

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
CARB GRANT
SUBRECIPIENT AGREEMENT**

This Subrecipient Agreement (“Agreement”) is made and entered into this _____ day of _____, 2025, by and between the Western Riverside Council of Governments, a California public agency (“WRCOG”) and the City of Moreno Valley, a California public agency (“Subrecipient”). WRCOG and Subrecipient are sometimes individually referred to as “Party” and collectively as “Parties”.

RECITALS

- A. WRCOG entered into a Grant Agreement, dated February 19, 2025 (the “Grant Agreement”) with the California Air Resources Board (“CARB”).
- B. The purpose of the grant from CARB is to allow WRCOG to support the deployment of zero-emission vehicles and infrastructure throughout Western Riverside County.
- C. Subrecipient desires to CARB grant funds in order to purchase and deploy zero-emission vehicles into their fleet.
- D. The purpose of this Agreement is to outline the rights and responsibilities of Subrecipient and ensure compliance with CARB guidelines.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed by WRCOG and Subrecipient as follows:

AGREEMENT

- 1. Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.
- 2. Term and Termination.
 - (a) Term. This Agreement shall commence on the Effective Date and continue through March 15, 2027, unless the Agreement is previously terminated as provided for herein (“Term”).
 - (b) Termination. WRCOG may terminate or suspend this Agreement, in whole or in part by providing written notice to the other Party at least thirty (30) days prior to the effective date of termination, with or without cause. In cases of an emergency or a breach of this Agreement, this Agreement may be terminated immediately.
- 3. Subrecipient Implementation of Project.
 - (a) Project. Subrecipient agrees to provide the services more particularly described in Exhibit “A”, attached hereto to this Agreement and incorporated herein by this reference (the “Project”). The Project shall not be modified without the written consent of both Parties.

Subrecipient agrees that any funds provided by WRCOG under this Agreement will be expended only for the purposes and programs described in this Agreement.

(b) Period of Performance. Subrecipient shall complete all the specified services during the period of performance outlined in Exhibit “A”.

(c) Disbursements and Accounting.

(i) Disbursements. WRCOG, will reimburse the work of Subrecipient, pursuant to requirements of the Grant Agreement, in an amount not to exceed \$453,873.27(the “Grant Funds”) in conformity with the following procedure:

(1) Submission of Disbursement Requests. Subrecipient shall submit electronically to WRCOG, a Disbursement Request containing an itemized statement of costs expended by Subrecipient for the Project. The itemized statement of costs and backup documentation shall include:

a. Receipts or invoices for direct expenses incurred, such as printed materials, advertising costs, room rental fees, and purchase of data collection devices.

b. Subrecipient shall submit the Disbursement Requests no more frequently than monthly and no less frequently than quarterly and shall submit them in accordance with the timeline provided by WRCOG so that WRCOG can coordinate submission of invoices and progress reporting to CARB by required deadlines.

c. Subrecipient shall certify to WRCOG for each Disbursement Request that to the best of its knowledge such Disbursement will not constitute any violation of either the provisions of the Grant Agreement or law, and that Subrecipient will use the Disbursement as indicated in the Disbursement Request.

(2) Within five (5) business days of the receipt of an invoice and accompanying certification, WRCOG shall notify Subrecipient as to what, if any, additional supporting documents it requires.

(3) Within the first week of the following month after receipt of invoice that complies with all applicable regulations, WRCOG shall: (i) disburse as much of the requested funding as it reasonably believes it can disburse without violating the terms of either the grant or of applicable regulations; and shall (ii) notify Subrecipient as to why it reasonably believes that it is unable to disburse some or all requested funds.

(ii) WRCOG shall have no liability to Subrecipient for any refusal to disburse funds so long as WRCOG has a good faith and reasonable belief that such Disbursement would constitute a violation of the terms of the Grant Agreement or law, such as: a milestone has not been accomplished or documented; a required deliverable has not been provided; claimed expenses are not documented, not valid per the budget, or not reasonable.

(iii) Payment (Recapture) on Demand. Subrecipient represents, warrants, and agrees that upon notification by WRCOG or its authorized representative of an overpayment, a

wrongful payment, or a violation of or failure to comply with any of the grant or subgrant agreement, contract, voucher or program requirements or obligations, Subrecipient will, without challenge or delay, remit to WRCOG or its authorized representative the requested amount within 60 calendar days from the date of issuance of said notice.

