



Mayor Mallotto
Mayor Pro Tem O'Keefe
Council Member Downs
Council Member Fromberg Edelstein
Council Member Weill

Friday, February 20, 2026, 3:00 PM
City Council Chamber
69-825 Highway 111
Rancho Mirage, CA 92270

CALL & NOTICE OF A SPECIAL MEETING

OF THE RANCHO MIRAGE CITY COUNCIL AND COMMUNITY SERVICES DISTRICT, ENERGY AUTHORITY, HOUSING AUTHORITY, JOINT POWERS FINANCE AUTHORITY, LIBRARY AND OBSERVATORY, AND REDEVELOPMENT SUCCESSOR AGENCY BOARDS

NOTICE IS HEREBY GIVEN that, as provided by Government Code Section 54956, the Mayor of the City of Rancho Mirage has called a Special Meeting for the purpose stated below. No other business will be conducted at this special meeting.

AGENDA

1. GENERAL

- 1.A. Call to Order
- 1.B. Flag Salute
- 1.C. Roll Call - Downs, Fromberg Edelstein, Weill, O'Keefe, Mallotto

2. PUBLIC COMMENTS

An opportunity for the public to speak regarding items on the agenda for a maximum of three (3) minutes per speaker.

3. ACTION ITEMS

3.A. Imperial Irrigation District (IID) Substation Funding and Reservation of Capacity Agreement

— RECOMMENDED ACTION: Approve the Funding and Reservation of Capacity Agreement for Cook Street Substation, the 16,550kVA (16.55 MVA) allocation, and authorize the City Manager or designee to execute the Agreement, subject to revisions approved by all other parties and approved by the City Manager in consultation with the City Attorney.

4. ADJOURNMENT

PUBLIC NOTICES

Agenda Materials: Any staff reports or agenda materials provided to a majority of the legislative body(ies) following distribution of the agenda are made available for inspection in the City Clerk's Office at Rancho Mirage City Hall, located at 69-825 Highway 111, Rancho Mirage, CA 92270, during normal business hours.

Americans with Disabilities Act (ADA): If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the ADA, please contact the City Clerk's Office at (760) 324-4511 Ext. 488, or via e-mail to CityClerk@RanchoMirageCA.gov, prior to the meeting, so a determination may be made as to whether the request is feasible.

Livestream: This meeting may be viewed via Livestream on the City's website at www.RanchoMirageCA.gov.

Public Comments: Written public comments may be submitted to the City Clerk via email to CityClerk@RanchoMirageCA.gov or mail/delivery to ATTN: City Clerk, City of Rancho Mirage, 69-825 Highway 111, Rancho Mirage, CA 92270. Please submit written public comments at least three (3) hours in advance of the meeting to ensure they may be fully considered. Written public comments submitted during the meeting will be made available to the public following the meeting.

Oral public comments may be provided in person at the meeting during the public comment period. Public comments are limited to three (3) minutes per speaker. Please fill out a Request to Speak slip prior to the start of the meeting and submit it to the City Clerk. You will be called upon to speak at the appropriate time.

Declaration of Posting: *I, Kristie Ramos, City Clerk of the City of Rancho Mirage, do hereby declare that the foregoing meeting notice/agenda was personally delivered to the legislative body(ies) and posted on the City of Rancho Mirage website at www.RanchoMirageCA.gov, on the Rancho Mirage City Hall bulletin board at 69-825 Highway 111, Rancho Mirage, CA 92270, and at the Rancho Mirage Library & Observatory at 71-100 Highway 111, Rancho Mirage, CA 92270, at least 24 hours in advance of the meeting.*

Kristie Ramos



Date Posted: February 19, 2026



Imperial Irrigation District (IID) Substation Funding and Reservation of Capacity Agreement

DATE	ITEM #
February 20, 2026	ACTION ITEMS - 3A.
Presented To	Presented By
Mayor and City Council	Isaiah Hagerman, City Manager

RECOMMENDED ACTION

Approve the Funding and Reservation of Capacity Agreement for Cook Street Substation, the 16,550kVA (16.55 MVA) allocation, and authorize the City Manager or designee to execute the Agreement, subject to revisions approved by all other parties and approved by the City Manager in consultation with the City Attorney.

DISCUSSION

Imperial Irrigation District (IID) is working with Riverside County, Cities of Rancho Mirage, Palm Desert and Developers for the Implementation of the Cook Substation Concept Under a Cost Share Agreement Mechanism, to Serve New Development's Loading Requirements in the Thousand Palms area. The City Council has taken several previous actions to continue its participation in the discussions of a new substation. The IID has approved the attached agreement and now each participant has 30 days to approve the agreement. This proposed IID owned substation will include:

- Engineering, Procurement and Construction of (1) 28 MVA and (1) 50MVA 92/13.2kV transformers, and associated equipment.
- Transmission 92 kV CE upgrades/line extensions (in/out).
- Implementation of distribution getaways for twenty (20) 12.47kV distribution circuits with conduit/vault outside wall/fence.
- Preparation for a third 50 MVA transformer, conduit/vault systems for future capacity needs, in addition to redundancy for reliability purposes.

