and expenditures in the Clean Cities Fund (120). There will be a decrease of $1,500,000 in revenues and expenditures in the I-REN Fund (180). In total, the Agency budget will have a net increase in revenues of $95,174 and a net decrease in expenditures of $1,206,225.

Attachment(s):

Attachment 1 - Fiscal Year 2023/2024 Mid-Year Budget Amendment

Attachment 1

WRCOG Fiscal Year 2023/2024 Mid Year Budget Amendment

Western Riverside Council of Governments
Fiscal Year 2023/2024 Mid Year Budget Amendment
Financials as of December 31, 2023

Description	Actual	FY 24 Budget	Variance	Amendment	New Budget
Administration					
Revenues					
Investment/Interest Income	264,715	200,000	(64,715)	300,000	500,000
Clean Cities					
Revenues					
Air Quality - Other Reimburse	$ 144,052	$ 364,600	$ 220,548	$ 106,037	$ 470,637
Total Revenues	**$ 214,052**	**$ 434,600**	**$ 220,548**	**$ 106,037**	**$ 540,637**
Expenses					
Salaries & Wages - Fulltime	$ 101,909	$ 174,597	$ 72,688	$ 50,274	$ 224,871
Fringe Benefits	38,191	69,341	31,151	21,929	91,270
Consulting Labor	15,000	15,000	-	33,834	48,834
Total Expenses	**$ 250,366**	**$ 434,386**	**$ 184,020**	**$ 106,037**	**$ 540,423**
Solid Waste					
Revenues					
	Actual	**Budget**	**Variance**		
Solid Waste	$ 423,079	$ 343,931	$ (79,148)	$ 161,982	$ 505,913
Total Revenues	**$ 423,079**	**$ 343,931**	**$ (79,148)**	**$ 161,982**	**$ 505,913**
Expenses					
Consulting Labor	184,664	184,664	(0)	141,306	325,970
Total Expenses	**$ 257,667**	**$ 343,853**	**$ 86,186**	**$ 141,306**	**$ 485,159**
ICARP Energy Resilience Plan 2.0					
Revenues					
ICARP	$ -	$ -	$ -	$ 94,200	$ 94,200
Total Revenues	**$ -**	**$ -**	**$ -**	**$ 94,200**	**$ 94,200**
Expenses					
Salaries & Wages - Fulltime	$ -	$ -	$ -	$ 11,250	$ 11,250
Fringe Benefits	-	-	-	3,879	3,879
Overhead Allocation	-	-	-	9,267	9,267
General Legal Services	-	-	-	5,000	5,000
Consulting Labor	-	-	-	64,804	64,804
Total Expenses	**$ -**	**$ -**	**$ -**	**$ 94,200**	**$ 94,200**

Western Riverside Council of Governments
Fiscal Year 2023/2024 Mid Year Budget Amendment
Financials as of December 31, 2023

Description	Actual	FY 24 Budget	Variance	Amendment	New Budget
Gas Company Partership - Regional Energy Pathways					
Revenues					
Gas Company Partnership	$ -	$ 100,000	$ 100,000	$ (60,000)	$ 40,000
Total Revenues	**$ -**	**$ 100,000**	**$ 100,000**	**$ (60,000)**	**$ 40,000**
Expenses					
Salaries & Wages - Fulltime	$ -	$ 22,500	$ 22,500	$ (11,250)	$ 11,250
Fringe Benefits	-	7,757	7,757	(3,879)	3,879
Overhead Allocation	-	18,535	18,535	(9,268)	9,268
General Legal Services	-	2,500	2,500	(1,250)	1,250
Parking Validations	-	250	250	(125)	125
Office Supplies & Materials	-	1,500	1,500	(750)	750
Meeting Support Services	-	2,500	2,500	(1,250)	1,250
Postage	-	250	250	(125)	125
Seminars/Conferences	-	500	500	(250)	250
Travel	-	2,750	2,750	(1,375)	1,375
Training	-	7,500	7,500	(7,500)	-
Event Support	-	2,500	2,500	(1,250)	1,250
Consulting Labor	-	18,726	18,726	(9,497)	9,229
Total Expenses	**$ -**	**$ 87,768**	**$ 87,768**	**$ (47,768)**	**$ 40,000**
Inland Regional Energy Network - Public Sector					
Revenues					
IREN - Public Sector	$ 1,175,688	$ 6,450,125	$ 5,274,437	(1,500,000)	4,950,125
Total Revenues	**$ 1,175,688**	**$ 6,450,125**	**$ 5,274,437**	**$ (1,500,000)**	**$ 4,950,125**
Expenses					
Direct Costs	-	1,625,000	1,625,000	(1,500,000)	125,000
Total Expenses	**$ 1,175,688**	**$ 6,341,141**	**$ 5,165,453**	**$ (1,500,000)**	**$ 4,841,141**
PACE Commercial					
Revenues					
PACE Commercial Revenue	$ 241,428	$ 148,472	$ (92,955)	$ 92,955	$ 241,427
Total Revenues	**$ 241,428**	**$ 148,472**	**$ (92,955)**	**$ 92,955**	**$ 241,427**

Western Riverside Council of Governments
Fiscal Year 2023/2024 Mid Year Budget Amendment
Financials as of December 31, 2023

Description	Actual	FY 24 Budget	Variance	Amendment	New Budget
TUMF Administration					
Revenues					
Commercial/Service	$ 17,334	$ 100,000	$ 82,666	$ (27,500)	$ 72,500
Retail	14,405	100,000	85,595	(27,500)	72,500
Industrial	356,295	400,000	43,705	180,000	580,000
Residential/Multi/Single	990,513	1,000,000	9,487	740,000	1,740,000
Multi-Family	289,768	400,000	110,232	35,000	435,000

Summary

General Fund (110) Revenue Increase (Decrease)	1,489,137
General Fund (110) Expenditure Increase (Decrease)	187,738
Clean Cities Fund (120) Revenue Increase (Decrease)	$ 106,037
Clean Cities Fund (120) Expenditure Increase (Decrease)	$ 106,037
I-REN Fund (180) Revenue Increase (Decrease)	(1,500,000)
I-REN Fund (180) Expenditure Increase (Decrease)	(1,500,000)
Total Agency Revenue Increase (Decrease)	**95,174**
Total Agency Expenditure Increase (Decrease)	**(1,206,225)**

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Climate Pollution Reduction Grant Memorandum of Agreement**

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

Date: **March 4, 2024**

Recommended Action(s):

1. Authorize the Executive Director to negotiate and execute, subject to approval as to form by General Counsel, a Memorandum of Agreement between WRCOG, the San Bernardino County Transportation Authority / San Bernardino Council of Governments, and the Coachella Valley Association of Governments, and the execution of future amendments for the Climate Pollution Reduction Implementation Grant Program.

Summary:

The 2022 Inflation Reduction Act established the Climate Pollution Reduction Grants (CPRG) Program, which funds both planning and implementation grant opportunities. One million dollars was allocated to the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA) to prepare a Priority Climate Action Plan (PCAP). The San Bernardino Council of Governments (SBCOG) is leading the PCAP in partnership with WRCOG, the Coachella Valley Association of Governments, the South Coast Air Quality Management District (SCAQMD), and the Southern California Association of Governments (SCAG). Following submittal of the PCAP, the Riverside-San Bernardino-Ontario MSA will be eligible to submit an application for Implementation Grants.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to share information regarding the upcoming CPRG Implementation Grant opportunity. Potential implementation grant activities cover a wide spectrum of issue areas and overlap with multiple goals and actions within the WRCOG's 2022-2027 Strategic Plan, including:

- Goal 2: Identify and help secure grants and other potential funding opportunities for projects and programs that benefit member agencies.
- Goal 5: Develop projects and programs that improve infrastructure and sustainable development in our region.
    - 5.1 Support Investment in projects, infrastructure, and programs in the region including:
        - 5.1.1 Transportation infrastructure
- Goal 6: Develop and implement programs that support resilience for our region.
    - 6.1 Incentivize programs for saving electricity, water, and other essential resources through

the Inland Regional Energy Network.
- 6.2 Support the efforts to promote the Clean Cities Coalition.

Discussion:

Background

Climate Pollution Reduction Grants Program: The CPRG Planning Program provides grants to states, local governments, tribes, and territories to develop and implement plans for reducing greenhouse gas (GHG) emissions and other harmful air pollution. Section 60114 of the Inflation Reduction Act (IRA) provides an investment of $5B to support efforts by states and municipalities thereof to develop and implement local GHG emissions reduction strategies. The two-stage grant program provides funding of $250M for non-competitive planning grants and $4.6B for competitive implementation grants. Planning grant funds can be used to update existing climate, energy, or sustainability plans.

The Environmental Protection Agency (EPA) is committed to supporting the development of climate action plans and the expeditious implementation of investment ready policies, programs, and projects to reduce GHG emissions in the near term. Through the CPRG Program, the EPA will support the development and deployment of technologies and solutions that will reduce GHG emissions and harmful air pollution, as well as transition America to a clean energy economy that benefits all Americans.

The proposed project is intended to provide support to all member jurisdictions within Riverside and San Bernardino Counties by offering a menu of options for the jurisdictions to use the previously developed GHG emissions reduction plans in each county and their inventory, reduction measures, and reporting tools to implement projects and programs that reduce GHG emissions and achieve the goals of the CPRG Program. The EPA has a legislative deadline to complete the Phase I report, Priority Climate Action Plan, by March 1, 2024. The San Bernardino County Transportation Authority (SBCTA) and SBCOG is leading the PCAP process as part of the larger CPRG Planning Program in partnership with WRCOG, the Coachella Valley Association of Governments (CVAG), Mojave Desert Air Quality Management District (MDAQMD), SCAG, and SCAQMD.

Riverside-San Bernardino-Ontario MSA Progress Report: The PCAP section of the CPRG planning document provides a comprehensive summary of GHG emissions reduction measures for the Riverside-San Bernardino-Ontario MSA, comprised of 54 jurisdictions in Riverside and San Bernardino Counties that are affiliated with the three Councils of Governments (COGs). The GHG emissions reduction measures are organized into two main sections:

1. Priority Regional Measures that represent the entire MSA that have broad applicability to the region and suitability for the CPRG's Implementation Grant Application.
2. Additional measures that represent the full range of GHG emissions reduction measures in each COG's existing CAPs that have been adopted or drafted by the COGs themselves (regional CAPs) or by individual jurisdictions (local CAPs).

In total, the PCAP's GHG reduction measures cover 29 jurisdictions in Riverside County and 25 jurisdictions in San Bernardino County.

Priority Regional Measures (PRMs): After the initial analysis of various measures, three PRMs were determined to have the highest priority for implementation and are anticipated to score well against the

evaluation criteria of the EPA's CPRG Implementation Grant Program. These three PRMs are described in more detail below:

1. Light Duty Electric Vehicle Infrastructure - This PRM addresses the need for large scale deployment of Electric Vehicle Charging Stations (EVCS) in the Riverside and San Bernardino County region, particularly in areas populated by Low-Income and Disadvantaged Communities (LIDACs), where investment in EV infrastructure has been limited. Funding to implement this measure will support the deployment and operation of an increasing number of light-duty EVs traveling within and through the region by providing accessible, reliable, and widely available charging opportunities. *(Staff proposal under the Riverside-San Bernardino-Ontario MSA grant application for this program is approximately $40M out of the $199+M total ask amount).*
2. Building Decarbonization (Public and Residential Facilities - Building energy use, which includes electricity and natural gas usage, is a major contributor to GHG emissions and local and regional air pollution in Riverside and San Bernardino Counties. As such, building energy-related reduction measures yield substantial GHG emissions reductions, particularly for the federally designated LIDACs that disproportionately bear the negative impacts of local pollution. Building energy emissions accounted for approximately 40% of total regional GHG emissions for WRCOG in 2017, 35% of total regional GHG emissions for SBCTA in 2016, and 13% of total regional GHG emissions for CVAG in 2005. *(Staff proposal under the Riverside-San Bernardino-Ontario MSA grant application for this program is approximately $110M for public facilities and approximately $50M for the residential facilities out of the $199+M total ask amount).*
3. Goods Movement Decarbonization - Southern California is a major hub for importing and exporting goods, with hundreds of billions of dollars in cargo moving across the region each year. Goods movement, defined as the distribution of freight by all modes of transportation including marine, air, rail, and truck, encompasses aspects of already existing regional networks such as trucks and trains, as well as their associated infrastructure and facilities. Many of these warehouses and distribution facilities employ heavy- and medium-duty vehicles that contribute to GHG emissions, and thus impact local and regional air pollution. These emissions also disproportionately impact the disadvantaged communities. The adoption of EVs and other zero-emission technologies such as hydrogen fuels would be transformative in reducing GHG emissions. Increasingly, the decarbonization of goods movement in California has been a focal point in local and regional climate action planning, but success in reducing goods movement emissions has been limited due to limited availability and affordability of new clean vehicle technologies, and also due to multijurisdictional nature of goods movement. Because of its broad regional nature, staff from the three COGs, together with leads in Los Angeles and Orange Counties, and the Riverside-San Bernardino-Ontario MSA, agreed to move forward with one Southern California grant application related to the goods movement. SCAQMD stepped forward to lead this regional effort. *(Staff proposal under the grant program for the region is to request $100M out of the expected $500M total ask amount from the SCAQMD southern California regional grant application. The SCAQMD regional grant application is separate from the Riverside-San Bernardino-Ontario MSA regional grant application).*

The three PRMs included were the product of extensive coordination and engagement between multiple stakeholders, including CVAG, SBCOG, WRCOG, city and county local government, SCAQMD, SCAG, the Inland Regional Energy Network (I-REN), and community-based organizations in the region. The following key considerations were used in evaluating and selecting the three PRMs for inclusion in the PCAP:

- Stakeholder support and project information.
- Magnitude of anticipated GHG emissions reductions (MTCO2e) from 2025 through 2030 (near term), and 2025 through 2045 (long term).
- Transformative impact – i.e., the extent to which the measure has the potential to create transformative opportunities or impacts that can lead to significant additional GHG emissions reductions.
- Demonstration of funding need.
- Cost-effectiveness of GHG emissions reductions.
- Potential for co-benefits to LIDACs, including reductions in air pollutants, reductions in risk from climate impacts (e.g., extreme heat events), and equitable outcomes in terms of economic growth and improved quality of life.
- Anticipated workforce implications and quality of local job creation.
- Potential for near term implementation (i.e., “shovel readiness”).

During this process, WRCOG solicited potential GHG emissions reduction projects from its member agencies. The majority of these requests were consistent with the regional PRMs that are proposed to be included in the PCAP. A list of all requests received by WRCOG member agencies, and the evaluation of those options is provided as Attachment 1 to this Staff Report.

WRCOG CPRG Timeline and Next Steps: The timeline of WRCOG involvement thus far has been:

- September 20, 2023: EPA Notice of Funding Opportunity (NOFO) on CPRG Implementation grants issued.
- October 6, 2023: Kickoff meeting with the SBCOG PCAP consultant and participating stakeholder agencies, with frequent meetings between the staff of the three COGs since that time.
- November 8, 2023: The Administration & Finance Committee received a presentation on the CPRG Program.
- November 16, 2023: The Technical Advisory Committee received a presentation on the CPRG Program.
- November 21, 2023: The I-REN Executive Committee received a presentation on the CPRG and discussed the potential for using the current I-REN structure for the CPRG Implementation Grant.
- December 4, 2023: The Executive Committee received a presentation on the CPRG Program.
- December 11, 2023: WRCOG requests project ideas and feedback from members.
- December 14, 2023: The Public Works Committee received a presentation on the CPRG Program.
- February 14, 2024: The Administration & Finance Committee received a presentation on the CPRG Program.
- March 1, 2024: SBCTA / SBCOG intends to submit PCAP to the EPA.
- April 1, 2024: SBCTA / SBCOG intends to submit CPRG Implementation Grant application.

CPRG PCAP Process and Implementation Grant Application: Following the submittal of the PCAP on March 1, 2024, the Riverside-San Bernardino-Ontario MSA will be eligible to apply for the competitive implementation grants. There is $4.6B available nationally for applicants to implement GHG emissions reduction measures, policies, projects, and programs. Implementation grants are due April 1, 2024. Applications for implementation funding are competitive and the amount awarded to the Riverside-San Bernardino-Ontario MSA will depend on a variety of factors including the amount of funding requested, the GHG emissions reduction benefits to the Disadvantaged Communities (DACs), the GHG emissions

reduction benefit / cost ratio, and other factors. Given the size of the Riverside-San Bernardino-Ontario MSA, the region could be eligible for up to $199+M in implementation assistance. Any award would occur in October 2024, with project completion by 2030.

The CPRG Implementation Grant Program does not encourage individual municipalities to submit grant funding requests directly to the EPA. Rather, the CPRG Program allows and encourages municipalities and other agencies to serve as sub-applicants or partner with regional entities on a grant application. It is anticipated that any grant application to the EPA would be structured in this manner, which ensures that money would flow from the EPA to the MSA lead agency and then to individual government agencies for project implementation.

One key requirement for the Implementation Grants is that any proposed GHG emissions reduction program, policy, or project that agencies want to fund must be first identified in the PCAP to be eligible for the larger funding amounts. EPA encourages eligible applicants to seek implementation funds for GHG emissions reduction measures that will significantly reduce cumulative GHG emissions by 2030 and beyond and that will accelerate decarbonization across one or more major sectors responsible for GHG emissions. EPA will score grant applications based on multiple evaluation criteria, with an emphasis on the magnitude of near term GHG emissions reductions that will be achieved by the proposed measures. Additionally, EPA will prioritize applications that demonstrate regional collaboration. Therefore, programs or projects that are multi-jurisdictional or implemented at a larger scale will be scored higher than programs or projects that are limited to one jurisdiction.

Other Grant Requirements: This Grant Program could be a way to bring in additional resources for the Inland Empire territory, including Riverside and San Bernardino Counties. Applications that successfully address the specific evaluation criteria of the Grant Program would need to be consistent with the following Program objectives:

- Stimulate transformation toward a decarbonized economy and demonstrate approaches that are replicable to unlock opportunities for even greater emissions reductions.
- Result in benefits to low-income and disadvantaged communities.
- Achieve GHG emission reductions that are long-lasting and certain; and
- Incorporate high labor standards, emphasize job quality, and support equitable workforce development.

There are a few other items to be considered for discussion, including how the I-REN structure could or should relate to the implementation phase of this grant. It is critical that the strategy for the implementation grant be discussed early on. As additional background, the EPA awards will be arranged into tiers as follows (cited from the NOFO):

Tier	Grant Range	Funds Targeted for Each Tier	Anticipated Number of Grants to Be Awarded
Tier A	$200,000,000 - $500,000,000	$2 billion	4 - 10
Tier B	$100,000,000 - $199,999,999	$1.3 billion	6 - 13
Tier C	$50,000,000 - $99,999,999	$0.6 billion	6 - 12
Tier D	$10,000,000 - $49,999,999	$0.3 billion	6 - 30
Tier E	$2,000,000 - $9,999,999	$0.1 billion	10 - 50

The most appropriate category for the Riverside-San Bernardino-Ontario MSA is believed to be Tier B. The Los Angeles-Long Beach-Anaheim MSA will be applying for Tier A. WRCOG would be requesting the maximum grant range in Tier B as a region. Also, as noted above, various southern California agencies are preparing separate goods movement-related grant application with SCAQMD being the lead for the grant application. The regional goods movement application will compete at the Tier A level with a maximum request amount of approximately $500M. SBCTA / SBCOG, on behalf of the Inland Empire region, requested that geographic equity be built into the funding distribution criteria if the grant is awarded to SCAQMD.

No cost-sharing / matching funds or leveraged resources are required as a condition of eligibility under the CPRG Program. Funds awarded under the CPRG Program cannot be used to meet the matching funds requirement under another federal grant program.

More information on the CPRG Program and NOFO for the implementation grants can be found below:

- CPRG Implementation Grant: https://www.epa.gov/inflation-reduction-act/about-cprg-implementation-grants
- NOFO: https://www.epa.gov/system/files/documents/2023-09/CPRG%20General%20Competition%20NOFO.pdf

Preliminary Implementation Approach and Targets for the Building Decarbonization and EV Charging Station Proposals: The CPRG team members have had preliminary discussions of what specifically can be proposed to go into the PCAP and ultimately to the CPRG Implementation Grant. The grant requires specific quantification of GHG emissions reductions and ancillary benefits, along with an implementation framework. This must be considered as a "work in progress" at this time, but the timing is such that the February 7, 2024, SBCTA Board of Directors meeting was the only occasion to share current thinking with that Board prior to the submittal of the PCAP to EPA.

Example considerations that will need to be contemplated include whether to have a common set of programs across the entire MSA or to provide each county or COG a degree of flexibility to define the programs that are best suited to their area. The optimum administrative structure is still awaiting additional clarity on the program from the EPA, which holds regular meetings with stakeholders nationwide. The EPA's clear preference is that they deal with a limited number of lead agencies, which is why they are encouraging broad collaborative efforts. The lead agency will need to demonstrate financial capacity and experience with federal funding. For the Inland Empire region, the existence of I-REN is a significant selling-point to the EPA, and the intention is to stress I-REN's capabilities and accomplishments in the grant application, regardless of which administrative structure is selected.

The following two proposed CPRG Implementation Grant programs are for the Riverside-San Bernardino-Ontario MSA grant application. As mentioned above, the proposals for the goods movement components are being considered at a regional level in the SCAQMD-led grant application for the support of rail and truck Zero Emission Vehicles (ZEVs) and both electric and hydrogen. For example, this approach could include proposed ZE truck charging facilities in Baker, Barstow, and Calimesa.

Clean Energy / Building Decarbonization / Net-Zero / Climate Resilience Fund: Loan or Grant Funds for Energy Efficiency / Renewable + Storage / ZEV Municipal and Residential Projects, approximately $160M.

Selection of the PRM: Building energy use, which includes electricity and natural gas usage, is a major contributor to GHG emissions and local and regional air pollution in Riverside and San Bernardino Counties. As such, building energy-related reduction measures yield substantial GHG emissions reductions, particularly for LIDACs that disproportionately bear the negative impacts of local pollution. Building energy emissions accounted for approximately 40% of total regional GHG emissions for WRCOG in 2017, 35% of total regional GHG emissions for SBCTA in 2016, and 13% of total regional GHG emissions for CVAG in 2005.

The Riverside-San Bernardino-Ontario MSA has a significant advantage over the other MSAs around the country as the existing regional organization for public outreach, engagement, and implementation already exists through I-REN, the association of governments, local businesses, regional distribution networks, CBOs, etc., which contributes to reaching a broad audience and expediting implementation. Because of I-REN's current work, the building decarbonization projects are "shovel-ready" and do not require environmental review (e.g., CEQA), which expedites the implementation of these actions.

Purpose and Goal: The adoption of building decarbonization measures has the potential to significantly reduce GHG emissions from municipal and residential buildings, as well as provide additional environmental and social benefits such as local and regional air pollution. The goal for building decarbonization is to improve building energy efficiency, achieve greater electrification, and deploy additional renewable energy and storage. Energy efficiency measures are intended to promote the efficient use of energy and reductions in energy use, electrification pertains to replacing natural gas appliances with electric and/or zero carbon alternatives, and renewable energy measures are intended to change the carbon content of electricity supplied to homes and municipal buildings.

Program Overview: There are two proposed components to the building decarbonization sector. One is on implementation of "shovel-ready" projects already developed through the planning efforts of the I-REN outreach programs with our various public entities in the region. The other is supplementing energy efficient residential direct install programs already developed by the region through the California Energy Commission (CEC) Equitable Building Decarbonization Program.

Both programs will be geared toward implementing the following types of actions:

- Energy storage and grid resilience / microgrids
- Energy Efficiency upgrades
- Heat pump HVAC and water heater installations
- Solar Photovoltaic & battery storage installation
- Electric Vehicle home charging stations
- Decarbonization building retrofits
- Low-carbon technologies

By integrating with the existing I-REN Public Sector Technical Assistance services and future CEC Equitable Building Decarbonization Program, local agencies and residents will be able to identify projects that result in significant energy and GHG savings, utilize the funds to construct the projects, and receive significant energy cost savings. For the Riverside-San Bernardino-Ontario MSA grant application, the proposed public building program will be able to achieve approximately 5,000 MTCO2e lifetime reduction per project on average, and at the currently proposed funding level, the total reduction could total approximately 260,000 MTCO2e. On the residential side, the proposed program could result in 25 to 49

MTCO2e on average per unit for 20 years, and at the currently proposed funding level, the proposed program could result in approximately 73,000 MTCO2e for the 20-year span. The residential program is of particular interest to CVAG.

Inland Empire ZEV Infrastructure Network: Direct Installation and Incentive Program with options to operate / maintain a network for a limited period, approximately $40M.

Selection of the PRM: Currently, discussions include the possibility of grants or incentive programs for both passenger vehicle charging / fueling options. To meet state goals for vehicle electrification, the EV charging network will need to be much more broad-based than it is now, and the CPRG Program is an opportunity to make significant progress. This measure addresses the region's largest GHG emissions sector. As such, the GHG emissions reduction potential for the measure is high:

- SBCTA: Light / Medium-duty vehicles were 38% of total regional GHG emissions in 2016 and are projected to be 35% of GHG emissions in the region's 2045 business-as-usual forecast.
- WRCOG: Light / Medium-duty vehicles were 37% of total regional GHG emissions in 2017 and are projected to be 50% of GHG emissions in the region's 2045 business-as-usual forecast.
- CVAG: Light duty vehicles were 45% of total regional GHG emissions in 2005.

Program Overview: This Program could include the installation, operations, and maintenance of a ZEV charging network throughout Riverside and San Bernardino Counties. A limited operate / maintain option is being included in the discussion because of the acknowledged reliability shortcomings of the current network. The Program would also involve the training and deployment of a local workforce to support the maintenance of the equipment and service of the devices. The Program would collect fees from the use of the chargers, and funds could be reinvested to support the growth and long-term sustainability of the network both financially and physically.

If focused on LIDACs, this measure is anticipated to score very high against the CPRG Implementation Grant scoring criteria, since it will provide the following co benefits:

- Improved air quality and public health; lower healthcare costs related to respiratory and cardiovascular conditions.
- Decreased noise pollution along heavy traffic corridors, where many LIDACs are located.
- Expanded options for personal vehicle ownership and ZEV car-sharing operations, adding to the "transformative" aspect of the measure.

A detailed analysis of the region's LIDACs, their climate change vulnerabilities, and the co-benefits expected from implementation of the PCAP's GHG emissions reduction measures is included in the PCAP LIDAC and Co-benefits Analysis.

Implementation Structure: This Program will require a diverse set of participants and stakeholders to be successful. To ensure that it is run efficiently and effectively, it will be important to establish a central authority (Program Lead) that is responsible for the coordination of all program aspects. Currently, due to the Agency's expertise in transportation, SBCTA / SBCOG has been identified and proposed as the Program Lead for the region.

The National Electric Vehicle Infrastructure (NEVI) funding program prioritizes large-scale deployment of

direct current (DC) EVCS charging in the United States. The $5B NEVI formula program aims to establish a nationwide network of 500,000 chargers by 2030. For the NEVI formula grants, each state was directed to develop a deployment plan. California's plan designates priority groups of Federal Highway Administration alternative fuel corridors, indicating a minimum number of new stations and a total number of new charging ports within each group. The plan further ranks the top six groups, three of which fall within the Riverside and San Bernardino County region.

After substantial discussions by the Inland Empire CPRG Team, the approach proposed for implementation mirrors the approach laid out in the joint document by Caltrans and the California Energy Commission entitled California's Deployment Plan for the NEVI Program, dated August 2023. The Deployment Plan is very well thought out and developed, and while processes can be refined and improved over time, there is no advantage to reinventing processes and procedures that we know would work.

It is important to note that the staff proposal is not to match CPRG with NEVI funds or vice versa. It is merely to inform regarding the framework and implementation approach to ensure EPA that the EV program, managed by the CPRG Team, will have the structure to attract the right vendors and site owners who have quality opportunities to build a reliable charging network, focused on disadvantaged communities in the Inland Empire.

No matter how the Program is structured, the success of this Program will depend on strong relationships with willing site hosts. This is important for finding high-quality sites for chargers and for maintaining program funding and resources. Site hosts can include municipalities, community centers, shopping centers, employment centers, multi-family residential developments, recreation centers, attractions, and places of interest.

Based on the initial calculation of possible CPRG funding level, the Program could deploy approximately 2,500, 240-volt, level II chargers, and 100 DC fast chargers. For the grant application, based on the current draft calculations, a GHG emissions reduction total of approximately 75,000 MTCO2e for 25 years could be achieved for this Program.

Prior Action(s):

February 14, 2024: The Administration & Finance Committee recommended the Executive Committee authorize the Executive Director to negotiate and execute, subject to approval as to form by General Counsel, a Memorandum of Agreement between WRCOG, the San Bernardino County Transportation Authority / San Bernardino Council of Governments, and the Coachella Valley Association of Governments, and the execution of future amendments for the Climate Pollution Reduction Implementation Grant Program.

December 4, 2023: The Executive Committee received and filed.

November 16, 2023: The Technical Advisory Committee received and filed.

November 8, 2023: The Administration & Finance Committee received and filed.

Financial Summary:

WRCOG's support of the PCAP is limited to existing staff time and is included in the adopted Fiscal Year (FY) 2023/2024 Agency budget under the Inland Regional Energy Network (Fund 180). The grant would potentially be awarded in FY 2024/2025 and would be reflected in that year's budget.

Attachment(s):

Attachment 1 - WRCOG CPRG Ideas Matrix Final

Attachment 2 - Draft MOA between SBCTA/SBCOG, WRCOG, and CVAG

Attachment

WRCOG CPRG Ideas Matrix Final

City/Agency	Project Description	Consistent with 3 PRM's (Yes/No)	Stakeholder Support	GHG Reductions	Transformative Impact	Funding Need	Cost-Effectiveness	LIDAC Co-benefits	Workforce implications	Project Readiness	Recommendation	PCAP Inclusion	Implementation
Canyon Lake	Regional WRCOG managed EV charging network	Yes										Yes	Yes
Canyon Lake	Public electric vehicle (EV) charging	Yes										Yes	Yes
Canyon Lake	Zero-emission ZEVs/clean fleets	Yes										Yes	Yes
Canyon Lake	Seed Money in addition to loan	Yes										Yes	Yes
Canyon Lake	Commercial businesses incentives for energy project implementation.	No	Low	Medium	Low	Low	Medium	Low	Medium	Low	Overlaps with existing WRCOG C-PACE program. Do not include	No	No
Canyon Lake	Community-Based Solar Projects.	Yes										Yes	Yes
Canyon Lake	Recreational Park LED/Energy Efficient Retrofits	Yes										Yes	Yes
Canyon Lake	Low Income/Resource City	Yes										Yes	Yes
Canyon Lake	City Hall renovation	Yes										Yes	Yes
Canyon Lake	Other Green Energy Product	Yes										Yes	Yes
Eastvale	Electrification of city's fleet including light duty, medium duty, and construction equipment such electric loader, backhoe, and excavator, medium duty fleet.	Yes										Yes	Yes
Eastvale	Installation of EV chargers and infrastructure at all city owned facilities	Yes										Yes	Yes
Eastvale	Installation of Solar Canopy in parking lots	Yes										Yes	Yes
Eastvale	Deployment of microgrid energy systems at municipal facilities	Yes										Yes	Yes
Menifee	McCall Boulevard/I-215 Interchange	No	Low	Low	Low	High	Low	Low	Medium	Medium	There are 50+ freeway interchanges in the WRCOG region plus additional interchanges in SBCOG and CVAG. Improving interchange at substantial cost ($50M+) would provide very limited regional GHG reduction benefit. Additionally, freeway interchange improvements are not likely to be viewed as GHG reducing by reviewers.	No	No
Menifee	Valley Boulevard Widening and Missing Links	No	Low	Low	Low	High	Low	Low	Medium	Medium	Roadway improvement in one City not likely to lead to significant regional GHG reduction.	No	No
Murrieta	Facility Upgrades and Solar Infrastructure.	Yes										Yes	Yes
Murrieta	Electric Vehicle (EV) Public Charging Infrastructure, Neighborhood Level	Yes										Yes	Yes
Perris	replacement of multiple HVAC units and two parking structures with solar panels	Yes										Yes	Yes
Perris	EV charging infrastructure	Yes										Yes	Yes
RivCo	Building Information Modeling software	Yes										Yes	Yes
RivCo	EV Fleets	Yes										Yes	Yes
RivCo	roof repairs/replacements	Yes										Yes	Yes
RivCo	Pedestrian and bicycle infrastructure improvements,	No	Low	Low	Low	High	Low	Medium	Low	Low/Medium	Bicycle/pedestrian infrastructure produces limited GHG reduction beneifts (WRCOG CAP). Other higher priority items produce higher level of GHG reductions and provide regional benefits.	No	No
RivCo	solar, and battery storage systems at various sites. Waste	Yes										Yes	Yes
RivCo	renewable electricity conversion at various sites. Waste	Yes										Yes	Yes

City/Agency	Project Description	Consistent with 3 PRM's (Yes/No)	Stakeholder Support	GHG Reductions	Transformative Impact	Funding Need	Cost-Effectiveness	LIDAC Co-benefits	Workforce implications	Project Readiness	Recommendation	PCAP Inclusion	Implementation
RivCo Parks	Pedestrian and bicycle infrastructure improvements	No	Low	Low	Low	High	Low	Medium	Low	Low/Medium	Bicycle/pedestrian infrastructure produces limited GHG reduction beneifts (WRCOG CAP). Other higher priority items produce higher level of GHG reductions and provide regional benefits.	No	No
RivCo Parks	Renewal energy production	Yes										Yes	Yes
RivCo Parks	Energy storage	Yes										Yes	Yes
RivCo Parks	Building energy efficiency	Yes										Yes	Yes
RivCo Parks	Urban reforestation/Landscaping/Tree canopy	No	Low/Medium	Low	Low	High	Low	Medium	Low	Low/Medium	While this strategy provides some GHG reduction benefit, other strategies provide a higher level of benefits.	No	No
RivCo Parks	Zero emission vehicle (ZEV) chargers	Yes										Yes	Yes
RivCo Parks	Zero emission vehicles and equipment	Yes										Yes	Yes
RivCo Parks	Water Capturing Systems	No	Low	Low	Low	Low	Low	Low	Low	Low/Medium	Water related emissions are minimal in the WRCOG region. Any GHG reduction benefit is likely to be limited.	No	No
RivCo Parks	Compost Stations	No	Low	Low	Low	Low	Low	Low	Low	Low/Medium	Any GHG reduction is likely to be minimal.	No	No
RivCo Parks	Signage and marketing material for education	No	Low/Medium	Low	Low	Medium	Low	Low/Medium	Low	Medium	Any GHG reduction is likely to be minimal.	No	No
Temecula	Complete missing segments of Temecula's Bicycle Lane & Trails Masterplan.	No	Low/Medium	Low	Low	Medium	Low	Low/Medium	Low	Medium	While this strategy provides some GHG reduction benefit, other strategies provide a higher level of benefits.	No	No
Temecula	Park and Ride Facilities w/ EV chargers	Yes										Yes	Yes
Temecula	Public EV charging stations	Yes										Yes	Yes
Temecula	City EV charging stations for City fleet vehicles.	Yes										Yes	Yes
Temecula	Replacement of City Fleet vehicles/Temecula	Yes										Yes	Yes
Temecula	Energy conservation projects at City of Temecula buildings/facilities.	Yes										Yes	Yes
Wildomar	add solar to our city hall facilities	Yes										Yes	Yes
Wildomar	LED retrofit of lighting at city facilities	Yes										Yes	Yes
Wildomar	EV chargers to City Facilities like our existing and future parks, and other City facilities.	Yes										Yes	Yes

Attachment

Draft Memorandum of Agreement between SBCTA/SBCOG, WRCOG, and CVAG

CONTRACT 24-1003115

MEMORANDUM OF AGREEMENT

BETWEEN THE

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY (SBCTA), SAN BERNARDINO ASSOCIATED GOVERNMENTS (SBCOG)

AND

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (WRCOG)

AND

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS (CVAG)

This Memorandum of Agreement ("Agreement") is made and entered into by and between the San Bernardino County Transportation Authority ("SBCTA"), San Bernardino Associated Governments ("SBCOG"), who share the address 1170 W. 3rd Street, 2nd Floor, San Bernardino, California 92410-1715, Western Riverside Council of Governments ("WRCOG") whose address is 3390 University Avenue Suite 200 Riverside, CA 92501, and the Coachella Valley Association of Governments ("CVAG") whose address is 74-199 El Paseo Suite 100, Palm Desert, CA 92260.

