SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ITEM: 3.6
(ID # 30950)
MEETING DATE:
Tuesday, July 14, 2026

FROM : EXECUTIVE OFFICE

SUBJECT: EXECUTIVE OFFICE: Approve the Funding and Reservation of Capacity Agreement for the Avenue 58 Transformer Bank Addition to expand electrical infrastructure capacity in the eastern Coachella Valley area, District 4. [Total Cost $8,137,150 – 100% Coachella Valley Power Fund (97% Palm Desert Redevelopment Projects Fund 31543; 3% - UCI District 4 Fund 11260)] (4/5th Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Funding and Reservation of Capacity Agreement for the Avenue 58 Transformer Bank Addition (Avenue 58 Facility) by and between Imperial Irrigation District, an irrigation district formed under the Water Code of the State of California ("IID"), and the City of La Quinta, an incorporated city in the County of Riverside, State of California ("La Quinta"), County of Riverside, a political subdivision of the State of California ("County') and each of the private developers listed on Exhibit "A" attached hereto and incorporated herein by reference (each, a "Developer" and, collectively, the "Developers"); and,

Continued on Page 2

ACTION:4/5 Vote Required, Policy

Juan C. Perez, Chief Operating Officer 7/9/2026

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Gutierrez and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:	Medina, Spiegel, Perez, and Gutierrez
Nays:	None
Absent:	Washington
Date:	July 14, 2026
xc:	EO

Kimberly A. Rector
Clerk of the Board
By: ____________
Deputy

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

RECOMMENDED MOTION: That the Board of Supervisors:

2. Authorize the County Executive Officer, or Designee, to take all steps necessary to sign and execute the Funding and Reservation of Capacity Agreement for the Avenue 58 Transformer Bank Addition terms including, but not limited to, (a) exercise the options of the Agreement including modification to the scope of services, (b) sign amendments modifying language compensation provisions within limit of Board approved funding and scope of services, subject to availability of fiscal funding and as approved as to form by County Counsel; and
3. Approve reserving $7.9 million Palm Desert Redevelopment Projects funds and $250,000 in Unincorporated Communities Initiative District 4 funds in the Coachella Valley Power Fund for the Avenue 58 Facility in the event one or more developers are not able to complete their commitments per the scenarios outlined in the Agreement; and
4. Approve and Direct the Auditor-Controller to make budget adjustments as detailed in Schedule A, increasing appropriations for the RDA Capital Improvement Fund and Unincorporated Communities Initiative Fund and increase appropriations and estimated revenues for the Coachella Valley Power Fund in the amount of $8,137,150.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$ 8,137,150	$0	$ 8,137,150	$0
NET COUNTY COST	$0	$0	$0	$0
SOURCE OF FUNDS: 100% Coachella Valley Power Fund 22870 (97% - Palm Desert Redevelopment Project Fund 31543; 3% - UCI District 4 Fund 11260)			**Budget Adjustment:** Yes	
			For Fiscal Year: 26/27-27/28	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County has been working collaboratively with the Imperial Irrigation District (IID), the City of La Quinta, and participating private developers to address growing electrical service demands associated with planned development in southeastern La Quinta and adjacent unincorporated areas of Riverside County. To support this anticipated growth, IID identified the addition of a fourth transformer bank at the existing Avenue 58 Substation as the most efficient and cost-effective solution to increase electrical distribution capacity in the area. The Avenue 58 Substation, located north of Avenue 58 and west of Monroe Street in La Quinta, currently serves approximately 6,000 customers. The project will add approximately 40 megavolt-amperes (MVA) of new electrical capacity to IID's distribution system. Upon completion, the project is expected to provide service capacity for approximately 4,000 additional residential and commercial customers. Construction is anticipated to begin in early 2027, with new capacity expected to become available in 2028.

IID is constructing the project through a Funding and Reservation of Capacity Agreement that allows participating agencies and developers to reserve a share of the new electrical capacity in exchange for contributing their proportional share of project costs. Riverside County's participation in the Agreement serves in a backstop capacity only, which will help ensure electrical infrastructure is available to support planned growth within unincorporated areas of the eastern Coachella Valley. In the event the County is required to participate in funding the project, the County would be entitled to purchase the capacity up to 35% of the unused capacity.

On December 9, 2025, the Board of Supervisors approved the establishment of the Coachella Valley Power Fund through Agenda Item 3.59, to provide an ongoing funding source for strategic electrical infrastructure investments within the Coachella Valley. The fund was established to support the County's participation in projects such as the Cook Street and Avenue 58 substations and is intended to operate as a revolving fund whereby upfront County investments are recovered over time through assignments to approved development projects. Initial funding was provided through allocations from Unincorporated Communities Initiative Funds and the Palm Desert Redevelopment Project Funds to allow for the timely initiation and delivery of energy infrastructure projects within the region.

This Agreement is a part of a broader cooperative strategy among Riverside County, local cities, and IID to plan energy needs of the Coachella Valley area. As part of this effort, the County joined the Coachella Valley Power Agency (CVPA), a Joint Powers Authority, on May 6, 2025. The CVPA, which currently includes Riverside County and the Cities of Indio and La Quinta, serves as a regional forum for collaboration among public agencies, community stakeholders, and IID to support the continued expansion, reliability, and resilience of the electrical infrastructure serving the Coachella Valley.

Impact on Residents and Businesses

Substations improve system reliability and support growing power demands. A reliable and expanded power system supports quality of life for current residents and supports growth in housing and job creation through development.

Additional Fiscal Information

The total project cost for the Avenue 58 Substation expansion is estimated at $23.2 million. The project is expected to be fully funded by ten participating private developers through IID's Funding and Reservation of Capacity Agreement, with each developer responsible for paying its proportional share of project costs over three years.

As part of the Agreement, Riverside County and the City of La Quinta have agreed to provide a financial backstop in the event IID terminates the Agreement as to one or more Developers prior to the Construction Costs being funded. The County's maximum financial exposure under the

Agreement is limited to $8,137,150, representing 35% of any eligible funding shortfall, with the City of La Quinta responsible for the remaining 65%. Funding for the County's backstop participation will be provided through a combination of $7,887,150 from Palm Desert Redevelopment Funds and $250,000 from UCI District 4 held in the Coachella Valley (CV) Power Fund, which was established to support strategic electrical infrastructure investments. If these funds are not used under this Agreement, they will remain in the CV Power Fund and be available for reallocation to other future substation projects. The CV Power Fund is intended to operate as a revolving fund whereby upfront County investments are recovered over time through assignments to approved development projects that need to utilize that capacity.

Payment to IID will be made based on the following payment schedule:

Funding Component/Milestone	Amount	Funding Responsibility
Total Estimated Project Cost	$23,249,000	Participating Private Developers (Primary Funding Source)
County of Riverside Maximum Backstop Allocation	$8,137,150	35% of any eligible funding shortfall resulting from Developer default
City of La Quinta Maximum Backstop Allocation	$15,111,850	65% of any eligible funding shortfall resulting from Developer default
Milestone Payment Schedule		
Due 30 Days Following Agreement Execution	$6,775,340	Developer Contributions
Due September 30, 2026	$1,100,000	Developer Contributions
Due December 31, 2026	$2,678,965	Developer Contributions
Due March 31, 2027	$2,975,000	Developer Contributions
Due June 30, 2027	$1,750,000	Developer Contributions
Due September 30, 2027	$2,756,596	Developer Contributions
Due December 31, 2027	$150,000	Developer Contributions
Due March 31, 2028	$2,600,000	Developer Contributions
Due June 30, 2028	$2,463,099	Developer Contributions
Total Milestone Payments	**$23,249,000**	

ATTACHMENTS:

SCHEDULE A. BUDGET ADJUSTMENT

ATTACHMENT A. FUNDING AND RESERVATION OF CAPACITY AGREEMENT, INCLUDING THE SCHEDULE OF DEVELOPERS, EXHIBIT "A," ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