The proposed site for this substation is owned by Berger Foundation and is located approximately 1.1 miles north of Interstate I-10 Freeway on the west side of Cook Street (Chase School Road). The estimated cost of the substation with a 10% contingency is \$39.67 million. The land and site improvements are not included in this estimate. Each participant will be charged based on their respective share of the substation capacity.

The City Council previously approved reserving up to 15,000 kVA of the total available capacity. IID later informed the participating agencies that an additional 8,550 kVA had become available due to a participant withdrawing from the project. The County of Riverside elected to secure an additional 2,000 kVA, and the City of Rancho Mirage secured an additional 5,000 kVA, as approved by the City Council, bringing the City's total allocation to 15,000 kVA. A remaining 1,550 kVA is still available.

IID and the City reviewed pending development projects within IID's service territory inside City limits and determined that, given the number of projects currently in the pipeline, the City is a strong candidate to assume the remaining capacity.

Securing this capacity is critical to advancing three affordable housing projects that would otherwise be unable to proceed. In addition, obtaining the remaining capacity will provide the City with flexibility to allocate capacity to other future developments, with reimbursement from those projects based on their proportional use. Without access to this capacity, individual projects would be required to fund construction of a new substation estimated at approximately \$40 million or partner with other entities to pursue a future capacity expansion, both of which would significantly diminish project feasibility.

FISCAL IMPACT

The estimated cost for the capacity is \$9,290,783. The affordable housing projects comprise approximately \$5.3 million, with the remaining \$4 million for other projects. After reimbursement from affordable housing funds, developers and other sources the estimated impact to the General Fund is estimated to be \$2 to \$3 million.

Attachments

[Attachment 1 - Draft Agreement](#)

**FUNDING AND
RESERVATION OF CAPACITY AGREEMENT
for
COOK STREET SUBSTATION
(PLANNED CONFIGURATION)**

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”) on the one hand, and the City of Palm Desert, an incorporated city in the County of Riverside, State of California (“Palm Desert”), City of Rancho Mirage, an incorporated city in the County of Riverside, State of California (“Rancho Mirage”), County of Riverside, a political subdivision of the State of California (“County”) (each of Palm Desert, Rancho Mirage and County being referred to herein as an “Agency” and collectively as the “Agencies”), The H.N. and Frances C. Berger Foundation, a 501(c)3 corporation (“Berger Foundation”) and each of the developers listed on Exhibit “A” attached hereto and incorporated herein by reference (each, a “Developer” and, collectively, the “Developers”) on the other hand. For purposes of this Agreement, Palm Desert, Rancho Mirage, County, Berger Foundation and Developers may be referred to herein as a “Participant” and collectively, as the “Participants”). IID and the Participants are referred to herein individually as a “Party” and collectively, as the “Parties”;

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 Participants seek to induce IID to develop new electrical distribution service within the District Service Area to facilitate new growth and development as identified herein;

WHEREAS, the Participants agree that a new electrical distribution substation and related equipment, including corresponding transmission and distribution line extensions to support the new substation (collectively, the “New Facility”) is necessary to meet the anticipated electrical service needs to meet such new growth and development as identified herein;

WHEREAS, the New Facility is initially intended to accommodate one (1) 28MVA transformer and one (1) 50MVA transformer, and is anticipated to address Participants’ immediate electrical service needs as identified herein (the “Planned Configuration”), but which New Facility can be expanded by replacing the 28MVA transformer with a larger transformer as well as be further expanded by adding thereto the New Facility a third separate transformer (for a total of three transformers) in final configuration to meet additional future electrical service needs (the “Expanded Configuration); a schematic representation of the New Facility in the Planned Configuration is shown on Exhibit “B”, attached hereto and by reference incorporated herein;

WHEREAS, the New Facility, in the Planned Configuration, by and through the Reliability Band (defined below), will provide certain benefit to the reliability and resiliency of the IID electric system in partial support of IID's Edom Substation and Frances Way Substation, which provide electrical capacity in service to existing customers and other development located generally west, north and east of the New Facility;

WHEREAS, Berger Foundation, as a Participant hereunder this Agreement, has identified an approximately five and seventy-four hundredths acre (5.74 ac) parcel of land owned by Berger Foundation (the "Site") and which Site Berger Foundation agrees herein (i) to dedicate to IID for purposes of constructing the New Facility thereon; (ii) facilitate and complete the construction of the Site Improvements (defined below) and to pay the cost therefor in advance of dedication of the Site to IID, subject to reimbursement therefor in the form of credits as are more fully described herein. The approximate location and intended boundaries of the Site are shown on Exhibit "B" attached hereto and incorporated herein by reference;

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

WHEREAS, the Parties further intend hereby to set forth the framework for the Participants, at their collective cost and expense as set forth below, to induce Berger Foundation, with IID's approval, to (a) undertake and complete the design and engineering of the Site Improvements; (b) procure materials, supplies and equipment for the Site Improvements; (c) undertake and complete the Site Improvements; and (d) dedicate the Site to IID in such improved condition as identified herein;

WHEREAS, as Berger Foundation will advance certain initial funding and/or in-kind advances, in amounts approved by IID and the Participants prior to commencement of any work on the Site Improvements, including, without limitation, (a) design and engineering of the Site Improvements; (b) procurement of materials, supplies and equipment for the Site Improvements; (c) construction of the Site Improvements; and (d) dedication of the Site to IID in its improved condition, all as a condition to the construction of the New Facility in the Planned Configuration to accommodate Participants' electrical requirements, the Berger Foundation will be entitled to reimbursement credits therefor on the terms and conditions set forth herein; and,