WRCOG and CVAG are referred to, collectively, as "AGENCIES". SBCTA, SBCOG and AGENCIES are each a "Party" and are collectively the "Parties" and the "Coalition."

RECITALS:

WHEREAS, the Parties desire to enter this Agreement in order to submit a joint application to the U.S. Environmental Protection Agency's ("EPA") Climate Pollution Reduction Grant ("CPRG") Program Implementation Grant as a Coalition and implement greenhouse gas (GHG) reduction measures described in the application ("Project"); and

WHEREAS, the Parties further desire that SBCTA/SBCOG will act as the lead agency for the purposes of submitting an application to the EPA CPRG Program Implementation Grant and implementing any project funded by said Grant; and

WHEREAS, this Agreement further sets forth the rights and obligations of the Parties with respect to the Project; and

WHEREAS, the Parties commit to the following goals of the CPRG Implementation Grant: 1. Implement ambitious measures that will achieve significant cumulative GHG reductions by 2030 and beyond; 2. Pursue measures that will achieve substantial community benefits (such as reduction of criteria air pollutants, particularly in low-income and disadvantaged communities; 3. Complement other funding sources to maximize these GHG reductions and community benefits; and, 4. Pursue innovative policies and programs that are replicable and can be "scaled up" across multiple jurisdictions; and

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WHEREAS, the Parties have confirmed that they each have the requisite professional qualifications, personnel and experience to fulfill the obligations undertaken in this Agreement; and

WHEREAS, the Parties wish to enter into this Agreement to delineate roles, responsibilities; and

NOW, THEREFORE, the Parties mutually agree that:

AGREEMENT

I. CPRG PROGRAM OVERVIEW

The CPRG Program will provide grants to states, local governments, tribes, and territories to develop and implement plans for reducing greenhouse gas (GHG) emissions and other harmful air pollution. Section 60114 of the Inflation Reduction Act provides an investment of $5 billion to support efforts by states and municipalities thereof to develop and implement strong, local GHG Reduction strategies. This two-staged grant program provides funding of $250 million for non-competitive planning grants and $4.6 billion for competitive implementation grants. Planning funds can be used to update existing climate, energy, or sustainability plans or develop new ones. Eligible agencies may apply as a coalition to the CPRG Implementation Grant Program.

II. ROLES AND RESPONSIBILITIES

a. SBCTA/SBCOG shall be the lead agency for the purposes of submitting the Grant application on behalf of the Coalition and implementing the Project should the Coalition receive a Grant award. SBCTA/SBCOG will coordinate with AGENCIES in the grant writing process to ensure Project elements and requirements are included in the grant application. If awarded, SBCTA will continue to coordinate with AGENCIES to ensure the Project described in the application is being implemented accordingly and on schedule. Coordination from SBCTA/SBCOG will consist of seeking feedback and general input regarding the Project from AGENCIES.

b. AGENCIES will attend meetings pertaining to the grant application and Project and provide input and expertise to support the grant application and Project.

c. SBCTA/SBCOG is fully responsible for the performance of the Coalition and will be accountable to EPA for effectively carrying out the Project and the proper financial management of the grant.

d. AGENCIES who are grant subrecipients will be accountable to SBCTA/SBCOG for proper use of EPA funding and successful Project implementation.

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e. The term of this Agreement shall continue in full force and effect through completion and closeout of the Project or on October 1, 2029, whichever is earlier in time. Should any claims arising out of the Project be asserted against one of the Parties, the Parties agree to extend the fixed termination date of this Contract, until such time as the claims are settled, dismissed or paid.

f. The signatories hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties hereto are formally bound to this Agreement.

g. The Parties agree that they shall maintain and make available for inspection all books, records, papers, accounting records, or other documents pertaining to the performance of the Project, including but not limited to, the costs associated with the Project for a period of three (3) years from the date of the expiration or termination of this Agreement, or until the conclusion of all litigation, appeals or claims related to this Agreement, whichever is longer. The Parties shall make available at their respective offices at reasonable times during the Agreement term. The Parties agree that all duly authorized representatives shall have access to the documents during normal business hours.

h. If any clause or provision of this Agreement is illegal, invalid or unenforceable under applicable present or future laws, then it is the intention of the Parties that the remainder of this Contract shall not be affected but shall remain in full force and effect.

III. GENERAL PROVISIONS

a. No waiver of any of the provisions of the Agreement shall be effective unless it is made in a writing which specifies the provision(s) so waived and which is executed by all Parties. No course of dealing and no delay or failure of a Party in exercising any right under any Agreement shall affect any other or future exercise of that right or any exercise of any other right. A Party shall not be precluded from exercising a right by its having partially exercised that right or its having previously abandoned or discontinued steps to enforce that right.

b. Any modifications of any terms or conditions of this Agreement shall be valid only when reduced to writing, duly signed and approved by the authorized representatives of all Parties.

c. This Agreement constitutes the sole and entire agreement among the Parties governing the matters set forth herein and supersedes any prior understandings, negotiations, agreements, arrangements and undertakings, written or oral, among the Parties respecting the subject matter herein. All previous proposals, offers, and other communications, written or oral, relative to this Agreement, are superseded to the extent that they are not incorporated into

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this Agreement. It is the intent of the Parties that this Agreement is an integrated agreement and that no evidence may be introduced to vary in any manner its terms and conditions. No representation, warranty, covenant, inducement or obligation not included in this Agreement shall be binding.

d. Without the prior written consent of the other Parties, the Agreement is not assignable by any Party, in whole or in part.

e. If any legal action is instituted to enforce any Party's rights hereunder, each Party shall bear its own costs and attorney fees, regardless of who is the prevailing Party. This paragraph shall not apply to those costs and attorney fees directly arising from a third-party legal action against a Party hereto and payable under any indemnification or insurance requirements.

f. Except on subjects preempted by Federal law, this Agreement shall be governed and construed in accordance with the laws of the State of California. All Parties agree to follow all local, state, county and federal laws and ordinances with respect to the performance under this Agreement.

g. The Parties acknowledge and agree that this Agreement was entered into and intended to be performed in San Bernardino County, California, and Riverside County, California. The Parties agree that the venue of any action or claim brought by any Party to this Agreement will be the Superior Court of California, San Bernardino County, San Bernardino District. Each Party hereby waives any law or rule of the court which would allow them to request or demand a change of venue. If any action or claim concerning this Agreement is brought by any third party and filed in another venue, the Parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County, San Bernardino District.

IV. NOTICES

a. Any communication, notice, or demand of any kind whatsoever which a party may be required or may desire to give to or serve upon the other party must be in writing and delivered by personal service (including express or courier service) or by registered or certified mail, postage prepaid, return receipt requested, or by a nationally recognized overnight delivery service, in each case addressed as follows:

SBCTA: San Bernardino County Transportation Authority
Attn: Josh Lee, Deputy Director of Planning
1170 W. Third Street, 2d Floor
San Bernardino, CA 92410

WRCOG: Western Riverside Council of Governments

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Attn: Kurt Wilson, Executive Director
3390 University Avenue Suite 200
Riverside, CA 92501

CVAG: Coachella Valley Association of Governments
Attn: Tom Kirk, Executive Director
74-199 El Paseo Suite 100
Palm Desert, CA 92260

b. Without requiring an amendment to this Agreement, a Party may change its address for notice by written notice given to the other party in the manner provided in this Section. Any such communication, notice, or demand will be deemed to have been duly given or served on the date personally served, if by personal service; three (3) days after being placed in the U.S. Mail, if mailed; or one (1) day after being delivered to an overnight delivery service, if sent by overnight delivery.

V. MUTUAL INDEMNIFICATION

a. The Parties agree to indemnify, defend (with counsel approved by the indemnified Party(ies)) and hold harmless the other Parties and their officers, employees, agents, volunteers from any and all claims, actions or losses, damages, and/or liability resulting from the indemnifying Party's negligent acts or omissions which arise from the indemnifying Party's performance of its obligations under this Agreement.

b. In the event any Party is found to be comparatively at fault for any claim, action, loss or damage which results from its respective obligations under the Agreement, that Party shall indemnify the other Parties to the extent of its comparative fault. Furthermore, if any Party attempts to seek recovery from another Party for Workers' Compensation benefits paid to that Party's employee, the Parties agree that any alleged negligence of the employee shall not be construed against the employer of that employee.

VI. PROJECT MANAGEMENT AND OPERATING MODEL

a. For purposes of this Agreement, SBCTA/SBCOG designates the following individual(s) as Project Manager:

Mairany Anaya
Management Analyst II
(909) 884-8276 ext. 267
manaya@gosbcta.com
SBCTA/SBCOG reserves the right to change this designation upon written notice to Parties.

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b. For purposes of this Agreement, WRCOG designates the following individual(s) as Project Manager:

Casey Dailey
Director of Energy & Environmental
(951) 405-6720
cdailey@wrcog.us

WRCOG reserves the right to change this designation upon written notice to Parties.

c. For purposes of this Agreement, CVAG designates the following individual(s) as Project Manager:

NAME
TITLE
PHONE
EMAIL

CVAG reserves the right to change this designation upon written notice to Parties.

d. The Parties will contribute the necessary staff time and project management and will be coordinated through the Project Managers designated above. Since all of the local jurisdictions are included in the boundaries of the three Parties, each Party is responsible for coordinating with its respective local member jurisdictions.

e. If awarded, SBCTA/SBCOG will be the recipient of the grant funds from EPA and will be responsible for disbursing or passing through the funds to AGENCIES. SBCTA/SBCOG will make payments to the AGENCIES only for work performed within the Period of Performance as determined in the Scopes of Work, Budget, and Schedule approved by the EPA.

f. If awarded, SBTCA/SBCOG will not be obligated to make payments for any Project costs that exceed the Project Grant Funds for the Projects. AGENCIES will not be obligated to pay for any increase in Project costs that exceeds the Project's budget included in the grant application and the most current fully executed Scope of Work and the budget for the Project.

g. If it is determined that outside services are necessary to develop and complete the Project, SBCTA/SBCOG will lead the procurement of such services and consult with AGENCIES to determine an appropriate vendor. However, if the funds are passed through to one of the AGENCIES to develop and complete the Project, any outside services will be procured

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through the recipient AGENCY, and the AGENCY will comply with all federal procurement requirements.

h. Project Funds may not be used for administrative costs of persons employed by AGENCIES for activities not directly related to eligible activities of the grant.

VII. INSURANCE

a. AGENCIES are self-insured public entities for purposes of Professional Liability, General Liability, Automobile Liability and Workers' Compensation and warrant that through their respective programs of self-insurance, each has adequate coverage or resources to protect against liabilities arising out of the performance of the terms, conditions or obligations of this Agreement.

b. SBCTA/SBCOG is insured for Commercial General Liability, Professional Liability, Auto Liability and Workers Compensation in amounts believed to be adequate to protect against liabilities arising out of the performance of the terms, conditions or obligations of this Agreement.

VIII. CONCLUSION

a. This Agreement, consisting of seven (7) pages, is the full and complete document including all covenants, conditions, and benefits.

b. The Recitals set forth above are true and correct and are incorporated into and made a part of this Agreement, as if fully set forth herein.

c. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The Parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other mail transmission), which signature shall be binding on the party whose name is contained therein. Each Party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

---------SIGNATURES ON FOLLOWING PAGE-------

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IN WITNESS WHEREOF, the Parties have caused this Memorandum of Agreement to be executed be their authorized representatives as of the dates indicated below:

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY/SAN BERNARDINO ASSOCIATED GOVERNMENTS

By: _____
Raymond Wolfe
Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____
Julianna Tillquist
General Counsel

Date: _____

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Kurt Wilson
Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____
Steven DeBaun
General Counsel

Date: _____

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By: _____
Tom Kirk
Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____
NAME
General Counsel

Date: _____

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Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Clean Mobility Options Voucher Pilot Program - Community Car Share Pilot Funding**

Contact: **Taylor York, Program Manager, tyork@wrcog.us, (951) 405-6751**

Date: **March 4, 2024**

Recommended Action(s):

1. Adopt Resolution Number 02-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments approving participation in the Clean Mobility Options Voucher Pilot Program.

Summary:

Through the Clean Mobility Options (CMO) Program (https://cleanmobilityoptions.org/), WRCOG was awarded a $1.5M grant to support the deployment of zero-emission, community car-share vehicles in the subregion. The project will deploy 15 vehicles across the Cities of Corona and Moreno Valley, and the San Jacinto Valley, in which residents can "rent" a vehicle hourly, using a mobile application. Project partner and mobility operator Electric Vehicle Get in Drive Everywhere (EVGIDE) will own and operate the vehicles. The project will also support the development of a mobility-as-a-service platform to connect various regional transit and mobility options in one place. Community, municipality, and stakeholder engagement efforts, led by WRCOG, will ensure that the Program is sustainable and provides direct benefits to target disadvantaged communities. Successful Program implementation increases access to clean mobility options and reduces local greenhouse gas emissions.

Grant funding would support an initial 15-month planning and engagement period and four subsequent years of Program operation. The CMO Program administrator has requested that WRCOG adopt a resolution to accept the voucher agreement, reiterate CMO Program commitment, and ensure compliance with CMO Program requirements.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to adopt a resolution approving participation in the Clean Mobility Options Voucher Pilot Program. Adopting this resolution will enable the Executive Director to execute the Voucher Agreement with the CMO Program Administrator.

This item is aligned with WRCOG's 2022-2027 Strategic Plan Goal #5 (Develop projects and programs that improve infrastructure and sustainable development in our subregion).

Discussion:

Background

In 2021, WRCOG and mobility partner EVGIDE completed a Community Transportation Needs Assessment (CTNA) for focused census tracts in the Cities of Corona and Moreno Valley, and the San Jacinto Valley. This work involved technical analysis and in-depth engagement with community members and organizations. The goal was to understand mobility challenges and potential associated clean-fuel and zero-emissions solutions.

Work was funded by the California CMO Pilot Program, a statewide public program that empowers under-resourced communities across California to understand and overcome mobility obstacles (https://cleanmobilityoptions.org/). The CMO Program provides funding and technical support in two ways: CTNAs and Mobility Project Vouchers (MPV), with CTNAs acting as a prerequisite for MPV funding. With the CTNA completed, WRCOG was eligible to apply for an MPV to deploy solutions in the focus communities. Working again with EVGIDE, an application for MPV funding was submitted on August 15, 2023, requesting $1.5M to deploy electric car share vehicles, develop a mobility-as-a-service platform, and conduct community engagement to support deployment.

On October 9, 2023, WRCOG was awarded funding and began the process of executing the voucher agreement. As part of this process, the CMO Program administrator has requested that WRCOG adopt a resolution to accept the agreement, reiterate CMO Program commitment, and ensure compliance with CMO program requirements.

Present Situation

WRCOG staff are seeking adoption of a resolution by the Executive Committee to support the execution of the MPV voucher agreement. This agreement would provide voucher funding to support the deployment of a community car share program in focused areas of the subregion. Vehicles will be deployed in public spaces and community housing developments to meet the diverse needs of the community. This deployment will be guided by a robust stakeholder engagement process and operational framework to ensure vehicle service is meeting community needs.

The community engagement strategy, designed to foster connections with residents and stakeholders, includes research, targeted educational initiatives, and direct engagement. Through surveys, focus groups, and community meetings, the project aims to gather invaluable insights, ensuring the carshare program effectively serves community needs. Promotional efforts are geared towards maximum reach, leveraging local institutions and businesses to amplify the project's impact.

EVGIDE will serve as the project Mobility Operator, will own and operate all Program vehicles, and will develop the mobility-as-a-service platform. WRCOG will serve as the lead grant recipient and overall project lead and will coordinate community engagement efforts. The funds are expected to be expended over a five-year period, including an initial 15-month planning and deployment period and four subsequent years of operation. After this time, it is expected that EVGIDE will continue operation of the Program.

This Program has the potential to increase clean mobility options for communities that are disadvantaged and disproportionately impacted by transportation emissions and poor air quality. The Program could

also have significant positive impacts on emissions and air quality. Assuming each of the 15 electric vehicles is driven for an average of 30 miles per day, representing half the expected utilization, and is operational for 85% of the year, WRCOG estimates greenhouse gas emissions reductions of about 40,592.6 kg CO2e/year.

Prior Action(s):

None.

Financial Summary:

For purposes of this project, voucher funding is a "promise to pay" and will be distributed by CMO to WRCOG on a reimbursement basis. Accepting voucher funding will bring $1.5M in funding to WRCOG, with $146,000 directly supporting WRCOG staff time and other internal costs. The remainder will be distributed on a reimbursement basis to EVGIDE to support capital acquisition, program operations, maintenance, and other costs as approved in the voucher agreement. This item was not previously budgeted in the Fiscal Year 2023/2024 budget, so a separate item is included in this agenda to amend the Agency budget to reflect this additional funding.

Attachment(s):

Attachment 1 - Resolution Number 02-24, Clean Mobility Options Program

RESOLUTION NUMBER 02-24

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS APPROVING PARTICIPATION IN THE CLEAN MOBILITY OPTIONS VOUCHER PILOT PROGRAM

WHEREAS, Western Riverside Council of Governments (WRCOG), as Lead Applicant, submitted a Mobility Project Voucher Application on August 15, 2023, for the Clean Mobility Options Voucher Pilot Program (CMO). The application submitted was for the implementation of an electric vehicle carshare demonstration project in the Cities of Corona, Moreno Valley, and San Jacinto; and

WHEREAS, the WRCOG is eligible to receive funding through CMO, a statewide initiative funded by California Climate Investments and California Energy Commission Clean Transportation Program Investments, and administered by the California Air Resource Board's Program Administrator team to provide funding for zero-emission shared mobility options to under-resourced communities in California; and

WHEREAS, the WRCOG will comply with the requirements of the Program and will accept the CMO voucher funds.

NOW THEREFORE, BE IT RESOLVED that the Executive Committee of the Western Riverside Council of Governments authorizes the Executive Director to execute the approval of CMO voucher funds, reiterate CMO Program commitment, and comply with CMO Program requirements to the CMO Program Administrator Team.

PASSED AND ADOPTED by the Executive Committee of the Western Riverside Council of Governments on March 4, 2024.

_____
Chris Barajas, Chair
WRCOG Executive Committee

_____
Dr. Kurt Wilson, Secretary
WRCOG Executive Committee

Approved as to form:

_____
Steven DeBaun
WRCOG Legal Counsel

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

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Addition of Direct Capital Providers and Program Administrators to the Commercial PACE Program**

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

Date: **March 4, 2024**

Recommended Action(s):

1. Adopt Resolution Number 01-24, A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing WRCOG to issue and directly place bonds to finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program with Direct Capital Providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Indenture and Bond Purchase Agreement, and authorizing the issuance of bonds pursuant to such Indenture or secured by assessments levied on commercial properties to finance the installation of eligible improvements on such commercial properties and approving other actions in connection thereto.

Summary:

WRCOG's Commercial Property Assessed Clean Energy (C-PACE) Program offers commercial property owners financing options for energy efficiency, water conservation, seismic strengthening, and electrical vehicle charging infrastructure improvements. The Program is currently operating with only one partner, Nuveen Green Capital. This item is intended to provide an option to expand the number of partners in order to operate the Program in a way that is more consistent with best practices and is more fiscally sustainable.

To enhance fiscal sustainability and adherence to best practices, WRCOG's C-PACE Ad Hoc Committee has recommended exploring additional capital partnerships and expansion additional C-PACE administrators. This expansion aims to optimize fund allocation for project investments, maximizing benefits for both the city and funding recipients, while ensuring fiscal responsibility.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to provide an update on C-PACE activities and seek direction regarding the future of the Program. This effort aligns with WRCOG's 2022-2027 Strategic Plan Goal #5 (To develop projects and programs that improve infrastructure and sustainable development in the subregion).

Discussion:

Background

PACE Programs are authorized by several states to offer property-based financing assistance to residential and/or commercial property owners seeking to implement energy savings, renewable energy, water conservation, new construction, electric vehicle charging stations, and seismic strengthening improvements. For both residential and commercial projects, improvements installed utilizing PACE financing are secured by placing a lien on the underlying property and are paid back through a line-item charge on the secured property tax bill. California began authorizing PACE financing in 2008 and is currently one of 37 states to authorize this type of financing for commercial projects and one of only three states offering the program for residential projects. WRCOG began offering PACE financing for local residential and commercial projects in 2011. In 2014, the WRCOG Program offerings expanded beyond the WRCOG boundaries to include much of the state - 384 of the 482 cities and 35 of the 58 counties in California. This was accomplished by enrolling the extra-territorial jurisdictions as Associate Members of WRCOG. The residential program was closed to new participants in 2021 at the direction of the Executive Committee; however, the commercial program remains active and the Associate Member designations also remain active.

C-PACE operates in partnership with third party providers who provide C-PACE Program design and administrative services that include setting and adhering to processes and procedures established by WRCOG to review eligibility of potential improvements, marketing the program, approving property owner applications, providing origination services related to financing eligible C-PACE improvements, and developing of a standard set of documents documenting the legal requirements of the transaction. Until recently, this partner list included Nuveen Green Capital (formerly Greenworks Lending), CleanFund, and Twain Financial Partners Holding. Two of the three partners are no longer originating PACE loans. As a result, there is currently only one provider (Nuveen Green Capital) partnering with WRCOG for C-PACE projects. Having a sole provider is contrary to best practices and reminiscent of the former residential (HERO) program's relationship with a single provider. Fortunately, staff have received high levels of interest from potential partners looking to participate with WRCOG's commercial program. There was no clearly defined path to determine whether, and under which circumstances, new providers should be permitted to participate. As a result, the below question was posed to the Executive Committee.

What's the Difference Between Residential PACE and Commercial PACE (C-PACE)?: Residential and C-PACE Programs within the state of California were enacted from the same legislation, AB 811. The PACE Program concept and purpose of both types of programs are similar, as they both provide a financing option to property owners for eligible energy efficiency, renewable, and water conservation. Beyond this general framework, however, C-PACE differentiates from residential PACE in that C-PACE can support financing eligible projects within new construction, can provide a 36-month look-back retroactive financing for eligible products, and can provide financing for seismic and fire-hardening improvements, which residential PACE does not. C-PACE projects more closely align with local government economic development efforts by offering competitive financing to businesses seeking to develop or expand new commercial facilities within its jurisdictions.

Additionally, C-PACE differentiates itself from residential PACE in the financing closing processes in the following important ways:

1. Lender consent - existing lienholders are required to acknowledge and consent to C-PACE financing. This requires acknowledgement of senior lien holder prior to finance closing.
2. Enhanced underwriting standards - C-PACE works with businesses and corporations, and as such, the underwriting process includes businesses and PACE legal counsels, and typically takes a longer process. Typical underwriting processes include the legal review of multiple projects, financing, and legal documents which, in many cases, can take up to a few months.
3. C-PACE loans are highly negotiated and each commercial property owner is generally represented by their own attorney that negotiates.

C-PACE Project Update

In Fiscal Year (FY) 2020/2021, the C-PACE Program financed 11 projects for a total amount of $79M and covered five energy efficiency projects (two with seismic improvements), three renewable system projects, and three refinance projects. Over $8M in C-PACE financing was used by business owners in two WRCOG subregional projects:

1. A retrofit project at an exotic car dealership in the City of Murrieta covering HVAC, electrical, lighting, plumbing, and roofing improvements.
2. A new construction apartment project in the City of Corona covering HVAC, plumbing, seismic, electrical, and windows.

In FY 2021/2022, 11 C-PACE projects were completed, totaling $68M, and covered six energy efficiency projects (five with seismic improvements), three renewable system projects, and two new construction projects. Over $12M in C-PACE financing was used by business owners in two WRCOG subregional projects:

1. An energy efficiency project converting vacant space for a brewery in the City of Temecula covering HVAC, building envelope, and installation.
2. A new construction project converting a senior living center in the City of Temecula covering HVAC, lighting / electrical, building envelope, and plumbing.

In FY 2022/2023, three C-PACE projects were completed, totaling $15.3M, and covered two new construction and one retrofit project:

1. A new construction, 914-unit self-storage facility in the City of El Cajon, covering HVAC, plumbing, seismic, building envelope, and electrical improvements.
2. A retrofit project of an existing 135-room hotel, comprised of 54,102 square feet in the City of Santa Rosa, covering electrical, lighting, plumbing, building envelope improvements and related soft costs.
3. A new construction project with Everhome Suites Hotel located in the City of Temecula, covering envelope, concrete, steel, windows, and lighting.

In FY 2023/2024, three C-PACE projects have been completed, totaling $39M, and covered two new construction and one renewable project:

1. A renewable solar array atop a ground up new development in the City of Carlsbad covering solar

improvements.
2. A new construction project with Cambria Imperial Hotel located in the City of Imperial, covering seismic improvements, building envelope, plumbing, lighting, and electrical.
3. A new construction project with Monterey Bay Courtyard and Residence Inn by Marriott in Sand City, covering seismic improvements, building envelope, plumbing, lighting, and electrical.

As shown below, the frequency, volume, and value of closed C-PACE projects vary greatly and do not appear to follow a predictable pattern or cycle.

Fiscal Year	Completed Projects	Amount of C-PACE Financing
2017/2018	1	$1,806,854.50
2018/2019	9	$6,247,153.44
2019/2020	7	$19,017,439.00
2020/2021	11	$79,428,418.98
2021/2022	11	$67,767,734.03
2022/2023	3	$15,347,209.00
2023/2024	3	$38,841,961.00
Total	**45**	**$228,456,769.95**

Additionally, Nuveen Green Capital, WRCOG's existing C-PACE partner, expressed interest in adding additional jurisdictions (currently 384 jurisdictions across California) to WRCOG's approved jurisdictional list.

C-PACE Expansion to Partner Directly with Capital Providers

On April 5, 2021, the Executive Committee received a report that would have expanded the C-PACE Program to create a pathway to partner directly with investment and commercial banks and other financial institutions (Direct Capital Providers) in which there would be no administrators or program administration agreements needed. The analyzed benefits include:

- Working with capital providers subject to federal banking regulations and audited by the federal government.
- Typically, with capital providers, PACE financing constitutes only a small portion of its portfolio and, as such, there is a diversification of capital provider's investments / assets.
- Capital providers with a commercial lending platform could offer PACE as an additional lending option to projects. As such, banks would conduct their own due diligence of projects and would have established underwriting criteria.
- With no program administrator for these projects, interest rates and fees would be lower as the financing is directly placed with the capital provider.
- Potentially, the capital provider could also serve as the fiscal agent / trustee and thereby reduce the costs of financing as well.
- Increased minimum project size leads to more sophisticated property owners.

Additionally, in 2021, staff analyzed potential risks and developed mitigation measures through program design and additional effort management and reassessment. Potential risks could include:

- Limited indemnification of projects.
- Failed or fraudulent projects.

- Increase in annual administrative costs to property owners.

Mitigation measures of identified risks include:

- Indemnification risk:
  - Require investor letter clearly describing bank roles / responsibilities
  - Partnership with stables and diverse capital providers
- Failed or fraudulent project risk:
  - Same compliance process as with current providers
- Risk of potential increase in annual administrative costs
  - Property owners could be subject to increase in annual administrative costs
- Additional management of efforts:
  - Add additional requirements for Capital Providers
  - Must be federally regulated institution
  - 2+ years of C-PACE experience
  - 10+ years of commercial banking experience
  - Minimum of $10M in capital available for financing C-PACE loans

Ultimately, the Executive Committee took no action at that time, until a C-PACE introductory item was provided to the Committee, and past projects were analyzed. Staff began to provide semi-annual updates to the Committee on C-PACE projects.

Present Situation

C-PACE Ad Hoc Committee: At the request of the Executive Committee, Chair Chris Barajas convened an Ad Hoc Committee, consisting of members from the Cities of Eastvale, Temecula, and Wildomar, tasked with 1) evaluating the Program benefits and risks, 2) making a recommendation about whether or not to continue the commercial Program, and 3) considering whether to allow new Direct Capital Providers and/or additional C-PACE providers to participate in the Program.

The Ad Hoc Committee met on October 26, November 13, and November 16, 2023, to gain a deeper understanding of the Program and evaluate the current Program along with the merits of expanding the pool of partners offering services. The general consensus was to continue the Program and invite new Direct Capital Providers, but the addition of new C-PACE providers was conditioned on additional safeguards and transparency requirements. Following a lengthy effort to compare and contrast the former residential (HERO) Program and the commercial Program, additional layers of protections were recommended.

Specifically, based on those recommendations, the Program's primary purpose would be to explicitly benefit property owners and not to provide a growing revenue source for WRCOG. The Program would also take specific steps to limit any program-dependency risk or liability for WRCOG. Pending further policy and legal review, this may be accomplished by adding language binding the actions of partners in a way that protects property owners and WRCOG.

Upon recommendation by the Ad Hoc Committee, the Administration & Finance Committee is recommending that the Executive Committee adopt a resolution amending the Program Report to include Direct Capital Providers and the expansion of program administration services to include

additional C-PACE providers within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program.

Prior Action(s):

December 13, 2023: The Administration & Finance Committee recommended that the Executive Committee direct the Executive Director to develop a resolution authorizing WRCOG to issue and directly place bonds to finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program with certain capital providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Master Indenture, Master Fiscal Agent Agreement and Master Bond Purchase Agreement, and authorizing the issuance of bonds pursuant to such Master Indenture or Master Fiscal Agent Agreement secured by assessments levied on commercial properties to finance the installation of eligible improvements on such commercial properties and approving other actions in connection thereto and approve amendments to the Program Reports to include Direct Capital Provider.

Financial Summary:

PACE Program Activities are included in the Agency's adopted FY 2023/2024 Budget under the Energy & Environmental Department (Fund 110).

Attachment(s):

Attachment 1 - Resolution Number 01-24 authorizing Direct Capital Providers Commercial Program

Attachment 2 - WRCOG Indenture (Capital Provider Program)

Attachment 3 - WRCOG Bond Purchase Agreement (Capital Provider Program)

Attachment 4 - Agreement to Pay Assessment and Finance Improvements

Attachment 5 - WRCOG Energy and Efficiency Program Administrative Guidelines Program Report (redline Amended February 5, 2024 DCP)

Attachment 6 - California HERO Program Report (redline Amended February 5, 2024 DCP)

Attachment

Resolution Number 01-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing WRCOG to issue and directly place bonds to finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program with Direct Capital Providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Indenture and Bond Purchase Agreement and authorizing the issuance of bonds pursuant to such Indenture or secured by assessments levied on commercial properties to finance the installation of eligible improvements on such commercial properties and approving other actions in connection thereto

RESOLUTION NUMBER 01-24

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AUTHORIZING WRCOG TO ISSUE AND DIRECTLY PLACE BONDS TO FINANCE ELIGIBLE IMPROVEMENTS TO BE INSTALLED ON COMMERCIAL PROPERTIES LOCATED WITHIN THE BOUNDARIES OF BOTH THE WRCOG ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY AND THE CALIFORNIA HERO PROGRAM WITH DIRECT CAPITAL PROVIDERS, AND IN CONNECTION WITH SUCH AUTHORIZATION, APPROVING AMENDMENTS TO THE PROGRAM REPORT FOR SUCH PROGRAMS, ASSESSMENT CONTRACT, INDENTURE, AND BOND PURCHASE AGREEMENT, AND AUTHORIZING THE ISSUANCE OF BONDS PURSUANT TO SUCH INDENTURE SECURED BY ASSESSMENTS LEVIED ON COMMERCIAL PROPERTIES TO FINANCE THE INSTALLATION OF ELIGIBLE IMPROVEMENTS ON SUCH COMMERCIAL PROPERTIES AND APPROVING OTHER ACTIONS IN CONNECTION THERETO

WHEREAS, acting under the provisions of Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29"), the Executive Committee has established the Energy Efficiency and Water Conservation Program for western Riverside County (the "WRCOG Program") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential or commercial real property located within the County of Riverside and the cities within the western portion of the County of Riverside that have elected to participate in the WRCOG Program (the "WRCOG Program Area") to finance the installation of distributed generation renewable energy sources, energy and water efficiency improvements, seismic improvements and electric vehicle charging infrastructure (the "Eligible Improvements"); and

WHEREAS, acting under Chapter 29, WRCOG has also established the California HERO Program (the "California Program" and, together with the WRCOG Program (the "Programs"), pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential and commercial real property located within cities and counties located outside of the western portion of the County of Riverside that have elected to become associate members of WRCOG (the "California Program Area" and, together with the WRCOG Program Area, the "Program Area"), and to participate in the California Program to finance the installation of Authorized Improvements; and

WHEREAS, WRCOG is authorized to issue limited obligation improvement bonds pursuant to Section 5898.22 and Section 5898.28 of Chapter 29 and the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code (the "Bond Act"), to finance the installation of Authorized Improvements that are permanently fixed to residential or commercial real property located within the Program Area; and

WHEREAS, since the establishment of the Programs, the administration and financing of the Eligible Improvements on commercial properties ("Commercial Properties") located within the Program Areas has been accomplished by program administrators; and

WHEREAS, Chapter 29 and the Bond Act authorize WRCOG to administer the Programs, issue bonds to finance the Eligible Improvements and sell such bonds directly to capital providers (each a "Capital Provider"); and

WHEREAS, the Executive Committee determined that it would be in the best interests of the Programs and the owners of Commercial Properties within the Program Area to enable WRCOG to administer and finance Eligible Improvements by selling bonds directly to capital providers (the "Capital Provider Program") that meet certain requirements as set forth in the Program Reports for each Program Area (the "Program Reports") and approved by the Executive Director of WRCOG or his designee (the "Authorized Representative"); and

WHEREAS, in order to provide for and implement such authorization for the establishment of the Capital Provider Program as a part of each Program, it will be necessary to modify the Program Reports, and approve a form of an assessment contract for use with respect to each commercial property participating in the Capital Provider Program (the "Commercial Assessment Contract") to be incorporated into each Program Report; and

WHEREAS, there has been submitted to the Executive Committee the form of an Indenture providing for the issuance of limited obligation improvement bonds to be designated as the "Western Riverside Council of Governments Limited Obligation Improvement Bonds (Capital Provider Program Commercial Property Tranche) (Series No. [__]" (the "Limited Obligation Improvement Bonds") in one or more series (each such series of such bonds referred to as a "Series") pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), the Improvement Bond Act of 1915, being Division 10 of the Streets and Highways Code (the "1915 Act") and the use of the proceeds of such bonds to finance the construction and installation of Eligible Improvements on commercial parcels that are participating in the Capital Provider Program; 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 Limited Obligation Improvement Bonds by each Capital Provider; and

WHEREAS, Section 5852.1 of the Government Code of the State of California ("Section 5852.1") provides that WRCOG shall obtain from an underwriter, municipal advisor, or private lender and disclose, in a meeting open to the public prior to authorization of the issuance of the Limited Obligation Improvement Bonds, good faith estimates of (a) the true interest cost of the Limited Obligation Improvement Bonds, (b) the finance charge of the Limited Obligation Improvement Bonds, meaning the sum of all fees and charges paid to third parties, (c) the amount of proceeds of the Limited Obligation Improvement Bonds received less the finance charge described above and any reserves or capitalized interest paid or funded with proceeds of the Limited Obligation Improvement Bonds, and (d) the sum total of all debt service payments on the Limited Obligation Improvement Bonds calculated to the final maturity of the Limited Obligation Improvement Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Limited Obligation Improvement Bonds; which estimates are attached hereto as Exhibit A; and

WHEREAS, this Executive Committee, with the aid of its staff and counsel, has reviewed the documents identified in the preceding recitals and found them to be in proper order; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Limited Obligation Improvement Bonds exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including Chapter 29 and the 1915 Act.