SCHEDULE A – FY 26/27 BUDGET ADJUSTMENT

Increase Appropriations:		
31543-1110800000-551100	Contribution to Other Funds	$7,887,150
11260-1111600000-551100	Contribution to Other Funds	$250,000
Anticipated Use of Restricted Fund Balance:		
31543-1110800000-321158	RST for RDA Capital Improvements	$7,887,150
11260-1111600000-330100	Committed Fund Balance	$250,000
Increase Appropriations:		
22870-1102900000-536240	Other Contract Agencies	$8,137,150
Increase Revenues:		
22870-1102900000-790600	Contributions Fr Other County Funds	$8,137,150

Minh C. Tran

Minh C. Tran, County Counsel 7/9/2026

FUNDING AND
RESERVATION OF CAPACITY AGREEMENT
for
AVENUE 58 TRANSFORMER BANK ADDITION

THIS FUNDING AND RESERVATION OF CAPACITY AGREEMENT (this "Agreement") is made this ____ day of _______________________, by and between IMPERIAL IRRIGATION DISTRICT, an irrigation district formed under the Water Code of the State of California ("IID"), the City of La Quinta, an incorporated city in the County of Riverside, State of California ("City"), the County of Riverside, a political subdivision of the State of California ("County") (each of City and County an "Agency" and collectively the "Agencies") and each of the developers listed on Exhibit "A" attached hereto and incorporated herein by reference (each a "Developer" and collectively, the "Developers"). IID, the City, County and the Developers are collectively referred to as the "Parties" or individually as a "Party"). Also, the City, County and each Developer who are Parties to this Agreement are also referred to as a "Participant" or the "Participants" to the extent they participate in this Agreement as to any reservation of capacity.

WHEREAS, the La Quinta Financing Authority, a public body corporate and politic ("Financing Authority") and the City have entered into that certain Financing Agreement, dated of or about even date as this Agreement, for purposes of funding related to this Agreement. As such, all references herein to "City" shall refer to the City and/or the Financing Authority, as appropriate;

WHEREAS, IID is the electrical service provider within a defined service territory area within Imperial County, California and portions of Riverside County, California ("District Service Area") and the City and each Developer seeks to induce IID to develop new electrical distribution service within the District Service Area to facilitate new growth and development as identified herein;

WHEREAS, each Developer seeks to develop a separate piece of real property within the District Service Area (each a "Development" and collectively, the "Developments") and require electric service from IID;

WHEREAS, IID owns, operates and maintains the Avenue 58 Substation ("Avenue 58 Facility"), and which facility is an integral part of IID's bulk electric system ("BES") and supports IID's regional transmission network and balancing authority area ("BAA");

WHEREAS, to facilitate new electrical service to each Development, IID has evaluated the possibility of adding to the Avenue 58 Facility certain additional electrical distribution facilities namely the installation of one (1) new 50MVA transformer, ancillary substation equipment and new corresponding distribution line extensions (getaways) up to the perimeter fence of the Avenue 58 Facility located immediately north of Avenue 58 in the City of La Quinta (collectively, the "New Facility"), a schematic representation of which is shown on Exhibit "B", attached hereto and by reference incorporated herein;

WHEREAS, the Avenue 58 Facility is designed and operated primarily to support IID's regional transmission network (commonly referred to as "BES") and offers limited physical space to accommodate the New Facility in a manner which would permit any future physical or legal separation of such New Facility from the Avenue 58 Facility such that IID may operate the Avenue 58 Facility separate and apart from the New Facility in compliance with its legal and regulatory obligations arising out of its operation of the BES within its Balancing Authority Area ("BAA");

WHEREAS, the Parties acknowledge that at all times hereafter, the New Facility will be owned, operated and maintained by IID as an integral part of the Avenue 58 Facility and which New Facility shall not be subject to any physical or legal separation therefrom the Avenue 58 Facility under any circumstances and that no Party hereto this Agreement shall seek or otherwise advocate for in any proceeding, whether legislative or legal, for the legal or physical severance of the New Facility from the Avenue 58 Facility;

WHEREAS, the Parties intend hereby to set forth the framework for each Developer, at their cost and expense, to induce IID to (a) undertake and complete design and, engineering of the New Facility; (b) procure materials, supplies, and equipment for the New Facility; and, (c) fund, by advancing IID's reasonable and actual costs for engineering, development construction and commissioning of the New Facility ("Construction Costs"). A preliminary estimate of IID's Construction Costs is shown on Exhibit "C", attached hereto and incorporated herein by reference;

WHEREAS, New Facility, when constructed, will facilitate growth and development and is sufficient to mitigate impacts to the IID's distribution system directly caused by each Development and are necessitated by each Developments' electrical requirements;

WHEREAS, because City will advance initial funding necessary for initial engineering and to procure the long-lead equipment necessary for the construction of the New Facility to accommodate Developments' electrical requirements, City is entitled to reimbursement from each Developer as set forth in this Agreement; and,

WHEREAS, because the Developers are to collectively bear the expense for the New Facility necessary to serve their electrical service requirements by paying their proportional share of the cost thereof all as set forth herein, IID agrees that each Developer who is now or hereafter becomes a party to this Agreement should be entitled to a reservation of the capacity in the amounts, durations and upon the terms and conditions set forth herein.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. <u>New Facility Requirements</u>. The Parties agree that the New Facility is necessary to serve each Developers' respective electrical service needs and the New Facility, when constructed, will have the capacity necessary to facilitate growth and development and mitigate the impacts to IID's electric system directly caused by each Development and other anticipated electrical service needs as identified herein. The Parties further agree that due to the location of each Development, the New Facility is necessary to accommodate electric service thereto each Development and the corresponding electrical service needs. The Parties agree that the New Facility has been developed based upon information supplied by each Developer. Each Developer acknowledges and agree that they will be responsible for funding the cost of the New Facility as set forth in this Agreement.

2. <u>CEQA Compliance</u>. IID agrees that it will serve as the lead agency with respect to the California Environmental Quality Act ("CEQA") in connection with the New Facility and, that following the Parties full and complete execution of this Agreement, will undertake all necessary studies and analyses necessary or prudent to ensure appropriate compliance with CEQA. All cost and expense associated with the foregoing, including the cost of any mitigation measures or other fees or costs arising therefrom or in connection therewith shall be included as part of the Construction Costs. IID will include in any required analyses, the New Facility together with the potential routes and configurations for the Customer Distribution Facilities (defined below). Notwithstanding the foregoing, the

Parties acknowledge and agree that execution of this Agreement and construction of the New Facility, or any element thereof, is subject to compliance with CEQA as set forth herein and pursuant to applicable law.

3. Construction Documents. IID shall be responsible for creating all plans, specifications, and construction drawings for the engineering and design of the New Facility (the "Construction Documents").

4. Procurement of Materials. IID will procure products and equipment required for the New Facility, particularly long lead time products and materials, in order to maximize cost efficiencies and avoid delay.