WHEREAS, because Participants are to collectively bear the expense for the New Facility as set forth below, IID agrees the Participants should be entitled to a reservation of electrical capacity from the New Facility in the amounts, durations and upon the terms and conditions set forth herein.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. New Facility Requirements. The Parties agree that the New Facility in the Planned Configuration is necessary to serve Participants' respective electrical service needs and the New Facility, when constructed to the Planned Configuration, will have the capacity necessary to facilitate growth and development and mitigate the impacts to IID's electric system directly caused by Developers' projects and other Participants' anticipated electrical service needs as identified herein. The Parties further agree that due to the location of Developers' projects, the New Facility in the Planned Configuration is necessary to accommodate electric service thereto such projects and electrical service needs. The Parties agree that the New Facility in the Planned Configuration has been developed based upon information supplied by the Participants. Participants expressly acknowledge and agree that they will be responsible for funding their respective share of the cost of the New Facility in the Planned Configuration as set forth in this Agreement.
2. CEQA Compliance. 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 in its Expanded Configuration (as opposed to only the Planned Configuration), together with the Site Improvements as well as 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, in any configuration, or any other element thereof, is subject to compliance with CEQA as set forth herein and pursuant to applicable law.
3. Construction Documents.
 - a. IID Responsibility. IID shall be responsible for creating all plans, specifications, and construction drawings for the engineering and design of the New Facility in the Planned Configuration (the "Construction Documents").
 - b. Berger Foundation Responsibility. Berger Foundation, in connection with its dedication of the Site to IID pursuant to Section 5 below, and in consultation with IID, shall be responsible for creating all plans, specifications and construction drawings for the engineering and design of the Site Improvements (defined below) for the New Facility in the Expanded Configuration, including all costs therefor, subject to a credit therefor, as set forth in this Agreement.

4. Procurement of Materials.

a. IID Responsibility. IID will procure products and equipment required for the New Facility in the Planned Configuration, particularly long lead time products and materials, in order to maximize cost efficiencies and avoid delay.

b. Berger Foundation Responsibility. Berger Foundation, in consultation with IID, will procure products and equipment required to make the Site Improvements for the New Facility in the Expanded Configuration, subject to a reimbursement credit therefor as set forth in this Agreement.

5. Site.

a. Site Dedication. Not later than ninety (90) calendar days following the Parties complete execution of this Agreement, IID and Berger Foundation shall enter into a binding agreement for the transfer of the fee interest in and to the Site, without encumbrances, to IID to occur not later than ninety (90) calendar days following Berger Foundation's completion of the Site Improvements as set forth below (the "Site Dedication"). Such binding agreement shall provide for the handling of such transfer by and through an escrow company of IID's selection, together with provision for the issuance of a California Land Title Association (CLTA) Owner's Policy and appropriate endorsements therefor. Berger Foundation shall confer and coordinate with IID's real estate section in connection with the foregoing.

b. Site Valuation; Appraisal. Not later than fourteen (14) calendar days following the Parties complete execution of this Agreement, Berger Foundation shall contract with an MAI appraiser for the conduct and preparation of a written appraisal and report (the "Appraisal") regarding the fair-market value of the Site (the "Site Valuation"), and which appraisal shall be completed no later than thirty (30) days from the date of contracting with such appraiser. Upon completion and receipt the Appraisal, Berger Foundation shall promptly distribute a copy of same to the Parties for review. The Parties shall have ten (10) calendar days from the date of receipt of the Appraisal within which to object to the Appraisal and any determination of fair-market value of the Site set forth therein (a "Site Valuation Objection") by giving notice to the Parties thereof on or before the expiration of such ten (10) calendar day period. Failure of a party to timely object within such period shall be deemed a full and complete waiver of such Party's right to make a Site Valuation Objection and such Party shall be deemed to have accepted the Site Valuation. In the event any Party hereto makes a timely Site Valuation Objection, then not later than ten (10) calendar days following receipt of such Site Valuation Objection, the Parties shall meet, in good faith, in an effort to resolve the objection of the objecting Party with respect to the Site Valuation, provided, however, if the Parties, inclusive of the objecting Party, are unable to resolve the objection during such meeting, then IID, in its sole discretion and determination, may terminate this Agreement as to the objecting party and may, in accordance

with Section 10, either, (i) reallocate the Construction Costs amongst the remaining, non-objecting Parties and/or (ii) identify substitute participants to replace such terminated Party.

c. Site Improvements. In conformance with IID's substation site-development standards, and in consultation with IID, Berger Foundation shall undertake and complete all required site improvements necessary to ready the Site for construction of the New Facility in the Expanded Configuration thereon, which site improvements include, without limitation, site grading, perimeter fencing/walls and gates, grounding grid, and graded all-weather access ways to and from the Site to the nearest paved, public roadway (the "Site Improvements"). Berger Foundation shall undertake and complete all required Site Improvements; provided, however, Berger Foundation shall be entitled to receive a credit for direct cost of the Site Improvements (the "Site Improvement Costs") on the terms and conditions set forth in Section 7(a). The Site Improvement Costs shall be the sum total of all reasonable direct costs and expenditures incurred by Berger Foundation directly related to the completion of the Site Improvements with no mark-up to such amounts nor interest thereon any such sums expended therefor.