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

Section 1. Approval of Capital Provider Program and Amended Program Reports. The Executive Committee hereby approves the establishment of the Capital Provider Program and authorizes WRCOG to directly administer the Capital Provider Program as outlined in the amended Program Reports. The Executive Committee hereby approves the amendments to the Program Reports presented at this meeting. The Authorized Representatives are hereby authorized to approve Capital Providers in accordance with the guidelines set forth in the Program Report and take all actions and enter into all agreements necessary to implement the Capital Provider Program.

Section 2. Approval of the Commercial Assessment Contract. The Executive Committee hereby approves the form of the Commercial Assessment Contract, each as presented to the Executive Committee at this meeting together with any changes therein and additions thereto approved by an Authorized Representative and reviewed and concurred in by Bond Counsel (defined below).

Section 3. Approval of Form of the Bond Purchase Agreement. The Executive Committee hereby approves the form of the Bond Purchase Agreement presented to the Executive Committee at this meeting, together with any changes therein or additions thereto approved by an Authorized Representative and reviewed and concurred in by Bond Counsel, and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes and directs an Authorized Representative to execute the final form of the Indenture for and in the name of WRCOG.

Section 4. Authorization of Issuance of Limited Obligation Improvement Bonds. The Executive Committee hereby authorizes the issuance of one or more Series of the Limited Obligation Improvement Bonds under and pursuant to Chapter 29, the 1915 Act and this Resolution in the maximum aggregate principal amount not to exceed $500,000,000 to finance the installation of Eligible Improvements to be installed or caused to be installed on commercial properties that are participating in the Capital Provider Program and are located in the Program Areas.

Section 5. Approval of Indenture. With respect to the Limited Obligation Improvement Bonds to be issued on or after the effective date of this Resolution, the Executive Committee hereby approves the form of the indenture (the “Indenture”) substantially in the form on file with the Secretary, together with any changes therein and additions thereto approved by an Authorized Representative and reviewed and concurred in by Bond Counsel, and the execution thereof by an Authorized Representative shall be conclusive evidence of the approval of any such changes or additions. The Executive Committee hereby authorizes the delivery and the performance of the Indenture.

Section 6. Sale of the Limited Obligation Improvement Bonds and Delegation of Duties. WRCOG hereby authorizes the negotiated sale of the Limited Obligation Improvement Bonds to a Capital Provider (the “Purchaser”) approved by the Authorized Representative provided that the conditions for issuance of each such Limited Obligation Improvement Bond set forth in the Indenture and the Program Report have been satisfied. Each Limited Obligation Improvement Bond shall be sold to the Purchaser pursuant to the Indenture and the Bond Purchase Agreement applicable to such bond or Series thereof. The Executive Committee hereby delegates to the Executive Director or another Authorized Representative the authority to establish and agree with the Purchaser to the final terms for each Limited Obligation Improvement Bond or Series thereof including, but not limited to, the principal amount thereof, the interest rate on such Limited Obligation Improvement Bond or Series thereof and the redemption provisions. The Executive Director, or another Authorized Representative, is authorized to delegate to an approved Capital Provider the authority to originate Commercial Assessment Contracts to be entered into by WRCOG and to assist with certain administrative matters as set forth in each Commercial Assessment Contract.

The total principal amount of Limited Obligation Improvement Bonds issued pursuant to this Capital Provider Program shall not exceed $[500 million] and the interest rate for each Series of Limited Obligation Improvement Bonds shall not exceed an interest rate of 12%.

Section 7. Appointment of Professionals. The Executive Director and Director of Energy & Environmental Programs are each hereby authorized to appoint the professionals necessary to serve in the Capital Provider Program and negotiate the terms and conditions of any such engagement.

Section 8. Form of Limited Obligation Improvement Bonds. The form of Limited Obligation Improvement Bonds as set forth in the form of the Indenture is approved. The Treasurer of WRCOG and the Secretary of the Executive Committee are authorized and directed to execute by manual or facsimile signature, in the name and on behalf of WRCOG, the Limited Obligation Improvement Bonds or Series thereof in either temporary or definitive form and to deliver or cause the delivery of each Limited Obligation Improvement Bond or Series thereof to the applicable purchaser pursuant to the Indenture, as applicable.

Section 9. No Obligation of WRCOG, its Regular Members or Associate Members. Pursuant to Streets and Highways Code Section 8769, this Executive Committee does hereby determine that WRCOG will not obligate itself to advance funds from the WRCOG treasury to cure any deficiency in the Redemption Fund (as such term is defined in the Indenture) for the Limited Obligation Improvement Bonds established pursuant to the Indenture. The Executive Committee further declares and determines that no Regular Member or Associate Member shall be obligated to advance funds from the treasury of such Regular Member or Associate Member to cure any such deficiency in such Redemption Fund or the Assessment Collection Account.

Section 10. Conditions of Approval. The approvals, authorization, and direction given by this Resolution related to the Limited Obligation Improvement Bonds are conditioned upon the satisfaction of the requirements hereof and of the Indenture with respect to the issuance and sale of the Limited Obligation Improvement Bonds. The Authorized Officers and shall not be required to take any action with respect to the execution and delivery of the Indenture or the issuance, sale or delivery of any Limited Obligation Improvement Bond unless and until such conditions are satisfied; provided, however, that upon satisfaction of such conditions as to any Limited Obligation Improvement Bond, this Resolution shall be fully effective and shall be carried out as to such Limited Obligation Improvement Bonds or Series thereof without the further approval or action of the Executive Committee.

Section 11. Official Actions with Regard to the Limited Obligation Improvement Bonds. Each officer of WRCOG or Authorized Representative is hereby authorized and directed, for and in the name and on behalf of WRCOG, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Limited Obligation Improvement Bonds. All actions heretofore taken by the officers and agents of WRCOG with respect to the sale and issuance of the Limited Obligation Improvement Bonds are hereby approved, confirmed, and ratified.

Section 12. Authorization to Establish Criteria for Additional Program Administrators. The Executive Director and the Director of Energy & Environmental Programs, and their designees, are hereby authorized to develop criteria to authorize additional program administrators for the Programs, which shall be presented to this Executive Committee for approval and implementation.

Section 13. Other Additional Action. All actions heretofore taken by the officers and agents of WRCOG with respect to the other matters contemplated by this Resolution and the Program Reports are hereby approved, confirmed and ratified, and the proper officers of WRCOG, including but not limited to the Executive Director, the Secretary, and the Director of Energy & Environmental Programs, and their designees, are hereby authorized, for and in the name and on behalf of WRCOG, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements, assignments, notes and other documents which they, or any of them, may deem necessary or advisable with respect to the establishment of the Capital Provider Program and in order to

consummate the matters contemplated by this Resolution and the Program Report. The Executive Director or any Authorized Representative is hereby authorized and directed to approve any other documents related to the Capital Provider Program necessary in the judgment of the Executive Director or such Authorized Representative to conform such documents to the actions taken by the adoption of this Resolution.

Section 14. Effective Date. This Resolution shall take effect upon the date of its adoption.

PASSED AND ADOPTED at a Meeting of the Executive Committee of the Western Riverside Council of Governments held this 4th day of March 2024.

_____	_____
Chris Barajas, Chair	Kurt Wilson, Secretary
WRCOG Executive Committee	WRCOG Executive Committee

Approved as to form:

_____
Best Best & Krieger, LLP
WRCOG Bond Counsel

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

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Limited Obligation Improvement Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to Limited Obligation Improvement Bonds by PFM Financial Advisors LLC, WRCOG's municipal advisor (the "Municipal Advisor").

Principal Amount. The Municipal Advisor has informed Limited Obligation Improvement Bonds that, based on the financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Limited Obligation Improvement Bonds to be sold is $500,000,000 (the "Estimated Principal Amount"), which excludes approximately $0 of net premium estimated to be generated based on current market conditions net premium is generated when, on a net aggregate basis for a single issuance of Limited Obligation Improvement Bonds, the price paid for such Limited Obligation Improvement Bonds is higher than the face value of the Limited Obligation Improvement Bonds.

True Interest Cost of the Limited Obligation Improvement Bonds. The Municipal Advisor has informed Limited Obligation Improvement Bonds that, assuming that the Estimated Principal Amount of the Limited Obligation Improvement Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Limited Obligation Improvement Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Limited Obligation Improvement Bonds, is 8.270441% for all series of the Limited Obligation Improvement Bonds.

Finance Charge of the Limited Obligation Improvement Bonds. The Municipal Advisor has informed Limited Obligation Improvement Bonds that, assuming that the Estimated Principal Amount of the Limited Obligation Improvement Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Limited Obligation Improvement Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Limited Obligation Improvement Bonds), is $11,500,000.

Amount of Proceeds to be Received. The Municipal Advisor has informed Limited Obligation Improvement Bonds that, assuming that the Estimated Principal Amount of the Limited Obligation Improvement Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by Limited Obligation Improvement Bonds for the sale of the Limited Obligation Improvement Bonds, less the finance charge of the Limited Obligation Improvement Bonds, as estimated above, and any reserve fund paid or funded with proceeds of the Limited Obligation Improvement Bonds, is $488,500,000.

Total Payment Amount. The Municipal Advisor has informed Limited Obligation Improvement Bonds that, assuming that the Estimated Principal Amount of the Limited Obligation Improvement Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments Limited Obligation Improvement Bonds will make to pay debt service on the Limited Obligation Improvement Bonds, plus the finance charge for the Limited Obligation Improvement Bonds, as described above, not paid with the proceeds of the Limited Obligation Improvement Bonds, calculated to the final maturity of the Limited Obligation Improvement Bonds, is $1,024,074,355.56.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the

Limited Obligation Improvement Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Limited Obligation Improvement Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Limited Obligation Improvement Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Limited Obligation Improvement Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Limited Obligation Improvement Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (0 alterations in the financing plan or finance charges, or a combination of such factors. The actual date of sale of the Limited Obligation Improvement Bonds and the actual principal amount of Limited Obligation Improvement Bonds sold will be determined by Limited Obligation Improvement Bonds based on the timing of the need for proceeds of the Limited Obligation Improvement Bonds and other factors. The actual interest rates borne by the Limited Obligation Improvement Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Limited Obligation Improvement Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of Limited Obligation Improvement Bonds.

Attachment

WRCOG Indenture
(Capital Provider Program)

INDENTURE

between

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

and

_____
as Trustee

Dated as of [__], 20__

Relating to:

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(CAPITAL PROVIDER PROGRAM)
LIMITED OBLIGATION IMPROVEMENT BONDS
(First Commercial Property Tranche - Series No. _____)

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INDENTURE

THIS INDENTURE (this "**Indenture**") is made and entered into as of [_____], 20__, between the **WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS**, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California ("**WRCOG**"), and **[TRUSTEE NAME]**, a national banking association duly organized and existing under the laws of the United States of America (the "**Trustee**").

BACKGROUND:

WHEREAS, acting under the provisions of Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29"), WRCOG has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential or commercial real property located within the County of Riverside and the cities within the western portion of the County of Riverside that have elected to participate in the WRCOG Program (the "Regular Members") to finance the installation of distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure (the "Authorized Improvements"); and

WHEREAS, acting under Chapter 29, WRCOG has also established the California PACE Program (the "California Program" and, together with the WRCOG Program, the "Program") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential and commercial real property located within cities and counties located outside of the western portion of the County of Riverside (the "Associate Members") that have elected to become Associate Members of WRCOG and to participate in the California Program to finance the installation of Authorized Improvements; and

WHEREAS, WRCOG is authorized to issue limited obligation improvement bonds pursuant to Section 5898.22 and Section 5898.28 of Chapter 29 and the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code (the "Bond Act"), to finance the installation of Authorized Improvements that are permanently fixed to residential or commercial real property located within cities or counties participating in the Program; and

WHEREAS, on _____, the Executive Committee adopted Resolution Number ____, entitled "A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing WRCOG to issue and directly place bonds to finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG energy efficiency and Water Conservation Program for Western Riverside County and the California PACE Program ("Commercial Properties") with direct capital providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Indenture, and Bond Purchase Agreement, and authorizing the issuance of bonds pursuant to such Indenture secured by assessments levied on Commercial Properties to finance the installation of eligible improvements on such Commercial Properties and approving other actions in connection thereto" (the "Resolution of Issuance") to authorize WRCOG to directly administer the Programs and issue and sell bonds to a capital provider that is

approved by the Executive Director or his designee and authorized pursuant to the provisions of the Program Reports to allow for the financing of Authorized Improvements on Commercial Properties (the "Capital Provider Program") within jurisdictions of the member agencies of WRCOG participating in the Programs (the "Program Areas ; and

WHEREAS, the Executive Committee did, by the adoption of the Resolution of Issuance, approve the form of this Indenture, authorized the Executive Director of WRCOG or designee to appoint a trustee and such authorized representative has selected [Trustee Name] as trustee hereunder; and

WHEREAS, pursuant to the Resolution of Issuance the Executive Committee did authorize WRCOG to issue limited obligation improvement bonds pursuant to this Indenture (defined herein as the "Bonds") to finance the installation of Authorized Improvements on Commercial Properties the owners of which have elected to participate in the Capital Provider Program; and

WHEREAS, it is in the public interest and for the benefit of WRCOG and the owners of the Bonds that WRCOG and the Trustee enter into this Indenture to provide for the issuance of the Bonds, the disbursement of proceeds of such bonds, the disposition of the assessments securing the Bonds and the administration and payment of the Bonds; and

WHEREAS, WRCOG has determined that all things necessary to cause the Bonds, when authenticated by the Trustee and issued as provided in the Bond Act, the Resolution of Issuance, and this Indenture, to be legal, valid and binding limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

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

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Indenture. This Indenture is entered into under Chapter 29, the Bond Act and the Resolution of Issuance.

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

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

"***Administrative Expense Account***" means the account of that name established in the Program Fund and designated "Western Riverside Council of Governments Capital Provider Program Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____) Administrative Expense Account," established and administered pursuant to Section 4.02.

"***Administrative Expenses***" means costs directly related to the administration of the Program, as determined by WRCOG in its sole discretion, including, but not limited to: the costs of preparing the annual Assessment Installment collection schedules (whether by an employee of WRCOG or a consultant or both) and the costs of collecting the Assessment Installments (whether by a county or otherwise); legal costs associated with placement of the annual Assessment Installment on the tax roll and other legal costs incurred in connection with the administration of the Assessment; fees and costs of the Trustee, in each case as evidenced by written documentation provided to WRCOG; the costs of remitting the Assessment Installments to the Trustee; costs of the Trustee (including its legal counsel) in the discharge of its duties under the Indenture; the costs of WRCOG or its designee of complying with the disclosure provisions of Chapter 29, the Bond Act, federal securities laws and the Indenture, including those related to public inquiries regarding the Assessments and disclosures to Owners of the Bonds; the 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; and an allocable share of the salaries of WRCOG staff directly related to the foregoing and a proportionate amount of Authority general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by WRCOG for any administrative purpose relating to the Program, including costs related to prepayments of Assessments and the costs of prosecuting foreclosure of delinquent Assessment Installments and actual fees and costs of WRCOG.

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

"***Assessment***" ***or*** "***Assessments***" means the unpaid contractual assessment(s) levied on the Participating Parcel(s) pursuant to an Assessment Contract(s), but excludes Penalties and Interest.

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

"***Assessment Collection Account***" means the account within the Redemption Fund designated as the "Western Riverside Council of Governments Capital Provider Program Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____) Assessment Collection Account," established and administered by the Trustee pursuant to Section 4.01 hereof. Unless otherwise instructed by WRCOG, such account will be established in the Redemption Fund for the Bonds for accounting purposes only.

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

"***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.

"***Auditor***" means the auditor/controller or tax collector of the applicable county in which the Participating Parcel is located, or such other official of the county who is responsible for preparing real property tax bills.

"***Authorized Denominations***" means the entire principal amount of the Outstanding Bonds.

"***Authorized Representative***" means the Executive Director of WRCOG or his or her designee or designees each of whom is authorized pursuant to a Certificate of WRCOG executed by the Executive Director.

"***Bond***" or "***Bonds***" means the Western Riverside Council of Governments (Capital Provider Program – [Name of Capital Provider]) Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____), executed and delivered under this Indenture.

"***Bond Counsel***" means Best Best & Krieger LLP, and its successors, or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to the issuance of bonds by states and their political subdivisions, duly admitted to the practice of law before the highest court of the State of California.

"***Bond Act***" means the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (commencing with Section 8500 et seq.), and as it may be amended from time to time, to the extent not in conflict with Chapter 29.

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

"***Bond Year***" means, with respect to the Bonds, the twelve-month period beginning on September 3 in each year and ending on September 2 in the following year except that (i) the first Bond Year will begin on the date of delivery of the Bonds and end on the next September 2, and (ii) the last Bond Year may end on a prior redemption date.

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

"***Capitalized Interest Account***" means the account of that name established in the Redemption Fund and administered under Section 4.01.

"***Certificate of WRCOG***" means a written certificate of WRCOG signed by an Authorized Representative of WRCOG.

"***Chapter 29***" shall have the meaning given such term in the recitals hereto.

"***Closing Date***" means, the date of issuance of the Bonds.

"Collateral" shall have the meaning given such term in Section 3.01 hereto.

"***Commercial***" shall have the meaning given such term in the Program Report.

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

"Costs of Issuance Account" means the account of that name established in the Program Fund and designated "Western Riverside Council of Governments (Capital Provider Program – [Name of Capital Provider]) Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____) Costs of Issuance Account," established and administered pursuant to Section 4.02 of this Indenture.

"***County***" means the County of _____.

"***Covered Jurisdiction***" means the jurisdictional boundaries of the Member Agencies of WRCOG participating in the Programs.

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

"***Debt Service Schedule***" means the schedule, as may be amended, established by WRCOG or its authorized agent, which sets forth the dates on which Debt Service shall be paid.

"Designated Transferee" means, _____with respect to the Bonds.

"***Electronic Means***" shall mean the following communications methods: e-mail; facsimile transmission; secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee; or another method or system specified by the Trustee as available for use in connection with its services hereunder.

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

"***Excess Program Account Proceeds***" means the proceeds, if any, from the issuance of a Bonds deposited on the Closing Date in the respective Program Account within the Program Fund for the payment or reimbursement of Improvement Costs for the installation of Improvements on a Participating Parcel that remain on deposit in such account following the payment of all such Improvement Costs.

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

"***Extraordinary Mandatory Redemption Account***" means the account within the Redemption Fund designated as the "Western Riverside Council of Governments (Capital Provider Program – [Name of Capital Provider]) Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____) Extraordinary Mandatory Redemption Account," established by the Trustee pursuant to Section 4.01(A)(3).

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

(i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the timely payment of principal of and interest on which are, directly or indirectly, fully and unconditionally guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as stripped obligations and coupons; or

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

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

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

(c) participation certificates issued by the General Services Administration;

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

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

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

"***Financed Amount***" has the meaning given that term in the Assessment Contract(s).

"***Improvement Costs"*** means the costs of installing the Improvements on Participating Parcels in accordance with the Program Report, and the Assessment Contracts.

"***Improvements***" means the distributed generation renewable energy, energy efficiency, water efficiency, seismic and electric vehicle charging infrastructure improvements to be installed on the Participating Parcel(s) pursuant to the Assessment Contacts.

"***Indenture***" means this Indenture, as it may be amended, modified or supplemented from time to time.

"Initial Purchaser" means _____, the initial purchaser of the Bonds.

"***Interest Payment Dates***" means March 2 and September 2 of each year, commencing as of the date _____, 2, 20__.

"Joint Exercise of Powers Agreement" means that Joint Powers Agreement of WRCOG originally made and entered into April 1, 1991, as amended and to date and as it may be amended or supplemented from time in accordance with its terms.

"Indenture" means this Indenture, dated as of [_____], 20__, by and between WRCOG and the Trustee, as it may be amended, modified or supplemented from time to time pursuant to the provisions of this Indenture.

"***Non-Completion Assessment***" means an Assessment collected from the owner of the Participating Parcel(s) resulting from failure to install the Improvements or otherwise comply with requirements of WRCOG.

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

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

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

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

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

"***Participating Parcel(s)***" means the parcel(s) within a Program Area that is (are) subject to the lien of an Assessment pursuant to an Assessment Contract or Assessment Contracts securing of the Bonds as identified on Exhibit A of this Indenture.

"***Principal Payment Date***" means _____ and _____ in each year.

"***Penalties and Interest***" means any (i) penalties on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract and (ii) interest on delinquent contractual assessments levied on a Participating Parcel(s) pursuant to an Assessment Contract in excess of the interest rate of Bonds, in both cases pursuant to Section 5898.30 of Chapter 29.

"***Penalties and Interest Account***" means the account within the Redemption Fund and designated "Western Riverside Council of Governments Capital Provider Program Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____), Penalties and Interest Account," established and administered under Section 4.01 hereof.

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

(a) Federal Securities.

(b) Federal Housing Administration debentures.

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

(d) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million (including those of the Trustee and its affiliates).

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

(f) State Obligations, which means

(i) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3"

by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

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

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

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

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

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

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

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

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

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

(h) Investments in a money market mutual fund rated AAAm or AAAm-G or better by S&P and having a rating in the highest investment category granted thereby from Moody's, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, or custodian or subcustodian, or

otherwise, notwithstanding that: (i) the Trustee or an affiliate of the Trustee receives and retains fees from funds for services rendered; (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds; and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

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

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

"***Prepayment Account***" means the account within the Redemption Fund and designated "Western Riverside Council of Governments (Capital Provider Program – [Name of Capital Provider]) Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____) Prepayment Account," established and administered under Section 4.01 hereof. Unless otherwise instructed by WRCOG, such account will be established in the Redemption Fund for the Bonds for accounting purposes only.

"***Prepayments***" means Non-Completion Assessments or prepayments of Assessments received by WRCOG or the Trustee, less any administrative fees or penalties collected as part of any such Non-Completion Assessment or prepayment of Assessments.

"***Principal Office***" means the corporate trust office of the Trustee in _____, California, located at such address as will be specified in a written notice by the Trustee to WRCOG under Section 10.06 hereof or such other office of the Trustee designated for payment, transfer or exchange of the Bonds.

*"**Program**"* means the Capital Provider Program established pursuant to the Resolution of Issuance.

*"**Program Account**"* means the respective account within the Program Fund and designated "Western Riverside Council of Governments (Capital Provider Program – [Name of Capital Provider]) Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____) Program Account," established and administered under Section 4.01 hereof. Unless otherwise instructed by WRCOG, such account will be established in the Program Fund the Bonds for accounting purposes only.

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

"***Program Fund***" means the fund designated "Western Riverside Council of Governments (Capital Provider Program – [Name of Capital Provider]) Limited Obligation Improvement Bonds Program Fund" established and administered under Section 4.02.

"***Program Manager***" means the official of WRCOG designated as the program manager of the Program from time to time.

"***Program Report***" means the Administrative Guidelines and Program Report for the Program.

"***Property Owner***" means the owner of the Participating Parcel(s).

"*Qualified Institutional Buyer*" means a "qualified institutional buyer" as such term is defined in Rule 144A promulgated under the Securities Act of 1933, as amended.

"***Record Date***" means the 15th day of the calendar month immediately preceding the applicable Interest Payment Date, and any date established by the Trustee as a Record Date for the payment of defaulted interest on the Bonds, if any.

"***Redemption Fund***" means the fund designated "Western Riverside Council of Governments (Capital Provider Program) Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____), Redemption Fund," established and administered under Section 4.01.

"***Redemption Premium,***" means a redemption premium of ____%.

*"**Reserve Fund**"* means a debt service reserve fund established by the Trustee pursuant to Section 4.03.

"Reserve Requirement" means, , $_____.

"***Resolution of Issuance***" shall have the meaning given such term in the recitals hereto.

"***Sinking Account Payments***" means amounts to be paid by WRCOG with respect to any Term Bonds.

"***Supplemental Indenture***" means an agreement which is amendatory of and/or supplemental to this Indenture.

"***Teeter Plan***" means the alternative procedure for the distribution of property taxes and assessments adopted by a county pursuant to Revenue and Taxation Code sections 4701 through 4717.

"***Term Bonds***" means a Bonds which are payable on or before their specified maturity dates from Sinking Account Payments and which are calculated to retire on or before their specified maturity dates.

"***Trustee***" means [Trustee Name], its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01 hereof.

"***WRCOG***" means the Western Riverside Council of Governments, a joint exercise of powers agency duly organized and existing under the Constitution and laws of the State of California.

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

Section 1.03. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.01. Bonds Authorized.

(A) Authorized Bonds. WRCOG hereby authorizes the issuance of the Bonds in Authorized Denominations under and subject to the terms of the Resolution of Issuance, the Indenture, Chapter 29 and the Bond Act. The Bonds will be designated the Western Riverside Council of Governments (Capital Provider Program) Limited Obligation Improvement Bonds (First Commercial Property Tranche - Series No. _____", and will be issued in the original principal amount of $_____. Pursuant to the Resolution of Issuance, the Authorized Representatives of WRCOG are authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bonds in accordance with the provisions of Chapter 29, the Bond Act, the Resolution of Issuance and this Indenture.

(B) Procedures for the Issuance of Bonds. WRCOG shall issue Bonds in Authorized Denominations payable from Assessments and secured by first priority perfected liens upon such Assessments on the Participating Parcels and the other Collateral pledged hereunder for the payment of such Bonds, subject to the following specific conditions, which are hereby made conditions precedent to the issuance of the Bonds:

(i) All the requirements of Section 3.04 have been met.

(ii) The issuance of the Bonds is duly authorized pursuant to the Bond Act and all applicable laws.

(iii) The Bonds shall be issued as fully registered Bonds without coupons.

(iv) The Bonds will be dated the Closing Date and will be payable on the Payment Dates and in the principal amounts identified in the schedule set forth in Appendix 1 hereto, and will bear interest at the rate per annum, with accrued and unpaid interest payable on each Payment Date, as set forth in the schedule indicated in Appendix 1.

WRCOG acknowledges and agrees that the Initial Purchaser or its Designated Transferee (if applicable) may acquire the Bonds issued hereunder through, or through the account maintained with, a registered broker dealer.

(C) Proceeds of the Bonds. Upon the receipt of payment for the Bonds on the Closing Date thereof, the Trustee will apply the proceeds of sale thereof in the amounts and to the funds and accounts as provided for in this Indenture.

(D) Form of Bonds. The 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 Indenture, the Resolution of Issuance and the Bond Law.

(E) Proceeds of the Bonds. Upon the receipt of payment for the Bonds on the Closing Date thereof, the Trustee will apply the proceeds of sale thereof in the amounts and to the funds and accounts as provided for herein.

(F) 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 (as defined in the Assessment Contract(s) with respect to the Participating Parcel(s) or upon the performance by any person of such person's obligation with respect to the Improvements.

(G) Registration of the Bonds. The Bonds shall be registered in the name of the Initial Purchaser indicated in Appendix 1.

Section 2.02. Payment of Principal of and Interest on the Bonds.

(A) Payment of Interest. Interest on each Bond will be computed on the basis of a 360-day year of twelve 30-day calendar months, and will be payable on each Interest Payment Date, pursuant to Debt Service Schedule set forth on Appendix 1 hereto. The Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless they are authenticated on a day during the period from the sixteenth day of the month next preceding an Interest Payment Date to such Interest Payment Date, both days inclusive, in which event they will bear interest from such Interest Payment Date; or unless they are authenticated on a day on or before the fifteenth day of the month next preceding the first Interest Payment Date, in which event they will bear interest from the date of delivery of such Bonds. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Bonds shall bear interest at the rate per annum, and mature on the date, shown thereon.

(B) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable in lawful money of the United States of America. The Trustee shall pay interest on the Bonds when due by wire transfer in immediately available funds to the person whose name appears on the Bond Register as the Owner thereof on the Record Date preceding such Interest Payment Date in accordance with such wire transfer instructions as shall be filed by such Owner with the Trustee from time to time prior to such Record Date.

The principal of any Bond and any premium on such Bond are payable in lawful money of the United States of America by the Trustee to the person whose name appears on the Bond Register as the Owner thereof on the Record Date immediately preceding the applicable Interest Payment Date upon surrender of the Bonds at the Principal Office of the Trustee. Payments of principal of the Bonds shall, except on the final maturity thereof, be made without the requirement for presentation and surrender of the Bonds at the Principal Office of the Trustee, and the Trustee shall pay such principal of the Bonds when due by wire transfer in immediately available funds to the Owner in accordance with such wire transfer instructions as shall be filed by the Owner the Bonds with the Trustee from time to time prior to such Record Date. All Bonds paid by the Trustee

under this Section will be canceled by the Trustee. The Trustee will destroy the canceled Bonds and, upon request of WRCOG, issue a certificate of destruction of such Bonds to WRCOG.

Notwithstanding anything contained herein to the contrary, the Initial Purchaser and any Designated Transferee shall not be required to present and surrender the Bond for any principal payment, mandatory redemption payment for the redemption of such Bond in part, or mandatory sinking account payment other than the final principal payment at maturity.

Section 2.03. Redemption.

(A) General. The Bonds are subject to optional redemption, mandatory sinking account redemption, mandatory redemption from Prepayments, and mandatory redemption from Excess Program Account Proceeds as set forth below.

1. *Optional Redemption*. The Bonds are subject to optional redemption, as a whole or in part, on any Interest Payment Date from funds derived by WRCOG from any source other than Prepayments, at a price equal to:

(i) 100% of the principal amount of the Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ___%.

2. *Mandatory Sinking Account Redemption*. All the Bonds constitute Term Bonds, which will be subject to mandatory redemption in part by lot, from Sinking Account Payments made by WRCOG from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as shown in Attachment A.

However, if the Bonds have been redeemed pursuant to an optional redemption or a mandatory prepayment redemption, the total amount of all future Sinking Account Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Account Payments on a pro rata basis in Authorized Denominations as determined by WRCOG, notice of which determination will be given by WRCOG to the Trustee.

3. *Mandatory Prepayment Redemption*. The Bonds will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Prepayments, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ___%.

Upon redemption of the Bonds as set forth in this subsection, WRCOG shall cause the Financed Amount to be reduced in an amount equal to the principal amount of the Bonds redeemed.

4. *Extraordinary Mandatory Redemption from Excess Program Account Proceeds*. The Bonds will be redeemed, as whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Excess Program Account Proceeds relating to this Bond and the Assessment Contract, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ____%.

This Bond is a Limited Obligation Improvement Bond because, under the Indenture, WRCOG is not obligated to advance funds from WRCOG treasury to cover any deficiency that may occur in the related accounts of the Redemption Fund for the Bonds.

Whenever less than all of the Outstanding Bonds issued are called for redemption, the Trustee will select Bonds for redemption among maturities in such a way that the ratio of Outstanding Bonds to issued Bonds will be approximately the same in each maturity insofar as possible, and such that the remaining Assessments will be sufficient on a timely basis to pay the aggregate Debt Service on the Bonds. Within maturity of the Bonds, the Trustee will select Bonds for retirement by lot from all Bonds not previously called for redemption; provided that the Trustee shall have not less than seventy-two (72) hours before such selection in which to make the selection.

(B) Refundings. The provisions of Part 11.1 of the Bond Act or any other statute authorizing refundings are applicable to the advance payment of Assessments and/or to the refunding and redemption of the Bonds. WRCOG will advise the Trustee of such provisions to the extent not specified herein.

(C) Partial Redemption. Whenever less than all of the Outstanding Bond are called for redemption, the Trustee will select Bonds for redemption in accordance with written direction from WRCOG among maturities in such a way that the remaining Assessments will be sufficient on a timely basis to pay debt service on such Bonds. Within each maturity, the Trustee will select Bonds for retirement by lot. Payment of principal of any Bond selected for redemption in part and accrued interest and premium, if any, on such Bond shall be payable without surrender of such Bond at the Principal Office of the Trustee.

The payment of the principal of, premium, if any, and accrued interest on a Bond upon redemption in part shall be payable without the surrender of such Bond to the Trustee.

If the Bonds have been redeemed pursuant to an optional redemption or a mandatory prepayment redemption, the total amount of all future Sinking Account Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Account Payments on a pro rata basis in Authorized Denominations as set forth in a revised sinking account schedule provided to the Trustee by WRCOG.

(D) Notice to Trustee. WRCOG will give the Trustee written notice of the aggregate amount of Bonds to be redeemed not less than sixty (60) days prior to the applicable redemption date.

(E) Redemption Procedure by Trustee.

(i) Mailing of Notice. If any Bonds are designated for redemption, the Trustee will cause notice of any redemption to be mailed by first class mail to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Bond Register in the Principal Office of the Trustee, at least thirty (30) days but no more than sixty (60) days before the date designated for redemption.

Any failure of any person or entity to receive any such redemption notice if mailed in compliance with the previous paragraph, or any defect in any notice of redemption, will not affect the validity of the proceedings for the redemption of such Bonds.