5. Construction of the New Facility. In accordance with the Construction Milestone Schedule shown on Exhibit “D”, attached hereto and incorporated herein by reference, IID shall be responsible for constructing the New Facility, however, in accordance with IID’s Regulations (defined below) and DEPG (defined below), each Developer, in consultation with IID, shall obtain any and all permits or approvals required for the New Facility and shall otherwise complete or satisfy all requirements or conditions of service as set forth in IID’s Regulations and DEPG with respect to electrical service from the New Facility. Without limitation, an example of the foregoing permits or approvals may include an encroachment permit for work within dedicated roadways adjacent to the New Facility. Each Developer shall bear all responsibility in connection with any required permits, approvals or conditions of service necessary for development and construction of the New Facility and receipt of electrical service therefrom, including all costs therefor, which shall be included as part of the Construction Costs.

a. Construction of Distribution Facilities and Special Service Conditions. Separate from any amount paid hereunder by each Developer toward the Construction Costs for the New Facility, each Developer shall also be responsible for and pay the costs for all distribution facilities determined by IID to be necessary for the establishment of electrical service to each Development site(s) or location of electrical service needs for each of the Developers (or their approved successor or assignee) (the “Customer Distribution Facilities”).These Customer Distribution Facilities may include the installation of underground and/or overhead distribution conduits, cables, structures, poles, wires and related equipment, including any onsite or offsite from each Developer’s respective Development site(s) and/or the location of their respective electrical service needs, all as may be necessary or appropriate for the distribution of electrical energy thereto. All such Customer Distribution Facilities shall be installed in accordance with IID’s Regulations and DEPG. Additionally, each Developer shall be responsible for satisfaction of all required service conditions precedent to the establishment of electrical service to all or any part of such Developer’s development project, including obtaining necessary or appropriate rights-of-way, permits or entitlements for any such Customer Distribution Facilities to be extended, all in accordance with IID’s Regulations and DEPG. Notwithstanding the foregoing, attached hereto as Exhibit “E” and incorporated herein by reference, is a map depicting the route(s) anticipated by IID to be utilized for the extension of such Customer Distribution Facilities, namely underground and overhead distribution feeder circuits, from the New Facility to each Developer’s development site(s) and/or the location(s) of the other Participant’s electrical service needs. IID makes no representation or warranty as to the viability of such anticipated route(s) for use in the extension of such new Customer Distribution Facilities. To the extent the ultimate design and implementation of any Customer Distribution Facilities vary from those set forth or otherwise contemplated herein and additional permits, approvals, including compliance with CEQA or other applicable laws is required, each Developer requiring or necessitating such Customer Distribution Facilities shall facilitate and pay the cost therefor obtaining such permits or approvals or compliance pursuant to IID's Regulations and DEPG.

6. Payment of Construction Costs. The Developers shall bear all costs, including, without limitation, the Construction Costs, incurred in connection with development and construction of the New Facility, by paying their proportionate share thereof such costs, and which costs shall be paid to IID in advance thereof in accordance with the Milestone Payment and Reimbursement Schedule shown on Exhibit “F”, attached hereto and incorporated herein by reference. Unless otherwise set forth in this Agreement, each and every payment shall be funded to the City to hold in an interest bearing account pursuant to a separate agreement. All interest earned, if any, in that account shall be treated and spent in the same manner as payments made hereunder. IID shall apply such payments and interest, if any, as set forth in Section 8. Except as set forth in Section 7(c), below, each and every payment paid to IID by each and every Developer hereunder this Agreement is paid unconditionally and shall be nonrefundable.

   a. Reimbursement to City. Developers acknowledge that City agreed to provide advance funding to IID toward certain portions of the initial Construction Costs as set forth in that certain Engineering and Procurement Agreement by and between City, County and IID, dated as of February 26, 2026 (the “E&P Agreement”) and agree that IID is to reimburse City for advance funding paid by City to IID in accordance with the Milestone Payment and Reimbursement Schedule, first from milestone payments paid to IID by each Developer under this Agreement.

   b. IID Contribution Toward Construction Costs. The Parties hereto, inclusive of IID, acknowledge and agree that IID shall retain no less than twenty percent (20%) of the gross electrical capacity to be realized from the New Facility for purposes of maintaining electrical system reliability and native-load resiliency (the “Reliability Band”) and that for and in consideration of the Reliability Band, IID agrees to contribute exactly seventeen percent (17%) of the Construction Costs toward payment of such Construction Costs (the “IID Contribution”).

   c. Final Cost. Upon completion (in-service) of the New Facility, IID will true up actual costs, including accounting for the IID Contribution. IID will provide the other Parties with the final actual Construction Cost ("Final Cost") and reasonable supporting information for the Final Cost. If the Final Cost exceeds the amount of the Construction Costs then collected by IID hereunder, including any accrued interest, then each Developer, the City and the County shall reimburse IID for any exceedances within thirty (30) days of mailing of notice of the balance due. If the Final Cost is less than the Construction Costs then collected by IID hereunder, including any accrued interest, then IID shall reimburse each Developer, the City and the County for any balance within sixty (60) days of mailing of notice of the Final Cost, which amount shall be distributed to each Developer, the City and the County in accordance with their pro rata contribution thereto the New Facility. In addition to any other remedy available hereunder, including declaring any Developer, the City or the County hereunder in default pursuant to Section 8 hereof, should any Developer, the City or the County fail to reimburse IID for any exceedances hereunder this Section 5(b), IID may, without further notice therefor to such Developer, the City or they County, reduce, on a pro-rata basis, any reservation of capacity to such Participant (a “Capacity Reduction”) until such exceedances are paid in full to IID. If such Participant fails to reimburse IID for any exceedances hereunder no later than one-hundred eighty (180) calendar days following the date of mailing of notice of the Final Cost, then, subject to Section 8(a), IID may elect to allocate any electrical capacity realized from such Capacity Reduction as set forth in Section 8(b), Section 8(b)(i) and Section 9, as IID may deem appropriate under the circumstances in IID's sole and absolute discretion.

7. Term. The Parties agree that this Agreement and the Capacity Reservation Period (defined below) will remain in effect for a period of Twenty (20) calendar years from the date of completion (in-service) of the New Facility unless extended by mutual written agreement of the Parties.

8. Reservation of Capacity. Each Developer has provided IID with each Developer's respective development plan or schedule of electrical service needs that will use new electrical capacity from the New Facility for each Development. Each Developer's plans involve a phased-in usage of the New Facility as further identified in Exhibit A attached hereto and incorporated herein by reference. Each Developer acknowledges and agrees that the capacity reservation is based upon the plan of service provided to IID by each Developer. Subject to Section 7(a), for a period of twenty (20) years from the date of completion (in-service) of the New Facility, IID shall reserve capacity in the New Facility for each Developer in the quantity outlined in Exhibit A (the "Capacity Reservation Period"). On an annual basis, beginning the first full year following completion (in-service) of the New Facility, IID and each Developer will review each Developers' respective usage of their reserved capacity for its Development. Any deviation in use outside of that identified in Exhibit A will result in a change in available capacity, if any, available in future identified phases. For example, if a Party (other than IID) has a total capacity reservation of 1000 kVA and is intended to be phased-in over four years at 250 kVA per year, and in the first year the total capacity used is 500 kVA, then as to such Party, there would only be 500 kVA of reserved capacity remaining for such Party for the remainder of the capacity reservation period. Such annual review of remaining capacity shall not operate to reduce the overall capacity reserved to any Participant hereunder as set forth on Exhibit "A", only that such review shall determine the balance of such reserved capacity remaining for such Participant when accounting for all prior usage or transfer or assignment of such capacity by or from such Participant. Notwithstanding the foregoing, the Capacity Reservation Period shall not be applicable to the Reliability Band which is to be allocated permanently to IID for purposes of maintaining electrical system reliability and native-load resiliency.

a. Capacity Maintenance Fee. If upon the tenth (10th) anniversary of the date of completion (in-service) of the New Facility any Developer has not then used or caused to be used at least fifty percent (50%) of the capacity reserved for said Developer, then, to extend Developer's reservation of the balance of the capacity then un-used for an additional ten (10) years, Developer shall pay to IID a one-time capacity maintenance fee in an amount equal to one-hundred dollars ($100.00) multiplied by the total capacity (measured in kVA) then remaining on reserve for such Developer (the "Capacity Maintenance Fee"). Developer shall pay such Capacity Maintenance Fee to IID no later than sixty (60) days of mailing of notice thereof to each Developer which may then be subject to the Capacity Maintenance Fee. If Developer fails to pay any portion of the Capacity Maintenance Fee as and when due, IID may terminate the remaining reserved capacity held by IID from the New Facility for the benefit of such Developer hereunder and may, Subject to Section 8(a), elect to allocate any electrical capacity realized from such termination as set forth in either Section 8(b) or Section 8(b)(i) or Section 9, as IID deems appropriate under the circumstances in IID's sole and absolute discretion. Developers acknowledge and agree the Capacity Maintenance Fee is intended to address and compensate for IID's on-going operational costs associated with operation of the New Facility prior to becoming fully subscribed with new electrical service customers. Under no circumstances shall City or County be required to pay a Capacity Maintenance Fee, including the situation in which IID has reallocated to City or County capacity to be funded by City or County pursuant to Section 8(b) of this Agreement.