i. Coordination and Approval of Site Improvement Costs. Prior to contracting with any duly licensed contractor for the construction and installation of the Site Improvements, Berger Foundation shall provide the Parties the opportunity to review the solicitation(s) or bid packages and the bids responsive thereto to verify they are consistent with specifications and requirements for the Site Improvements. In coordination with IID, Berger shall select the bid from the most qualified vendor(s), that are the lowest priced bid which meets such specifications and requirements for the Site Improvements together with the anticipated schedule for completion thereof. No later than ninety (90) calendar days following the Parties full execution of this Agreement and approval of all required plans and permits from all applicable governmental agencies, Berger Foundation shall provide the Parties evidence of a contract or purchase order or such other applicable documentation evidencing Berger Foundation's commencement of the Site Improvements and shall diligently pursue completion thereof no later than one-hundred eighty (180) calendar days following such commencement. Berger Foundation shall comply with all applicable laws with respect to the construction and installation of the Site Improvements. If, during the completion of the Site Improvements, any modifications or change orders to any such contract or purchase order become necessary, and the increase in cost with respect to such modification or change order is more than ten percent (10%) greater than the estimate or bid previously obtained therefor, then Berger Foundation shall provide the Parties the opportunity to review such modifications or change orders in advance of any execution or approval thereof by Berger Foundation. All timing requirements applicable to the Site Improvements set forth in this agreement shall be automatically tolled, day-for-day, for any periods of delay outside the reasonable control of Berger Foundation, so long as Berger Foundation is exercising good faith and reasonably diligent efforts to pursue timely completion

of the Site Improvements. IID shall monitor and inspect the Site Improvement work to ensure conformance to applicable IID standards and requirements with all costs therefore incurred by IID to be included as Construction Costs.

d. Alternative Site. In the event Berger Foundation fails, for any reason, to dedicate the Site to IID in accordance with this Agreement, then Participants, jointly and severally, shall be responsible for identifying, acquiring, and dedicating to IID, for use in the development, operation and maintenance of the New Facility, in such configuration as may then be appropriate, a suitable site which conforms to or otherwise satisfies all of IID's substation site-development standards as set forth in IID's Substation guidelines, as such may be amended by IID from time to time (an "Alternate Site"). The Alternate Site shall be suitable to IID, in IID's sole and absolute discretion, for development, operation and maintenance of the New Facility, in its appropriate configuration, at such location. The Site shall also accommodate all in-bound and out-bound transmission and distribution line extensions which may be required to facilitate new electrical service from the New Facility in such location. If the Site has not been formally dedicated to IID as required hereby this Section 5, IID will notify all Participant(s) of such failure and provide Participant(s) ninety (90) calendar days to cure such default by identifying, acquiring and dedicating to IID an Alternate Site. If Participants fail to cure such default within such ninety-day period or otherwise fail to take substantial steps to materially cure such default within such ninety-day period or such reasonable time thereafter as may reasonably be required to cure such default, then IID, in its sole discretion, may, without liability therefor, indefinitely suspend any further performance under this Agreement until such time as said default is cured or waived by IID in IID's sole and absolute discretion.

6. Construction of the New Facility. With exception for the Site Improvements, which are to be constructed by Berger Foundation pursuant to Section 5(c), IID shall be responsible for constructing the New Facility in the Planned Configuration in accordance with the Construction Milestone Schedule shown on Exhibit "D", attached hereto and incorporated herein by reference. In accordance with IID's Regulations (defined below) and DEPG (defined below), the Participants, in consultation with IID, shall obtain any and all necessary permits and 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 or establishment of legal and physical access rights to and from such roadway to the New Facility. Participants shall ultimately 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 the cost 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 Participant toward the Construction Costs for the New Facility in any configuration, each Participant 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 Participant's development site(s) or location of electrical service needs for each of the Participants (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 other Participant's 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 IID's Developer Energy Planning Guide. Additionally, each Participant shall be responsible for satisfaction of all required service conditions precedent to the establishment of electrical service to all or any part of such Participant'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 IID's DEPG. Notwithstanding the foregoing, attached hereto as Exhibit "F" 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.

7. Payment of Construction Costs. The Participants, subject to the Berger Foundation Credit, and the IID Contribution (all as defined below), shall bear all costs, including, without limitation, the Construction Costs, incurred in connection with development and construction of the New Facility in its Planned Configuration and which costs shall be paid to IID in advance thereof in accordance with the Milestone Payment and Reimbursement Schedule shown on Exhibit "E", attached hereto and incorporated herein by reference. Unless otherwise set forth in this Agreement, each and every payment shall be placed into an interest-bearing escrow account. 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 herein. Except as set for in Section 7(c), below, each and every payment paid to IID by each and every Participant hereunder this Agreement is paid unconditionally and shall be nonrefundable.

a. Berger Foundation Credit Toward Construction Costs. The Parties hereto, inclusive of Berger Foundation, acknowledge and agree that for and in consideration of the value of the Site as the same shall be determined pursuant to Section 5(b), together with the direct cost of the Site Improvements pursuant to Section 5(c), Berger Foundation shall be entitled to and receive a credit therefore which shall be applied to partially reduce Berger Foundations pro rata share of the Construction Costs as shown on the Milestone Payment and Reimbursement Schedule shown on Exhibit "E", attached hereto and incorporated herein by reference (the "Berger Foundation Credit").