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

(1) the redemption date;

(2) the redemption price;

(3) the date of issue of the Bonds;

(4) if less than all of the then Outstanding Bonds are to be called for redemption, the Bond numbers of the Bonds to be redeemed (by designating the Bond number of each Bond to be redeemed or by stating that all Bonds between two designated Bond numbers, both inclusive, are to be redeemed) or that all of the Bonds of one or more maturities have been called for redemption;

(5) as to any Bond called in part, the principal amount thereof to be redeemed;

(6) that such Bonds must be then surrendered at the Principal Office of the Trustee for redemption at the redemption price; provided that the Initial Purchaser and any Designated Transferee shall not be required to present and surrender the Bond for any principal payment, mandatory redemption payment, or mandatory sinking account other than the final principal payment at maturity; and

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

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

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

(F) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds, or portion of Bonds so called for redemption have been deposited in the Redemption Fund on the date fixed for redemption, then such Bonds, or portion of Bonds so called for redemption will become due and payable at the redemption price specified in the redemption notice, and such Bonds, or portion of Bonds will be defeased and will cease to be entitled to any benefit or security under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

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

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

Section 2.05. Transfer of Bonds

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

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

(B) Transfer Restriction Applicable to Bonds. With respect to any Bond registered in the name of an entity, unless the Trustee shall have been otherwise directed in a Certificate of WRCOG accompanied by an opinion of Bond Counsel to the effect that such transfer is consistent with federal securities law, the Bond may only be transferred in an Authorized Denomination to (a) WRCOG (or the Trustee at the direction of WRCOG) or (b) an Accredited Investor or a Qualified Institutional Buyer who delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit C attached to this Indenture.

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

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

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

Section 2.08. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, will be of such authorized denominations as may be determined by WRCOG, and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by WRCOG and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If WRCOG issues temporary Bonds it will execute and furnish definitive Bonds without delay, but in no event more than fifteen (15) days from the date temporary Bonds are issued, and thereupon the temporary Bonds will be surrendered, for cancellation, in exchange for the definitive Bonds at the Principal Office of the Trustee or at such other location as the Trustee will designate, and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds will be entitled to the same benefits under the Indenture as definitive Bonds authenticated and delivered hereunder.

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

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

ARTICLE III

SECURITY; ISSUANCE OF BONDS

Section 3.01. Security for the Bonds; Pledge of Assessments and Funds. The Bonds are secured by a first pledge (which pledge will be effected in the manner and to the extent herein provided) of all of (i) the Assessment or Assessments together with all revenues, moneys, accounts receivable, contractual rights to payment, recoveries and other rights to payment of whatever kind with respect to such Assessment or Assessments or Assessment Contract or Assessment Contracts (except amounts required hereunder to be deposited into the Administrative Expense Account of the Program Fund) that are or may be owed to, or collected or received by, WRCOG or any other entity acting on WRCOG's behalf, including, without limitation, the Assessment Installments, Prepayments, the foreclosure on a Participating Parcel on which an Assessment has been levied, or any other payment or recovery with respect to an Assessment from any other source but excluding Annual Assessment Administrative Fees, and (ii) the Redemption Fund and all monies, securities or contractual or other rights to payment that are or may be owed or credited to, or deposited in, the Redemption Fund, or owed to, or collected, recovered, received or held by, any other person that is required to credit to or deposit such monies or securities in the Redemption Fund by Chapter 29, the Bond Act or the terms of this Indenture attributable to proceeds of such Bonds, such Assessment or Assessments and such Assessment Contract or Assessment Contracts, in each case, derived from the Assessment Installments, Prepayments, penalties and interest with respect to any delinquent Assessment Installment, the foreclosure on a Participating Parcel on which a Assessment has been levied, or payments pursuant to a Teeter Plan with respect to Assessments, if applicable (the foregoing items in (i) and (ii) above collectively referred to as the "Collateral").

So long as any of the Bonds are Outstanding, the Collateral shall not be used for any other purpose except as provided in this Indenture. The security interest with respect to the Bonds shall constitute a lien on the Collateral of such Bonds and shall attach and be effective, binding and enforceable against WRCOG and all others asserting rights therein from and after delivery by the Trustee of such Bonds, irrespective of whether those parties have notice thereof and without any physical delivery thereof or further act.

Section 3.02. Limited Obligation. All obligations of WRCOG under the Indenture are not general obligations of WRCOG, but are limited obligations, payable solely from the Assessments and the funds pledged therefor hereunder. The faith and credit of WRCOG, any Covered Jurisdiction or the State of California, or any political subdivision thereof, is not pledged to the payment of the Bonds.

The Bonds are "Limited Obligation Improvement Bonds" under section 8769 of the Bond Act are payable solely from and secured solely by the Assessments and the amounts in the Redemption Fund attributable to the Assessments. Notwithstanding any other provision of the Indenture, WRCOG is not obligated to advance available surplus funds from WRCOG treasury to cure any deficiency in the Redemption Fund; provided, however, WRCOG is not prevented, in its sole discretion, from so advancing funds.

Section 3.02 Application of Proceeds of Sale of the Bonds. Upon the receipt of payment for the on the Closing Date, the Trustee will apply the proceeds of sale thereof as set forth in Appendix 1 hereto.

Section 3.03.

Section 3.04. No Parity Debt. WRCOG may not issue additional Bonds payable from the Assessments other than refunding bonds pursuant to Section 3.06 below.

Section 3.05. Requirements for Issuance of Bonds. The Bonds are secured by a first priority perfected security interest on the Assessment or Assessments securing the payment of such Bond and the other Collateral purported to be pledged and assigned for the payment of such Bond or Bonds hereunder. WRCOG may issue the Bonds only if the following specific conditions precedent have been met:

(A) Due Authorization. WRCOG shall have reviewed all proceedings heretofore taken relative to the authorization of the Bond and shall conclude, as a result of such review, and find and determine that all things, conditions, and acts required by law to exist, happen and be performed precedent to and in the issuance of the Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that WRCOG shall be authorized under Chapter 29, the Bond Act and each and every requirement of law, to issue the Bonds in the manner and form provided in the Indenture.

(B) Compliance. WRCOG shall be in compliance with all covenants set forth in this Indenture, and issuance of the Bond will not cause WRCOG to exceed the bonded indebtedness limit established for the Program or the maximum Bond authorization set forth in the Resolution of Issuance or as such maximum authorization may be amended by a resolution of the Executive Committee of WRCOG. Neither WRCOG nor anyone acting on its behalf shall have taken, or will take, any action that would subject the issuance or sale of the Bonds to the registration requirements set forth in the Securities Act of 1933, as amended, or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction, and the Bonds issued hereunder shall be subject to a valid exemption from all such registration requirements.

(C) Value. For each Participating Parcel, the value of such parcel (including the value of the Related Improvements financed from the proceeds of the Bond issued for such parcel) shall not be less than the minimum required value as determined at the time of the execution of the Assessment Contract by WRCOG pursuant to the requirements set forth in the Program Handbook.

(D) Coverage. The aggregate Assessment Installments payable under each Assessment Contract or Assessment Contracts shall be at least 100% of the cumulative Debt Service on the Bonds to be secured by the Assessment or Assessments levied pursuant to such Assessment Contract or Assessment Contracts, as applicable, through the final maturity date of the Bond and the Annual Assessment Administrative Fee or aggregate Annual Assessment Administrative Fees payable pursuant to an Assessment Contract or Assessment Contracts, as applicable, shall be sufficient to pay the total anticipated Administrative Expenses through the final maturity date of the Bonds.

In addition, the scheduled Assessment Installments payable pursuant to the applicable Assessment Contract or Assessment Contracts in every Bond Year with respect to the Bonds secured by an Assessment or Assessments levied pursuant to such Assessment Contract or Assessment Contracts, as applicable, shall be at least 100% of the annual Debt Service on such Bond through its final maturity date and the scheduled Annual Assessment Administrative Fees levied pursuant to the Assessment Contract or Assessment Contracts in every Bond Year shall be sufficient to pay the anticipated Administrative Expenses for such Bond Year.

(E) Notice of Assessment. A notice of assessment shall have been duly recorded against each Participating Parcel pursuant to Chapter 29 and the Bond Act and there shall have been created a perfected first priority security interest in and to the Assessment levied against each such Participating Parcel and the other Collateral pledged for the payment of the Bonds pursuant to the applicable Assessment Contract, the Bond Act, Chapter 29 and this Indenture.

(F) Opinion of Bond Counsel. On the Closing Date of the Bonds, WRCOG will deliver an opinion or opinions of Bond Counsel addressed to WRCOG and the Trustee in form and substance mutually agreed upon by Bond Counsel and the Initial Purchaser (and accepted by the Trustee). Bond Counsel shall either address each such opinion to the Initial Purchaser and the Designated Transferee (if applicable) or shall, on the Closing Date, provide a reliance letter addressed to the Initial Purchaser and the Designated Transferee (if applicable) indicating to the Initial Purchaser and the Designated Transferee (if applicable) that Bond Counsel has delivered such opinion or opinions to WRCOG and the Trustee on such date and that the Initial Purchaser may rely upon such opinions as if they had been addressed to the Initial Purchaser and the Designated Transferee (if applicable). In such opinion Bond Counsel shall opine that the issuance of the Bond has been duly authorized pursuant to the Bond Act and all other applicable laws and the issuance of the Bond has been provided for by the Indenture.

Section 3.06. No Acceleration. The principal of the Bonds will not be subject to acceleration hereunder. Nothing in this Section 3.06 will in any way prohibit the prepayment or redemption of Bonds under Section 2.03 hereof, or the defeasance of the Bonds and discharge of the Indenture under Article X hereof.

Section 3.07. Refunding of Bonds. The Bonds may be refunded by WRCOG pursuant to Divisions 11 or 11.5 of the California Streets and Highways Code or any other statute authorizing refunding upon the conditions as set forth in appropriate proceedings therefor or under any other statutory authority. This Section will not apply to or in any manner limit advancement of the maturity of any of the Bonds as provided in Parts 8, 9, 11, or 11.1 of the Bond Act, nor will this Section apply to or in any manner limit the redemption and payment of any Bond pursuant to subsequent proceedings providing for the payment of amounts to eliminate previously imposed fixed lien assessments, including the Assessments. Nothing in this Section 3.06 affects WRCOG's obligation to comply with Section 2.03 hereof in connection with a redemption of the Bonds.

Section 3.08. Agreement for Benefit of Bond Owners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of WRCOG will be for the equal benefit, protection and security of the registered Owners of the Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Redemption Fund.

(A) Establishment of Redemption Fund. The Redemption Fund is hereby established as a separate fund to be held by the Trustee to the credit of which deposits will be made as required by Section 5.01(A), and any other amounts required to be deposited therein by the Indenture or the Bond Act. Moneys in the Redemption Fund, exclusive of those in the Penalties and Interest Account therein, will be held by the Trustee for the benefit of WRCOG and Owners of the Bonds and disbursed for the payment of the principal of (including Sinking Account Payments), and interest and any redemption premium on, the related the Bonds as provided below. The moneys held in the Penalties and Interest Account of the Redemption Fund will be held by the Trustee for the benefit of the Owners of the Bonds and disbursed at the times and for the purposes set forth in Section 4.01(B).

(1) Within the Redemption Fund there is hereby established a Prepayment Account for the Bonds, which will be used exclusively for the administration of any Prepayments pursuant to Section 8767 of the Bond Act to assure the timely redemption of the Bonds. If all of the Assessments securing such Bonds are paid in full WRCOG shall deliver a Certificate of WRCOG directing the Trustee to close such Prepayment Account.

Within the Redemption Fund there is also hereby established:

(i) the Capitalized Interest Account, to the credit of which a deposit will be made from the proceeds of the Bonds pursuant to Section 2.01;

(ii) the Extraordinary Mandatory Redemption Account which will be used exclusively for administration of any Excess Program Account Proceeds;

(iii) the Penalties and Interest Account, to the credit of which any Penalties and Interest will be deposited; and

(iv) the Assessment Collection Account to the credit of which deposits will be made as described below.

Unless otherwise instructed by WRCOG, each such account will be established in the Redemption Fund for accounting purposes only.

(2) Assessment Collection Account. Except for Prepayments which shall be deposited in the Prepayment Account, Excess Program Account Proceeds which shall be deposited into the Extraordinary Mandatory Redemption Account, Penalties and Interest which shall be deposited in the Penalties and Interest Account, or as otherwise provided in this paragraph (b), the Trustee shall deposit into the Assessment Collection Account all proceeds and payments with respect to each Assessment, including, without limitation:

(i) Assessment Installments;

(ii) any amounts transferred to the Assessment Collection Account from the debt service reserve fund, if any;

(iii) any proceeds from the collection of delinquent Assessment Installments as a result of a foreclosure proceeding conducted pursuant to Section 5.02 against the Participating Parcel on which the applicable Assessment has been levied or otherwise (excluding (A) amounts identified as representing attorney's fees and costs incurred by WRCOG or such other person in prosecuting such foreclosure proceeding and (B) amounts required to be transferred hereunder to replenish the debt service reserve fund, if any, established for the Bonds);

(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 respective Program Account pursuant to a Certificate of WRCOG delivered to the Trustee.

All amounts in the Assessment Collection Account shall be used and withdrawn by the Trustee solely for the purpose of:

(i) paying the Debt Service on the Bonds on an Interest 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 the Indenture (excluding mandatory redemptions occurring as a result of a Prepayment or application of Excess Program Account Proceeds); or

(iv) reimbursing WRCOG or a third party from the proceeds of payments representing the redemption of delinquent Assessment Installments for which advances were made by WRCOG or such third party.

All amounts in the Assessment Collection Account, including any earnings on the amounts held in the Assessment Collection Account, shall be held in trust for the benefit of the Bond Owners.

(3) Extraordinary Mandatory Redemption Account. The Trustee shall, upon receipt of a Certificate of WRCOG directing the Trustee to transfer Excess Program Account Proceeds to the Extraordinary Mandatory Redemption Account from the related Program Account, deposit such proceeds in such account. Amounts deposited in the Extraordinary Mandatory Redemption Account shall be credited to the Bond specified in such Certificate of WRCOG and used and withdrawn by the Trustee solely for the purpose of redeeming such Bond, in whole or in part, on any Interest Payment. The principal amount of the Bond to be redeemed shall equal the amount of the Excess Program Account Proceeds plus the amount, if any, as specified in such Certificate

of WRCOG that is then on deposit in the Assessment Collection Account and to be credited to the payment of principal amount of such Bond; provided, however, such principal amount shall be decreased if and to the extent that the amount on deposit in the Assessment Collection Account and/or the Capitalized Interest Account in connection with such Bond is insufficient to pay the accrued interest on such Bond to the date of redemption. The redemption price for such Bond shall be equal to the amount of the Excess Program Account Proceeds, plus the amount, if any, on deposit in the Assessment Collection Account to be credited to the payment of principal amount of such Bond, plus interest to the date of redemption to be paid from the Assessment Collection Account and/or the Capitalized Interest Account, without premium. Interest shall cease to accrue on such Bond, or the principal amount of such Bond that is subject to redemption, from and after the date of redemption. All amounts in the Extraordinary Mandatory Redemption Account, including any earnings on the amounts held therein, shall be held in trust for the benefit of the applicable Bond Owners.

(B) Disbursements. On or before each Interest Payment Date, the Trustee will withdraw from the applicable accounts in the Redemption Fund and pay to the Owners of the Bonds the principal of (including Sinking Account Payments, if any), and interest and any redemption premium then due and payable on, the Bonds. At least five (5) Business Days prior to each Interest Payment Date, WRCOG shall cause the Assessment Administrator to provide to the Trustee written information, upon which the Trustee may conclusively rely, as to amounts in the applicable accounts in the Redemption Fund that are for the credit of each Bond for purposes of making such payments pursuant to the Indenture. Funds on deposit in the Redemption Fund (and any account established thereunder) and credited to a Bond shall not be used to pay the principal of, or interest or any premium on, any other Bond.

If there are insufficient funds in the Redemption Fund to pay to the Owners of the Bonds the principal of (including Sinking Account Payments), and interest and any redemption premium then due and payable on, the Bonds, the Trustee will apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds (including Sinking Account Payments), and then to payment of interest to the date of redemption and principal and any redemption premium due on the Bonds by reason of the Bonds called for optional redemption or mandatory prepayment redemption.

On each Principal Payment Date], in accordance with the direction of WRCOG, the Trustee will use any amounts remaining in the Redemption Fund after payment of interest on of Bonds through such Principal Payment Date and the payment of principal due on the Bonds through such Principal Payment Date, but excluding any amounts remaining in the Prepayment Account, the Penalties and Interest Account, the Capitalized Interest Account or the Extra Mandatory Redemption Account, to reduce the installments of the Assessments that are levied in the current or succeeding Bond Year upon the Participating Parcel(s) to pay the principal of and interest on the Bonds.

On or before each Interest Payment Date, the Trustee will, at the direction of WRCOG, withdraw from the Penalties and Interest Account and pay to the Owners of Bonds any amounts on deposit therein as additional interest on the Bonds.

The Trustee will disburse the amounts in the Assessment Collection Account that are attributable to the payment of the Non-Completion Assessment pursuant to Section 5.01(A) to pay the redemption price for as many Bonds as possible on the first possible redemption date pursuant to Section 2.03, including accrued interest to the redemption date and the applicable redemption premium (if any) specified in Section 2.03.

(C) Investment. Moneys in the Redemption Fund (and the accounts therein) will be invested and deposited in accordance with Section 6.01. Interest earnings and profits resulting from such investment and deposit will be retained in the Redemption Fund and the accounts therein, as applicable.

(D) Transfers from Reserve Fund. Amounts transferred to the Redemption Fund from a debt service reserve fund, if any, will be used in accordance with Part 16 of the Bond Act as directed in an appropriate Certificate of WRCOG.

Section 4.02. Program Fund.

(A) Establishment of Program Fund and the Accounts Therein. The Program Fund is hereby established as a separate fund to be held by the Trustee and within such fund the following accounts are established: (i) the Program Account, (ii) the Cost of Issuance Account and (ii) the Administrative Expense Account.

(B) Deposits to the Accounts within the Program Fund. The Trustee shall, establish the foregoing accounts with respect to Bonds, to the credit of which deposits will be made (i) from the proceeds of the Bonds.

(C) Disbursements. Moneys in the accounts of the Program Fund will be held by the Trustee and will be disbursed as provided in this paragraph (B).

(i) Disbursements from Program Accounts. Amounts in the Program Account will be disbursed from time to time to pay for the costs of installing the Improvements in accordance with the Assessment Contract, as set forth in written instructions of WRCOG delivered to the Trustee containing the amounts to be paid to the designated payees. Such written instructions will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts.

The Trustee will maintain funds on deposit in the Program Account established for the Bonds until receipt by the Trustee of a Certificate of WRCOG: (a) notifying the Trustee that all Improvement Costs to be paid from such account pursuant to Assessment Contracts have been paid and directing the Trustee to transfer the Excess Program Fund Proceeds remaining on deposit in such Program Account as follows: (i) transfer such Excess Program Fund Proceeds in the amount of $500 or more as specified in such Certificate of WRCOG to the Extraordinary Mandatory Redemption Account of the Redemption Fund to be applied to the redemption pursuant to paragraph (D) of Section 2.03 of the Bonds, in whole or in part, specified in such Certificate of WRCOG; or (ii) directing the Trustee to transfer any moneys remaining on deposit in such account, including any investment earnings

thereon, to the Assessment Collection Account of the Redemption Fund for the credit of the Bonds.

Funds on deposit in a Program Account and credited to a Bond shall be used solely to pay or reimburse the Improvement Costs associated with the Participating Parcel that has been levied by an Assessment that secures such Bond.

(ii) Disbursements from the Cost of Issuance Accounts. Moneys in each Costs of Issuance Account will be held in trust by the Trustee and will be disbursed as provided in this paragraph (ii) for the payment or reimbursement of Costs of Issuance for the Bonds.

Amounts in the Costs of Issuance Account for the Bonds will be disbursed from time to time to pay Costs of Issuance the Bonds, as set forth in a Certificate of WRCOG containing respective amounts to be paid to the designated payees and delivered to the Trustee concurrently with the delivery of the Bonds, or in any future requisition submitted by WRCOG to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Costs of Issuance after receipt of the Certificate of WRCOG, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of WRCOG requesting payment of Costs of Issuance. The Trustee will maintain the Costs of Issuance Account for a period of one hundred twenty (120) days from the final date of delivery of the Bonds and then will transfer any moneys remaining therein, including any investment earnings thereon, to the Administrative Expense Account for the Bonds.

(iii) Disbursements from the Administrative Expense Accounts. Amounts in each Administrative Expense Account shall be used by WRCOG to pay Administrative Expenses for the Bonds. Amounts in the Administrative Expense Account for the Bonds will be disbursed from time to time to pay Administrative Expenses for the Bonds, as set forth in a Certificate of WRCOG containing respective amounts to be paid to the designated payees and delivered to the Trustee. Each such certificate will be sufficient evidence to the Trustee of the facts stated therein and the Trustee will have no duty to confirm the accuracy of such facts. The Trustee will pay all Administrative Expenses after receipt of the Certificate of WRCOG, or an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the Certificate of WRCOG requesting payment of Administrative Expenses.

(D) Closure of the Program Fund and the Accounts Therein.

(i) Closure of the Program Fund. The Trustee will maintain the Program Fund until all amounts in the Program Fund and the accounts therein are expended or until WRCOG directs the Trustee to close the fund and all accounts therein, and then the Trustee will transfer any moneys remaining therein, including any investment earnings thereon, to the Redemption Fund to pay the redemption price for as many Bonds as possible on the first possible redemption date pursuant to Section 2.03(A), including accrued interest to the redemption date and the applicable redemption premium, or to make payments on the Bonds as they come due, as directed by WRCOG.

(ii) Closure of the Cost of Issuance Accounts. The Trustee will maintain the funds on deposit the Cost of Issuance Account for the Bonds until all such funds are expended or until as directed by a Certificate of WRCOG directing the Trustee to close such account and to transfer any money remaining on deposit in such account to the Administrative Expense Account for the Bonds.

(iii) Closure of the Administrative Expense Accounts. The Trustee shall maintain the Administrative Expense Account for the Bonds until (a) the payment of all Bonds and the surrender of such Bonds to the Trustee for cancellation and payment of all outstanding Administrative Expenses due and payable hereunder and (b) the receipt by the Trustee of a Certificate of WRCOG declaring that all obligations of WRCOG with respect to the Bonds have been satisfied. Upon satisfaction of such conditions the Trustee shall deliver all amounts then remaining in such account to WRCOG and any outstanding Administrative Expenses shall be payable solely from WRCOG. All such amounts delivered to WRCOG and not required to pay Administrative Expenses for the Bonds may be used for any lawful purpose of WRCOG.

Section 4.03. Investment. Moneys in the Program Fund and the accounts therein will be invested and deposited in accordance with Section 6.01. Earnings and profits resulting from said investment will be retained by the Trustee in the applicable account of the Program Fund to be used for the purposes of such account.**Reserve Fund.**

(A) General. The Reserve Fund is hereby established as a separate fund to be held in trust by the Trustee for the benefit of the Owners of the Bonds. The Trustee shall, pursuant to the provisions of this Indenture, deposit in the Reserve Fund from the proceeds of the Bonds an amount equal to the Reserve Requirement. Except as provided below, all moneys in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or the principal of any Bond in the event that insufficient moneys are available in the Redemption Fund for such purpose.

(B) Investment; Maintenance of Funds in the Reserve Fund. Moneys in the Reserve Fund shall be invested in Permitted Investments with a maturity of not greater than five years as directed in a Certificate of WRCOG or, in the absence of direction, the Trustee shall invest such funds in a Permitted Investment described in clause (h) of the definition. The Trustee shall retain in the Reserve Fund all earnings on amounts on deposit in the Reserve Fund. Interest earnings and profits resulting from such investment will, except as provided in subsection 4.2.3 below, be retained by the Trustee in the Reserve Fund and used for the purposes of the Reserve Fund.

(C) Reserve Requirement. If the amount on deposit in the Reserve Fund on September 3rd of any Bond Year exceeds the Reserve Requirement, the Trustee shall, within ten (10) business days of such determination, transfer the amount equal to the Reserve Fund Surplus to the Administrative Expense Fund.

Section 4.04. .

Section 4.05. Establishment of Subaccounts. The Trustee may establish subaccounts within any of the funds or accounts established under this Indenture at the written request of

WRCOG or if the Trustee determines in its sole discretion that such subaccounts are beneficial for the administration of the Bonds or for record-keeping purposes.

ARTICLE V

COVENANTS OF WRCOG

Section 5.01. Collection of Assessments. WRCOG will comply with all requirements of Chapter 29, the Bond Act and the Indenture to assure the timely collection of the Assessments, including, without limitation, the enforcement of delinquent Assessments. To that end, the following will apply:

(A) The Assessments, together with the interest thereon, will be payable in the installments specified in the Assessment Contracts. Each Assessment Installment will be payable in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and become delinquent at the same times and bear the same proportionate Penalties and Interest after delinquency as do the general taxes on real property. All sums received from the collection of the Assessments (except for amounts received by WRCOG as a result of the payment of a Non-Completion Assessment, which shall be deposited as set forth in the following paragraph, and amounts allocable to Administrative Expenses, which shall be deposited in the Administrative Expense Account) will be transferred from the County to the Trustee for deposit into the Assessment Collection Account. All sums received from the collection of any Penalties and Interest will be transferred to the Trustee for deposit into the Penalties and Interest Account of the Redemption Fund.

WRCOG will notify the Trustee when it receives the payment of a Non-Completion Assessment and (x) transfer the amount of the Non-Completion Assessment payment intended to be used to redeem the Bonds to the Trustee with a direction to deposit such amount in the applicable Assessment Collection Account and (x) transfer the amount of the Non-Completion Assessment payment intended to be used to pay Administrative Expenses to the Trustee with a direction to deposit such amount in the Administrative Expense Account.

(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 or is otherwise unable or unwilling to include the Assessment Installments and the Annual Assessment Administrative Fees on the tax roll and to collect such amounts on the property tax bill for any Fiscal Year, WRCOG covenants to:

(i) take such action as shall be necessary to enforce the statutory and contractual obligations of the County to include the Assessment Installments and the Annual Assessment Administrative Fees on the tax roll each Fiscal Year and to collect such amounts on the property tax bills of the Participating Parcels for any Fiscal Year, and

(ii) exercise its best efforts to collect such Assessment Installments and Annual Assessment Administrative Fees by directly billing the owners of the Participating Parcels for their respective Assessment Installments and Annual Assessment Administrative Fees.

WRCOG makes no representation or warranty regarding its ability to collect such Assessment Installments and Annual Assessment Administrative Fees by such direct billing pursuant to paragraph (C)(ii) above or its ability or legal authority to enforce the payment of Assessment Installments and Annual Assessment Administrative Fees directly billed by WRCOG to the owners of Participating Parcels through a judicial foreclosure action in the event of the delinquency in the payment of any such Assessment Installments and Annual Assessment Administrative Fees.

If WRCOG is unable to enforce the statutory and contractual obligations of the County to include the Assessment Installments and the Annual Assessment Administrative Fees on the tax roll each Fiscal Year or to collect, or cause any other person acting on its or the County's behalf to collect, the Assessment Installments, the Annual Assessment Administrative Fees or any other amounts with respect to the Assessments, which is absolute and unconditional, to pay the interest and redemption premium (if any) on and principal of the Bonds to the respective Owners of the Bonds when due and all Administrative Expenses (including indemnity), as herein provided, out of the Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, then the Trustee may, on behalf of such Owners, institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture. Nothing in this Section 5.01 shall limit in any way the rights of the Owners to declare an Event of Default pursuant to Section 9.01 hereof or to pursue all rights and remedies available to such Owners under this Indenture and applicable law.

Section 5.02. Foreclosure. WRCOG hereby covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in sections 8830 and 8835, inclusive, of the Bond Act and the conditions specified in this Section 5.02.

No later than October 1 each year, WRCOG will determine whether any single Participating Parcel is delinquent in the payment of two or more semiannual installments (or as long as there is a single Owner, of any semi-annual installments of Assessment payments, including any payment of principal, interest, redemption premium (if any) and Penalties and Interest, and, if so, will notify WRCOG Counsel, and the Owner of the Bonds as long as there is a single Owner, of any such delinquencies. WRCOG Counsel will commence, or cause to be commenced, the foreclosure proceedings against each such delinquent Participating Parcel, including collection actions preparatory to the filing of any complaint, but will file the complaint by the immediately succeeding December 1. WRCOG Counsel is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel (including a charge for staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder. In the event funds on deposit in the Administrative Fund are insufficient to pay for such fees and expenses, WRCOG shall advance funds for such fees and expenses. WRCOG shall be entitled to reimbursement of such advances upon receipt by WRCOG of foreclosure proceeds.

However, notwithstanding the foregoing, WRCOG may elect, in its sole discretion, to defer foreclosure proceedings on any Participating Parcel if WRCOG has received funds equal to the delinquent Assessments from any other source, and those funds are available to contribute toward (i) Administrative Expenses and (ii) the payment of the principal of (including Sinking Account Payments) interest, redemption premium (if any) and Penalties and Interest on the Bonds when due (including without limitation funds from the sale of the receivables associated with delinquent Assessments).

Further notwithstanding the foregoing, as long as there is a single Owner of the Bonds, WRCOG will not initiate foreclosure proceedings unless directed in writing to do so within the time period contemplated by the Section 8834 of the Bond Act by the Owner of such Bond or Bonds, which written direction must be delivered to WRCOG along with an amount reasonably determined by WRCOG to be sufficient to pay its costs of prosecuting the foreclosure. Nothing in this paragraph is intended to limit any obligation imposed on WRCOG by the Revenue & Taxation Code with respect to tax defaulted properties. If the Owner of the Bond or Bonds pays the costs of prosecuting the foreclosure, it shall be entitled to recover such costs in the foreclosure proceedings to the extent permitted by law.

Penalties and Interest are payable to the Owner of the Bonds as set forth in Section 4.01(B).

Section 5.03. Punctual Payment. WRCOG will punctually pay or cause to be paid the principal of (including Sinking Account Payments), and interest and any redemption premium on, the Bonds when and as due in strict conformity with the terms of the Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and of the Bonds.

Section 5.04. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, WRCOG will not, directly or indirectly, extend or consent to the extension of the time for the payment of any interest on any of the Bonds and will not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding any claims for interest on any of the Bonds, or in any other manner.

Section 5.05. Against Encumbrance. WRCOG will not encumber, pledge or place any charge or lien upon any of the Assessments or other amounts pledged to the Bonds superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, except as permitted by the Resolution of Issuance, the Indenture, Chapter 29 and the Bond Act and with the written consent of the Owners.

Section 5.06. Books and Accounts. WRCOG will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of WRCOG, in which complete and correct entries will be made of all transactions relating to the Assessments and the application of amounts disbursed from the funds and accounts held by WRCOG hereunder, which records will be subject to inspection by the Trustee upon reasonable prior notice on any Business Day.

Section 5.07. Protection of Security and Rights of Owners. WRCOG will preserve and protect the security of the Bonds and the rights of the Owners thereto, and will warrant and defend

their rights to such security against all claims and demands of all persons. From and after the delivery of any of the Bonds by WRCOG, the Bonds will be incontestable by WRCOG. WRCOG will take all commercially reasonable measures to enforce the provisions of the Assessment Contract.

Section 5.08. Compliance with Law; Completion of Improvements. WRCOG will comply with all applicable provisions of Chapter 29 and the Bond Act in providing financing for the Improvements, but WRCOG will have no obligation to advance any funds to complete Related Improvements in excess of the proceeds of the Bonds available therefor.

Section 5.09. Further Assurances. WRCOG will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

ARTICLE VI

INVESTMENTS; LIABILITY OF WRCOG

Section 6.01. Deposit and Investment of Moneys in Funds. The following will apply to the investment of funds held by the Trustee:

(i) Moneys in any fund or account created or established by the Indenture and held by the Trustee will be invested by the Trustee in Permitted Investments, as directed pursuant to a Certificate of WRCOG filed with the Trustee at least two (2) Business Days in advance of the making of such investments. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. In the absence of any such Certificate of WRCOG, the Trustee shall hold funds uninvested.

Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts.

(ii) The Trustee may act as principal or agent in the acquisition or disposition of any investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including investment maintenance fees. The Trustee will incur no liability for losses arising from any investments made pursuant to this Section. The Trustee will be entitled to rely upon any investment directions from WRCOG as conclusive a certification to the Trustee that the investments described therein are so authorized under the laws of the State of California.

The Trustee will not invest any cash held by it hereunder in the absence of timely and specific written direction from WRCOG. In no event will the Trustee be liable for the selection of investments.

(iii) Investments in any and all funds and accounts may at the discretion of the Trustee be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee hereunder, provided that the Trustee will at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

(iv) The Trustee will sell, or present for redemption, any investment security whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited. The Trustee will not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

(v) Although WRCOG recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, WRCOG hereby agrees that confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 6.02. Limited Liability of WRCOG. WRCOG will not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than as specifically provided herein.

Section 6.03. Employment of Agents by WRCOG. In order to perform its duties and obligations hereunder, WRCOG may employ such persons or entities as it deems necessary or advisable. WRCOG will not be liable for any of the acts or omissions of such persons or entities employed by it with reasonable care and in good faith hereunder, and will be entitled to rely, and will be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities. Nothing in this Section 6.03 shall be interpreted to prevent the Owner of the Bonds from seeking remedies for an Event of Default as set forth in Section 9.02.

ARTICLE VII

THE TRUSTEE

Section 7.01. Appointment of Trustee. [Trustee Name], is hereby appointed trustee and paying agent for the Bonds. The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture, and no implied covenants or obligations will be read into the Indenture against the Trustee. With respect to the appointment of the Trustee, the following will apply:

(A) Any bank or company into which the Trustee may be merged or converted or with which it may be consolidated, or any bank or company resulting from any merger, conversion or consolidation to which it is a party, or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (if such bank or company is eligible under the following paragraph of this Section 7.01) will be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Trustee will give WRCOG written notice of any such succession hereunder.

(B) WRCOG may, upon not less than sixty (60) days' prior written notice, remove the Trustee initially appointed and any successor thereto, and may appoint a successor thereto, but any Trustee will be a national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least $75,000,000 and subject to supervision or examination by federal or state authority. If such national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01, combined capital and surplus of such national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(C) The Trustee may at any time resign by giving written notice to WRCOG and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, WRCOG will promptly appoint a successor Trustee, satisfying the requirements of Section 7.01(B) above, by an instrument in writing. Any resignation or removal of the Trustee will become effective upon acceptance of appointment by the successor Trustee.

(D) If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, WRCOG will promptly appoint a successor Trustee by an instrument in writing.

(E) If no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee has given to WRCOG written notice or after a vacancy in the office of the Trustee has occurred by reason of its inability to act, the Trustee or any Bond Owner may apply, at the expense of WRCOG, to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Section 7.02. Liability of Trustee. With respect to the liability of the Trustee, the following will apply:

(A) The recitals of facts, covenants and agreements herein and in the Bonds contained will be taken as statements, covenants and agreements of WRCOG, and the Trustee assumes no responsibility for the correctness of the same, makes no representations as to the validity or sufficiency of the Indenture or of the Bonds, or will incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee assumes no responsibility or liability for any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(B) The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Trustee, the Trustee will be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture on their face.