b. Transfer or Assignment of Capacity Reservation by Developer. Developers may transfer or assign all or a portion of its capacity reservation only in connection with (i) a transfer of all or any pro rata portion of the specific Development site or project for which Developer's development plan was prepared and submitted to IID as identified herein, or (ii) in connection with Developer's pledge of its capacity reservation hereunder in connection with the pledge of Developer's specific development site or project identified herein for purposes of obtaining financing therefor; provided, however, Developer shall first obtain the written concurrence of IID for such transfer or assignment, and which transfer or assignment, if so approved by IID, is to be evidenced using the form of Consent to Assignment attached hereto as Exhibit "G" and incorporated herein by this reference (the "Form of Assignment") as the same may be amended by IID from time to time.

c. Transfer or Assignment of Capacity Reservation by City or County. City or County may transfer or assign all or a portion of any capacity reserved to it hereunder provided (i) such capacity is not already allocated to other otherwise assigned to a particular development site or project or proposed use and (ii) City or the County shall first consult with IID and obtain IID's advance concurrence therefor as evidenced by IID's delivery of a duly executed Form of Assignment (as defined above) therefor such transfer or assignment.

d. Prohibition on Transfer or Assignment. In no event may any capacity reserved hereunder to any Party (other than IID) be transferred or assigned pursuant to either of Section 7(a) or 7(b) if the assignee receiving such capacity reservation intends or seeks to make use of such reserved capacity in a location remote from or otherwise not electrically integrated to the New Facility as determined in IID's sole and absolute discretion.

9. Complete Participation. The Parties acknowledge and agree that collective participation by each Developer, the City and the County (the "Participants") as outlined herein this Agreement is absolutely necessary for the complete funding and construction of the New Facility to meet the electrical requirements of each Developer, the City and the County. Unless otherwise set forth in this Agreement, each and every payment made hereunder by each Developer, the City and the County, including any paid pursuant to the Milestone Payment and Reimbursement Schedule shown on Exhibit "F", attached hereto and incorporated herein by this reference, or otherwise, is paid unconditionally and is nonrefundable, provided, however, IID shall apply such payments as set forth in Section 8. In the event one or more Developers fails to pay any monetary sum or otherwise perform any obligation as and when due under this Agreement, IID may declare such Party in default of this Agreement by sending notice thereof to such Party(s) and thereafter providing such Party(s) thirty (30) days to cure such breach. If any Party shall fail to cure such breach following notice and the passage of such thirty-day cure period, IID shall be entitled to immediately terminate this Agreement as to such Party and retain any and all sums then paid by such Party and which such sums IID shall be entitled to apply as follows: first: (1) toward any sums outstanding to City pursuant to Section 5(a) of this

Agreement, (2) toward any outstanding financial sums, including, without limitation, any Construction Costs, owing under any contract to which IID has entered into pursuant to this Agreement to facilitate the development and construction of the New Facility; then, (3) toward any financial sums outstanding hereunder this Agreement owed to IID for any portion of the Work completed, including, for example, any engineering work or study, prior to such termination; and then, (4) to any other Construction Costs as and when the same may become due in the ordinary course pursuant to this Agreement. In the event of such termination, IID will allocate to such terminated Developer(s) only a pro rata share of the electrical capacity to be realized from the New Facility on the basis of such amounts actually paid by such terminated Developer(s) as the same bears against the Final Cost of the New Facility utilizing the methodology set forth in Section 9(b). The obligation of each Developer, including any to which this Agreement is terminated pursuant to this Section 8, to pay any monetary sum incurred or committed to be incurred or to otherwise be paid pursuant to this Agreement will survive termination of this Agreement.

a. City or County Contribution. In the event IID terminates this Agreement as to one or more Developers prior to the Construction Costs being funded in full pursuant to this Agreement, then prior to application of the procedures set forth in Section 8(b) or 8(b)(i) or Section 9, City or the County, at its election, may fund or otherwise perform any obligation of such terminated Developer(s), or such portion thereof as City or the County may desire to elect. In such event, IID will reallocate to City or the County the associated capacity from the New Facility which will be funded by City or the County hereunder this Section 8(a), on a pro rata basis. Upon termination of this Agreement as to any Developer(s), IID will notify City or the County of such termination and thereafter, City or the County shall have no less than forty-five (45) calendar days in which to make its election, if any, as City or the County may desire pursuant to this Section 8(a) to fund or perform the obligation of such terminated Developer(s) or portion thereof and receive therefor a corresponding reservation of capacity from the New Facility. In the event City or County makes any election to participate in the payment of any sum or performance of any obligation of a terminated Developer(s) hereunder, upon such election, and unless otherwise set forth herein, City or the County shall be subject to each and every provision hereof this Agreement as if City or the County were a Developer. In the event City and County each elect to fund or otherwise perform any obligation of such terminated Developer(s) and such elections by each of City and County, collectively, would result in overlap of such obligations, and City and County are unable to agree amongst themselves as to how to resolve such overlap with respect to their respective allocations of the balance of such Construction Costs and any corresponding capacity from the New Facility pursuant to this Section 9(a) on or before the expiration of the foregoing forty-five (45) calendar day period, then such Constriction Costs and corresponding capacity from the New Facility shall be allocated amongst City and County as follows: City: Sixty-Five Percent (65%), and County: Thirty-Five Percent (35%).

b. Substitute Developer. In the event IID terminates this Agreement as to one or more Developers prior to the Construction Costs being funded in full by any Participant pursuant to this Agreement, and provided the City or the County have not made an election to participate in place of any terminated Developer(s) pursuant to Section 8(a), or City or the County elects to participate in place of any terminated Developer but only as to a portion thereof such obligation of the terminated Developer(s), then IID may, in is sole and absolute discretion, accept one or more substitute developer(s) to participate in this Agreement, on a pro rata basis, in place of any Developer(s) to which this Agreement has been terminated as to the balance of any electrical capacity, or portion thereof, that was to be allocated to such terminated Developer(s) hereunder and which is not elected by City or the County pursuant to Section 8(a). In the event of any such substitution, IID shall notify such substitute developer(s) of the balance of the pro rata cost such substitute developer(s) shall be obligated to pay hereunder as a substituted developer together with the total amount of electrical capacity to be allocated to such substituted developer pursuant to this Section 8(b). Such substitute developer(s) shall have forty-five (45) calendar days in which to agree to accept such financial obligation and execute and deliver a counterpart of this Agreement to City, County and IID. IID will also provide notice to the other participating Developers. Nothing herein shall preclude any of the Developers, City or County from participation as a substitute party to any terminated Developers pursuant to this Section 8(a).

i. Reallocation of Construction Costs. In the event IID does not accept one or more substitute developers to replace any Developers to which this Agreement has been terminated as set forth in Section 8(b), IID may reallocate the balance of any Construction Costs then remaining to be paid hereunder by and amongst all remaining Developers on a pro rata basis; provided, however, the IID Contribution shall not be adjusted pursuant to any reallocation and shall instead continue to remain seventeen percent (17%) of the Construction Costs. In such event, IID will prepare an Updated Milestone Payment and Reimbursement Schedule and deliver the same to Developers, City and the County (as may be applicable). IID will also reallocate to the Developers, City and County (as may be applicable) the excess capacity realized from such termination on the same pro rata basis and which excess capacity each Party (other than IID) may then use or otherwise assign or transfer pursuant to the terms and conditions of this Agreement.