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, irrespective of the configuration thereof, for purposes of maintaining electrical system reliability and native-load resiliency (the "Reliability Band") and that for and in consideration of the Reliability Band and the partial benefit to IID by the New Facility in support of select portions of IID's existing electrical system, IID will contribute exactly eighteen percent (18%) of the Construction Costs toward payment of such Construction Costs (the "IID Contribution"). Calculation of Construction Costs for purposes of determining the IID Contribution hereunder shall specifically exclude therefrom the Site Valuation, or any portion or percentage thereof.

c. Final Cost. Upon completion (in-service) of the New Facility in the Planned Configuration, IID will true up actual costs and apply thereto any applicable credits, including, without limitation, the Berger Foundation Credit and the IID Contribution, and will then provide Participants 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 Participants 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 Participants for any balance within sixty (60) days of mailing of notice of the Final Cost, which amount shall be distributed to the Participants in accordance with their pro rata contribution toward the New Facility in the Planned Configuration. In addition to any other remedy available hereunder, including declaring any Participant hereunder in default pursuant to Section 10 hereof, should any Participant fail to reimburse IID for any exceedances hereunder this Section 7(c), IID may, without further notice therefor to such Participant, 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 IID may elect to allocate any electrical capacity realized from such Capacity Reduction as set forth in either Section 10 or Section 11, as IID may deem appropriate under the circumstances.

8. 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 in the Planned Configuration unless (i) extended by mutual written agreement of the Parties or (ii) earlier terminated as set forth herein.
9. Reservation of Capacity. Participants have provided IID with each Participant's respective development plan or schedule of electrical service needs that will use new electrical capacity from the New Facility in the Planned Configuration. Participants' plans involve a phased-in usage of the New Facility as further identified in Exhibit A attached hereto and incorporated herein. Participants acknowledge and agree that the capacity reservation is based upon the plan of service provided to IID by Participants. Subject to Section 9(a), below, for a period of twenty (20) years from the date of completion (in-service) of the New Facility in the Planned Configuration, and provided each Participants have paid their allocable share of the Construction Costs, including any Final Cost, IID shall reserve capacity in the New Facility in the Planned Configuration for Participants 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 in the Planned Configuration, IID and Participants will review Participants' respective usage of their reserved capacity. Any deviation in use outside of that identified in Exhibit A will result in a change in available capacity available, if any. For example, if a Participant's total capacity reservation is 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 such Participant would only have 500 kVA of reserved capacity remaining for such Participant 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 in the Planned Configuration any Participant has not then used or caused to be used at least fifty percent (50%) of the capacity reserved for said Participant, then, to extend such Participant's

reservation of the balance of the capacity then un-used for an additional ten (10) years, Participant shall pay to IID a one-time capacity reservation 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 Participant (the "Capacity Maintenance Fee"). Participant shall pay such Capacity Maintenance Fee to IID no later than sixty (60) days of mailing of notice thereof to each Participant which may then be subject to the Capacity Maintenance Fee. If Participant 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 Participant hereunder and may elect to allocate any electrical capacity realized from such termination as set forth in either Section 10 or Section 11, as IID deems appropriate under the circumstances in IID's sole and absolute discretion. Participants 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 in the Planned Configuration prior to becoming fully subscribed with new electrical service customers.

b. Transfer or Assignment of Capacity Reservation by Berger Foundation and Developer. Berger Foundation and 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 Berger Foundation or Developer's development plan was prepared and submitted to IID as identified herein, or (ii) in connection with Berger Foundation or Developer's pledge of its capacity reservation hereunder in connection with the pledge of Berger Foundation or Developer's specific development site or project identified herein for purposes of obtaining financing therefor; provided, however, Berger Foundation and 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. In no event may any capacity reserved hereunder to Berger Foundation or any Developer be assigned 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 in the Planned Configuration as determined in IID's sole and absolute discretion.

c. Transfer or Assignment of Capacity Reservation by Agency. Each Agency may transfer or assign all or a portion of any capacity reserved to it hereunder provided (i) such capacity is not already allocated to or otherwise assigned to a particular development site or project or proposed use and (ii) each of the foregoing intending to transfer or assign shall first consult with IID and obtain IID's advance concurrence therefor as evidenced by IID's delivery thereto such agency 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 Participant, be transferred or assigned pursuant to either Section 9(a) or Section 9(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 in the Planned Configuration as determined in IID's sole and absolute discretion.