Except as provided above in this paragraph, Trustee will be fully protected and will incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Indenture, and the Trustee will not be under any duty to make any investigation or inquiry as to-any statements contained or matters referred to in any such instrument.

(C) The Trustee will not be liable for any error of judgment made in good faith by a responsible officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(D) No provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(E) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of WRCOG or any of the Owners pursuant to the Indenture unless such Owners have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(F) The Trustee may become the owner of the Bonds with the same rights it would have if it were not the Trustee.

(G) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event or occurrences beyond the control of the Trustee.

(H) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means; provided, however, that WRCOG shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions and containing specimen signatures of such Authorized Representatives, which incumbency certificate shall be amended by WRCOG whenever a person is to be added or deleted from the listing. If WRCOG elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. WRCOG understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative. WRCOG shall be responsible for ensuring that only Authorized Representatives transmit such Instructions to the Trustee and that WRCOG and all Authorized Representatives are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Corporation. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. WRCOG agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by WRCOG; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(I) The Trustee will have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(J) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee will not

be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

(K) The Trustee shall not be accountable for the use or application by WRCOG of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture for the use and application of money received by any paying agent.

Section 7.03. Information; Books and Accounts. The Trustee will provide to WRCOG such information relating to the Bonds and the funds and accounts maintained by the Trustee hereunder as WRCOG may reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Trustee.

The Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Trustee, in which complete and correct entries will be made of all transactions made by it relating to the expenditure of amounts disbursed from the Redemption Fund and the accounts therein. Such books of record and accounts will, upon reasonable notice, at all times during business hours on any Business Day be subject to the inspection of WRCOG and the Owners of not less than 10% of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

Section 7.04. Notice to Trustee. The Trustee may conclusively rely, without undertaking any investigation or inquiry, and will be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, facsimile transmission, electronic mail, warrant, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or proper parties.

The Trustee may consult with counsel, who may be counsel to WRCOG, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee will not be bound to recognize any person as the Owner of a Bond unless and until such person is the registered Owner of such Bond and such Bond is submitted for inspection, if required, and such Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Representative of WRCOG, and such certificate will be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 7.05. Compensation; Indemnification. WRCOG will pay to the Trustee from time to time reasonable compensation for all services rendered as Trustee under the Indenture, and

also all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's in house or other attorneys and agents, incurred in and about the performance of their powers and duties under the Indenture.

WRCOG further agrees, to the extent permitted by applicable law, to indemnify and save the Trustee, its officers, employees, directors and agents harmless against any losses, expenses, costs, claims, judgments, damages, suits or liabilities which it may incur in the exercise and performance of its powers and duties hereunder (including, without limitation, legal fees and expenses) which are not due to its negligence or willful misconduct. As security for the performance of the obligations of WRCOG under this section pertaining to exercise and performance of the powers and duties of the Trustee hereunder related to the Bonds, the Trustee shall have a lien prior to the Bonds upon all property and funds held or collected by the Trustee as such pertaining to the Bonds, except funds held in trust for the payment of principal of or interest or premiums on the Bonds.

The obligation of WRCOG under this Section will survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

Section 7.06. Trustee as Owner. In the event the Trustee wishes to purchase the Bonds, the Trustee may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Trustee.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 8.01. Conditions for Amendment.

(A) Amendment with Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture with the written consent of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding, or, alternatively, in each case exclusive of Bonds disqualified as provided in Section 8.03.

No such modification or amendment may:

(i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of WRCOG to pay the principal of, and the interest, any redemption premium or Penalties and Interest on, any Bond, without the express consent of the Owner of such Bond; or

(ii) permit the creation by WRCOG of any pledge or lien upon the Assessments pledged to the Bonds superior to or on a parity with the pledges and liens created for the benefit of such Bonds, without the express written consent of the Owners of all Outstanding Bonds; or

(iii) reduce the percentage of Bonds required for the amendment hereo; or

(iv) amend this Section 8.01.

Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(B) Amendment without Consent of Bond Owners. The Indenture and the rights and obligations of WRCOG and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) Additions. To add to the covenants and agreements of WRCOG contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon WRCOG, so long as such addition, limitation or surrender does not adversely affect any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(ii) Not Materially Adversely Affecting Bonds. To make modifications not adversely affecting any outstanding Bonds in any material respect, as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(iii) Corrections. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in

the Indenture, or in regard to questions arising under the Indenture, as WRCOG may deem necessary or desirable and not inconsistent with the Indenture, and which will not materially adversely affect the rights of the Owners of the Bonds as evidenced by an opinion of Bond Counsel delivered to the Trustee.

(iv) Issuance of Bonds. To issue Bonds in accordance with the Indenture.

(v) Credit Enhancements. To provide for the delivery of credit enhancements for the Bonds.

Section 8.02. Procedure for Amendment with Written Consent of Owners. WRCOG and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of the Indenture, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. With respect to such Supplemental Indenture under this Section, the following will apply:

(A) A copy of such Supplemental Indenture, together with a request to respective Owners for their consent thereto, will be mailed by first class mail, by the Trustee to each Owner of respective Bonds Outstanding, but failure to mail copies of such Supplemental Indenture and request will not affect the validity of the Supplemental Indenture when assented to as provided in this Section.

(B) Such Supplemental Indenture will not become effective unless there has been filed with the Trustee the written consents of the Owners of at least 60% in aggregate principal amount of the Bonds then Outstanding and a notice has been mailed as described in subsection (A) above. Each such consent will be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof will be such as is permitted by Section 10.04.

Any such consent will be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(C) After the Owners of the required percentage of Bonds have filed their consents to the Supplemental Indenture, the Trustee will mail a notice to the Owners in the manner described in subsection (A) above for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section; provided, however, that failure to mail copies of this notice will not affect the validity of the Supplemental Indenture or consents thereto.

Proof of the mailing of such notice will be filed with the Trustee. A record, consisting of the papers required by this Section 8.02 to be filed with the Trustee, will be proof of the matters therein stated until the contrary is proved.

The Supplemental Indenture will become effective upon the filing with the Trustee of (a) the proof of the required notice, and (b) an approving opinion of Bond Counsel to the effect that the Supplemental Indenture complies with this Section 8.02. The Supplemental Indenture will be

deemed conclusively binding (except as otherwise specifically provided in this Article) upon WRCOG and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60-day period.

Section 8.03. Disqualified Bonds. Bonds owned or held for the account of WRCOG, excepting any pension or retirement fund, will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and will not be entitled to consent to, or take any other action provided for in this Article VIII; except that in determining whether the Trustee will be protected in relying upon any such approval or consent of an Owner, only Bonds which a responsible officer of the Trustee having direct responsibility for the administration of the Indenture actually knows to be owned by or held for the account of WRCOG (excepting any pension or retirement fund) will be disregarded unless all Bonds are so owned, in which case such Bonds will be considered Outstanding for the purpose of such determination.

Upon request of the Trustee, WRCOG will specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 8.04. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VIII, the Indenture will be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Indenture of WRCOG and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 8.05. Endorsement or Replacement of Bonds Issued After Amendment. WRCOG may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII will bear a notation, by endorsement or otherwise, in form approved by WRCOG, as to such action. In that case, upon request of the Owner of any Bond Outstanding at such effective date and presentation of his or her Bond for that purpose at the Principal Office of the Trustee or at such other office as WRCOG may select and designate for that purpose, a suitable notation will be made on such Bond.

WRCOG may determine that new Bonds, so modified as in the opinion of WRCOG is necessary to conform to such Owners' action, will be prepared, executed and delivered. In that case, upon request of the Owner of any Bonds then Outstanding, such new Bonds will be exchanged at the Principal Office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.06. Amendatory Endorsement of Bonds. The provisions of this Article VIII will not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 8.07. Execution of Supplemental Indenture. Prior to executing any Supplemental Indenture hereunder, the Trustee will be entitled to receive an opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized and permitted by the Indenture and that all conditions precedent to the execution of such Supplemental Indenture have been met.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

Section 9.01. Events of Default. Any one or more of the following events will constitute an "Event of Default":

(A) Default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same will become due and payable, whether at maturity as therein expressed or from mandatory redemption;

(B) Default in the due and punctual payment of the interest on any Bond when and as the same will become due and payable; or

(C) Default by WRCOG in the observance of any of the other agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after WRCOG has been given notice in writing of such default by the Trustee or any Owner; *provided, however,* if in the reasonable opinion of WRCOG the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if corrective action is instituted by WRCOG within such thirty (30) day period and WRCOG shall thereafter diligently and in good faith cure such failure within a reasonable period of time, such period of time not to exceed one hundred eighty (180) days after such default notice is delivered to WRCOG .

Section 9.02. Remedies of Owners. Following the occurrence of an Event of Default, any Owner will have the right (and the right to instruct the Trustee, subject to the Trustee's rights under Section 7.02(E) hereof) for the equal benefit and protection of all Owners similarly situated:

(A) By mandamus or other suit or proceeding at law or in equity to enforce its, his or her rights against WRCOG and any of the members, officers and employees of WRCOG, and to compel WRCOG or any such members, officers or employees to perform and carry out their duties under Chapter 29 or the Bond Act and their agreements with the Owners as provided in the Indenture; or

(B) By suit in equity to enjoin any actions or things that are unlawful or violate the rights of the Owners.

(C) To exercise every power and remedy available to it under Chapter 29 or the Bond Act.

Nothing in this article or in any other provisions of the Indenture or in the Bonds will affect or impair the obligation of WRCOG, which is absolute and unconditional, to pay the interest, redemption premium (if any), and Penalties and Interest on and principal of the Bonds to the respective owners of the Bonds when due, as herein provided, out of the Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

A waiver by any Owner of any default or breach of duty or contract will not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner to exercise any right or power accruing upon any default will impair any such right or power and it will not be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by Chapter 29 or the Bond Act or by this article may be enforced and exercised from time to time and as often as will be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, WRCOG and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by Chapter 29, the Bond Act or any other law. In any suit, action or proceeding to enforce the provisions of this Indenture, the prevailing party shall be entitled to receive reasonable attorney's fees. In no event will the Trustee have any responsibility to cure or cause WRCOG or any other person or entity to cure an Event of Default hereunder.

Section 9.03. Application of Funds After Default. If an Event of Default shall occur and be continuing with respect to of the Bonds, all monies held or thereafter received by the Trustee with respect to the Bonds, and any other funds then held or thereafter received by the Trustee with respect to the Bonds under any of the provisions of this 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 with respect to the Bonds in and about the performance of its powers and duties under the Indenture;

(B) To the payment of Administrative Expenses of the Bonds;

(C) To the payment of the principal of and interest then due on the Bonds, in accordance with the provisions of this 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 the Bonds, as applicable, which shall have become due, whether at maturity or redemption, and, if the amount available shall not be sufficient to pay in full all of 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 WRCOG as directed in a Certificate of WRCOG.

ARTICLE X

MISCELLANEOUS

Section 10.01. Discharge of Indenture. Subject to the provisions of Section 2.03 hereof regarding redemption, if WRCOG pays and discharges the entire indebtedness on all or a portion of the Bonds in any one or more of the following ways:

(A) by paying or causing to be paid the principal of (including any Sinking Account Payments) and interest and any redemption premium on, all Bonds Outstanding, as and when the same become due and payable;

(B) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the funds and accounts provided for in Section 4.01, is fully sufficient to pay such Bonds Outstanding, including all principal (including Sinking Account Payments), interest and any applicable redemption premiums with respect to such Bond being discharged or defeased; or

(C) by irrevocably depositing with the Trustee, in trust, cash and Federal Securities in such amount as WRCOG may determine, as confirmed by an independent certified public accountant, will, together with the interest to accrue thereon and moneys then on deposit in the fund and accounts provided for in Section 4.01, be fully sufficient to pay and discharge the indebtedness on such Bonds, including all principal, Sinking Account Payments, interest and any applicable redemption premiums with respect to the Bond being discharged or defeased, at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given as required by the Indenture (or provision satisfactory to the Trustee has been made for the giving of such notice), then, at the election of WRCOG, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the Assessments and other funds provided for in the Indenture and all other obligations of WRCOG under the Indenture with respect to all Bonds Outstanding will cease and terminate, except only: (i) the obligation of WRCOG to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon and (ii) the obligation of WRCOG to pay or cause to be paid all amounts owing to the Trustee pursuant to Section 7.05 hereof.

If all Bonds Outstanding are discharged pursuant to this Section, thereafter the Assessments will not be payable to the Trustee. Notice of election to discharge the Indenture with respect to such Bonds will be filed with the Trustee.

Any funds thereafter held by the Trustee upon payment of all fees and expenses of the Trustee, which are not required for said purpose, will be paid over to WRCOG to be used by WRCOG as provided in Chapter 29 and the Bond Act.

Section 10.02. Benefits of Agreement Limited to Parties. Nothing in the Indenture, expressed or implied, is intended to give to any person other than WRCOG, the Trustee and the Owners, any right, remedy or claim under or by reason of the Indenture. Any covenants,

stipulations, promises or agreements in the Indenture contained by and on behalf of WRCOG will be for the sole and exclusive benefit of the Owners and the Trustee.

Section 10.03. Successor is Deemed Included in All Reference to Predecessor. Whenever in the Indenture either WRCOG or the Trustee is named or referred to, such reference will be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of WRCOG or the Trustee will bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.04. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and will be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of registered Bonds and the amount, maturity, number and date of holding the same will be proved by the registry books.

Any consent, request, declaration or other instrument or writing of the then registered Owner of any Bond will bind all future Owners of such Bond in respect of anything done or suffered to be done by WRCOG or the Trustee in good faith and in accordance therewith.

Section 10.05. Waiver of Personal Liability. No member, officer, agent or employee of WRCOG will be individually or personally liable for the payment of the principal of, or interest or any redemption premium on, the Bonds; but nothing herein contained will relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.06. Notices to and Demand on Authority and Trustee. All notices or communications herein required or permitted to be given to WRCOG or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or upon actual receipt by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to WRCOG:	Western Riverside Council of Governments 3390 University Avenue, Suite 200 Riverside, CA 92501 Attention: Executive Director
If to the Trustee:	[Trustee Name] [Address]

Section 10.07. Partial Invalidity. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. WRCOG hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 10.08. Unclaimed Moneys. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in the Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to WRCOG (without liability for interest) free from the trusts created by the Indenture upon receipt of an indemnification agreement acceptable to WRCOG and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to WRCOG as aforesaid, the Trustee may (at the cost of WRCOG) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to WRCOG of the moneys held for the payment thereof.

Section 10.09. Applicable Law. The Indenture will be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 10.10. Content of Certificates. Every certificate with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person

or persons making or giving such certificate have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate made or given by an officer of WRCOG may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters, on information with respect to which is in the possession of WRCOG, or upon the certificate or opinion of or representations by an officer or officers of WRCOG, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

Section 10.11. Conclusive Evidence of Regularity. The issuance of the Bonds pursuant to the Indenture will constitute conclusive evidence of the regularity of all proceedings under Chapter 29 and the Bond Act relative to their issuance and the levy of the Assessments.

Section 10.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal, including Sinking Account Payments, (and redemption premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to the Indenture is other than a Business Day, the payment of interest or principal, including Sinking Account Payments, (and any redemption premium) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no additional interest will accrue from such Interest Payment Date until such Business Day.

Section 10.13. Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as WRCOG and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

****

IN WITNESS WHEREOF, WRCOG and the Trustee have caused this Indenture to be executed, all as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By Treasurer

By:_____
Authorized Signatory

[TRUSTEE NAME], as Trustee

By:_____
Authorized Representative

Appendix I

(a) Debt Service Terms. Interest Rate of the Bond is: ____%. The Bond shall be payable at the rates, and will be payable on each Interest Payment Date, pursuant to schedule set forth on Attachment A to the Bond and as set forth in the following schedule:

Payment Date	**Principal**	**Interest**	**Total**

* Represents amounts payable from Capitalized Interest Account, as provided in Section 4.01(B) of the Indenture.

(c) Application of Proceeds:

The Trustee shall apply the proceeds of the Bonds as follows:

- $_____ shall be deposited in the Capitalized Interest Account of the Redemption Fund.
- $_____ shall be deposited in the Program Fund.
- $_____ shall be deposited in the Reserve Fund.
- $_____ shall be deposited in the Cost of Issuance Fund.

INDENTURE

EXHIBIT A
LIST OF PARTICIPATING PARCELS

INDENTURE

EXHIBIT B

FORM OF BOND

****THE BONDS ARE SUBJECT TO TRANSFER RESTRICTIONS PURSUANT TO SECTION 2.05 OF THE INDENTURE****

Number ___-1 ***$_____***

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(Capital Provider Program)
Limited Obligation Improvement Bonds
(First Commercial Property Tranche - Series No. _____)

STATED INTEREST RATE	MATURITY DATE	DATED DATE
_____%	September 2, 20__	_____, 20__

REGISTERED OWNER:

PRINCIPAL AMOUNT: *** _____ DOLLARS***

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the California Streets and Highways Code (the "Bond Act"), the Western Riverside Council of Governments ("WRCOG"), will, out of the Redemption Fund established pursuant to a Indenture, dated as of [_____], 20__ (the "Indenture) relating to Limited Obligation Improvement Bonds (the "Bonds"), each by and between WRCOG and [Trustee Name], as trustee (the "Trustee"), pay to the registered owner named above, or registered assigns, the principal amount set forth above, and interest on such principal amount, at the times and in the amounts set forth in Attachment A in lawful money of the United States of America; in addition, the Bond shall accrue additional interest as set forth in Section 4.01(B) of the Indenture. In the event of the redemption of this Bond in part prior to maturity the principal amount and the interest on such principal amount if this Bond set forth in Attachment A will be subject to amendment without amending Attachment A and the Trustee shall have no obligation to revise Attachment A hereto to reflect such amendment.

Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Indenture.

This Bond bears interest from the Interest Payment Date next preceding its date of authentication and registration unless it is authenticated and registered (i) prior to an Interest Payment Date and after the close of business of the 15th day of the calendar month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) prior to the close of business on the 15th day of the calendar month preceding the first Interest Payment Date above, in which event it will bear interest from its date of delivery, until payment of such principal sum has been discharged.

Interest (excluding the final interest payment due upon maturity or earlier redemption) on and principal (excluding the final principal payment upon maturity or earlier redemption) of this Bond are payable in lawful money of the United States of America by the Trustee to the person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date preceding the Interest Payment Date by wire transfer of immediately available funds made on such Interest Payment Date upon the written instructions by such Owner delivered to the Trustee at least five (5) Business Days prior to the applicable Record Date.

Payment of principal of this Bond and accrued interest and premium, if any, on this Bond upon final maturity or redemption in whole shall be payable in lawful money of the United States of America by the Trustee of immediately available funds, to the person whose name appears on the Bond Register as the Owner thereof, upon surrender of this Bond at the Corporate Trust Office of the Trustee.

Payment of principal of this Bond on any Interest Date and in the amount set forth in Attachment "A" hereto and accrued interest and premium, if any, on this Bond upon redemption in part shall be payable in lawful money of the United States of America by the Trustee to the person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date preceding the applicable Interest Payment Date, without surrender of this at the Corporate Trust Office of the Trustee, by wire transfer of immediately available funds made on such Interest Payment Date upon the written instructions by such Owner delivered to the Trustee at least five (5) Business Days prior to the applicable Record Date.

This Bond will continue to bear interest after maturity at the rate above stated if this Bond is presented at maturity and payment hereof is refused upon the sole ground that there are not sufficient moneys in the Redemption Fund with which to pay same. If this Bond is not presented at maturity, interest hereon will run only until maturity.

This Bond will not be entitled to any benefit under the Bond Act or the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon are dated and signed by the Trustee.

This Bond is issued by WRCOG under the Bond Act and the Indenture for the purpose of providing means for paying for the Improvements described in the Indenture. It is secured by certain moneys in the Redemption Fund, the unpaid portion of Assessments made for the payment of those Related Improvements and any Penalties and Interest (as defined in the Indenture) received by WRCOG relating to the Assessments. Principal, interest and redemption premium, if any, is payable exclusively out of the Redemption Fund. This Bond and any other Bonds issued under the Indenture are referred to as the "Bonds."

This Bond is transferable by the registered Owner hereof, in person or by the Owner's attorney duly authorized in writing, at the office of the Trustee, subject to the terms and conditions provided in the Resolution of Issuance and the Indenture, including the payment of certain charges, if any, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds, of any authorized denomination or denominations, of the same maturity, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This Bond may only be transferred in an Authorized Denomination to (i) an Accredited Investor or Qualified

Institutional Buyer who delivers to the Trustee and WRCOG an executed letter substantially in the form of Exhibit C attached to the Indenture or (ii) WRCOG (or the Trustee at the direction of WRCOG).

Bonds will be registered only in the name of an individual (including joint owners), a corporation, a partnership or limited liability company, or a trust.

Neither WRCOG nor the Trustee will be required to make such exchange or registration of transfer of Bonds during the fifteen (15) days of the calendar month immediately preceding any Interest Payment Date.

WRCOG and the Trustee may treat the registered Owner hereof as the absolute owner for all purposes, and WRCOG and the Trustee will not be affected by any notice to the contrary.

Optional Redemption. The Bonds are subject to optional redemption, as a whole or in part, on any Interest Payment Date from funds derived by WRCOG from any source other than Prepayments, at a price equal to:

(ii) 100% of the principal amount of the Bonds to be prepaid;

(iii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iv) a redemption premium equal to ___%.

Mandatory Sinking Account Redemption. All the Bonds constitute Term Bonds, which will be subject to mandatory redemption in part by lot, from Sinking Account Payments made by WRCOG from the Redemption Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as shown in Attachment A.

However, if the Bonds have been redeemed pursuant to an optional redemption or a mandatory prepayment redemption, the total amount of all future Sinking Account Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Account Payments on a pro rata basis in Authorized Denominations as determined by WRCOG, notice of which determination will be given by WRCOG to the Trustee.

Mandatory Prepayment Redemption. The Bonds will be redeemed, as a whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Prepayments, on any Interest Payment Date, at a price equal to:

(v) 100% of the principal amount of the Bonds to be prepaid;

(vi) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(vii) a redemption premium equal to ___%.

Upon redemption of the Bonds as set forth in this subsection, WRCOG shall cause the Financed Amount to be reduced in an amount equal to the principal amount of the Bonds redeemed.

Extraordinary Mandatory Redemption from Excess Program Account Proceeds. The Bonds will be redeemed, as whole or in part, and paid in advance of maturity, from amounts received by WRCOG as Excess Program Account Proceeds relating to this Bond and the Assessment Contract, on any Interest Payment Date, at a price equal to:

(i) 100% of the principal amount of the Bonds to be prepaid;

(ii) accrued but unpaid interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, all in the manner and as provided in the Bond Act; and

(iii) a redemption premium equal to ____%.

This Bond is a Limited Obligation Improvement Bond because, under the Indenture, WRCOG is not obligated to advance funds from WRCOG treasury to cover any deficiency that may occur in the related accounts of the Redemption Fund for the Bonds.

IN WITNESS WHEREOF, WRCOG has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of its Treasurer and Secretary all as of the Original Issue Date identified above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

By: _____
Treasurer

Attest:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is described in the within mentioned Indenture.

Dated: _____, 20___

[Trustee Name], as Trustee

By:_____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within mentioned Bond and hereby irrevocably constitute(s) and appoint(s):

_____ attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

NOTICE: The signature(s) on this assignment must correspond with the name(s) as written on the face of the registered Bond in every particular without alteration or enlargement or any change whatsoever.

ATTACHMENT A
DEBT SERVICE SCHEDULE

Interest Payment Date	Principal	Interest	Total

INDENTURE

EXHIBIT C

FORM OF TRANSFER LETTER

[NOTE: WILL NEED TO MATCH FINAL PURCHASER LETTER]

Western Riverside Council of Governments
3390 University Avenue, Suite 450
Riverside, CA 92501

[Trustee Name]
[Address]

Re: Western Riverside Council of Governments
Capital Provider Program
Limited Obligation Improvement Bonds
(First Commercial Property Tranche - Series No. _____)

Ladies and Gentlemen:

The Western Riverside Council of Governments (the "Issuer") has issued the above-referenced bonds (the "Bonds"). Capitalized terms used in this letter but not defined have the meaning given them in the Indenture, dated as of ___, 20__ (the "Indenture") relating to the Bonds.

In connection with our purchase on the date hereof of the Bonds, the undersigned (the "Bond Purchaser") hereby represents, warrants and agrees as follows:

(a) The Bond Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D, or a "Qualified Institutional Buyer" as defined in Rule 144A, promulgated under the Securities Act of 1933, as amended.

(b) The Bond Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Bond Purchaser is able to bear the economic risks of such an investment.

(c) The Bond Purchaser is purchasing the Bonds for not more than one account for investment purposes and not with a view to distributing the Purchased Bonds, to the extent not permitted under the applicable securities laws.

(d) The Bond Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Bond Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(e) The Bond Purchaser: (i) has conducted its own independent inquiry, examination and analysis with respect to the Bonds; (ii) has had an opportunity to ask questions of and receive answers from the Issuer about the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing; (iii) has been provided by the Issuer with all documents and information regarding the Bonds (including the security therefor) and the matters, transactions and documents relating to the foregoing that it has requested; and (iv) the Bond Purchaser has been provided with information sufficient to allow the Bond Purchaser to make an informed decision to purchase the Bonds.

(f) The Bond Purchaser (i) is not relying upon the Issuer, or any of its affiliates, officers, employees or agents, for advice as to the merits and risks of investment in the Bonds, and (ii) has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(g) The Bond Purchaser understands and acknowledges (i) that the offering of the Bonds is not subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, and (ii) that the Issuer has not prepared or caused to be prepared, and is not delivering, a deemed final official statement with respect to the Bonds and has not undertaken to provide to or for the benefit of holders of the Bonds financial or operating data or any other information with respect to the Bonds on an ongoing basis.

(h) The Bond Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bonds.

(i) In the event that the Bond Purchaser wishes to sell the Bonds in the future, the Bond Purchaser agrees and acknowledges that the Bonds cannot be sold without complying with transfer restrictions set forth in the Indenture, including, but not limited to, providing for execution and delivery by the proposed transferee of a letter in substantially the form of this letter, and the Bond Purchaser hereby agrees to assume the responsibility for disclosure of all material information that may be necessary to comply with all federal and related state securities laws.

(j) The Bond Purchaser acknowledges that Best Best & Krieger LLP ("Bond Counsel") is acting as bond counsel to the Issuer, that Bond Counsel has no attorney-client relationship with the Bond Purchaser, and that the Bond Purchaser has sought legal advice from its own counsel to the extent it concluded legal advice was necessary.

(k) Notwithstanding the foregoing, the Bond Purchaser and any successor of the Bond Purchaser may elect at its own expense to securitize its interest in the Bonds, sell the Bonds to an entity in connection with such securitization and sell the asset-backed securities to the investment community without the delivery of an investor letter in substantially the form of this letter, provided that (i) any such sale of the Bonds is to an Accredited Investor or a Qualified Institutional Buyer and (ii) the purchaser of the Bonds delivers a letter to the Issuer to the effect that it is an Accredited Investor or a Qualified Institutional Buyer and that acknowledges the transfer restrictions set forth in the Indenture; no further action or acknowledgement by the Issuer will be required to authorize such securitization or sale of the Bonds by the Bond Purchaser or a successor to the Bond Purchaser.

(l) Bond Purchaser agrees to defend, indemnify and hold harmless the Issuer from and against any and all claims, liabilities, obligations, losses, damages and penalties of any kind (including reasonable fees of outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) that may be imposed on, incurred by or asserted against the Issuer in any way relating to or arising out of a transfer by the Bond Purchaser of the Bonds to which this letter relates in violation of the restrictions contained in Section 2.05(B) of the Indenture.

Very truly yours,

[Insert]

By: _____
Name:
Title:

Attachment

WRCOG Bond Purchase Agreement
(Capital Provider Program)

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

BOND PURCHASE AGREEMENT

(CAPITAL PROVIDER PROGRAM)

1. PARTIES AND DATE

THIS BOND PURCHASE AGREEMENT, dated as of _____, 20__, (the "BPA"), is entered into by and between the WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS, a California joint exercise of powers authority ("WRCOG") and [CAPITAL PROVIDER], a _____ ("Purchaser") to arrange for the sale by WRCOG and the purchase by Purchaser or its designee of all of the Bonds described below, which are being issued by WRCOG.

2. RECITALS.

2.1 Acting under the provisions of Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29"), WRCOG has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to which WRCOG is authorized to enter into contractual assessments (the "Assessments") with the owners of residential or commercial real property located within the County of Riverside and the cities within the western portion of the County of Riverside (the "WRCOG Program Area") that have elected to participate in the WRCOG Program (the "Regular Members") to finance the installation of distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure (the "Authorized Improvements").

2.2 Acting under Chapter 29, WRCOG has also established the California PACE Program (the "California Program" and, together with the WRCOG Program, the "Program") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential and commercial real property located within cities and counties located outside of the western portion of the County of Riverside (the "California PACE Program Area," collectively with the WRCOG Program Area, the "Program Areas")) that have elected to become associate members of WRCOG (the "Associate Members") and to participate in the California Program to finance the installation of Authorized Improvements.

2.3 WRCOG is authorized to issue limited obligation improvement bonds pursuant to Section 5898.22 and Section 5898.28 of Chapter 29 and the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code (the "Bond Act"), to finance the installation of Authorized Improvements that are permanently fixed to residential or commercial real property located within cities or counties participating in the Program.

2.4 On [February 5], 2024 the Executive Committee adopted Resolution Number _____(the "Resolution of Issuance"), which authorized WRCOG to directly administer the Program and issue and sell bonds secured by Assessments levied within the Program Owners pursuant to assessment contracts entered into between the WRCOG and a participating property owner (an "Assessment Contract")to a capital provider that has been approved by the Executive Director, or his designee, and is authorized pursuant to the provisions of the Program Reports to allow for the financing of Authorized Improvements on commercial properties ("Commercial Properties") within the Program Areas and has originated such Assessment Contract (the "Capital Provider Program").

2.5 Purchaser has created the infrastructure and developed the resources to originate assessment contracts to be entered into between the owners of Commercial Properties (an "Assessment Contract") and WRCOG to finance the installation of Authorized Improvements.

2.6 WRCOG and Purchaser now desire and intend to enter into this BPA to provide for and establish the terms and conditions pursuant to which (a) the Purchaser shall originate Assessment Contracts, (b) WRCOG will sell to Purchaser and Purchaser shall purchase from WRCOG the limited obligation improvement bonds issued by WRCOG to finance the installation of Authorized Improvements on Commercial Properties whose owners elect to participate in the Capital Provider Program and (c) WRCOG shall administer the Capital Provider Program.

2.7 The Parties hereto desire and that BPA represents the operating relationship between the parties.

2.8 Capitalized terms that are used in this BPA and not otherwise defined herein shall have the respective meanings ascribed to them in the Indenture (defined below).

3. ORIGINATION AND ADMINISTRATION OF ASSESSMENT CONTRACT AND BONDS

3.1 Purchaser shall provide origination services which shall include (a) processing of all commercial applications received by Purchaser, ensuring compliance with the parameters established pursuant to the Program Reports, 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; (b) providing capital for approved projects; (c) obtaining or assisting property owners to obtain consent of the first mortgage holder, if any; and (d) processing all funding requests for participating in the Capital Provider Program for an Assessment Contract originated by the Purchaser, including accepting funding request forms, reviewing submitted forms and attachments, providing notification of funding request approval, denial or incomplete status. Purchaser shall provide WRCOG with a certification dated the date of each

Assessment Contract agreement which states that the Purchaser has complied with the provisions of this Section 3.1.

3.2 WRCOG shall provide administration services which include: (a) reviewing and editing all policies relating to commercial projects; (b) drafting required legal documents related to the Assessment Contract and issuance of bonds, processing and approving funding requests, obtaining signatures on Assessment Contract, recording or causing to be recorded lien documents; (c) providing for the annual administration of the Assessments which includes placement of contractual assessment installments on the tax roll of the applicable counties and collection of such Assessment installments; and (d) providing directions to trustee regarding the collection of such Assessments, payment to bond owners of such Assessment and requisition from funds and accounts held pursuant to an Indenture.

4. PURCHASE AND SALE AND DELIVERY OF THE BONDS.

4.1 Subject to the terms and conditions set forth in this BPA , and in reliance upon the representations, warranties and agreements set forth herein, Purchaser hereby agrees to purchase, or cause its designee to purchase (as used herein the term "Purchaser" shall include any designee thereof), all (but not less than all) of the Western Riverside Council of Governments (the "Bonds""), from WRCOG and WRCOG hereby agrees to sell to Purchaser, when as and if issued, all (but not less than all) of the Bonds issued pursuant to this BPA and secured by Assessments originated by the Purchaser as described in Section 3.1 herein.

4.2 WRCOG shall issue the Bonds pursuant to the Indenture dated _____, 2023("Indenture") by and between WRCOG and the trustee thereunder (the "Trustee"), the terms and conditions of such agreement having been agreed to by WRCOG and Purchaser.

4.3 WRCOG and the Trustee shall enter into the Indenture, which shall set forth and establish the Closing Date for such Bond , the date from which such Bond shall bear interest and the dates on which the principal of and interest on such Bond shall be payable, the principal amount of the Bonds, the scheduled payment of the principal of and interest on such the Bond , the rate of interest per annum payable on such Bond , the maturity date of such Bond , the redemption provisions pertaining to such Bond and the Purchase Price (defined below) for such Bond .

4.4 The 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 Indenture pertaining to such Bond.

4.5 The "Purchase Price" of a Bond shall be the sum equal to the principal amount of such Bond.

4.6 At 10:00 A.M., Pacific Daylight Time, on _____ , 20__ (the "Closing Date") for the Bonds, or at such other time as shall be agreed upon by WRCOG and

Purchaser, (a) WRCOG will deliver or cause to be delivered the Bond or Series of Bonds to Purchaser, duly executed by WRCOG and authenticated by the Trustee as provided in the Indenture, (b) WRCOG will deliver or cause to be delivered the closing documents (as designated in Exhibit H for delivery by or on behalf of WRCOG) (the "WRCOG Closing Documents") to Bond Counsel at the offices of Bond Counsel or another place to be mutually agreed upon by WRCOG and Purchaser (the "Closing Location") and Purchaser 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 Purchaser's closing documents (as designated in Exhibit H for delivery by Purchaser or such individual or entity to which Purchaser has assigned its rights hereunder to purchase such Bond) (the "Purchaser's Closing Documents") to Bond Counsel at the Closing Location. This payment and these deliveries, together with the delivery of the WRCOG Closing Documents and the Purchaser Closing Documents, are herein called the "Closing."

5. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF WRCOG. WRCOG represents, warrants and covenants to and agrees with Purchaser as of the date hereof and, as of the Closing Date of such Bond, 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 authorizing of the issuance of the Bonds:

5.1.1 to enter into this BPA;

5.1.2 to enter into the Indenture;

5.1.3 to issue, sell and deliver, without delay, the Bond to Purchaser as provided herein;

5.1.4 to enter into each Assessment Contract; and

5.1.5 to carry out and consummate the transactions as to the Bonds on its part contemplated by this BPA, the Indenture, and such Bond.

This BPA, the Indenture, and the 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 applicable 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, the 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 Programs pursuant to Chapter 29. The Executive Committee has duly authorized or shall duly authorize the issuance and sale of the Bond pursuant to the applicable Resolutions of Issuance adopted by the Executive Committee, the 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 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.

5.5 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 (a) in any way questions the corporate existence of WRCOG or the titles of the officers of WRCOG to their respective offices, (b) in any way questions the establishment of the Programs or the titles of the Executive Committee of WRCOG, (c) 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 any Bond from state income taxation or contests the powers of WRCOG, or its authority, to levy and collect the applicable Assessments, (d) 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 (a) through (d) of this sentence.

5.6 The Bonds, when issued, executed and delivered in accordance with the Indenture and sold to Purchaser or its assignee, will be validly issued and an outstanding limited obligation of WRCOG, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the applicable Assessment or Assessments. 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.

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 the Bond or cause such proceeds to be applied in accordance with the Indenture.

6. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF PURCHASER. Purchaser represents, warrants and covenants to and agrees with WRCOG as of the date hereof and, as of the Closing Date of the Bond that:

6.1 Purchaser is a corporation, duly organized, validly existing, and in good standing under the laws of the State of _____, and is qualified to transact business in the State of California, and has full legal right, power and authority, to enter into this BPA pertaining to the Bonds.

6.2 The execution and delivery of this BPA does not conflict with, violate or constitute a default under the terms, conditions or provisions of any agreement or instrument

to which Purchaser is a party, or any law, judgment or order of which Purchaser is aware that would affect Purchaser's ability to fulfill its obligations under this BPA.

6.3 Purchaser has originated the Assessment Contract(s) in accordance with all applicable laws and regulations.

6.4 There are no actions, suits, proceedings or claims now pending, or, to the best of Purchaser's knowledge, threatened against Purchaser, which would affect Purchaser's ability to fulfill its obligations under this BPA.

6.5 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 Purchaser of its obligations under this BPA have been duly obtained or made and are in full force and effect.

7. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PURCHASER. The obligations of Purchaser to accept delivery of and pay for the Bond on the Closing Date thereof shall be subject, at the option of Purchaser, 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:

7.1 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 Purchaser, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the transactions contemplated thereby and by this BPA, all such actions as, in the opinion of Bond Counsel shall be necessary and appropriate;

7.2 Between the date hereof and the Closing Date applicable to the Bond , the market price or marketability of such Bond at the prices set forth in the Indenture applicable thereto shall not have been materially adversely affected, in the judgment of Purchaser (evidenced by a written notice to WRCOG terminating the obligation of Purchaser 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:

7.2.1 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 applicable 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; or

7.2.2 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 finance the installation of the applicable Authorized Improvements as contemplated by WRCOG Documents.

7.3 On each Closing Date, Purchaser shall have received counterpart originals or certified copies of the following documents, in each case satisfactory in form and substance to Purchaser:

7.3.1 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 BPA and the 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 Purchaser;

7.3.2 Unqualified approving opinion for the Bonds delivered on such Closing Date, dated such Closing Date and addressed to WRCOG, of Bond Counsel for WRCOG, substantially in the form attached as Exhibit A hereto and a reliance letter dated such Closing Date and addressed to Purchaser, or any assign, affiliate, subsidiary, or any other person or entity that in the form attached as Exhibit B hereto, to the effect that such approving opinion addressed to WRCOG may be relied upon by Purchaser to the same extent as if such opinion was addressed to them;

7.3.3 Supplemental opinion, dated the Closing Date and addressed to WRCOG, Purchaser and the Trustee, of Bond Counsel for WRCOG, substantially in the form attached as Exhibit C hereto;

7.3.4 A certificate, dated such Closing Date and signed by an authorized representative of WRCOG, in substantially the form attached hereto as Exhibit D;

7.3.5 A certificate of the Trustee dated such Closing Date in substantially the form attached hereto as Exhibit E;

7.3.6 An executed copy of each Assessment Contract pertaining to the Commercial Property(ies) upon which the Assessment(s) securing such Bond has been levied (each such Commercial Property, a "Participating Parcel").

7.3.7 A conformed copy of the Notice of Assessment and Payment of Contractual Assessment Required pertaining to the Assessment(s) levied against each Participating Parcel as recorded in the office of the County Recorder of the County in which such Participating Parcel is located (the "County Recorder").

8. CONDITIONS PRECEDENT TO WRCOG'S OBLIGATIONS. WRCOG's obligations hereunder as to the sale of any Bond are subject to Purchaser's performance of their obligations hereunder, and are also subject to the following conditions:

8.1 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 Bonds or in any way affecting any authority for or the validity of such Bonds or WRCOG Documents or the existence or powers of WRCOG;

8.2 As of the Closing Date, WRCOG shall receive the approving opinions of Bond Counsel referred to in Section 7.3.2 and 7.3.3 hereof, dated as of the Closing Date;

8.3 Receipt by WRCOG of a duly executed letter of Purchaser and/or the assignee of Purchaser purchasing such Bonds dated as of the Closing Date and in substantially the form attached hereto as Exhibit F; and

8.4 Receipt by WRCOG of a duly executed certificate of Purchaser or the assignee of Purchaser purchasing the Bonds regarding the receipt of the Bonds in substantially the form attached as Exhibit G hereto.

9. EXPENSES. The payments provided in this Section 9 shall be paid as follows:

9.1 WRCOG shall pay or cause to be paid (out of the Assessments or the proceeds of the Bonds all expenses incidental to the performance of WRCOG's obligations hereunder in such amounts as the Parties shall mutually agree) to the following parties:

9.1.1 WRCOG as issuer of the Bonds;

9.1.2 the Assessment Administrator;

9.1.3 Bond Counsel;

9.1.4 Trustee; and

9.1.5 Any such other party in such amounts that may be mutually agreed upon in writing by the Parties will be paid in accordance with such agreement.

9.2 WRCOG shall be under no obligation to pay, and Purchaser shall pay any and all expenses incurred by Purchaser, including but not limited to, the fees and disbursements of its counsel pertaining to the issuance of any Bond.

9.3 Purchaser shall be obligated to pay any applicable fees of the California Debt and Investment Advisory Commission pertaining to any Bond.

10. General Provisions.

(a) Delivery of Notices. All notices permitted or required under this 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:

Purchaser: [CAPITAL PROVIDER]
[ADDRESS]

With copy to:

WRCOG: Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Attn: 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 (i) personally delivered (ii) when delivered by electronic mail that attaches an executed copy of the notice, provided that within seventy-two (72) hours following electronic delivery the addressee receive a physical copy of such notice, or (iii) 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.

(b) 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 BPA.

(c) Indemnification and Hold Harmless.

(i) Purchaser shall defend, indemnify and hold WRCOG and the Trustee under the Indenture, their respective 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 Purchaser, its officials, officers, employees, agents, consultants, contractors and subcontractors, arising out of or in connection with the performance under this BPA or origination of the Assessment Contract, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Purchaser shall defend, at Purchaser'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 and the Trustee, their directors, officials, officers, employees, agents or volunteers. Purchaser shall pay and satisfy any judgment, award or decree that may be rendered against WRCOG, the Trustee or their respective directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Purchaser shall reimburse WRCOG, the Trustee and their 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. Purchaser'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, other than the Trustee, shall be a direct beneficiary of this Section 10(d) (i).

(ii) WRCOG shall defend, indemnify and hold Purchaser, 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 under this BPA, 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 Purchaser, its directors, officials, officers, employees, agents or

volunteers. WRCOG shall pay and satisfy any judgment, award or decree that may be rendered against Purchaser or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. WRCOG shall reimburse Purchaser 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 Purchaser, its directors, officials, officers, employees, agents or volunteers. No third party shall be a direct beneficiary of this Section 10(d) (ii).

(d) Entire Agreement. This BPA contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

(e) Governing Law. This BPA shall be governed by the laws of the State of California. Venue shall be in Riverside County.

(f) Time of Essence. Time is of the essence for each and every provision of this BPA.

(g) Successors and Assigns. This BPA shall be binding on the successors and assigns of the Parties.

(h) Assignment or Transfer. Purchaser shall not assign, hypothecate, or transfer, either directly or by operation of law, this BPA or any interest herein without the prior written consent of WRCOG; provided, however, Purchaser may assign this 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 Purchaser 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. For the avoidance of doubt, the prohibitions in this Section 10 (i) shall not limit or affect Purchaser's rights described in Section 9 of this BPA.

(i) Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this BPA, the language of this 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 Purchaser include all personnel, employees, agents, and subcontractors of Purchaser, except as otherwise specified in this BPA. All references to WRCOG include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this 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 BPA.

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

(k) 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.

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

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

(n) Prohibited Interests. Purchaser maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Purchaser, or independent contractors and consultants engaged by Purchaser to perform Purchaser's obligations and duties under this BPA to solicit or secure this BPA. Further, other than its outside counsel, Purchaser 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 Purchaser, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this BPA. For breach or violation of this warranty, WRCOG shall have the right to rescind this BPA without liability. For the term of this 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 BPA, or obtain any present or anticipated material benefit arising therefrom.

(o) Survival of Representations, Warranties and Agreements. The representations, warranties and agreements of the Parties set forth in or made pursuant to this 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 the other Party (or statements as to the results of such investigations) concerning such representations and statements of the Parties and regardless of delivery of and payment for the Bonds or performance under this BPA.

(p) Equal Opportunity Employment. Purchaser 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.

(q) Authority to Enter BPA. Purchaser has all requisite power and authority to conduct its business and to execute, deliver, and perform the BPA Each Party warrants that the individuals who have signed this BPA have the legal power, right, and authority to make this BPA and bind each respective Party.

11. Effective. This 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.

12. Counterparts. This 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 BPA as of the date first written above.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS	[CAPITAL PROVIDER]
By: _____	By: _____
Name: Kurt Wilson	Name:
Title: Executive Director	Title:

APPROVED AS TO FORM:

By: _____
Best Best & Krieger LLP

EXHIBIT A

FORM OF BOND COUNSEL OPINION

[Closing Date]

Executive Committee
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, California

Re: Western Riverside Council of Governments
Capital Provider Program
Limited Obligation Improvement Bonds
(First Commercial Property Tranche – 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 Capital Provider Program Limited Obligation Improvement Bonds (First Commercial Property Tranche – Series No. ____) (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 California 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"). The Bonds have 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. __-__ adopted by the Executive Committee of WRCOG (the "Executive Committee") on [February 5], 2024 (the "Resolution of Issuance"), the Indenture dated as of _____ (the "Indenture"), by and between WRCOG and _____, as Trustee (the "Trustee") pertaining to the Bonds. Capitalized terms used herein and not defined herein shall have the meanings given such terms in the 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 _____ from _____, 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 December 12, 2013 by the Superior Court of the County of Riverside in the validation action entitled Superior Court of the County of Riverside as *Western Riverside Council of Governments v. All Persons Interested, et al.*, Case No. RIC 1308636, as amended on April 22, 2014, July 1, 2014, November 14, 2014, March 24, 2015, June 10, 2015; September 15, 2015, December 2, 2015, April 13, 2016, August 22, 2016, February 10, 2017, October 13, 2017 and October 11, 2018 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 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. The Bonds are 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 Indenture) as identified and set forth in the Indenture and all moneys deposited in the Redemption Fund (including the Capitalized Interest Account and the Prepayment Account therein) established pursuant to the 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 and the 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
3390 University Avenue, Suite 200
Riverside, California

[Name of Purchaser of the Bonds/Address]

[Name of Trustee/Address]

Re: Western Riverside Council of Governments Capital Provider Program Limited Obligation Improvement Bonds (First Commercial Property Tranche – Series No. ____)

RELIANCE LETTER

Ladies and Gentlemen:

We are delivering to you on the date of this letter a copy of our opinion dated _____ that is attached hereto, and addressed to the Executive Committee of the Western Riverside Council of Governments with respect to the bonds listed above (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
3390 University Avenue, Suite 200
Riverside, California

[Name of Trustee/Address]

[Purchaser of the Bonds/Address]

Re: Western Riverside Council of Governments
Capital Provider Program
Limited Obligation Improvement Bonds
(First Commercial Property Tranche – 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 Capital Provider Program Limited Obligation Improvement Bonds (First Commercial Property Tranche – Series No. ___) (the "Bonds"), with respect to the WRCOG HERO Program and California HERO 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. __-__ adopted by the Executive Committee of WRCOG (the "Executive Committee") on [February 5], 2024 (the "Resolution of Issuance"), and the Indenture, dated as of _____ the ("Indenture"), by and between WRCOG and _____, as trustee (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 Superior Court of the County of Riverside as *Western Riverside Council of Governments v. All Persons Interested, et al.*, Case No. RIC 1103280 (the "Validation Action I") to validate the WRCOG HERO Program and all proceedings relating to or leading up to the WRCOG HERO Program, the

contractual assessments to be levied by WRCOG and the issuance and sale of limited obligation improvement bonds related thereto. On July 1, 2011, a default judgment was entered in the Validation Action I (the "Validation Action I Judgment") in which the Superior Court ordered, judged and decreed, in part, that all proceedings by and for WRCOG in connection with the WRCOG HERO Program, the Assessment Contract, and all proceedings related to or leading up to the issuance of such limited obligation improvement bonds, and all matters related thereto, and the execution and delivery of such limited obligation improvement bonds were and are, legal and binding obligations in accordance with their terms and were and are in conformity with all applicable provisions of all laws and enactments at any time in force or controlling upon such proceedings, whether imposed by law, constitution, statute or ordinance, and whether federal, state or local. On July 30, 2013, WRCOG filed a judicial validation proceeding pursuant to the provisions of the Validation Statute in the Superior Court entitled Superior Court of the County of Riverside as *Western Riverside Council of Governments v. All Persons Interested, et al.*, Case No. RIC 1308636 (the "Validation Action II") to validate the California HERO Program and all proceedings relating to or leading up to the California HERO Program, the contractual assessments to be levied by WRCOG and the issuance and sale of limited obligation improvement bonds related thereto. On December 12, 2013, a default judgment was entered in the Validation Action II (the "Initial Validation Action II Judgment") in which the Superior Court ordered, judged and decreed, in part, that all proceedings by and for WRCOG in connection with the California HERO Program, the Assessment Contract, and all proceedings related to or leading up to the issuance of such limited obligation improvement bonds, and all matters related thereto, and the execution and delivery of such limited obligation improvement bonds were and are, legal and binding obligations in accordance with their terms and were and are in conformity with all applicable provisions of all laws and enactments at any time in force or controlling upon such proceedings, whether imposed by law, constitution, statute or ordinance, and whether federal, state or local. Subsequent to the entry of the Initial Validation Action II Judgment, WRCOG petitioned the Superior Court to amend such judgment and the first amended judgment was entered on April 22, 2014 (the "First Amended Judgment"), the second amended judgment was entered on July 1, 2014 (the "Second Amended Judgment"), the third amended judgment was entered on November 14, 2014 (the "Third Amended Judgment"), the fourth amended judgment was entered on March 24, 2015 (the "Fourth Amended Judgment"), the fifth amended judgment was entered on June 10, 2015 (the "Fifth Amended Judgement"), the sixth amended judgment was entered on September 15, 2015 (the "Sixth Amended Judgement"), the seventh amended judgment was entered on December 2, 2015 (the "Seventh Amended Judgement"), the eight amended judgment was entered on April 13, 2016 (the "Eighth Amended Judgment"); the ninth amended judgment was entered on August 22, 2016 (the "Ninth Amended Judgment"); the tenth amended judgment was entered February 10, 2017 (the "Tenth Amended Judgment"); the eleventh amended judgment was entered on October 13, 2017 (the "Eleventh Amended Judgment") and the twelfth amended judgment was entered on October 11, 2018 (the "Twelfth Amended Judgment") (together with the Initial Validation Action II Judgment and the First Amended Judgment, the Second Amended Judgment, the Third Amended Judgment, the Fourth Amended Judgment, the Fifth Amended Judgment, the Sixth Amended Judgment, the Seventh Amended Judgment, the Eight Amended Judgment, the Ninth Amended Judgment, the Tenth Amended Judgment, the Eleventh Amended Judgment and the Twelfth Amended Judgment, the "Validation Action II Judgment"). (Validation Action I and Validation Action II shall be collectively referred to as the "Validation Actions" and the Validation Action I

Judgment and the Validation Action II Judgment entered for the Validation Actions shall be collectively referred to as the "Default Judgments").

Capitalized terms used herein and not defined herein shall have the meanings given such terms in the 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 _____ from _____ 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 Resolution of Issuance and approve and enter into the Indenture, and the Resolution of Issuance, the Indenture, and such Bonds were duly approved by the Executive Committee of WRCOG.

3. The Bonds have 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 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.

4. The Validation Actions were duly filed and the Default Judgments duly entered in accordance with all applicable, laws, rules and regulations of the State of California.

5. Notices of the Validation Actions were duly made in accordance with the Validation Statute and the order of the Superior Court.

6. The Default Judgments are final and in full force and effect.

7. 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.

8. Each Assessment, as specified in the 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.

9. 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 city and/or county, 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 city and/or the county, special district or other local agency, if any, within which the applicable Participating Parcel is located.

10. 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 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 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 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.

11. 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.

12. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is 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

Name and address of Trustee

Re: Western Riverside Council of Governments
Capital Provider Program
Limited Obligation Improvement Bonds
(First Commercial Property Tranche – 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 Capital Provider Program Limited Obligation Improvement Bonds (First Commercial Property Tranche – Series No. ____) (the "Bonds"). All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture, dated as of _____ 1, 20__ (the "Indenture"), by and between WRCOG and _____, 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 WRCOG's member agencies:

(a) to adopt the Resolution of Issuance;

(b) to enter into the Bond Purchase Agreement, dated as of _____ 1, 20__ (the "Bond Purchase Agreement"), by and between WRCOG and [CAPITAL PROVIDER] ("Purchaser");

(c) to enter into the Indenture, dated as of _____ 1, 20__ by and between WRCOG and the Trustee with respect to the Bonds;

(d) to issue, sell and deliver the Bonds to [[CAPITAL PROVIDER] or its assignee as provided herein];

(e) to enter into the Assessment Contract for each Participating Parcel as identified in the Indenture; and

(f) to carry out and consummate the transactions on its part contemplated by the Bond Purchase Agreement, the Indenture, the Bonds and the Assessment Contracts.

The Bond Purchase Agreement, the 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 Resolution 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 Resolution of Issuance, adopted by the Executive Committee, and the 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 [_____, or its assignee], will be validly issued and an outstanding limited obligation of WRCOG, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the applicable Assessments identified in the 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 Indenture.

EXHIBIT E

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(CAPITAL PROVIDER PROGRAM)
LIMITED OBLIGATION IMPROVEMENT BONDS
(First Commercial Property Tranche – Series No. ___)

Certificate of Trustee

I, an Authorized Signer of _____ ("Trustee"), the Trustee under the Indenture, dated as of _____, 20__ (the "Indenture"), by and between Western Riverside Council of Governments(the "Issuer") and Trustee, related to the bonds listed above (the "Bonds"), hereby certify the following information. Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture.

(a) Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States and is authorized to execute the Indenture (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 _____.

(d) The Bonds have, on or before this date, been delivered by Trustee to or upon the Issuer Order.

IN WITNESS WHEREOF, _____ has caused this certificate to be executed in its name by a duly authorized officer, as of the [Closing Date].

DATED:

_____, as Trustee

By: _____
Authorized Officer

EXHIBIT A

[TO COME]

EXHIBIT F

LETTER OF PURCHASER

Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, California 92501
Attention: Executive Director

Name and address of Trustee

Re: Western Riverside Council of Governments
(Capital Provider Program)
Limited Obligation Improvement Bonds
(First Commercial Property Tranche – Series No. _____)

Ladies and Gentlemen:

The undersigned (the "Investor") proposes to purchase the limited obligation improvement bonds listed above (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 Indenture, dated as of _____, 20__ (the "Indenture"), by and between WRCOG and _____, 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:

1. 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.

2. 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.

3. 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.

4. 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.

5. 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 the Bonds 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.

6. 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 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.

7. 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, and the 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 interest in Assessments securing the Bonds as provided for in the Indenture.

8. The Investor acknowledges that it has the right to sell and transfer the Bonds, in accordance with the terms of the Indenture, subject to the delivery to the Trustee of a letter from the transferee in the form attached to the 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.

9. 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 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

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 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 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.

[INVESTOR SIGNATURE BLOCK]

EXHIBIT G

RECEIPT FOR BONDS

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
(CAPITAL PROVIDER PROGRAM)
LIMITED OBLIGATION IMPROVEMENT BOND
First Commercial Property Tranche – Series No. _____)

RECEIPT FOR BONDS

Receipt is hereby acknowledged of the Western Riverside Council of Governments (Capital Provider Program) Limited Obligation Improvement Bonds (First Commercial Property Tranche – Series No. ____) listed above (the "Bonds") by [CAPITAL PROVIDER] ("Purchaser") [or assignee, if applicable], as the original purchaser of the Bonds.

The undersigned hereby states and certifies on behalf of Purchaser that Purchaser has received on this date from _____, as Trustee (the "Trustee"), under the Indenture, dated as of _____, 20__ (the "Indenture"), by and between the Trustee and the Western Riverside Council of Governments ("WRCOG"), pertaining to the applicable Bonds 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 Purchaser under the Bond Purchase Agreement, dated _____, 20__ (the "Purchase Agreement"), between [CAPITAL PROVIDER] and WRCOG, have been delivered and that all conditions precedent for Purchaser to accept delivery of such Bonds under the Purchase Agreement have been met or waived.

Dated: _____

Purchaser of the Bonds

By: _____
Authorized Signatory

EXHIBIT H

WRCOG AND PURCHASER CLOSING DOCUMENTS

WRCOG Closing Documents

- Indenture.
- Limited Obligation Improvement Bonds.
- Omnibus Closing Certificate of WRCOG.
- Officer's Certificate.
- Instructions to Trustee.
- Certificate of Trustee.
- Receipt of Bond Proceeds.
- Bond Counsel Opinion.
- Supplemental Opinion.
- Reliance Letter.
- Requisition for Disbursements from the Cost of Issuance Fund.
- Requisition for Disbursements from the Program Fund.

Purchaser Closing Documents

- Investor Letter of Purchaser substantially as shown in Exhibit F.
- Investor Letter of Assignee Purchasing Bonds substantially as shown in Exhibit F.
- Receipt for Bonds substantially as shown in Exhibit G.
- Certificate of Purchaser.

Attachment

Agreement to Pay Assessment and Finance Improvements

AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
WRCOG PACE PROGRAM AND CALIFORNIA PACE PROGRAM
(Capital Provider Program)

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Agreement to Pay Assessment and Finance Improvements

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
WRCOG PACE PROGRAM AND CALIFORNIA PACE PROGRAM
(Capital Provider Program)

This AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS (this "**Agreement**") is made and entered into as of this _____, 20__, (the "**Effective Date**") by and between the Western Riverside Council of Governments, a joint exercise of powers authority (the "**Authority**"), and _____, a _____ which is the record owner(s) (the "**Property Owner**") of fee title to real property identified on Exhibit A (the "**Property**") and is acknowledged and accepted by ["Name of Capital Provider"] (the "Capital Provider").

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "**WRCOG Program**") and the California HERO Program (the "**California Program**," collectively with the WRCOG Program, the "**Program**") to allow the financing of certain distributed generation renewable energy sources, energy and water efficiency improvements, electric vehicle charging infrastructure and seismic improvements (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 ("**Improvement Bonds**") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, the purpose and method of administration of the assessments under the Program are described in the WRCOG Program report dated June 7, 2010, as such report has been and may be amended from time to time and the California Program report originally dated June 3, 2013, as such report has been and may be amended from time to time (collectively, the "**Program Report**") prior to the Effective Date of this Agreement; and

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

WHEREAS, Chapter 29 further provides that if a public agency owning a lot or parcel grants a leasehold interest in such lot or parcel, an assessment may be levied by the Authority on the leasehold interest and shall be payable by the owner of the leasehold interest only with the prior written consent of such public agency to such assessment at the time such assessment is levied pursuant to contract between the owner of the leasehold interest and the Authority; and

WHEREAS, Chapter 29 provides that assessments levied under Chapter 29 and the interest and any penalties thereon constitute a lien against the lots and parcels of land on which they are made, until they are paid, and Section 53935 of the California Government Code provides that the lien of assessments levied under Chapter 29 is (i) coequal to and independent of the lien for general taxes and, except as provided in Government Code Section 53936, not subject to

extinguishment by the sale of the property on account of the nonpayment of any taxes, and (ii) prior and superior to all liens, claims and encumbrances except (a) the lien for general taxes or ad valorem assessments in the nature of and collected as taxes levied by the state or any county, city, special district or other local agency; (b) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the assessment levied under Chapter 29; (c) easements constituting servitudes upon or burdens to the applicable parcel; (d) water rights, the record title to which is held separately from the title to the applicable parcel; and (e) restrictions of record; and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the City of [Name of City], California (the "**City**"); and

WHEREAS, the Property is located in the boundaries of the City and the City 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, the Property Owner has submitted application materials including a description of the Authorized Improvements that will be acquired, constructed on and/or installed on the Property and are to be financed pursuant to the Capital Provider Program and WRCOG has determined it is an Approved Project; and

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

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

AGREEMENT

Section 1. Purpose. The Property Owner and the Authority are entering into this Agreement for the purpose of financing the installation of the Improvements identified on Exhibit B on the Property.

Section 2. The Property.

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

Section 3. Assessment and Lien.

(a) Pursuant to the terms of this Agreement, the Authority shall disburse funds, or cause funds to be disbursed, to or on behalf of the Property Owner in an amount equal to the total principal amount set forth on Exhibit C (the "**Financed Amount**"), of which $[Amount of

Improvements] shall be for the actual cost of the design, approval, acquisition, construction, financing, and/or installation of the Improvements, (the "**Project Cost**"), and of which $[Amount of Finance Amount] shall be for capitalized interest on the Improvement Bond to be issued to finance the Improvements and, as well as Authority fees and expenses ("**Financing Expenses**"). If the actual cost of the Improvements exceeds the Project Cost, the Property Owner shall be solely responsible for the payment of such excess costs.

(b) Interest shall accrue on the Financed Amount from the Effective Date at [interest rate] (n.nn%) per annum until all outstanding obligations are paid in full. Interest shall be computed for the actual number of days which have elapsed on the basis of a 360-day year and applied to the actual number of days elapsed. Property Owner acknowledges and agrees that the calculation of interest on the basis described in the immediately preceding sentence may result in the accrual and payment of interest in amounts greater than those which would be payable if interest were calculated on the basis of a three hundred sixty-five (365) day year.

(c) The Property Owner agrees that upon the execution of this Agreement by the parties, each parcel of the Property is subject to a voluntary contractual assessment levied against such parcel pursuant to this Agreement, Chapter 29 and other applicable law in an aggregated amount of such assessments to be levied on all parcels equal to the Financed Amount plus any administration fees, accrued interest and penalties thereon and any Non-Completion Assessment, if applicable (each, an "**Assessment**" and in the aggregate, the **"Assessments"**). Upon execution of this Agreement, the Authority will execute and cause to be recorded in the office of the County Recorder of the County within which the Property is located (the "**County**") a notice of assessment and payment of contractual assessment required (collectively, the "**Notice of Assessment**") as required pursuant to Chapter 29, together with a copy of this Agreement. The recordation of the Notice of Assessment will create a lien against the Property.

(d) The execution of this Agreement by the parties constitutes the levy of the Assessments by the Authority against the Property without any further action required by the parties.

(e) The Property Owner hereby promises to pay the Assessments for a period of [No. of Years] years annually, in two semi-annual installments (each such installment, an "**Assessment Installment**"), as permitted by the County tax collector, together with any Annual Assessment Administrative Fees as defined in paragraph (g) below, on the due dates set forth in Exhibit C hereto (each, an "**Assessment Schedule**"). The Property Owner agrees to pay each Assessment Installment by its due date in order to avoid delinquencies and related penalties.

(f) 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 financing conditions established by the Authority. 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.

(g) 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 Assessment Installment each year in order to pay for the costs of collecting and administering the Assessment (the "**Annual Assessment Administrative Fees**"). The maximum Annual Assessment Administrative Fee applicable to each parcel of the Property subject to $_____ in the tax year commencing on July 1, [20__]. The Annual Assessment Administrative Fee shall thereafter be adjusted by the greater of (a) any increases in the cost of administration of the Assessment, or (b) annually, commencing on July 1 of each subsequent tax year for cost of living based on the U.S. Department of Labor, Bureau of Labor Statistics, and Consumer Price Index for all urban consumers applicable to the West Census Region. The Authority shall annually determine the amount of the Annual Assessment Administrative Fee. The Authority shall annually determine the amount of the Annual Assessment Administrative Fee for each parcel, not to exceed the maximum Annual Assessment Administrative Fee applicable to each parcel be determined in accordance with the preceding sentence.

(h) Each Assessment shall constitute a lien upon the parcel of the Property against which such Assessment was levied until paid. Failure to pay any Assessment Installment, like failure to pay any property taxes pertaining to such parcel of the Property, will result in penalties and interest accruing on the amounts due. In addition, under those circumstances, the Authority has the right to judicially foreclose the lien of the Assessment levied against such delinquent parcel, as set forth in paragraph 4(d) below.

Section 4. Collection of Assessments; Other Remedies.

(a) The Assessment Installments shall be collected on the property tax bill pertaining to each parcel of the Property. The Assessment Installments shall be payable in the same manner and at the same time as the general taxes of the County on real property are payable, and shall be payable and become delinquent at the same times and shall bear the same penalties and interest after delinquency, and be subject to the same provisions for redemption and sale, as the general taxes on real property of the County.

(b) The Assessment Installments for each parcel of the Property shall commence on the due dates set forth in the related Assessment Schedule (Exhibit C).

(c) The lien of the Assessment (the "**Assessment Lien**") for each parcel of the Property shall be co-equal to and independent of the lien for general taxes, and, pursuant to Government Code Section 53936, not subject to extinguishment by the sale of such parcel of the Property on account of the nonpayment of any taxes, and prior and superior to all liens, claims and encumbrances on or against such parcel of the Property except: (i) the lien for general taxes, special taxes or ad valorem assessments in the nature of and collected as taxes levied by the State of California or any county, city, special district or other local agency; (ii) the lien of any special assessment or assessments the lien date of which is prior in time to the lien date of the Assessment of such parcel of the Property; (iii) easements constituting servitudes upon or burdens such parcel of the Property; (iv) water rights, the record title to which is held separately from the title to such parcel of the Property; and (v) restrictions of record.

(d) The Property Owner acknowledges that if any such Assessment Installment is not paid when due, the Authority has the right to have the delinquent Assessment Installment and its associated penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of such parcel of the Property for the payment of such delinquent Assessment Installments, associated penalties

and interest, and all costs of such action, including attorneys' fees. The Property Owner acknowledges that, if bonds are sold to finance the Improvements, the Authority may obligate itself, through a covenant with the owners of such bonds, to exercise its foreclosure rights with respect to such delinquent Assessment Installments under specified circumstances. Additionally, if no action is taken by the Authority and the Property Owner remains delinquent on the payment of any such Assessment Installment for a period of five (5) years, the County in which such parcel of the Property is located may commence foreclosure proceedings.

Section 5. Financing of the Improvements; Installation of the Improvements.

(a) The Authority hereby approves the disbursement of funds against the Financed Amount subject to the provisions of this Section. The funds will be disbursed by the Wilmington Trust, as trustee of the Improvement Bonds secured by the Assessment, on behalf of the Authority, pursuant to the terms of this Agreement and applied by Property Owner to pay for the Improvements.

(b) Notwithstanding anything to the contrary contained herein, the Authority's obligation to disburse any of the Project Cost to Property Owner or their contractor ("**Contractor**") shall be subject to satisfaction of the following conditions precedent listed in this sub-section (b), in the Authority's sole discretion, unless such conditions precedent are expressly waived in writing by the Capital Provider and the Authority. Pursuant to any request for disbursement, the Property Owner will provide written confirmation of compliance or request for waiver for all such listed conditions precedent under this sub-section (b).

(i) the construction contract between the Property Owner and the Contractor, together with all major subcontracts thereunder (collectively, the "**Construction Contract**") shall have been approved in all respects by the Capital Provider or the Authority;

(ii) the Property Owner shall have provided copies of all permits required by law to the Authority and the Capital Provider;

(iii) the Property Owner shall have provided to the Authority and the Capital Provider the written consent of its existing mortgage lender to the Assessment;

(iv) the Authority and the Capital Provider shall have received confirmation from the applicable County Recorder that the Notice of Assessment, together with a copy of this Agreement has been recorded in the relevant land records;

(v) Property Owner shall have provided the Authority original, executed copies of this Agreement and any related certificates;

(vi) The Authority shall have determined that the representations of Property Owner contained in this Agreement are true and correct, and no Default (as defined in Section 14 below) shall have occurred and be continuing hereunder;

(vii) No order or notice shall have been given by any governmental agency stopping construction or stating that the work or construction is in violation of any law, ordinance, code or regulation, unless such order or notice has been rescinded and a copy of such rescission has been delivered to and shall be satisfactory to the Authority and the Capital Provider in its sole discretion. No stop payment or mechanic's lien notice pertaining to the Improvements

has been filed and remains in effect as of the Effective Date or as of the date the Property Owner submits a request for disbursement;

(viii) the Property Owner shall have submitted to the Authority a request for the disbursement in the form of the certification attached hereto as Exhibit D;

(ix) the Property Owner shall have furnished to the Authority and the Capital Provider partial waivers and releases of liens (for labor, services or materials which have been performed and paid for or such lien waiver will be subject to payment) from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements in the form attached hereto as Schedule 2 to Exhibit D;

(x) the Property Owner shall have provided a list of authorized representatives on whose instructions and directions the Authority and the Capital Provider may rely until such time as an updated list has been provided; and

(xi) the Property Owner shall have provided to the Authority and the Capital Provider evidence satisfactory to the Authority and the Capital Provider of current insurance policies on the Property and has provided evidence satisfactory to the Authority that such insurance shall be maintained in force during the term of the Assessment.

(c) Upon satisfaction or waiver of the conditions described in paragraph (b), above, the Authority will disburse funds to or on behalf of the Owner.

(d) The Authority's obligation to authorize the final disbursement shall be subject to the satisfaction of the following conditions precedent in the Authority's sole discretion:

(i) Satisfaction of all conditions set forth in this Section;

(ii) Full completion of construction of the Improvements in accordance with the Construction Contract, as evidenced through a receipt by the Authority of an executed completion certificates (the "Completion Certificate" set forth as Exhibit H hereto.