10. Future Use by Third Parties. If following payment in full of the Final Cost, the (i) Developer(s) respective use of the New Facility, in aggregate, is less than the full added capacity of the New Facility, or (ii) upon termination of this Agreement as to any Developer as permitted hereunder and any resulting reduction in any allocated capacity thereto, including any termination for failure to pay any amount due hereunder, including, without limitation, the Capacity Maintenance Fee, then, IID may make any additional and/or remaining capacity available to prospective third-party customers of IID for their respective electrical service needs. In such event, each Developer, the City and the County may be eligible for reimbursement for a portion of the New Facility cost from such third-party customer(s) in accordance with their pro rata share of the Final Cost of the New Facility. Reimbursement would be available only from third-party customer(s) paid to and through IID as set forth in Section 9. For purposes of this Agreement, the phrases "third-party customer(s) shall mean customers other than the Developers set forth on Exhibit "A" that connect to and/or otherwise make use of the New Facility. Notwithstanding the foregoing, the Parties anticipate that substantively all of the new electrical capacity to be created by development and construction of the New Facility is or will be fully subscribed and allocated for use by Developers and IID such that no excess or unreserved capacity is anticipated from the New Facility. No reimbursement shall be due and owing to any Developer hereunder if such fees are collected from such third-party customer(s) following expiration of the term of this Agreement.

a. Collection of Reimbursement from Third-party Customer(s). For the term of this Agreement, IID shall impose a charge upon all third-party users, if any, making use of the New Facility on the basis of such customer(s) pro rata share of the Construction Costs. Funds shall be collected from any and all third-party customer(s) at the time a third-party customer applies to IID for electrical service. In no event shall IID be obligated to reimburse

Developers for any third-party customer(s) use of the New Facility, unless and until such third-party customer(s) use the New Facility and provide compensation to IID therefor pursuant to this Section 9(a). Notwithstanding the foregoing, the Parties anticipate that substantively all of the new electrical capacity to be created by development and construction of the New Facility is or will be fully subscribed and allocated for use by Developers and IID hereunder such that no excess or unreserved capacity is anticipated from the New Facility.

b. Methodology for Reimbursement. Reimbursement, if any is to occur hereunder, will be based upon the pro rata use of the New Facility by each Developer and third-party customer(s), if any, all on the basis of the Final Cost and without adjustment therefor for inflation, or interest thereon. A determination of use shall be based upon a pro rata charge on the third-party customer(s)' load requirements based on a kVA usage or such other methodology as determined by IID, in its reasonable discretion, that will provide Developers with similar reimbursement from said third-party customer(s). This methodology shall also apply to City and the County to the extent IID has reallocated to City or County capacity to be funded by City or County pursuant to Section 8(b) of this Agreement.

c. IID Not Liable for Reimbursement. With exception for the IID Contribution and any obligation to remit any reimbursement hereunder either (1) to City or County pursuant to Section 5(a), or (2) a Developers and/or City or County, or all three as may be applicable, for any fees paid by any third-party customer(s) of IID hereunder this Section 9 for use of any excess capacity from the New Facility, in no event shall IID be liable to the City, County or each Developers, or any of them, for reimbursement for any portion of the cost of the New Facility, including, without limitation, the Final Cost.

d. This Section 10 and its provisions are intended only to address use and reimbursement of excess capacity realized from the New Facility in excess of the amounts otherwise allocated pursuant to this Agreement. Notwithstanding the foregoing, the Parties anticipate that substantively all of the new electrical capacity to be realized from the New Facility is or will be fully subscribed and allocated for use by the Participants and IID hereunder such that no excess or unreserved capacity is anticipated from the New Facility. No provision of this Section 10 concerning reimbursement from third-party customer(s) for use of the New Facility shall be applicable to any transfer or assignment by any Participant pursuant to Section 9(b) or 9(c), as applicable, including as to any value given or exchanged by and between such Participant and any transferee or assignee thereof as may be permitted under this Agreement.

11. Payment and Accounting. IID shall create a segregated account designated for sums it collects from third-party customer(s) which use the New Facility and shall, not more than twice annually, disburse reimbursement to each Developer and/or City or County, or all of them, as may be applicable, together with an accounting of collections and disbursements of such funds, including any to cover administrative costs associated with this Agreement. Such reimbursement shall also include any interest accrued from the segregated account utilized by the IID hereunder. The Parties (and their successors and assignees) agree and acknowledge that the payments made pursuant to this Agreement by each Developer, the City and the County shall be the only payments required of the Participants for the New Facility.

12. Termination of Obligation for Capacity Reservation. IID's obligation to reserve capacity

for each Developers shall terminate on the first of the following to occur: (i) the capacity reserved has been used by each Developer or their transferee or assignee; or (ii) upon termination of such reserve capacity, or portion thereof, by IID for failure of each Developer to pay any amounts required hereunder, including, without limitation, the Capacity Maintenance Fee or upon such other default of such Developer; or, (iii) 20 years from date of completion (in-service) of the New Facility. IID's obligation to reserve capacity for the City or County, as applicable, shall terminate only once the capacity reserved has been used by City or County, as applicable, or their transferee or assignee.

13. Ownership of the New Facility. The Parties acknowledge and agree that IID solely shall own the New Facility, including all appurtenant equipment, rights, and associated interests made, given, granted or arising in connection therewith, including any manufacturer's warranties upon any of the foregoing, including any which may be acquired pursuant to this Agreement. In accordance with the recitals contained hereinabove, the Parties acknowledge that at all times hereafter the date of this Agreement, the New Facility will be owned, operated and maintained by IID as an integral part of the Avenue 58 Facility and which New Facility shall not be subject to any physical or legal separation therefrom the Avenue 58 Facility under any circumstance. The Parties (not including IID) shall not acquire any ownership rights in the Avenue 58 Facility or the New Facility, including by virtue of this Agreement. Upon completion of the New Facility, IID shall operate and maintain the New Facility as part of its electric system in accordance with good utility practice. The Parties (and their successors and assignees) agree and acknowledge that the payments made pursuant to this Agreement by the Developers, and where applicable, City and County, shall be the only payments required for the development and construction of the New Facility, and that any successors or assigns of IID shall be bound by the terms of this Agreement with respect to the New Facility.

14. IID Not Liable for Delays. In no event shall IID be responsible under the terms of this Agreement for any delay in completion (in-service) of the New Facility, provided, however, IID will make all commercially reasonable efforts to avoid delay in completion (in-service) of the New Facility.

15. Indemnification and Hold Harmless Agreement.

    a. As between IID, Agencies and Developers. Developers, separately and severally, shall at all times indemnify, defend, protect and hold harmless IID and each Agency, and their respective Boards, Councils, officers, executives, officials, employees, contractors, agents and representatives from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including without limitation, attorneys' fees, and costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, impairment of contract, death, bodily injury or personal injury to any person, and damage, destruction or loss of use of any property (financial, physical, or intellectual) or, without limitation, any claims or suits made or brought in connection with any administrative or legal proceeding challenging any aspect of the CEQA compliance undertaken by IID pursuant to Section 2 of this Agreement (collectively, "Claims"), arising out of, incident to or directly or indirectly related to: (i) the acts, errors or omissions, performance or nonperformance of any of the Developers their employees, agents, contractors, or representatives, under or in connection with this Agreement; and (ii) the acts, errors, or omissions, or performance of IID, or any Agency, or any of their respective officers, executives, directors, employees, contractors agents or representatives, when such acts or omissions are in combination with the acts, errors, or omissions of any Developer. This duty to defend, indemnify, protect and hold harmless shall not extend to any Claims arising from the gross negligence or willful misconduct of IID or any Agency, or their respective officers, directors, employees, contractors or agents.

b. As between IID and Agencies. No Agency nor any of their Board, Council, officers, executives, directors, employees, contractors, agents or representatives thereof shall be responsible for any damage or liability occurring by reason of any act or omission of IID under or in connection with the Work performed by IID under this Agreement. Pursuant to Government Code Section 895.4, IID shall fully indemnify and hold each Agency harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of any act or omission of IID under or in connection with the Work performed by IID pursuant to this Agreement. Likewise, neither IID nor its Board, or any officer, executive, director, executive, employee, contractor, agent or representatives thereof shall be responsible for any damage or liability occurring by reason of any act or omission of any Agency under or in connection with this Agreement, and pursuant to Government Code Section 895.4, each Agency, individually, shall fully indemnify and hold IID harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of any act or omission of each such Agency under or in connection with this Agreement.