10. Complete Participation. Participants acknowledge and agree that collective participation by all Participants as outlined herein this Agreement is absolutely necessary for the complete funding and construction of the New Facility in the Planned Configuration to meet the electrical requirements of the Participants. Unless otherwise set forth in this Agreement, each and every payment made hereunder by any Participant, including any paid pursuant to the Milestone Payment and Reimbursement Schedule shown on Exhibit "E", attached hereto and incorporated herein by reference, or otherwise, is paid unconditionally and is nonrefundable. In the event one or more Participants fails to pay any monetary sum or otherwise perform any obligation as and when due under this Agreement, IID may declare such Participant(s) in default of this Agreement by sending notice thereof to such Participant(s) and providing said Participant(s) thirty (30) days to cure such breach. If any Participant 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 Participant and retain any and all sums then paid by such Participant and which such sums IID shall be entitled to apply as follows: first: (1) toward any amount to be credited to Berger Foundation pursuant to Section 7(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 in the Planned Configuration; 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 Participant only a pro rata share of the electrical capacity to be realized from the New Facility in the Planned Configuration on the basis of such amounts actually paid by such terminated Participant as the same bears against the Final Cost of the New Facility in the Planned Configuration. The obligation of each Participant, including any Participant to which this Agreement is terminated pursuant to this Section 10, 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. Substitute Participant. In the event IID terminates this Agreement as to one or more Participants prior to the Construction Costs being funded in full pursuant to this Agreement, IID may, in its sole and absolute discretion, accept one or more substitute participant(s) to participate in this Agreement, on a pro rata basis, in

place of those Participant(s) to which this Agreement has been terminated as to the balance of any electrical capacity that was to be allocated to such terminated Participant hereunder. In the event of any such substitution, IID shall notify such substitute participants(s) of the balance of the pro rata cost such substitute participants(s) shall be obligated to pay hereunder as a substitute participant together with the total amount of electrical capacity to be allocated to such substituted participant hereunder this Section 10. Such substitute participant(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 the Parties. Nothing herein shall preclude any of the Participants further participation as a substitute participant pursuant to this Section 10(a).

i. Reallocation of Construction Costs. In the event IID does not accept one or more substitute participants to replace any Participants to which this Agreement has been terminated as set forth in Section 10(a), IID may reallocate the balance of any Construction Costs then remaining to be paid hereunder by and amongst all remaining Participants on a pro rata basis; provided, however, the IID Contribution shall not be adjusted pursuant to any reallocation and shall instead continue to remain eighteen percent (18%) of the Construction Costs. In such event, IID will prepare an Updated Milestone Payment and Reimbursement Schedule and deliver the same to Participants. IID will reallocate to the Participants the excess capacity realized from such termination on the same pro rata basis and which excess capacity the Participants may then use or otherwise assign or transfer pursuant to the terms and conditions of this Agreement.

11. Future Use by Third Parties. In the event (i) the Participants' respective use of the New Facility in the Planned Configuration, in aggregate, is less than the full added capacity of the New Facility in the Planned Configuration, or (ii) upon termination of this Agreement as to any Participant as permitted hereunder and any resulting reduction in any allocated capacity, or (iii) a termination of any reserved capacity for failure to pay any amount due and payable hereunder, including, without limitation, the Capacity Maintenance Fee, then IID may make such remaining capacity available to prospective third-party customers of IID for their respective electrical service needs. In such event, Participants may be eligible for reimbursement for a portion of the cost of the New Facility in the Planned Configuration from such third-party customer(s) in accordance with their pro rata share of the Construction Costs of the New Facility in the Planned Configuration. Reimbursement would be available only from third-party customers paid to and through IID as set forth in Section 11(a). For purposes of this Agreement, "third-party customer(s)" shall mean customers other than the Participants set forth on Exhibit "A" that connect to and/or otherwise make use of the New Facility in the Planned Configuration. Notwithstanding the foregoing, the Parties anticipate that substantively all of the new electrical capacity to be realized from the New Facility in the Planned Configuration is or will be fully subscribed and allocated for use by Participants and IID hereunder such that no excess or unreserved capacity is anticipated from the New Facility. No reimbursement shall be due and owing to

any Participant 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 customer(s), if any, which making use of the New Facility in the Planned Configuration based on such customers 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 Participants for the New Facility in the Planned Configuration, unless and until any third-party customer(s) uses the New Facility in the Planned Configuration and provides compensation to IID therefor pursuant to this Section 11(a). Notwithstanding the foregoing, the Parties anticipate that substantively all of the new electrical capacity to be realized from the New Facility in the Planned Configuration 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.

b. Methodology for Reimbursement. Reimbursement, if any is to occur hereunder, will be based upon the pro rata use of the New Facility in the Planned Configuration by Participants 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 Participants with similar reimbursement from said third-party customer(s).

c. IID Not Liable for Reimbursement. With exception for the IID Contribution and any obligation to remit to the Participants any reimbursement for any fees paid by any third-party customer of IID hereunder this Section 11 for use of any excess capacity from the New Facility in the Planned Configuration, in no event shall IID be liable to the Participants, or any of them, for reimbursement for any portion of the cost of the New Facility in the Planned Configuration, including, without limitation, the Final Cost.

d. This Section 11 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 in the Planned Configuration 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. Further, no provision of this Section 11 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.