(iii) If applicable, receipt by the Authority and the Capital Provider of the final unconditional Certificate of Occupancy for the Improvements or a conditional Certificate of Occupancy which conditions are punch-list items only;

(iv) Receipt by the Authority and the Capital Provider of final waivers and releases of liens from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Improvements; and

(v) No stop payment or mechanic's lien notice pertaining to the Improvements has been served upon Property Owner, the Capital Provider, or the Authority or recorded against the Property and which remains in effect.

(e) Amount and Frequency of Disbursements.

(i) Each disbursement of Project Costs shall either (x) reimburse the Property Owner for costs of the Improvements already incurred by the Property Owner, or (y) be disbursed directly to the Contractor and/or suppliers retained for the Improvements, for construction costs incurred by the Property Owner in accordance with the approved budget. The

Property Owner may apply any savings or under-budget line item cost in the approved budget to increase the amount of any other line item in the approved budget, subject in each instance to the Authority's and Capital Provider's review and approval.

(ii) Disbursements shall be made upon the Property Owner's compliance with the terms hereof in such proportion of the total cost of that part of the work completed to the Authority and the Capital Provider's satisfaction in its sole discretion, so that at all times the undisbursed portion of the Project Cost shall be sufficient, in the Authority's sole discretion, to complete the Improvements (including, without limitation, to pay all non-construction costs associated with the Improvements). The Authority shall have the right to make the final determination in its sole discretion as to the amount of each disbursement. The Authority may, in its sole discretion, determine the number and frequency of each disbursement, which will not exceed one hundred percent (100%) of the cost of the work then completed and in place less the standard retainage of ten percent (10%) for all construction costs (unless a higher retainage is specified in any contract). Such retainage will be disbursed to the Property Owner at the date on which the Completion Certificate has been executed.

(iii) The final disbursement will be made upon full completion of the Improvements in accordance with the Construction Contract and satisfaction of the conditions precedent set forth in Section 5(d).

(iv) No disbursement shall be made for materials not yet installed or incorporated into the Improvements, except that the Authority may agree, in its sole discretion, to authorize a disbursement for such materials.

(v) In no event shall the amount of any disbursement exceed an amount equal to (x) the cost of the construction work in place at the Property, subject to the retainage provisions set forth in Section 5(e)(ii), plus the amount of non-construction costs paid or payable by the Property Owner pursuant to the approved budget as of the date of the requested advance, less (y) all disbursements previously disbursed.

(vi) In no event shall the aggregate amount of all disbursements exceed the Project Cost.

(vii) In no event shall any disbursement be made to the Property Owner from and after the date on which the final disbursement shall have been paid in accordance with Section 5(d).

Section 6. Prepayment of the Assessments.

The outstanding principal balance of an Assessment may be prepaid, in whole from any source funds for the related parcel, at any time upon the payment of (i) the whole or a portion of the outstanding balance of such Assessment, (b) the accrued but unpaid interest on the outstanding balance of such Assessment through the prepayment date or through the redemption date of Improvement Bond secured by such Assessment, as applicable, and (c) a premium in an amount equal to a percentage of the amount of the principal to be prepaid as calculated pursuant to the schedule of prepayment premiums set forth in Exhibit F hereto. In addition, prepayment costs may also include any applicable recorder's fees, trustee fees, and other related charges incurred by the Authority in connection with the processing of the prepayment. Partial prepayments shall not be permitted unless authorized in writing by the Authority.

Section 7. Term; Agreement Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Agreement, this Agreement shall expire upon the final payment or prepayment of all of the Assessments. 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 Assessments.

(b) This Agreement establishes rights and obligations that are for the benefit of each parcel of the Property and, therefore, such rights and obligations run with the land pursuant to Civil Code Section 1462.

(c) Property Owner shall not, without the express written consent of the Authority and the Capital Provider, in their sole discretion, by act or omission impair the integrity of the Property as a single, separate, subdivided and zoned lot separate apart from all other property which is owned by Property Owner, or not. Property Owner hereby acknowledges that, in the event of a subdivision of the Property is approved by the Authority, no subdivision of the Property subject to this Agreement shall be valid unless an amendment to this Agreement divides the Assessment between the newly subdivided parcels pro rata to the special benefit realized by each subdivided parcel.

Section 8. Recordation of Documents. The Property Owner hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against each parcel of the Property.

Section 9. Representations and Warranties of Property Owner. Property Owner represents and warrants to the Authority as follows, which representations and warranties shall be true and correct as of the date of this Agreement and at all times thereafter until each Assessment has been repaid in full:

(a) Corporate Existence; Qualification. Property Owner is duly organized, validly existing and in good standing in the state of its organization and with authority to do business under the laws of the State of California.

(b) Authorization; Enforceable Obligations.

(i) Property Owner has all necessary power and authority to own the Property, to conduct its business, to lease the Property as lessor, and to enter into the transactions contemplated hereby. Property Owner has the right to enter into and perform this Agreement, and the execution, delivery and performance of this Agreement and all other documents executed in connection therewith or required thereby (collectively, the "Transaction Documents") have been duly authorized, executed and delivered and constitute valid, legal and binding obligations of Property Owner, each enforceable in accordance with its respective terms. The delivery and performance of the Transaction Documents does not conflict and is not inconsistent with, and will not result in the breach of or constitute a default or require any consent that has not already been obtained under any organizational documents, credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, guarantee or other instrument to which the Property Owner is a party, by which the Property Owner may be bound, or to which the Property Owner or its property may be subject.

(ii) no consent or authorization of, filing with, notice to or other act by or in respect of any governmental authority (Federal, State or Local) or any other person is required to be obtained by the Property Owner in connection with (1) the financing hereunder, (2) the execution, delivery, validity or enforceability of this Agreement or any related documents, or (3) the performance of this Agreement, except, in each case, for routine consents, authorizations, filings and notices required to be made in the ordinary course of business.

(iii) The Property Owner has secured all necessary approvals or consents required with respect to this transaction by any mortgagor, creditor, or other party having any financial interest in the Property Owner or the Property.

(c) No Legal Bar. The execution, delivery and performance of the Transaction Documents by the Property Owner, the financing hereunder and the use of the proceeds thereof will not violate any applicable law, the Property Owner's organizational documents or any material agreement of the Property Owner.

(d) Financial Statements. All financial statements delivered to the Authority and the Capital Provider are true and correct, have been prepared in accordance with generally accepted accounting principles (or such alternate accounting method acceptable to the Authority) consistently applied, fairly represent the financial condition of Property Owner as of the date thereof, and no material adverse change has occurred in the financial condition presented therein since such date.

(e) No Litigation. There are no actions, suits, claims or proceedings pending, or to the knowledge of Property Owner threatened, against or affecting it or the Property which could materially adversely affect Property Owner, its financial condition, any of its properties (including the Property), or the construction of the Improvements or which may impair Property Owner's ability to satisfy its obligations under this Agreement.

(f) Title. Property Owner has good, marketable and insurable title to each parcel of the Property subject only to real property taxes, pari passu assessment liens of record, and the permitted encumbrances approved by the Authority and the Capital Provider and set forth in Exhibit E attached hereto ("**Permitted Encumbrances**").

(g) Compliance with Laws. Property Owner has complied with or will comply at the relevant time, and will continue at all relevant times to comply with, in all material respects, all applicable statutes, regulations and ordinances in connection with the Property and construction of the Improvements. All permits, consents, approvals and authorizations required to be issued by any governmental body (collectively, the "**Permits**") necessary for (a) the installation and construction of the Improvements in accordance with the plans and specifications submitted by Property Owner; (b) the construction, connection and operation of all utilities necessary to service the Improvements; and (c) the construction and use of all roadways, driveways, curb cuts and other vehicular or other access to and egress from the Property, either (i) have been obtained or will be obtained when required, are valid, are in full force and effect, or will be valid and in full force and effect when required, and have been complied with or will be complied with at the relevant time by the Property Owner in all material respects; or (ii) will be obtained to the extent required, will be valid, will be in full force and effect to the extent required prior to the initiation of construction of the Improvements, and Property Owner will be in compliance therewith in all respects prior to the Authority disbursing any of the funds. Construction and installation of the Improvements will comply with applicable zoning, use, building

or other applicable codes, laws, regulations and ordinances and any restrictive covenants affecting the Property.

(h) Marijuana and Environmental Matters. Property Owner does not and will not engage (nor will it allow any tenants of the Property to engage) in operations that involve the growth, testing, production or distribution of marijuana, nor the generation, manufacture, refining, transportation, treatment, storage or handling of hazardous materials or hazardous wastes, pursuant to applicable state law, or any other federal, state or local environmental laws or regulations, and, to the best of Property Owner's knowledge, after due inquiry, neither the Property nor any other of its buildings thereon has been so used previously, except as previously disclosed in writing to and approved by the Authority and the Capital Provider. There are no underground storage tanks located on the Property. There is no present and to the best of Property Owner's knowledge there has been no past, non-compliance with environmental laws, or with permits issued pursuant thereto, in connection with the Property, which has not been fully remediated in accordance with environmental laws.

(i) No Default. No Default (as defined herein) has occurred hereunder, and no event has or shall have occurred and be continuing, which, with the lapse of time or the giving of notice, or both, would constitute a Default. No foreclosure action is currently threatened or has been commenced with respect to the Property. Property Owner is not currently in default on any mortgage or deed of trust loan(s) secured by the Property.

(j) No Misrepresentation or Material Nondisclosure. Property Owner has not made and will not make to the Authority or to the Capital Provider, in this Agreement or otherwise, any untrue statement of a material fact, nor has it omitted and nor will it omit to state a material fact necessary to make any statement made not misleading. All information provided by Property Owner to the Authority or to the Capital Provider in writing or in electronic form is complete, true and correct in all material respects.

(k) Insurance.

(i) Property Owner will purchase, obtain, and maintain "all risks" or "special perils" commercial property insurance, covering losses caused by fire, natural disaster, theft, flood and seismic, as applicable, or other casualty, covering the Property and any improvements thereon, in an amount equal to the "replacement value" or "insurable value", based on an appraisal dated no more than twelve (12) months prior to the Effective Date. Such appraisal must have been conducted, completed, or certified by an appraiser holding an "MAI" designation by the Appraisal Institute.

(ii) If a "replacement value" or "insurable value" is unavailable, the minimum amount of such insurance policy must be equal to fair market value of the Property, excluding the value of any land underlying the Property, as well as the foundation, excavation costs, and other uninsurable items.

(iii) The fair market value may be determined by: (1) the "as complete" value based on an appraisal dated no more than twelve (12) months prior to the Closing Date where such an appraisal was conducted, completed, or certified by an appraiser holding an "MAI" designation by the Appraisal Institute; (2) a FieldSmart Collateral Advisor report or similar valuation report; or (4) the assessed value of the Property, as determined by the County Assessor for the County of San Luis Obispo.

(l) Approval of Plans and Budgets. The plans and specifications submitted by the Property Owner to the Authority and the Capital Provider (the **"Plans"**) are a true and accurate reflection of the Improvements as constructed and have been approved as required by all governmental bodies or agencies having jurisdiction. The costs of the construction of the Improvements (the "**Budget**") submitted by the Property Owner to the Authority and the Capital Provider accurately reflects all costs of the construction of the Improvements in accordance with the Plans and Specifications.

(m) Compliance with Laws and Agreements. In constructing the Improvements, Property Owner complied with all existing laws, regulations, orders, building restrictions and requirements of, and all agreements with and commitments to, all governmental, judicial and legal authorities having jurisdiction over the Property or the Improvements and which are applicable to the Improvements, and with all recorded instruments, agreements, and covenants and restrictions affecting the Property.

(n) Permits, Licenses and Approvals. Property Owner properly obtained, complied with and kept in effect all permits, licenses and approvals which were required to be obtained from any governmental authority in order to commence and complete the Improvements.

(o) Commercial Purpose. Property Owner will use the proceeds from the disbursements of funds for the Improvements only for the purposes specified in the Recitals to this Agreement. The primary purpose of the funds disbursed pursuant to this Agreement is for a commercial and business purpose, and said funds will not be used primarily for personal, family or household purposes.

(p) Improvements. The Improvements are consistent with the purpose of the Program and the Program Reports.

(q) Incorporation of Representations and Warranties. The request by Property Owner for a disbursement shall constitute a certification by Property Owner that the representations and warranties contained herein are true and correct as of the date of such request.

(r) Insolvency Event. No Insolvency Event shall have occurred or shall be continuing with respect to the Property Owner. Property Owner is not aware of any circumstances or conditions with respect to the Property Owner, its properties, the Improvements, the Property, the Assessment or any Assessment Lien that could reasonably be expected to materially and adversely affect any of the Property Owner, its properties, the Improvements, the Property, the Assessments or the Assessment Liens. For purposes hereunder, "**Insolvency Event**" shall mean the Property Owner has (i) consented to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceeding or of relating to the Property Owner or relating to all or substantially all of such Property Owner's property, (ii) failed to pay its debts as they become due and such failure has not been cured within thirty (30) days of the event; (iii) admitted in writing its inability to pay its debts as they become due, (iv) filed a petition to take advantage of any applicable insolvency or reorganization statute, (v) made an assignment for the benefit of its creditors, (vi) had filed against it a petition for involuntary bankruptcy or some other involuntary insolvency proceeding which is not dismissed within thirty (30) days, or (vii) or voluntarily suspended payment of its obligations.

(s) Fraud. No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the Property or Improvements has taken place on the part of the

Property Owner or any other person, including, without limitation, to the best of Property Owner's knowledge, any appraiser, title company, closing or settlement agent, realtor, builder or developer or any other party involved in the Property or Improvements, that would impair in any way the rights of the Authority in the Property or Improvements or that violated applicable law.

(t) No Damage/Condemnation. The Property is undamaged by waste, vandalism, fire, hurricane, earthquake or earth movement, windstorm, flood, tornado or other casualty adversely affecting the value of a Property or the use for which the Property was intended and the Property is in substantially the same condition it was at the time the most recent appraisal was obtained. There is no proceeding pending or, to the knowledge of the Property Owner, threatened for the total or partial condemnation of the Property.

(u) Legally Occupied. With respect to the Property lawfully occupied as of the date hereof, all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities.

Section 10. Covenants Of Property Owner.

The Property Owner covenants and agrees as follows:

(a) Completion and Maintenance of the Improvements. The Property Owner shall commence construction of the Improvements and shall diligently proceed with construction in accordance with the approved Plans and Budget in a good, substantial and workmanlike manner in accordance with all applicable laws, ordinances, codes, rules and regulations. Construction of the Improvements shall be completed on or prior to the completion date set forth in the construction contract. If, in the Authority's opinion, after thirty (30) days' written notice to Property Owner, the construction is not proceeding with reasonable dispatch, the Authority may (i) request that Property Owner remove and replace the general contractor with a general contractor acceptable to the Authority, the failure of which by Property Owner shall be a default under this Agreement, (ii) utilize funds and continue construction of the Improvements and such funds shall be considered disbursements of the Financed Amount, or (iii) deny any disbursements of the Financed Amount until such time as the construction resumes proceeding with reasonable dispatch.

(b) Changes to Construction Contract. There shall be no material revision to the construction contract, Plans or Budget without the prior written approval of the Authority and the Capital Provider, whose consent shall not be unreasonably withheld. If the cost of construction of the Improvements or any portion thereof exceeds the cost therefor set forth in the approved Budget, the Property Owner shall immediately deposit with the Authority the deficiency between such budgeted cost and the actual cost.

(c) Payment of the Financing. The Property Owner shall pay punctually the Assessment Installments on each due date according to its terms and conditions of this Agreement and the provisions of the California Revenue and Taxation Code applicable to the payment of the Assessment Installments and shall pay punctually any other amounts that may become due and payable to the Authority under or pursuant to the terms of this Agreement, regardless of whether or not the Assessment Installments appear on the Property Owner's property tax bill.

(d) Payment of All Charges. The Property Owner shall pay when due all taxes, assessments, water charges, sewer charges, liens for taxes past due with respect to the Property, carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens and all other charges levied on or against the Property, and upon written request, submit to the Authority evidence of such payments.

(e) Site Visits. Property Owner grants the Authority and the Capital Provider, their agents and representatives the right to enter and visit the Property at any reasonable time, after giving reasonable notice to Property Owner, for the purposes of observing the Improvements. The Authority and the Capital Provider, their agents and representatives will make reasonable efforts during any site visit to avoid interfering with Property Owner's use of the Property. Property Owner shall also allow Authority or the Capital Provider to examine and copy records and other documents of Property Owner which relate to the Improvements. The Authority and the Capital Provider are under no duty to visit the Property, or observe any aspects of the Improvements, or examine any records, and the Authority and the Capital Provider shall not incur any obligation or liability by reason of not making any such visit or examination. Any site visit, observation or examination by the Authority or the Capital Provider shall be solely for the purposes of protecting the Capital Provider and the Authority's rights under the Agreement.

(f) Protection against Lien Claims. The Property Owner shall promptly pay and discharge all claims for labor performed and material and services furnished in connection with construction of the Improvements, and take all other steps necessary to prevent the assertion of claims or liens either against the Property or the Improvements, other than (i) the claims and lien provided herein, (ii) all liens, encumbrances and other matters expressly set forth in Exhibit E, (iii) liens, if any, for taxes imposed by any governmental authority not yet due or delinquent, and (iv) such other title and survey exceptions as WRCOG has approved or may approve in writing in the WRCOG sole discretion.

(g) Notice of Claims; Adverse Matters. Property Owner shall promptly notify the Authority and the Capital Provider in writing of any potential Insolvency Event and all pending or threatened litigation or other matters that may materially and adversely affect the Property or Property Owner's ability to meet its obligations under this Agreement or otherwise with respect to the Improvements.

(h) Damage or Destruction. Property Owner shall promptly notify the Authority and the Capital Provider if the Property is damaged or destroyed by fire, casualty, injury or any other cause (each such occurrence, a "**Casualty**"). The Authority shall have no obligation to make additional disbursements upon the occurrence of a Casualty. Upon the occurrence of such Casualty, the insurance proceeds will be applied to repayment of the total outstanding principal due and owing under this Agreement plus any applicable fees, unless the Authority agree in their commercially reasonable discretion to the application of the insurance proceeds to the restoration of the Improvements. In the event restoration of the Improvements is permitted, Property Owner shall immediately proceed with the restoration thereof in accordance with the construction contract and Plans.

(i) Notice of Default. Property Owner shall notify in writing the Authority and the PACE Program Administrator within fifteen (15) days of any Default under this Agreement, or any event which, with notice or lapse of time or both, would constitute a Default hereunder.

(j) Changes to Ownership. Property Owner shall, prior to completing construction of the Improvements, preserve and keep in full force and effect its existence and

retain title to the Property. After completion of the Improvements, Property Owner shall not transfer ownership of the Property without (a) prior written notice to the Authority , and (b) execution by the purchaser of the Property of an assignment of this Agreement in the form of Exhibit G.

Notwithstanding anything set forth above, Property Owner shall not transfer ownership of the Property to any entity upon which the collection or enforcement of special assessments are statutorily unenforceable, or which are statutorily exempt from taxation, or which are subject to sovereign immunity (e.g., the United States of America, federally recognized Native American tribes, etc.).

(a) Insurance. Property Owner shall maintain in force fire and other risk insurance and public liability insurance with respect to the Property, in commercially reasonable amounts and with the property insurance not less than the replacement value of the Property (determined at least once every 24 months). In addition to the foregoing, the Property Owner agrees to cause the Authority and its successors and assigns, to be named as "additional interests" on all casualty insurance policies that the Property Owner maintains on the Property. The Property Owner will deliver the policies or certificates of insurance in form reasonably satisfactory to the Authority, including stipulations, to the extent reasonably available in the marketplace, that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to the Authority, with such policies or certificates provided on or before the Closing Date and at least annually on or before July 1 of each year thereafter or prior to the expiration or renewal date of an applicable policy. Each insurance policy also shall include an endorsement providing that coverage in favor of the Authority will not be impaired in any way by any act, omission or default of the Property Owner or any other person (except non-payment of premium). The Property Owner will provide the Authority with a lender's loss payable endorsement in favor of the Authority, as issuer of the Improvement Bonds.

In the event the Property Owner fails to maintain the full insurance coverage required by this Contract, Capital Provider, on behalf of the Authority, may, upon the request of the owner of the Improvement Bonds (but shall be under no obligation to), purchase the required policies of insurance and pay the premiums on the same as are necessary and provide for payment thereof; and all amounts so advanced therefor on behalf of the Authority shall become additional obligations of the Property Owner hereunder, which amounts, together with interest thereon at the rate of 10% per annum, the Property Owner agrees to pay as part of the Annual Administrative Fee in accordance with applicable law or directly to the Authority as a condition to the termination of this Agreement.

(b) Condemnation. If the Improvements or the Property or any part thereof are taken temporarily or permanently by any governmental authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof (a "**Condemnation**"), or are subject to an imminent threat of Condemnation, the Authority's obligation to make further disbursements hereunder shall immediately terminate unless, in the Authority and the Capital Provider's sole judgments, the Property and the Improvements can be replaced and restored in a manner which will enable the Improvements to be functionally and economically utilized and occupied as originally intended. If the Authority and the Capital Provider so decide that the Improvements can be so restored, then the rights and obligations of the Authority and the Property Owner subsequent to a taking by Condemnation or imminent threat thereof and the disbursement of any Condemnation proceeds actually paid to the Authority and undisbursed

funds hereunder, shall be the same as described in the Section 10(j) hereof with regard to insurance proceeds.

(c) Indemnification.

(i) Without limitation of any other obligation or liability of the Property Owner or any right or remedy of the Authority contained herein, the Property Owner agrees to indemnify, defend, protect and hold harmless the Authority, the owners of the Improvement Bonds, and the Capital Provider, as well as each of the respective directors, officers, employees, agents, subsidiaries and affiliates, and the successors and assigns of the foregoing (each, a "**Indemnified Person**"), from and against all damages, losses, settlement payments, obligations, liabilities, claims, suits, penalties, fines, assessments, citations, directives, demands, judgments, actions or causes of action, whether statutorily created or under the common law, including all costs and expenses (including, without limitation, reasonable fees and disbursements of attorneys, engineers and consultants) and all other liabilities whatsoever (including, without limitation, liabilities under any applicable environmental laws, regulations or rules) which shall at any time or times be incurred, suffered, sustained or required to be paid by any such Indemnified Person (except any of the foregoing to the extent it results from the gross negligence or willful misconduct of the Indemnified Person) (collectively, the "**Indemnified Amounts**") on account of or in relation to or in any way in connection with (i) any of the arrangements or transactions contemplated by, associated with or ancillary to this Agreement, or any other documents executed or delivered in connection herewith or therewith, all as the same as may be amended from time to time, or any action taken or omitted to be taken by any Indemnified Person in connection with or under any of the foregoing, whether or not all or part of the transactions contemplated by, associated with or ancillary to this Agreement or any such other documents are ultimately consummated, (ii) any violation or alleged violation of, non-compliance with or liability under any requirements of law or regulation, (iii) ownership of, liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (iv) any taxes attributable to the execution, delivery, filing or recording of any this Agreement, or any other documents executed or delivered in connection herewith or therewith or any memorandum of any of the foregoing, (v) any lien or claim arising on or against the Property under any requirements of law or any liability asserted against any Indemnified Person with respect thereto, (vi) (1) a past, present or future violation or alleged violation of any environmental laws in connection with the Property by any person or other source, whether related or unrelated to Property Owner, (2) any presence of any hazardous, toxic or harmful substances, materials, wastes, pollutants or contaminants defined as such in or regulated under any environmental law ("**Materials of Environmental Concern**") in, on, within, above, under, near, affecting or emanating from the Property, (3) the failure to timely perform any investigation, inspection, site monitoring, containment, clean–up, removal, response, corrective action, mitigation, restoration or other remedial work of any kind or nature because of, or in connection with, the current or future presence, suspected presence, Release (defined below) or threatened Release in or about the air, soil, ground water, surface water or soil vapor at, on, about, under or within all or any portion of the Property of any Materials of Environmental Concern, including any action to comply with any applicable environmental laws or directives of any governmental authority with regard to any environmental laws, (4) any past, present or future activity by any person or other source, whether related or unrelated to Property Owner in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting the Property, (5) any past, present or future actual generation, treatment, use, storage, transportation, manufacture, refinement, handling,

production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of the Property (a "**Release**") (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting the Property by any person or other source, whether related or unrelated to Property Owner, (6) the imposition, recording or filing or the threatened imposition, recording or filing of any lien on the Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any environmental law, or (7) any misrepresentation or failure to perform any obligations pursuant this Agreement, or any other documents executed or delivered in connection herewith or therewith to environmental matters in any way, or (vii) Property Owner's conduct, activities, actions and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 10(m), that, in each case, results from any conduct, act or failure to act by the Property Owner or its affiliates or related parties or the use or intended use of the proceeds of any disbursements made pursuant to this Agreement. To the extent that the undertaking to indemnify and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Property Owner shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all liabilities set forth in the preceding sentence incurred by any Indemnified Person. In the case of an investigation, litigation or other proceeding to which the indemnification in this Section 10(m) applies, such indemnification shall be effective whether or not such investigation, litigation or proceeding is brought by Property Owner, an Indemnified Person or any other person is otherwise a party thereto and whether or not any transactions contemplated by this Agreement are entered into. In any investigation, proceeding or litigation, or the preparation therefor, the Authority shall select its own counsel and, in addition to the foregoing indemnity, the Property Owner agrees to pay promptly the reasonable fees and expenses of such counsel. In the event of the commencement of any such proceeding or litigation, the Property Owner shall be entitled to participate in such proceeding or litigation with counsel of its choice at its own expense, provided that such counsel shall be reasonably satisfactory to the Authority. This section shall survive the execution, delivery, performance and repayment of this Agreement, and the extinguishment of any Assessment Lien.

(ii) If for any reason the indemnification provided in this Section 10(m) is unavailable to any Indemnified Person or is insufficient to hold an Indemnified Person harmless, even though such Indemnified Person is entitled to indemnification under the express terms thereof, the Property Owner shall contribute to the amount paid or payable by such person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such person on the one hand and Property Owner on the other hand, the relative fault of such person, and any other relevant equitable considerations.

(iii) An Indemnified Person may at any time send Property Owner a notice showing in reasonable detail the basis for and calculation of Indemnified Amounts, and Property Owner shall pay such Indemnified Amounts to such Indemnified Person within fifteen (15) days after Property Owner receives such notice. The obligations of Property Owner under this Section 10(m) shall apply to assignees and survive the termination of this Agreement.

(iv) Neither the Authority nor the Capital Provider assumes any obligation of the Property Owner concerning the contractor retained by the Property Owner to construct the Improvements, the quality of construction of the Improvements or the absence therefrom of defects. The authorization by the Authority of a disbursement shall not constitute the Authority's approval or acceptance of the construction theretofore completed. The Authority's inspection and approval of the Budget, the construction work, the Improvements comprising the Improvements, or the workmanship and materials used therein, shall impose no liability of any

kind on the Authority, the sole obligation of the Authority as the result of such inspection and approval being to authorize the disbursements if, and to the extent, required by this Agreement. Any disbursement authorized by the Authority without the Authority having received each of the items to which it is entitled under this Agreement shall not constitute breach or modification of this Agreement, nor shall any written amendment to this Agreement be required as a result thereof.

(d) Financial Statements. No later than 120 days after the end of each fiscal year of the Property Owner, the Property Owner shall provide copies of its annual financial statements to the PACE Program Administrator.

Section 11. Waivers, Acknowledgment and Agreement. Because this Agreement reflects the Property Owner's free and willing consent to pay the Assessments 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 any Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge such 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 Owner will be responsible for payment of each Assessment regardless of whether the Improvements are properly installed, operated, maintained or perform 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, the City and the Capital Provider have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing, maintenance or performance of the Improvements. Based upon the foregoing, the Property Owner hereby waives the right to recover from and fully and irrevocably releases the Authority, the City, the Capital Provider and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority. the City and the Capital Provider 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, the Capital Provider and any and all agents, employees, attorneys, representatives and successors and assigns of the Authority, the City or the Capital Provider.

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 THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

By initialing below, the Property Owner agrees to waive the provisions of Section 1542 in connection with the matters that are the subject of the foregoing waivers and releases.

Property Owner's Initials: _____ _____ _____

The waivers, releases and agreements set forth in this Section 11 shall survive termination of this Agreement.

Section 12. Carbon Credits. The Property Owner hereby agrees that any carbon credits attributable to the Improvements shall be owned by the Authority.

Section 13. Application. The Property Owner hereby represents and warrants to the Authority that the information set forth in all information submitted to the Authority and/or the Capital Provider in connection with its request for financing is true and correct as of the date hereof, and that the representations set forth in such information with respect to the Property and the Property Owner are true and correct as of the date hereof as if made on the date hereof.

Section 14. Events of Default and Remedies

(a) Remedies with respect to the nonpayment of the Assessment or other amounts payable by Property Owner hereunder are governed by the provisions of Section 4 hereof and state law.

(b) The occurrence of any of the following events shall constitute a "**Default**" hereunder:

(i) Any of Property Owner's representations, disclosures or warranties made to the Authority or the Capital Provider shall have been false or misleading in any material respect as of the date when made, or the failure or delay by Property Owner to perform any of its obligations under the terms or provisions of this Agreement, other than with respect to the payment of the Assessment, the Annual Assessment Administrative Fees, or other amount payable by Property Owner.

(ii) An Insolvency Event occurred with respect to the Property Owner or the Property Owner becomes insolvent or unable to pay its debts as they mature and such has not been cured within thirty (30) days of the event;

(iii) There occurs any event which in the Authority's sole discretion materially and adversely affects: (x) the ability of the Property Owner to perform any of its obligations hereunder; (y) the business or financial condition of the Property Owner; or (z) the timely repayment of the Assessment authorized by this Agreement, which Property Owner has not been cured (i) within thirty (30) days of receiving notice from the Authority of such breach or (ii) if such breach cannot reasonably be cured within such 30-day period, the Property Owner fails

either to commence to cure during such 30-day period or to proceed to commence such cure as soon thereafter as reasonably practicable;

(iv) Any encumbrance on any portion of the Property is hereinafter created, other than current liens for real estate property taxes or special assessments, which encumbrance purports to have priority over the Assessment Lien;

(v) The existence of any liens for taxes past due with respect to the Property, or carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens which have not been dismissed, escrowed (subject to the Authority's sole approval) or bonded for thirty (30) days after the filing or recording thereof;

(vi) Any material deviation in the Improvements from the Plans without the prior written consent of the Authority , or the appearance of defective workmanship or materials, the Authority's sole discretion, which has not been cured for a period exceeding thirty (30) days after notice thereof; and

(vii) Any general contractor or any other contractor defaults under any construction contract, in a manner which the Authority deems to be material, and unless otherwise agreed in writing by the Authority, the obligor fails to exercise its rights and remedies under the construction contract, as applicable with respect to such default and such failure to exercise its rights has not been cured within thirty (30) days of when such right first arose.

(c) Upon the occurrence of a Default, the Authority may in addition to any other remedies which it may have, at its option and without prior demand or notice, take any of the following actions:

(i) The Authority may, in addition to any other remedies which it may have, at its option and without prior demand or notice, immediately cause the cancellation of any pending disbursement (and the Authority shall have no obligation to make further disbursements) and from time to time apply all or any part of any undisbursed funds to payment of amounts owing on the Assessment and/or to any other obligations of the Property Owner hereunder. The Authority has authorized the Capital Provider at its option and without prior demand or notice, to enter the Property and complete construction of the Improvements in accordance with the Plans and the construction contract with such changes therein as the Capital Provider may from time to time and in its judgment deem appropriate, all at the risk and expense of the Property Owner.

(ii) The Authority may initiate judicial foreclosure proceedings against a parcel of the Property upon determination by the Authority that such parcel of the Property is delinquent in the payment of one or more Assessment Installments for the Assessment levied against such parcel of the Property.

(iii) Exercise any other rights and remedies available to it hereunder or at law or in equity

(iv) Except as otherwise expressly provided in this Agreement, no remedy provided for by this Agreement shall be exclusive of any other remedy, each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of a Default.

(v) Property Owner agrees to pay all costs of collection when actually incurred, by the Authority, including but not limited to reasonable attorneys' fees and all related costs. If any suit or action is instituted to enforce this Agreement, Property Owner promises to pay, in addition to the costs and disbursements otherwise allowed by law, such sum as the court may adjudge reasonable attorneys' fees and costs in such suit or action to the Authority as the prevailing party

Section 15. Amendment. This Agreement may be modified only by the written agreement of the Authority and the Property Owner, and a copy of such amendment shall promptly be provided to any owner(s) of the Improvement Bonds. A modification of this Agreement shall be approved in writing by the owner(s) of any Improvement Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Improvement Bonds.

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

(a) The Authority has the right to assign any or all or any of its rights and obligations under this Agreement without the consent of the Property Owner. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner will be competent to impair in any way the Authority's rights, including, but not limited to, the right to pursue judicial foreclosure of the Assessment Lien or the right to enforce the collection of the Assessment or any installment thereof against the Property. Any assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Authority hereunder to the extent that such rights and obligations have been assigned by the Authority pursuant to the assignment documentation between the Authority and the assignee. The Authority may furnish any information concerning the Property Owner in its possession from time to time to prospective assignees.

In no event shall Property Owner assign or transfer any portion of this Agreement or Property Owner's obligations under this Agreement without the prior express written consent of the Authority, which consent may be granted or withheld in the sole and absolute discretion of the Authority. Notwithstanding the foregoing, a sale, transfer, or rental of the Property or any parcel thereof is not an assignment or transfer of this Agreement and upon written notice to the Authority, Property Owner may sell or transfer the Property and in connection therewith may assign and delegate to the transferee all obligations of Property Owner arising under this Agreement after the effective date of such sale or transfer. Under no circumstances may any assignment or transfer permitted under this Agreement result in the demise or termination of any leasehold estate upon which an Assessment has been levied.

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

Section 18. Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

Section 19. Notices. Notices and demands shall be given in writing by first class mail, postage prepaid, by personal delivery (by recognized courier service or otherwise), or via electronic mail. Notices shall be considered received upon the earlier of (a) receipt of electronic mail or personal delivery or (b) five (5) business days following deposit in the United States mail, postage prepaid. Notices shall be addressed as provided below and incorporated herein by this reference for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice. Notwithstanding anything set forth above, after disbursement of the funds in the Program Account (as defined in the indenture creating the Improvement Bond(s)) to the Property Owner, all notices regarding the assessment shall be sent only as provided by state law.

If to Authority:	Western Riverside Council of Governments 3390 University Avenue, Suite 200 Riverside, CA 92501 Attention: Executive Director
If to Property Owner:	[NAME] [Address] Attn: [Name, title]
If to Capital Provider:	[NAME] [Address] Attn: [Name, title]

Section 20. Corrective Instruments. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 21. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Riverside, State of California; provided, however, actions to foreclose delinquent installments of the Assessment will be instituted in the superior court of the County or as otherwise provided by law.

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

Section 23. Electronic Signatures.