16. Authority. Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement. If Developers is a business entity, it represents that it is duly organized and authorized to do business in the State of California and if a foreign-organized entity, authorized or otherwise qualified to do business in the State of California.

17. Waiver. The failure of a Party to this Agreement, on any occasion, to insist upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

18. Amendment. This Agreement may be amended or modified only by a written instrument executed by each Party to this Agreement.

19. Headings. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

20. Integration; Incorporation of Recitals and Exhibits. This Agreement is intended by the Parties to be the final expression of their agreement with respect to the subject matter of this Agreement and the complete and exclusive statement of the terms of this Agreement between the Parties, and supersedes any prior understandings between the Parties, whether oral or written. Each and every of the recitals set forth hereinabove and exhibits referenced hereinabove are hereby incorporated herein this Agreement as is though set

forth herein and contain integral terms and conditions of this Agreement.

a. Administrative Updating of Exhibits. The Parties hereto acknowledge that the exhibits referenced hereinabove and incorporated herein by the above reference may be updated or adjusted over time to reflect changes in names, addresses, and other matters addressed in this Agreement or its incorporated exhibits and agree that the Parties shall have the right to make such administrative updates notwithstanding that such update shall not be interpreted by the Parties to be an amendment of this Agreement unless such update is expressly intended to constitute an amendment or modification of this Agreement in compliance with Section 18 hereof.

21. Partial Invalidity. If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the Term of this Agreement, such provision shall be fully severable and the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law. However, in lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

22. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the successors of the respective Parties to this Agreement. This Agreement and obligations hereunder may not be assigned without the prior written consent of the other Party.

23. Compliance with Law. In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

24. Third-party Beneficiaries. This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third-party beneficiary.

25. Notices. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by electronic mail on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

To IID:	Imperial Irrigation District Attn: General Manager P.O. Box 937 333 E. Barioni Blvd. Imperial, CA 92251
With a Copy to:	Imperial Irrigation District Attn: General Counsel

P.O. Box 937
333 E. Barioni Blvd.
Imperial, CA 92251

To City:	City of La Quinta Attn: City Manager 78-495 Calle Tampico La Quinta, CA 92253
To the Financing Authority:	La Quinta Financing Authority Attention: Executive Director 78-495 Calle Tampico La Quinta, CA 92253
To County:	County of Riverside Attention: Chief Operating Officer 4080 Lemon Street Riverside, CA 92501
To Developers:	See Exhibit “A”

26. Default. Unless otherwise provided for in this Agreement, prior to the initiation of any legal action for a default of this Agreement, the Parties shall meet to discuss resolution of the alleged default before initiating litigation. Each Party shall bear its own attorneys' fees and costs incurred in connection with meeting to resolve the alleged default, unless the Parties agree in writing otherwise.

27. Governing Law; Venue. This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California, and without regard to principles of conflicts of law. Any action or proceeding arising out of or relating to this Agreement shall be brought in State court located in the County of San Diego, California or Federal court located in the County of San Diego California. Each Party irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California for the purpose of litigating any dispute arising out of or relating to this Agreement and waive any defense of forum non conveniens (or a similar doctrine pertaining to venue).

28. Multiple Counterparts; Electronic Signatures. This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument. The words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law.

29. No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. No Party shall

have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind another Party.

30. Satisfaction of Capacity Condition in Will Serve Letter. To the extent any Developer's Development is conditioned by IID to establish new electric system capacity to facilitate retail electric service to all or any part of Developer's Development, Developer's execution and performance of its obligations hereunder this Agreement, including, without limitation, payment of Developer's pro rata share of the Construction Costs, then IID will, where requested by such Developer, issue a Will Serve Letter or any amendment, addendum or extension of any prior-issued Will Serve Letter (each a "WSL") indicating that such Developers obligation to establish new system capacity for its identified Development is or will be satisfied pursuant to the construction and commissioning of the New Facility pursuant to this Agreement. Such WSL, is and will be expressly conditioned upon all of the following: (i) such Developer remaining a Party to this Agreement and otherwise performing all obligations arising hereunder, including, without limitation, payment of the Milestone Payments, (ii) Developer's compliance with IID's Regulations and DEPG, and (iii) Developer's establishment of any Customer Distribution Facilities or such other service requirements, including, without limitation, such distribution service line extensions or modifications as may be required to transmit any reserved capacity hereunder this Agreement to such Developer's Development as identified in said WSL. Notwithstanding the foregoing, to the extent any Developer's Development requires electrical service capacity in excess of the capacity to be reserved to such Developer for its Development pursuant to this Agreement, then IID may include within such requested WSL additional conditions for the establishment of new system capacity to serve the balance of any Developer's Development which cannot be served by the capacity reserved to such Developer hereunder. IID reserves the right to modify or otherwise supersede such WSL, including, for example, in the event this Agreement is terminated as to such Developer in accordance with the terms and conditions of this Agreement.

31. IID's Regulations and Developer Energy Planning Guide. This Agreement is subject to IID's Regulations ("Regulations") and Developer Energy Planning Guide ("DEPG") and Substation Guidelines ("Substation Guidelines") all as may be amended from time-to-time. In the event of any conflict between the provisions of this Agreement and any of the foregoing documents, the foregoing documents shall govern and control.

    Regulations: https://www.iid.com/power/rates-regulations/regulations

    DEPG: https://www.iid.com/home/showpublisheddocument/14229/638808431962130000

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto, have caused this Agreement to be duly executed and delivered as of the date first above written.

IID:

IMPERIAL IRRIGATION DISTRICT

By:____________________________________
Name and Title:_____________________________

PARTICIPANTS:

"Financing Authority"
LA QUINTA FINANCING AUTHORITY

By: ________________________________
Jon McMillen, Executive Director

ATTEST:

____
Monika Radeva, Authority Secretary

APPROVED AS TO FORM:

____
Authority Counsel

"City"
CITY OF LA QUINTA

By: ________________________________
Jon McMillen, City Manager

ATTEST:

____
Monika Radeva, City Clerk

APPROVED AS TO FORM:

____
City Attorney

COUNTY:

COUNTY OF RIVERSIDE

By: __________________________
Name and Title: _________________________

DEVELOPERS:
[Developer signature page attached.]

DEVELOPER SIGNATURE PAGE:

CM WAVE DEVELOPMENT, LLC,
a Delaware limited liability company

By:____________________________________
Its: ____________________________________

LA QUINTA MALAGA, LLC
a Delaware limited liability company

By:____________________________________
Its: ____________________________________

PROJECT LQ, LLC
a California limited liability company

By:____________________________________
Its: ____________________________________

SUNRISE LQ, LLC
a Delaware limited liability company

By:____________________________________
Its: ____________________________________

BARTON LAND LA QUINTA, LLC
a California limited liability company

By:____________________________________
Its: ____________________________________

DAKOTA DUNES, INC.
a California corporation

By:____________________________________
Its: ____________________________________

TRAVERTINE CORPORATION
a Minnesota corporation

By:____________________________________
Its: ____________________________________

DEVELOPER SIGNATURE PAGE (Continued):

SANTA ROSA 60 INVESTORS, LLC
a California limited liability company

By:____________________________________
Its: ____________________________________

GRIFFIN RANCH INVESTORS, L.P.
a Delaware limited partnership

By:____________________________________
Its: ____________________________________

RMG GRIFFIN 90, LLC
a California limited liability company

By:____________________________________
Its: ____________________________________

[End of Developer Signature Page.]