12. Payment and Accounting. IID shall create a segregated account designated for sums it collects from third-party customer(s) which use the New Facility in the Planned Configuration and shall, not more than twice annually, disburse reimbursement to Participants 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 IID hereunder.
13. Termination of Obligation for Capacity Reservation. IID's obligation to reserve capacity for each Participant shall terminate on the first of the following to occur: (i) the capacity reserved has been used by Participant, or their transferee or assignee; or (ii) upon termination of such reserve capacity, or portion thereof, by IID for failure of Participant to pay any amounts required hereunder, including, without limitation, the Capacity Maintenance Fee; or, (iii) 20 years from date of completion (in-service) of the New Facility.
14. Ownership of the New Facility. The Parties acknowledge and agree that IID solely shall own the New Facility, in any configuration, 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. Upon completion of the New Facility, in any configuration, 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 Participants shall be the only payments required of Participants for the development and construction of the New Facility in the Planned Configuration, and that any successors or assigns of IID shall be bound by the terms of this Agreement with respect to the New Facility.
15. Expanded Configuration Not Assured. The Parties acknowledge that the New Facility is intended to be constructed to the Planned Configuration and that further expansion of the New Facility to the Expanded Configuration is not the subject of nor provided for in this Agreement. Any expansion of the New Facility to the Expanded Configuration will be subject to the making of one or more new agreements providing for participation therein such expansion and/or such other suitable arrangements therefor, as IID may deem necessary or appropriate.
16. Delays.
 - a. 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 in the Planned Configuration, provided, however, IID will make all commercially reasonable efforts to avoid delay in completion (in-service) of the New Facility in the Planned Configuration.

- b. Berger Foundation Not Liable for Delays. In no event shall Berger Foundation be responsible under the terms of this Agreement for any delay in completion of the Site Improvements or the Site Dedication which are beyond the reasonable control of Berger Foundation, provided, however, Berger Foundation will make all commercially reasonable efforts to avoid delay in completion of the Site Improvements and Site Dedication.

17. Indemnification and Hold Harmless Agreement.

- a. As between IID and Berger Foundation/Developers. Berger Foundation and 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 Berger Foundation or 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 or Foundation. 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.

18. 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 Participants are a business entity, each 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.
19. 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.
20. Amendment. This Agreement may be amended or modified only by a written instrument executed by each Party to this Agreement.
21. 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.
22. 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 20 hereof.

23. 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.
24. 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.
25. 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.
26. 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.
27. 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

To Palm Desert: City of Palm Desert
Attention: City Manager
73510 Fred Waring Drive
Palm Desert, CA 92260
(760) 346-0611

To Rancho Mirage: City of Rancho Mirage
Attention: City Manager
69825 Highway 111
Rancho Mirage, CA 92270
(760) 346-0611

To County: County of Riverside
Attention: Chief Operating Officer
4080 Lemon Street
Riverside, CA 92501
(951) 955-1000

To Berger Foundation and Developers: See Exhibit "A"

28. 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. 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.
29. 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).
30. Multiple Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but 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.

31. 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.
32. 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 identified 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 hereunder, 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 identified Development and as provided for in said WSL. Notwithstanding the foregoing, to the extent any of Developer's identified 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 identified 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.
33. IID's Regulations, Developer Energy Planning Guide and Substation Guideline. This Agreement is subject to IID's Regulations ("Regulations"), Developer Energy Planning Guide ("DEPG") and Substation Site 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:

CITY OF PALM DESERT

By: _____
Name and Title: _____

CITY OF RANCHO MIRAGE

By: _____
Name and Title: _____

COUNTY OF RIVERSIDE

By: _____
Name and Title: _____

THE H.N. AND FRANCES C. BERGER FOUNDATION

By: _____
Name and Title: _____

DEVELOPERS:

[See Developer signature page attached.]

DEVELOPER SIGNATURE PAGE:

“Palm Creek Ranch”

Palm Creek Ranch, LLC
a California limited liability company

By: _____
Its: _____

EXHIBIT A

SCHEDULE OF PARTICIPANTS, ELECTRICAL DEMAND AND DEVELOPMENT/PROJECT SITE SPECIFICS

City of Rancho Mirage

Project: Undefined; multiple separate developments within the City of Rancho Mirage within IID's electric service boundary

Description: Capacity allocation to serve Project(s) within City of Rancho Mirage

Location: City of Rancho Mirage within IID's electric service boundary

MVA: 16.55

County of Riverside

Project: Undefined; multiple separate developments within the County of Riverside within IID's electric service boundary

Description: Capacity allocation to serve Project(s) within County of Riverside

Location: County of Riverside within IID's electric service boundary

MVA: 12.0

City of Palm Desert

Project: Undefined; multiple separate developments within the City of Palm Desert within IID's electric service boundary

Description: Capacity allocation to serve Project(s) within City of Palm Desert

Location: City of Palm Desert within IID's electric service boundary

MVA: 10.0

Berger Foundation

Project: Berger Foundation Property north of Interstate 10 adjacent to and generally situated east, west and northwest of the Classic Club.

Description: Multi-use, retail commercial and residential

Location: Berger Foundation Property located north of Interstate 10 and which is generally west of Classic Club along Cook Street and east of Classic Club along Varner Road and Avenue 38 (APN's _____)

MVA: 18.0

Palm Creek Ranch

Project: Residential development located north of Ramon Road in Thousand Palms

Description: Single Family Residential Development being (i) approximately 700 single family residential dwelling units, and 172 multi-family apartment units, all single-phase 200a service connections.

Location: Thousand Palms, north of Ramon Road between Desert Moon Drive and Vista del Sol (APNs 650-310-001, 650-310-002, 650-230-002, & 650-310-006)

MVA: 5.85

EXHIBIT B
SCHEMATIC REPRESENTATION OF NEW FACILITY

[Attached.]

EXHIBIT C
ESTIMATE OF CONSTRUCTION COSTS

[Attached.]