(a) The parties hereto acknowledge and agree that this Agreement may be executed by one or more electronic means (hereinafter referred to as "Electronic Signatures"). Each party hereto agrees that Electronic Signatures provided by such party shall constitute effective execution and delivery of this Agreement by such party to all other parties to or relying on this Agreement. Each party hereto agrees that Electronic Signatures shall constitute complete and satisfactory evidence of the intent of such party to be bound by those signatures and by the terms and conditions of this Agreement as signed. Each party agrees that Electronic Signatures shall be deemed to be original signatures for all purposes.

(b) Each party hereto agrees to accept Electronic Signatures provided by any and all other parties to this Agreement as (i) full and sufficient intent by such parties to be bound hereunder, (ii) effective execution and delivery of this Agreement and (iii) constituting this Agreement an original for all purposes, without the necessity for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.

(c) If Electronic Signatures are used to execute this Agreement, each party hereto hereby accepts the terms of, and intends and does sign, this Agreement by its Electronic Signature hereto.

Section 24. No Waiver; Amendments. No waiver of any default or breach by Property Owner hereunder shall be implied from any failure by the Capital Provider or the Authority to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by Property Owner and the Authority. The Authority and the Property Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonable be required in order to carry out the expressed intention of this Agreement

Section 25. Waiver of Jury Trial and Class Action. TO THE EXTENT ENFORCEABLE BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH PARTY WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

[Signature page follows]

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: _____

[PROPERTY OWNER].

BY: [ENTITY/INDIVIDUAL]

By: _____

Name:

Title:

By: _____

Name: _____

Title: _____

ACKNOWLEDGE AND AGREED:

[CAPITAL PROVIDER]

BY: [ENTITY/INDIVIDUAL]

BY: _____

Name: _____

Title: _____

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.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____,
Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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:_____ (seal)

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.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____,
Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) 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:_____ (seal)

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

.

EXHIBIT B

IMPROVEMENTS

IMPROVEMENT	AMOUNT

EXHIBIT C

ASSESSMENT SCHEDULE**

[APN No.]

Tax Year	Principal	Interest	Total Principal & Interest	Admin Fee**	Total Assessment***
	$	$	$	$	$
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					
2037-2038					
2038-2039					
2039-2040					
2040-2041					
2041-2042					
2042-2043					
2043-2044					
2044-2045					
2045-2046					
2046-2047					
2047-2048					
2048-2049					
2049-2050					
2050-2051					

**Subject to modification pursuant to Section 3(f) of the Agreement.

***Semi-annual assessments due by 12/10 and 4/10 of the tax year.

EXHIBIT D

FORM OF PROPERTY OWNER'S CERTIFICATE AND REQUEST FOR DISBURSEMENT

PROPERTY OWNER'S CERTIFICATE AND REQUEST FOR DISBURSEMENT

Date:

RE: Agreement to Pay Assessment and Finance Improvements dated _____, 20___ ("Agreement")

Project: _____

This Property Owner's Certificate and Request for Disbursement is submitted by the Property Owner to Western Riverside Council of Governments ("WRCOG") in connection with the Assessment advance made pursuant to the Agreement. Capitalized terms used herein and not otherwise defined shall have their respective meanings set forth in the Agreement. The Property Owner hereby requests WRCOG to make a principal disbursement under the Assessment (a "Disbursement") in the amount of $_____which is to be funded as follows:

____ Issue a check to the Property Owner for reimbursement of proper costs

____ Issue a check to the Contractor at:
Full Legal Name: _____
Address: _____

____ Wire Transfer to the Property Owner or Contractor (circle one) at:
ABA
Bank Name
Bank Address
Account Name
Account Number
Reference:

The Property Owner hereby certifies, warrants and represents to WRCOG that:

1. The proceeds of this Disbursement will be used for the purposes detailed in Schedule 1 attached hereto, which shall have attached to it (A) copies of invoices and other evidence of the items to be paid or reimbursed and (B) if required by WRCOG, certifications from the Architect in form satisfactory to WRCOG in its sole discretion.

2. The improvements will be completed as specified in the Agreement. All proceeds of all prior Disbursements have been expended solely for the purposes for which they were requisitioned, and no proceeds of the current or any prior Disbursement have been or will be returned to the Property Owner as a rebate, refund or otherwise. Each future Disbursement shall be at WRCOG's sole discretion and made in accordance with the Agreement

3. The Property Owner has paid all obligations incurred in connection with all work and materials supplied for the Approved Project through the date of the last requisition.

4. The Property Owner has not authorized, nor does the Property Owner contemplate, any change-orders or other modifications to any contracts entered into in connection with the Approved Project's development costs that have not been authorized in writing by WRCOG.

5. The cost to complete the Approved Project (including financing and other soft costs) is reasonably projected to be $_____, and the amount of the undisbursed portion of the Assessment is therefore sufficient to complete the Approved Project.

6. If the Approved Project is complete, the completion date of the Approved Project was _____. If the Approved Project is not yet completed, the projected completion date remains _____, which is within one year of the effective date of the Agreement.

7. Each condition precedent to the making of this Disbursement under the Agreement has been satisfied.

8. The Property Owner has no knowledge or notice of any mechanics' notices of intention, contracts, stop work notices, liens or claims for liens having been filed or threatened to be filed against the Project. The Property Owner has furnished to WRCOG partial waivers and releases of liens (for labor, services or materials which have been performed and paid for or such lien waiver will be subject to payment) from the Contractor and all other contractors, subcontractors and suppliers performing labor, services or materials in connection with the Approved Project, substantially in the form attached hereto as Schedule 2.

9. All required licenses, approvals and permits covering or required for the development of the Project have been issued and are in force, and there are no actions pending or threatened to revoke, rescind, alter or declare invalid any such licenses, approvals or permits or any laws, ordinances, regulations, permits, variances, certificates or agreements for or relating to the Approved Project.

10. No event of default under the terms of the Agreement has occurred.

11. The Property Owner is not a party to any lawsuit and the Property Owner has no knowledge of any actions, suits or proceedings pending or threatened, against or affecting the Property Owner which could materially adversely affect the Property Owner, any of its properties, its financial condition or which will hinder, delay, prevent or interfere with the construction of the Approved Project.

12. There have been no material adverse changes in the financial condition of the Property Owner since the date of the Agreement that have not been previously disclosed in writing to WRCOG..

13. A Builder's Risk (or hazard) or Inland Marine insurance policy issued by _____ Policy Number _____ is presently in effect and is equal to or greater than the total cost of the Project.

Property Owner: _____

_____

By: _____
Name:
Title:

SCHEDULE 1 TO EXHIBIT D

PURPOSE OF DISBURSEMENT

Equipment/Service	Amount	Description
1.		For equipment*, circle one: _____ $_____ (Installed/Stored/Contractor Custody) Additional Information:_____ _____
2.		For equipment*, circle one: _____ $_____ (Installed/Stored/Contractor Custody) Additional Information:_____ _____
3.		For equipment*, circle one: _____ $_____ (Installed/Stored/Contractor Custody) Additional Information:_____ _____
Total Amount:	$_____	

*For any equipment expenses answer the following question(s) by circling the appropriate answer in the 'Description' column:

Is the equipment installed on the Property? (Y/N)
If No, is the equipment stored on the Property or in a bonded warehouse? (Y/N) If No, is the equipment in the custody of the Contractor? (Y/N)
When is the equipment expected to be delivered and/or installed on the Property?

SCHEDULE 2 TO EXHIBIT D

FORM OF PARTIAL LIEN WAIVER AND RELEASE

Contractor: _____(the "Contractor")

Property Address: _____ (the "Property")

1. Contractor is the contractor pursuant to an agreement dated _____, (the "Contract") entered into by and between Contractor and _____ (the "Owner") in connection with the renovation or retrofit of the Property to reduce energy consumption or to install renewable energy systems at the Property (the "Project").

2. This Partial Lien Waiver and Release is delivered in consideration of a progress payment of $_____ ("Payment") under the Contract for labor performed and/or materials supplied by the Contractor through _____, (the "Waiver Date").

3. The Contractor and the individual signing on behalf of the Contractor warrant and represent that: (i) all taxes applicable to the materials furnished and the work performed under the Contract have been fully paid and (ii) all laborers, mechanics, subcontractors of any tier, materialmen and suppliers for all work done and for all materials, machinery, equipment, fixtures, tools, scaffolding and appliances furnished for the performance of the Contract and for any other indebtedness connected therewith have been paid in full to the date hereof. The undersigned acknowledges and agrees that Western Riverside Council of Governments (WRCOG), the [Capital Provider],, the Owner, lessees, lessors, mortgage holders, lenders, and any other persons or entities claiming an interest in connection with the Project or the Property, and any person or entity associated with the foregoing, may rely on the statements, agreements, and representations made by the undersigned herein.

4. The Contractor, for itself, its successors, and on behalf of all persons able to claim through or under the Contractor hereby:

(a) waives, relinquishes and releases Owner, its sureties, if any, and the Property from all mechanic's liens, claims of mechanic's lien, and claims against labor and material payment bonds that Contractor has for the labor and materials furnished to the Project or Property through the Waiver Date;

(b) releases Owner, and the Property of and from all, and all manner of action and actions, cause and causes of actions, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in laws, in admiralty, or in equity from the beginning of the world to the Waiver Date; and

(c) agrees to save harmless WRCOG, the Capital Provider and Owner from all liability, costs and expenses, including reasonable attorney's fees to discharge (by bond or otherwise) any such mechanic's lien or claim of mechanic's lien, to defend suit to enforce or foreclose upon any such mechanic's lien, claim of mechanic's lien, or bond substituted for such mechanic's lien, and to defend suit to enforce any such labor and material payment bond.

5. This Partial Release and Lien Waiver is intended to be enforceable to the fullest extent permitted by law and shall be governed under the laws of the state in which the Property is located. Should any term or provision herein be determined to be unenforceable or otherwise rendered null or void as a matter of law, the terms and provisions hereof shall be deemed modified only to the most limited extent necessary to render this Partial Release and Lien Waiver enforceable to the fullest extent permitted by law.

6. The undersigned is an authorized representative and signatory of the Contractor.

Dated: _____

Contractor:

_____

By: _____
Name:
Title:

EXHIBIT E

PERMITTED ENCUMBRANCES

EXHIBIT F

SCHEDULE OF PREPAYMENT PREMIUMS

The Assessment may not be prepaid, in whole or in part, without payment of a Prepayment Premium based on the following schedule: [Update terms]

Pre-payment within three years of the Effective Date	4.00%
Pre-payment after three years of the Effective Date but within six years of the Effective Date	3.00%
Pre-payment after six years of the Effective Date but within eight years of the Effective Date	2.00%
Pre-payment after eight years of the Effective Date but within ten years of the Effective Date	1.00%
Pre-payment after ten years of the Effective Date	0.00%

EXHIBIT G

FORM OF ASSIGNMENT AND ASSUMPTION OF AGREEMENT TO PAY ASSESSMENT AND FINANCE IMPROVEMENTS

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Assignment**"), is made and entered into as of the ____ day of _____, 20[ ], by and between **[Original Borrower]** ("**Assignor**"), and **[New Borrower]** ("**Assignee**").

W I T N E S E T H:

WHEREAS, pursuant to that certain Agreement to Pay Assessment and Finance Improvements (the "**Financing Agreement**") dated as of [DATE] by and between Assignor and the Western Riverside Council of Governments ("**WRCOG**") and in accordance with Chapter 29 of Division 7 of the Streets & Highways Code ("**Chapter 29**") and the Program (as such term is defined in the Financing Agreement) the Assignor has [Project Description], or is in the process of [Project Description], the property located at [Address] (the "**Property**"), with financing for the Project provided by [Capital Provider] on behalf of WRCOG in the original principal amount of up to $ [Amount] (the "**Project Advance**"), which is secured by a special charge levied against the Property (the "**Assessment**"); and

WHEREAS, the Assignor is obligated to pay the Assessment in accordance with the Financing Agreement; and

WHEREAS, Assignor is selling, and Assignee, is purchasing the Property including the Project and Assignee acknowledges receiving a material benefit from the transaction contemplated by this Assignment; and

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, and intending to be legally bound hereby, Assignor and Assignee hereby agree as follows.

Section 1. Assignment. Effective as of _____, 20[ ] (the "**Effective Date**"), Assignor hereby assigns, sells, transfers and sets over to and for the exclusive benefit of Assignee, all of the right, title and interest of Assignor, in and to, in the Financing Agreement, the Assessment, and all other documents evidencing or securing the Assessment together with the obligations of Assignor thereunder. In furtherance of the foregoing, Assignor and Assignee agree, represent and warrant that **Exhibit A** attached hereto and made a part hereof contains a true, correct and complete copy of the Financing Agreement.

Section 2. Assumption. From and after the Effective Date, Assignee hereby assumes and accepts all of Assignor's right, title and interest in and to the Financing Agreement, the Assessment, and all other documents evidencing or securing the Assessment. Assignee agrees to pay, perform and discharge, and otherwise be and remain responsible for, at its sole cost and expense, all obligations and liabilities of Assignor pursuant to the Financing Agreement, the Assessment, and all other documents evidencing or securing the Assessment and to comply with all the terms, covenants and conditions thereof, as Property Owner (as such term is defined in the Financing Agreement) thereunder, first arising and accruing on or after the Effective Date. Nothing in this Assignment shall be construed, nor do the parties intend, to modify any of the terms, obligations or definitions in the Financing Agreement. In the event of any conflict between

the terms of this Assignment and the Financing Agreement, the Financing Agreement shall prevail.

Section 3. Acknowledgement of Indebtedness. Assignee hereby acknowledges the validity of the indebtedness evidenced by the Financing Agreement, the Assessment and all other documents evidencing or securing the Assessment including the obligation to make all installment payments pursuant to the Assessment and the Financing Agreement, including any payment of any delinquent assessments and interest and penalties thereon. Assignor and Assignee hereby acknowledge and agree that the amounts owed under the Financing Agreement and the Assessment as of the Effective Date are as follows:

Unpaid Principal: $_____

Accrued Interest: $_____

Section 4. Binding Effect; Governing Law. All obligations, covenants and undertakings contained in this Assignment shall bind and be enforceable against, and shall inure to the benefit of, Assignor and Assignee, and their respective successors, legal representatives and assigns. This Assignment shall be governed by the laws of the State of California, and shall be construed in accordance with such laws.

Section 5. Notices. Every notice or other communication required or contemplated by this Assignment to Assignor or Assignee shall be in writing and sent by: (i) certified or registered mail, postage prepaid, return receipt requested, or (ii) nationally recognized overnight courier, such as Federal Express or UPS, in each case addressed to the intended recipient at the address set forth below or at such other address as the intended recipient previously designated by written notice to the other party, as follows:

If to Assignor: _____
_____

_____
Attention:_____

If to Assignee: _____
_____

_____
Attention:_____

Section 6. Representations. Assignor and Assignee each hereby represents to the other, to WRCOG and to [Capital Provider] that it has the power and authority to execute and deliver this Assignment and perform its obligations hereunder and that the undersigned has the power and authority to bind said party to the terms hereof.

Section 7. Headings. Section captions contained herein are inserted as a matter of convenience and for reference only, and in no way define, limit, extend or describe the scope of this Assignment or any provision hereof.

Section 8. Severability. In the event that any covenant, condition or other provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the

same shall be deemed severable from the remainder of this Assignment and shall in no way affect, impair or invalidate any other covenant, condition or other provision herein contained. If such condition, covenant or other provision shall be deemed invalid due to its scope or breadth, such covenant, condition or other provision shall be deemed valid to the extent of the scope or breadth permitted by applicable law.

Section 9. Waivers; Modifications. No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision hereof shall not be deemed to be a waiver of any other breach of the same or any other provision hereof. This Assignment may be amended or modified only by a written agreement executed by the parties in interest at the time of the amendment or modification.

Section 10. Dispute Resolution. In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and costs, both at the trial and appellate levels.

Section 11. Counterparts. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall be deemed to constitute one and the same agreement.

Section 12. No Waiver. Assignee hereby acknowledges and confirms that nothing contained in this Assignment shall be construed to modify, waive, impair or affect any of the covenants, agreements, terms, provisions or conditions contained in the Financing Agreement and all other documents evidencing or securing the Assessment (except as may be herein expressly provided), or to waive any obligation contained therein.

Section 13. Entire Agreement. This Assignment contains all of the agreements of the parties hereto with respect to the matters contained herein, and no prior agreement, arrangement or understanding pertaining to any such matters shall be effective for any purpose.

[Remainder of Page Left Blank. Signature Page to Follow]

IN WITNESS WHEREOF, Assignor and Assignee have hereunto caused this Assignment to be duly executed as of the date first set forth above.

ASSIGNOR:

[_____]

WITNESSES:

_____
Name

By:_____
Name:
Title:
Duly Authorized

_____
Name

Date:_____

ASSIGNEE:

[_____]

_____
Name

By:_____
Name:
Title:
Duly Authorized

_____
Name

Date:_____

EXHIBIT H

FORM OF COMPLETION CERTIFICATES

Property Owner's Completion Certificate

_____ (the "Property Owner") hereby certifies that the Project, as such term is defined in the Agreement to Pay Assessment and Finance Improvements entered into by and between the Property Owner and the Authority dated _____, 2020 (the "Agreement") has been completed at _____ (the "Property") in strict compliance with the requirements of the Agreement and the Construction Contract entered into by and between the Property Owner and _____ (the "Contractor") dated _____ (the "Construction Contract").

Note: Capitalized terms used but not defined in this Completion Certificate have the meaning assigned to them in the Agreement to which this Exhibit H is attached and of which it forms a part.

I HEREBY CERTIFY:

7. I am an authorized representative and signatory of the Property Owner.

8. The Contractor has completed the work in accordance with the terms of the Construction Contract that I have entered into and executed. I have no service requests and no unresolved complaints regarding the work performed.

9. The Project was completed in all material respects, in accordance with the Plans, Permits and Budget approved by _____ (the "Capital Provider").

10. I have complied with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Property and construction of the Project.

11. I hold fee ownership in the Property on which the Project was completed.

12. The Contractor has not offered me any payment, refund, or any commission in return for completing the Project.

13. All funds provided to the Property Owner by the Capital Provider for this Project have been used in accordance with the Agreement and all sources and uses of funds as set forth and described in the Appendix of this Exhibit are correct.

NOTICE: DO NOT SIGN THIS COMPLETION CERTIFICATE UNLESS YOU AGREE TO EACH OF THE ABOVE STATEMENTS.

PROPERTY OWNER:

By: _____

Title: _____

Contractor's Completion Certificate

_____ (the "Contractor") is the contractor pursuant to an agreement dated _____ (the "Construction Contract") entered into by and between Contractor and _____ (the "Property Owner") in connection with the renovation, retrofit, or construction of _____ (the "Property") to reduce energy consumption or to install renewable energy systems at the Property (the "Project"). Contractor hereby certifies that the Project has been completed at the Property in strict compliance with the requirements of the Construction Contract.

I HEREBY CERTIFY:

14. I am an authorized representative and signatory of the Contractor.

15. I have completed the work in accordance with the terms of the Construction Contract that I have entered into and executed. I have not received any service requests or unresolved complaints regarding the work performed.

16. The Project was completed in all material respects, in accordance with the plans, permits and budget approved by CleanFund Commercial PACE Capital, Inc..

17. I have complied with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Property and construction of the Project.

18. I have not offered the Property Owner any payment, refund, or any commission in return for completing the Project.

NOTICE: DO NOT SIGN THIS COMPLETION CERTIFICATE UNLESS YOU AGREE TO EACH OF THE ABOVE STATEMENTS.

CONTRACTOR:

By: _____

Title: _____

Attachment

Redline WRCOG Energy and Efficiency Program Administrative Guidelines Program Report

ENERGY EFFICIENCY
AND
WATER CONSERVATION PROGRAM
FOR
WESTERN RIVERSIDE COUNTY



ADMINISTRATIVE GUIDELINES
AND
PROGRAM REPORT

ADOPTED: JUNE 7, 2010 – AMENDED JANUARY 12, 2011 – AMENDED JUNE 6, 2011
AMENDED JULY 29, 2011 – AMENDED: SEPTEMBER 12, 2011 – REVISED OCTOBER 7, 2011
REVISED OCTOBER 11, 2011 – REVISED JUNE 3, 2013 – REVISED FEBRUARY 3, 2014
AMENDED JUNE 9, 2014 – AMENDED AUGUST 4, 2014 – AMENDED OCTOBER 6, 2014 –
REVISED NOVEMBER 4, 2014— AMENDED DECEMBER 1, 2014 – REVISED APRIL 4, 2016
REVISED – JUNE 6, 2016 – AMENDED SEPTEMBER 12, 2016 – REVISED MARCH 6, 2017 –
AMENDED MARCH 7, 2017 – REVISED APRIL 3, 2017 – AMENDED APRIL 4, 2017 – REVISED
JULY 11, 2017– REVISED OCTOBER 2, 2017 – REVISED APRIL 2, 2018 – JUNE 4, 2018 –
REVISED AUGUST 6, 2018- REVISED ARPIL 1, 2019 – REVISED JUNE 3, 2019
REVISED AUGUST 1, 2019 – AMENDED FEBRUARY 5, 2024

Prepared By:
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Phone: (951) 405- 6700
Fax: (951) 223- 9720

PROGRAM REQUIREMENTS FOR PARTICIPATION IN WRCOG'S DIRECT CAPITAL PROVIDER COMMERCIAL FINANCING FOR COMMERCIAL PROPERTIES

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

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

Capital Providers providing commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, water conservation, fire hardening and seismic strengthening improvements, using financing provided by qualifying Capital Providers 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. New construction of eligible properties are subject to additional underwriting and technical requirements. Certain eligibility criteria must be satisfied, and financing may be approved only if all of the following criteria are met:

- No program administration agreement with WRCOG
- WRCOG would be the issuer of bonds
- Minimum of $10M in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent
- Minimum transaction size of $2M
- Ability to manage delinquency of assessments
- Capital Provider agrees that the finance team must include WRCOG selected assessment administrator and bond counsel, and fiscal agent / trustee to be determined upon mutual agreement between Capital Provider and WRCOG selected bond counsel
- Minimum 2 years of C-PACE and 10 years of commercial banking experience
- Federally regulated bank or financial institution
- All projects must, at a minimum, meet the following requirements, unless expressly waived by authorized personnel of WRCOG:
    - Applicant must be the property owner of record
    - Property Owner must be current on the payment of special taxes and not have had any major delinquencies for the past three years
    - No bankruptcy of property owner or affiliated companies for seven years
    - No liens except mortgage debt for which lender consent has been obtained, except liens of community facilities district and assessments district
    - Must finance or refinance products improvements authorized under program report
    - Total effective tax rate not to exceed 5%
    - Value to Lien requirement 95% (includes PACE plus existing debt)
    - Energy savings report (if applicable)

Refinancing:

- Authorized to refinance existing debt or cash financed-eligible improvements
- Improvements installed three years prior to date of application of PACE refinancing
- Useful life of improvements is equal to or greater than the term of the PACE refinancing
- Compliance with parameters established for commercial program in Program Report

Attachment

Redline California HERO Program Report



PROGRAM REPORT

CITIES/TOWNS OF ALAMEDA, ALBANY, ALHAMBRA, ALISO VIEJO, AMADOR, AMERICAN CANYON, ANAHEIM,
ANTIOCH, ARCADIA, ARCATA, ARVIN, ATHERTON, ATWATER, AVALON (COMMERCIAL ONLY), AVENAL, AZUSA BAKERSFIELD, BALDWIN PARK, BEAUMONT, BELL GARDENS (COMMERCIAL ONLY), BELLFLOWER, BELMONT, BELVEDERE, BENICIA, BERKLEY, BISHOP, BLUE LAKE, BLYTHE, BRADBURY, BRAWLEY, BREA, BRENTWOOD, BRISBANE, BUENA PARK, BURLINGAME, CALABASAS (COMMERCIAL ONLY), CALEXICO, CALIFORNIA CITY, CALIPATRIA, CALISTOGA, CAMARILLO, CAMPBELL, CAPITOLA, CARLSBAD, CARMEL, CARSON, CATHEDRAL CITY, CERES, CHICO, CHOWCHILLA, CHULA VISTA, CITRUS HEIGHTS, CLAREMONT, CLAYTON, CLOVERDALE, CLOVIS, COACHELLA, COALINGA, COLMA, COMMERCE, CONCORD, CORCORAN, CORNING, CORONADO, COSTA MESA, COTATI, COVINA, CRESCENT CITY, CUPERTINO, CYPRESS, DALY CITY, DANVILLE, DAVIS, DEL MAR, DEL REY OAKS, DELANO, DESERT HOT SPRINGS, DIAMOND BAR, DINUBA, DIXON, DORRIS, DOS PALOS, DUBLIN, DUNSMUIR, EL CAJON, EL CENTRO, EL CERRITO, EL MONTE, EL SEGUNDO, ELK GROVE, ENCINITAS, ESCONDIDO, ETNA, EUREKA, EXETER, FAIRFAX, FAIRFIELD, FARMERSVILLE, FERNDALE, FILLMORE, FIREBAUGH, FORT BRAGG, FORTUNA, FOSTER, FOUNTAIN VALLEY, FOWLER, FREMONT, FRESNO, GALT, GARDEN GROVE, GARDENA, GILROY, GLENDORA, GONZALES, GRASS VALLEY, GREENFIELD, GROVER BEACH, GUSTINE, HALF MOON BAY, HANFORD, HAWTHORNE, HAYWARD, HEALDSBURG, HERMOSA BEACH, HILLSBOROUGH, HOLTVILLE, HUGHSON, HUNTINGTON BEACH, HURON, IMPERIAL BEACH, IMPERIAL, INDIAN WELLS, INDIO, INDUSTRY, INGLEWOOD, IONE, IRWINDALE, ISLETON, JACKSON, KERMAN, KING CITY, KINGSBURG, LA CANADA FLINTRIDGE, LA HABRA, LA MESA, LA PALMA, LA QUINTA, LA VERNE, LAFAYETTE, LAGUNA BEACH, LAGUNA HILLS, LAKE FOREST, LANCASTER, LARKSPUR, LATHROP, LAWNDALE, LEMON GROVE, LEMOORE, LINDSAY, LIVE OAK, LIVINGSTON, LODI, LOMITA, LOMPOC, LONG BEACH (COMMERCIAL ONLY), LOS BANOS, LOYALTON, MADERA, MALIBU, MAMMOTH LAKES, MANTECA, MARTINEZ, MARYSVILLE, MCFARLAND, MENDOTA, MENLO PARK, MERCED, MILL VALLEY, MILLBRAE, MILPITAS, MISSION VIEJO, MODESTO, MONROVIA, MONTEBELLO, MONTEREY PARK, MONTEREY, MOORPARK, MORAGA, MORGAN HILL, MORRO BAY, MOUNT SHASTA, MOUNTAIN VIEW, NAPA, NATIONAL CITY, NEVADA CITY, NEWARK, NEWMAN, NEWPORT BEACH, NOVATO, OAKDALE, OAKLAND, OAKLEY, OCEANSIDE, OJAI, ORANGE COVE, ORLAND, OROVILLE, OXNARD, PACIFIC GROVE, PACIFICA, PALM DESERT, PALM SPRINGS, PALMDALE, PARADISE, PARLIER, PASO ROBLES, PATTERSON, PETALUMA, PIEDMONT, PINOLE, PITTSBURG, PLACENTIA, PLACERVILLE, PLEASANT HILL, PLEASANTON, PLYMOUTH, POINT ARENA, POMONA, PORT HUENEME, PORTERVILLE, PORTOLA VALLEY, POWAY, RANCHO CORDOVA, RANCHO MIRAGE, RANCHO PALOS VERDES, RANCHO SANTA MARGARITA, REDDING, REDONDO BEACH, REDWOOD CITY, REEDLEY, RICHMOND, RIDGECREST, RIO VISTA, RIPON, RIVERBANK, ROHNERT PARK, ROLLING HILLS ESTATES, ROLLING HILLS, ROSEMEAD, SACRAMENTO, SALINAS, SAN ANSELMO, SAN BRUNO, SAN BUENAVENTURA, SAN CARLOS, SAN CLEMENTE, SAN DIEGO, SAN DIMAS, SAN

FERNANDO, SAN GABRIEL, SAN JOAQUIN, SAN JOSE, SAN JUAN BAUTISTA, SAN LEANDRO, SAN LUIS OBISPO, SAN MARCOS, SAN MARINO, SAN MATEO, SAN PABLO, SAN RAFAEL, SAN RAMON, SAND CITY, SANGER, SANTA ANA, SANTA BARBARA, SANTA CLARA, SANTA CRUZ, SANTA MONICA, SANTA PAULA, SANTA ROSA, SANTEE, SAUSALITO, SCOTTS VALLEY, SEASIDE, SEBASTOPOL, SELMA, SHAFTER, SHASTA LAKE, SIERRA MADRE, SIMI VALLEY, SOLANA BEACH, SONOMA, SOUTH EL MONTE, SOUTH LAKE TAHOE, SOUTH PASADENA, SOUTH SAN FRANCISCO, ST. HELENA, STANTON, STOCKTON, SUISUN CITY, SUSANVILLE, SUTTER CREEK, TAFT, TEHACHAPI, TEHAMA, TEMPLE CITY, THOUSAND OAKS, TIBURON, TORRANCE, TRACY, TRINIDAD, TRUCKEE, TULARE, TURLOCK, TUSTIN, UKIAH, UNION CITY, VACAVILLE, VALLEJO, VISALIA, VISTA, WALNUT, WALNUT CREEK, WASCO, WATERFORD, WATSONVILLE, WEED, WEST COVINA, WEST SACRAMENTO, WESTMINSTER, WHEATLAND, CITY OF WINDSOR, AND, W INTERS, WOODLAKE, WOODLAND, WOODSIDE, YORBA LINDA, YOUNTVILLE, YREKA, AND YUBA. THE UNINCORPORATED COUNTIES OF ALAMEDA, AMADOR, BUTTE, COLUSA, CONTRA COSTA, DEL NORTE, EL DORADO, FRESNO, GLENN, HUMBOLDT, IMPERIAL, KERN, KINGS, MADERA, MARIN, MARIPOSA, MENDOCINO, MERCED, MONO, MONTEREY, NAPA, NEVADA, RIVERSIDE, SACRAMENTO, SAN DIEGO, SAN FRANCISCO, SAN JOAQUIN, SAN LUIS OBISPO, SAN MATEO, SANTA CRUZ, SHASTA, SISKIYOU, SOLANO, SONOMA, TEHAMA, TULARE, YOLO, AND YUBA.

ADOPTED JUNE 3, 2013 - REVISED JULY 15, 2013 - REVISED AUGUST 5, 2013 - REVISED SEPTEMBER 9, 2013 – REVISED
NOVEMBER 4, 2013 - REVISED DECEMBER 2, 2013 - REVISED JANUARY 6, 2014 REVISED FEBRUARY 3, 2014 - REVISED MARCH
3, 2014 - REVISED APRIL 7, 2014 - REVISED MAY 5, 2014 REVISED JUNE 2, 2014 – AMENDED JUNE 9, 2014 - REVISED JULY 7,
2014 – REVISED AUGUST 4, 2014 – REVISED SEPTEMBER 8, 2014 – REVISED OCTOBER 6, 2014 -REVISED NOVEMBER 3, 2014
REVISED DECEMBER 1, 2014 – REVISED JANUARY 5, 2015 - REVISED FEBRUARY 2, 2015, REVISED MARCH 2, 2015- REVISED APRIL 6, 2015 – REVISED MAY 4, 2015 – REVISED JUNE 1, 2015 – REVISED JULY 6, 2015 – REVISED AUGUST 3, 2015 – REVISED SEPTEMBER 14, 2015 – REVISED OCTOBER 5, 2015 – REVISED NOVEMBER 2, 2015 – REVISED DECEMBER 7, 2015 – REVISED JANUARY 4, 2016 – REVISED FEBRUARY 1, 2016 – REVISED MARCH 7, 2016 – REVISED APRIL 4, 2016 – REVISED MAY 2, 2016 – REVISED JUNE 6, 2016 – REVISED JULY 11, 2016 – REVISED AUGUST 1, 2016 – REVISED DECEMBER 5, 2016 –
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PROPERTY ASSESSMENT LIEN

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

DELINQUENT ASSESSMENT COLLECTIONS

In general, it is expected that assessment installments will be collected on the *ad valorem* tax bills sent to property owners by the Treasurer-Tax Collector of the County in which such owner's property is located, and therefore delinquency information will generally be available from such the Treasurer-Tax Collector's office. In order to attract financing, the Agent will covenant to commence and pursue judicial foreclosure proceedings with respect to parcels that are delinquent in the payment of assessment installments. The precise terms of such a covenant will be determined at the time of bond issuance.

Direct Capital Provider

Capital Providers may provide financing for commercial property owners and will finance alternative energy systems, energy efficiency, water conservation, fire hardening and seismic strengthening improvements, using financing provided by such Capital Provider meeting the following minimum requirements and is authorized by the Executive Director of WRCOG:

- Minimum of $10M in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent
- Capital Provider agrees that the financing team must include WRCOG selected assessment administrator and bond counsel, and fiscal agent / trustee to be determined upon mutual agreement between Capital Provider and WRCOG selected bond counsel
- Minimum 2 years of C-PACE and 10 years of commercial banking experience
- Federally regulated bank or financial institution

Property owners may be individuals, associations, business entities, cooperatives, and any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. New construction of eligible properties are subject to additional underwriting and technical requirements.

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- Compliance with parameters established for commercial program in Program Report

THE FINANCIAL STRATEGIES

The Program includes the following financial strategies.

Strategy One: The Program will, at launch, utilize Renovate America to fund installations of Eligible Products for Residential and Commercial properties. Renovate America will provide a revolving credit line to finance the installation of Eligible Products for such Residential and Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in above and in the Residential Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to Renovate America one or more municipal

Western Riverside Council of Governments
WRCOG Executive Committee

Staff Report

Subject: **Presentation from California Contract Cities Association**

Contact: **Marcel Rodarte, Executive Director of California Contract Cities, marcel@contractcities.org, (562) 622-5533**

Date: **March 4, 2024**

Recommended Action(s):

1. Receive and file.

Summary:

The California Contract Cities Association is a statewide organization which provides a variety of services to its member agencies related to education, advocacy, and networking. Staff from the California Contract Cities will provide an update related to the services which they provide.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to provide information regarding the California Contract Cities Association which may be of interest to our member agencies. This presentation furthers WRCOG 2022-2027 Strategic Plan Goal #1 (Serve as an advocate at the regional, state, and federal level for the Western Riverside subregion).

Discussion:

The California Contract Cities Association supports its various members through education, advocacy, and networking. The Association represents a number of cities throughout California with the following WRCOG member agencies as members:

- City of Eastvale
- City of Jurupa Valley
- City of Moreno Valley
- City of San Jacinto

Staff from the Association will be providing an informational presentation regarding their activities and services that they provide to their member agencies.

Prior Action(s):

None.

Financial Summary:

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

Attachment(s):

None.