EXHIBIT A

SCHEDULE OF DEVELOPERS

Developer: CM Wave Development, LLC
Project: The Club at Coral Mountain
Description: 325 SFR Dwelling Units, Commercial/Retail
Location: S/W corner of Madison and Avenue 58 (APN: __)
Estimated kVA: 6,008.0

Developer: La Quinta Malaga, LLC
Project: Estate Collection at Coral Mountain
Description: 54 SFR Dwelling Units
Location: S/W corner Madison and Avenue 60 (APN: __)
Estimated kVA: 1,080.0

Developer: Project LQ, LLC
Project: Bellasera
Description: 320 SFR Dwelling Units
Location: S/E corner of Monroe and Avenue 60 (APN: __)
Estimated kVA: 5,887.0

Developer: Sunrise LQ, LLC
Project: Andalusia
Description: 130 SFR Dwelling Units
Location: South of Avenue 58 b/t Monroe and Madison (APN: __)
Estimated kVA: 2,600.0

Developer: Barton Land La Quinta, LLC
Project: Schumacher Property
Description: 392 SFR Dwelling Units
Location: N/E corner of Monroe and Avenue 60 (APN: __)
Estimated kVA: 5,000.0

Developer: Dakota Dunes, Inc.
Project: Calle Conchita
Description: 20 SFR Dwelling Units
Location: Madison and Calle Conchita (APN: __)
Estimated kVA: 991.0

Developer: Travertine Corporation
Project: Travertine (Phase 1 only)
Description: 300+ SFR Dwelling Units and Commercial/Retail
Location: Madison and Avenue 60 (APN: __)
Estimated kVA: 10698.0 (Portion of Phase 1 only)

Developer: Santa Rosa 60 Investors, LLC
Project: Santa Rosa 60 (Phases 1 and 2 only)

Description: 231 SFR Dwelling Units
Location: South of Avenue 60, ¼ mile east of Monroe (APN: __)
Estimated kVA: 3,620.0 (Phases 1 and 2 only)

Developer: GRIFFIN RANCH INVESTORS, L.P.
Project: The Estates at Griffin Lake
Description: 78 SFR Dwelling Units and Clubhouse
Location: Avenue 54, west of Monroe Street (APN: __)
Estimated kVA: 2,370.0

Developer: RMG GRIFFIN 90, LLC
Project: Enclave at Griffin Ranch
Description: 90 SFR Dwelling Units
Location: Avenue 54, west of Monroe Street (APN: __)
Estimated kVA: 1,746.0

[End of Schedule of Developers]

EXHIBIT B

SCHEMATIC REPRESENTATION OF NEW FACILITY

[Attached.]

EXHIBIT C

ESTIMATE OF CONSTRUCTION COSTS

[Attached.]

EXHIBIT D

CONSTRUCTION MILESTONE SCHEDULE[1]

Q2, 2026 – IID initiates engineering and long lead-time equipment procurement activities. Includes initial engineering of long lead-time equipment specification and initial New Facility designs and schematics.

Q3, 2026 – IID completes balance of preliminary engineering for Engineering Procurement and Construction agreement(s).

Q4, 2026 – IID solicits, evaluates and awards Engineering Procurement and Construction agreement(s). Includes balance of engineering of equipment specification and New Facility designs and schematics and coordination with EPC contractor for EPC design and construction.

Q3, 2027 – Initial construction commences and balance of equipment ordered.

Q3, 2028 – IID completes construction, testing and commissioning of the New Facility.

Q4, 2028 – Commence service connections from the New Facility.

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[1] Construction Milestone dates subject to change based upon availability of materials and labor and other supply chain-related impacts and delays to performance and completion of construction activities relating thereto.

EXHIBIT E

MAP OF CUSTOMER DISTRIBUTION FACILITIES

[Attached.]

EXHIBIT F

MILESTONE PAYMENT AND REIMBURSEMENT SCHEDULE[2]

***Total good faith, high level cost estimate:**	**$23,249,000.00**
1. Amount Due 30 days after Execution:	$6,775,340.00[3]
2. Amount Due September 30, 2026:	$1,100,000.00
3. Amount Due December 31, 2026:	$2,678,965.00
4. Amount Due March 31, 2027:	$2,975,000.00
5. Amount Due June 30, 2027:	$1,750,000.00
6. Amount Due September 30, 2027:	$2,756,596.00
7. Amount Due December 31, 2027:	$150,000.00
8. Amount Due March 31, 2028:	$2,600,000.00
9. Amount Due June 30, 2028:	$2,463,099.00

* Each Party's pro-rata share of each of the above Milestone Payments is shown on Exhibit F-1, attached hereto and incorporated herein by this reference.

[2] IID shall be under no obligation to perform any activity under this Agreement unless City, County and/or each Developer, as the case may be, shall have deposited adequate funds to pay for such work. Further, since IID has no control over the cost of labor or material, the estimated costs set forth in this Milestone Payment and Reimbursement Schedule above are furnished only for the convenience of the City, County and each Developer. They are intended to reflect the costs of similar materials and similar work performed under favorable conditions. Because of the unforeseen contingencies and other factors, the actual costs may be considerably higher or lower. Therefore, the estimate costs are not a warranty by IID of the actual costs to complete all of the milestone activities listed above for the estimated cost also shown above. The estimated deposits above are not a warranty by IID of the actual cost to complete the work required by IID; City, County and each Developer will be required to pay the actual cost on the terms set forth in this Agreement.

[3] Total high level estimated project costs are $23,249,000.00 however, the initial deposit amount of $5,086,870.00 was advanced by City and shall be subject to repayment as set forth in Section 6(a) from the proceeds paid to IID under the Milestone Payment #1. Following repayment of the sum advanced by the City hereunder, each Developer, or City, or County at City's or County's election as set forth in this Agreement, as the case may be, will make the milestone payments for the remaining estimated project costs as reflected in the Milestone Payment and Reimbursement Schedule.

EXHIBIT F-1

MILESTONE PAYMENT ALLOCATION BY PARTY

Milestone Payment #1	$6,775,340.00
CM Wave Development, LLC	$844,654.54
La Quinta Malaga, LLC	$151,835.37
Project LQ, LLC	$827,643.35
Sunrise LQ, LLC	$365,529.59
Barton Land La Quinta, LLC	$702,941.53
Dakota Dunes, Inc.	$139,323.01
Travertine	$1,504,013.69
Santa Rosa 60 Investors, LLC	$508,929.66
Griffin Ranch Investors, LP	$333,194.28
RMG Griffin 90, LLC	$245,467.18
City of La Quinta	$0.00
County of Riverside	$0.00
Imperial Irrigation District	$1,151,807.80

Milestone Payment #2	$1,100,000.00
CM Wave Development, LLC	$137,132.60
La Quinta Malaga, LLC	$24,651.00
Project LQ, LLC	$134,370.78
Sunrise LQ, LLC	$59,345.00
Barton Land La Quinta, LLC	$114,125.00
Dakota Dunes, Inc.	$22,619.58
Travertine Corporation	$244,181.85
Santa Rosa 60 Investors, LLC	$82,626.50
Griffin Ranch Investors, LP	$54,095.25
RMG Griffin 90, LLC	$39,852.45
City of La Quinta	$0.00
County of Riverside	$0.00
Imperial Irrigation District	$187,000.00

Milestone Payment #3	$2,678,965.00
CM Wave Development, LLC	$333,975.85
La Quinta Malaga, LLC	$60,035.61
Project LQ, LLC	$327,249.64
Sunrise LQ, LLC	$144,530.16
Barton Land La Quinta, LLC	$277,942.62
Dakota Dunes, Inc.	$55,088.23
Travertine Corporation	$594,686.03
Santa Rosa 60 Investors, LLC	$201,230.46
Griffin Ranch Investors, LP	$131,744.80
RMG Griffin 90, LLC	$97,057.56
City of La Quinta	$0.00
County of Riverside	$0.00
Imperial Irrigation District	$455,424.05

[Continued on next page.]