EXHIBIT D

CONSTRUCTION MILESTONE SCHEDULE¹

Q1, 2026 – IID initiates engineering and long lead-time equipment procurement activities. Includes initial engineering of long lead-time equipment specification and New Facility designs and schematics.

Q2, 2026 – IID engineering, real estate section and legal department coordination with Berger Foundation regarding Site Improvements and Site Dedication. IID completes balance of preliminary engineering for Engineering Procurement and Construction agreement(s).

Q3, 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.

Q2, 2027 – Initial construction commences and balance of equipment ordered.

Q4, 2027 – IID completes construction, testing and commissioning of the New Facility.

Q2, 2028 – Commence service connections from the New Facility.

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

EXHIBIT E

MILESTONE PAYMENT AND REIMBURSEMENT SCHEDULE²

Total good faith, high level cost estimate:	\$42,620,500.00*
1. Amount Due 30 days after Execution:	\$6,508,050.00
2. Amount Due May 30, 2026:	\$7,040,570.00
3. Amount Due August 30, 2026:	\$11,942,000.00
4. Amount Due December 15, 2026:	\$4,850,000.00
5. Amount Due February 30, 2027:	\$4,326,092.00
6. Amount Due May 30, 2027:	\$4,070,000.00
7. Amount Due August 30, 2027:	\$3,883,788.00

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

² IID shall be under no obligation to perform any activity under this Agreement unless Participants 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 Participants. They are intended to reflect the costs of similar materials and similar work performed under favorable conditions as well as other assumed and/or proxy figures which may not represent actual costs. 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; Participants will be required to pay the actual cost on the terms set forth in this Agreement.

EXHIBIT E-1

MILESTONE PAYMENT ALLOCATION BY PARTY³

Milestone Payment #1:	\$ 6,508,050.00
County	\$ 1,026,269.42
Rancho Mirage	\$ 1,415,396.58
Palm Desert	\$ 855,224.52
Berger Foundation	\$ 1,539,404.13
Palm Creek Ranch	\$ 500,306.34
IID	\$ 1,171,449.00
Milestone Payment #2:	\$ 7,040,570.00
County	\$ 1,110,243.73
Rancho Mirage	\$ 1,531,211.15
Palm Desert	\$ 925,203.11
Berger Foundation	\$ 1,665,365.60
Palm Creek Ranch	\$ 541,243.82
IID	\$ 1,267,302.60
Milestone Payment #3:	\$ 11,942,000.00
County	\$ 1,898,755.77
Rancho Mirage	\$ 2,848,133.65
Palm Desert	\$ 1,582,296.47
Berger Foundation	\$ 2,848,133.65
Palm Creek Ranch	\$ 925,643.44
IID	\$ 2,068,470.00

[Continued on next page.]

³ IID shall be under no obligation to perform any activity under this Agreement unless Participants 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 Participants. They are intended to reflect the costs of similar materials and similar work performed under favorable conditions as well as other assumed and/or proxy figures which may not represent actual costs. 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; Participants will be required to pay the actual cost on the terms set forth in this Agreement.

MILESTONE PAYMENT ALLOCATION BY PARTY (Cont.)⁴

Milestone Payment #4:	\$ 4,850,000.00
County	\$ 764,807.69
Rancho Mirage	\$ 1,054,797.28
Palm Desert	\$ 637,339.74
Berger Foundation	\$ 1,147,211.54*
Palm Creek Ranch	\$ 372,843.75
IID	\$ 873,000.00
Milestone Payment #5:	\$ 4,326,092.00
County	\$ 682,191.43
Rancho Mirage	\$ 940,855.68
Palm Desert	\$ 568,492.86
Berger Foundation	\$ 1,023,287.15*
Palm Creek Ranch	\$ 332,568.32
IID	\$ 778,696.56
Milestone Payment #6:	\$ 4,070,000.00
County	\$ 641,807.69
Rancho Mirage	\$ 885,159.78
Palm Desert	\$ 534,839.74
Berger Foundation	\$ 962,711.54*
Palm Creek Ranch	\$ 312,881.25
IID	\$ 732,600.00
Milestone Payment #7:	\$ 3,883,788.00
County	\$ 612,443.49
Rancho Mirage	\$ 844,661.65
Palm Desert	\$ 510,369.58
Berger Foundation	\$ 918,665.24*
Palm Creek Ranch	\$ 298,566.20
IID	\$ 699,081.84

*Each of Berger Foundation's Milestone Payments 4, 5, 6 & 7 shall be reduced by twenty-five percent (25%) of the Berger Foundation Credit as determined pursuant to Section 7(a).

⁴ IID shall be under no obligation to perform any activity under this Agreement unless Participants 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 Participants. They are intended to reflect the costs of similar materials and similar work performed under favorable conditions as well as other assumed and/or proxy figures which may not represent actual costs. 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; Participants will be required to pay the actual cost on the terms set forth in this Agreement.

EXHIBIT F

MAP OF CUSTOMER DISTRIBUTION FACILITIES

[Attached.]

EXHIBIT G
FORM OF ASSIGNMENT

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 _____ Substation, located _____, Thousand Palms, 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 [acknowledges] consents to the assignment and transfer of the electrical capacity described herein.

Signature: _____

Name: _____

Title: _____

Date: _____