Milestone Payment #4	$2,975,000.00
CM Wave Development, LLC	$370,881.35
La Quinta Malaga, LLC	$66,669.75
Project LQ, LLC	$363,411.87
Sunrise LQ, LLC	$160,501.25
Barton Land La Quinta, LLC	$308,656.25
Dakota Dunes, Inc.	$61,175.67
Travertine Corporation	$660,400.91
Santa Rosa 60 Investors, LLC	$223,467.13
Griffin Ranch Investors, LP	$146,303.06
RMG Griffin 90, LLC	$107,782.76
City of La Quinta	$0.00
County of Riverside	$0.00
Imperial Irrigation District	$505,750.00

Milestone Payment #5	$1,750,000.00
CM Wave Development, LLC	$218,165.50
La Quinta Malaga, LLC	$39,217.50
Project LQ, LLC	$213,771.69
Sunrise LQ, LLC	$94,412.50
Barton Land La Quinta, LLC	$181,562.50
Dakota Dunes, Inc.	$35,985.69
Travertine Corporation	$388,471.13
Santa Rosa 60 Investors, LLC	$131,451.25
Griffin Ranch Investors, LP	$86,060.63
RMG Griffin 90, LLC	$63,401.63
City of La Quinta	$0.00
County of Riverside	$0.00
Imperial Irrigation District	$297,500.00

Milestone Payment #6	$2,756,596.00
CM Wave Development, LLC	$343,653.80
La Quinta Malaga, LLC	$61,775.32
Project LQ, LLC	$336,732.67
Sunrise LQ, LLC	$148,718.35
Barton Land La Quinta, LLC	$285,996.84
Dakota Dunes, Inc.	$56,684.57
Travertine Corporation	$611,918.83
Santa Rosa 60 Investors, LLC	$207,061.71
Griffin Ranch Investors, LP	$135,562.50
RMG Griffin 90, LLC	$99,870.09
City of La Quinta	$0.00
County of Riverside	$0.00
Imperial Irrigation District	$468,621.32

[Continued on next page.]

Milestone Payment #7	$150,000.00
CM Wave Development, LLC	$18,699.90
La Quinta Malaga, LLC	$3,361.50
Project LQ, LLC	$18,323.29
Sunrise LQ, LLC	$8,092.50
Barton Land La Quinta, LLC	$15,562.50
Dakota Dunes, Inc.	$3,084.49
Travertine Corporation	$33,297.53
Santa Rosa 60 Investors, LLC	$11,267.25
Griffin Ranch Investors, LP	$7,376.63
RMG Griffin 90, LLC	$5,434.43
City of La Quinta	$0.00
County of Riverside	$0.00
Imperial Irrigation District	$25,500.00

Milestone Payment #8	$2,600,000.00
CM Wave Development, LLC	$324,131.60
La Quinta Malaga, LLC	$58,266.00
Project LQ, LLC	$317,603.65
Sunrise LQ, LLC	$140,270.00
Barton Land La Quinta, LLC	$269,750.00
Dakota Dunes, Inc.	$53,464.45
Travertine Corporation	$577,157.10
Santa Rosa 60 Investors, LLC	$195,299.00
Griffin Ranch Investors, LP	$127,861.50
RMG Griffin 90, LLC	$94,196.70
City of La Quinta	$0.00
County of Riverside	$0.00
Imperial Irrigation District	$442,000.00

Milestone Payment #9	$2,463,099.00
CM Wave Development, LLC	$307,064.70
La Quinta Malaga, LLC	$55,198.05
Project LQ, LLC	$300,880.47
Sunrise LQ, LLC	$132,884.19
Barton Land La Quinta, LLC	$255,546.52
Dakota Dunes, Inc.	$50,649.32
Travertine Corporation	$546,767.34
Santa Rosa 60 Investors, LLC	$185,015.68
Griffin Ranch Investors, LP	$121,129.05
RMG Griffin 90, LLC	$89,236.85
City of La Quinta	$0.00
County of Riverside	$0.00
Imperial Irrigation District	$418,726.83

[End of schedule.]

EXHIBIT G

FORM OF ASSIGNMENT

[Attached.]

ASSIGNMENT AND TRANSFER OF ELECTRICAL CAPACITY

This Assignment and Transfer of Electrical Capacity ("Agreement") is made and entered into as of this ___ day of __________**, 20__**, by and between Assignor and Assignee, on the terms and conditions set forth herein below. Notwithstanding any provision herein, no assignment or transfer of electrical capacity as contemplated herein shall be effective until the consent of the Imperial Irrigation District ("IID") therefor is obtained.

Assignor:
Name: ____
Address: ____
City/State/Zip: ____________________________________
Contact Number: __________________________________
Project Name: _____________________________________
Location of Use: ___________________________________

Assignee:
Name: ____
Address: ____
City/State/Zip: ____________________________________
Contact Number: __________________________________

Re: Assignment and transfer of electrical capacity (___MVA) associated with:
Project Name: _____________________________
Account or Project ID: ____________________________
Location of Use: ___________________________________
Assigned Capacity: ___________ MVA

Agreement

1. Assignment. The Assignor hereby assigns, transfers, and sets over to the Assignee all rights, title, and interest in and to the above-referenced electrical capacity, the same being ___ MVA, which capacity is made available to Assignee solely from the Imperial Irrigation District's Avenue 58 Substation, located north of Avenue 58, west of Monroe Street, La Quinta, California, and which electrical capacity shall be available for use solely for the Project at the Location of Use identified above

2. Effective Date. This assignment shall take effect on the ___ day of __________, 20__, subject to written consent of IID, as provided below.

3. Representations and Warranties. The Assignor represents and warrants that it has full authority to assign the electrical capacity subject to the consent of IID, as provided below, that such capacity is free from liens, claims, or encumbrances, and that no prior conflicting assignments exist with respect to the electrical capacity assigned hereunder

4. Assumption by Assignee. The Assignee accepts the assignment subject to the limitations set forth herein and as may be imposed by IID in connection with the use of such reserved capacity, including pursuant to IID's Regulations and Developer Energy Planning Guide, as each may be amended from time to time, and Assignee further agrees to assume all rights, duties, and

obligations associated with the assigned capacity as of the Effective Date subject to such limitations.

5. Bound by Terms and Use Limitation. The Assignee acknowledges and agrees to be bound by all applicable utility rules, agreements, and conditions relating to the electrical capacity. The assigned electrical capacity may only be used at the location specified above and only in the amount stated herein. Any unauthorized use or reassignment is strictly prohibited unless approved in writing by IID.

6. Governing Law; Venue. This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of California, as if executed and to be performed wholly within the State of California, and without regard to principles of conflicts of law. Any action or proceeding arising out of or relating to this Agreement shall be brought in State court located in the County of San Diego, California and/or Federal court located in the County of San Diego, California. Each Party irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California for the purpose of litigating any dispute arising out of or relating to this Agreement and waive any defense of forum non conveniens (or a similar doctrine pertaining to venue).

7. Signatures. The undersigned have all requisite authority to execute this Agreement and undertake all obligations arising therefrom or in connection therewith.

Assignor:
Signature: ______________________________
Name: _________________________________
Title (if applicable): _______________________
Date: __________________________________

Assignee:
Signature: ______________________________
Name: _________________________________
Title (if applicable): _______________________
Date: __________________________________

Consent of Imperial Irrigation District

The undersigned, as an authorized representative of the Imperial Irrigation District, hereby consents to the assignment and transfer of the electrical capacity described herein.

Signature: ____
Name: ____
Title: ____
Date: ____