(iv) Separate Accounts. If Subrecipient has received any funds as a grant or subgrant pursuant to a grant or subgrant agreement, then Subrecipient shall not commingle said funds with any other accounts, revenues, grants, donations, or resources except where expressly authorized in this Agreement. Subrecipient will maintain all such grant or subgrant funds in a separate bank account designated specifically for the purposes of carrying out the intent and purpose for which said funds were provided. The bank account must be held in the name of the Subrecipient (the official legal entity's name, and not a dba), and under no other name, person, or entity. Funds received are NOT the assets of the Subrecipient. Grant and subgrant funds shall not be used as collateral for or an obligation to any debt, loan or other commitments of Subrecipient, its officers, agents, assigns, contractors, subcontractors, subgrantees or affiliates. Subrecipient shall ensure that the WRCOG is designated in writing as a third-party beneficiary of and to all such bank accounts in which said funds are maintained or held.

(v) Cooperation with Audits. Subrecipient warrants, represents, and agrees to cooperate fully, without delay, in all audits, inquiries and investigations initiated by or on behalf of WRCOG and/or the State of California concerning or relating to compliance with local, State, or federal air quality laws, or this agreement, including but not limited to timely submission of any and all records requested and full cooperation with any on-site inspections.

(d) Compliance with Laws/Permits. Subrecipient shall, in all activities undertaken pursuant to this Agreement, comply and cause its contractors, agents and employees to comply with the Grant Agreement, all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees. Without limiting the generality of the foregoing, Subrecipient, at its sole cost and expense, shall obtain any and all permits which may be required by any law, regulation or ordinance for any activities Subrecipient desires to conduct or have conducted pursuant to this Agreement.

(e) Compliance with Air Quality Laws. Subrecipient understands, acknowledges, and agrees that compliance with all applicable federal, State, and local air quality rules, regulations and statutes is a precondition to the receipt or use of any State funds provided by or through the California Air Resources Board (CARB), and is a continuing obligation for the consecutive five (5) years following receipt of any State funds on a rolling continuous basis. Subrecipient understands, acknowledges and agrees that a failure to comply in whole or in part with any local, State or federal air quality rules, regulations or statutes, or a failure to comply, in whole or in part, with any of the requirements or obligations under the project or program, agreement, contract, subcontract, award, voucher, or grant (as applicable) is, in each instance, a material breach of the conditions under which State funds were provided or made available, and such breach will result in undue hardship and damages to the WRCOG and the State of California some or all of which may be impossible to easily calculate.

4. Reporting Obligations.

(a) Reporting to CARB. Subrecipient understands and agrees that WRCOG is obligated to provide CARB with documentation accounting for the proper expenditure of all Grant Funds. These documents must be submitted by WRCOG at a minimum every 3 months to CARB. Subrecipient agrees to provide the supporting documentation outlined in Section 4(b) of this Agreement to WRCOG in order for WRCOG to carry out these reporting responsibilities.

(b) Supporting Documentation. Subrecipient must submit to WRCOG and maintain substantiating documentation of expenses incurred for technology and implementation costs under this Agreement. WRCOG reserves the right to require Subrecipient to submit itemized invoices (invoices must include enough details to ensure that only eligible costs are paid for), and any other appropriate documentation required by CARB. The following documentation must be provided to WRCOG, as necessary:

(i) Copy of the final itemized vehicle or vessel sales receipt/contract showing delivery confirmation, including documentation of the vehicle identification number (VIN) tag, vessel identification number (VIN), make, model, engine model year (if applicable), vehicle model year, and gross vehicle weight rating (if applicable).

(ii) Copy of itemized equipment and labor expenses.

(iii) Proof of temporary or permanent California vehicle registration for the vehicles.

(iv) Other substantiating documentation such as digital photos of the vehicles or vessels such as VIN tags, odometers; vehicle or vessel certifications such as California Highway Patrol or United States Coast Guard, proof of insurance and types of coverage.

(c) Status Reports. Subrecipient shall submit status reports at least quarterly. These reports must contain the following information:

(i) Project Status Report number, title of Project, name of Subrecipient, date of submission, and Project Grant number.

(ii) Summary of work completed since the last progress report, noting progress toward completion of tasks and milestones identified in the work plan.

(iii) Statement of work expected to be completed by the next progress report.

(iv) Notification of problems encountered and an assessment of their effects on the Project's outcome.

(v) Data collected from vehicles, vessels, equipment, and facilities.

(vi) Schedule of community outreach, workforce development and education conducted, materials used, number of people contacted, and number of participants, where applicable.

(vii) Accounting records, including expenditure and income information, and supporting documentation.

(viii) Itemized invoices (invoices must include enough details to ensure that only eligible costs are paid for), and any other appropriate documentation.

(ix) Discussion of the Project's adherence to the Project timeline.

(x) Other data and analysis as required by CARB.

5. Ownership of Data and Confidentiality.

(a) Ownership of Data. All information or data received or generated by the Subrecipient under this Agreement shall become the property of CARB, CEC, and WRCOG. In information or data received under this Agreement shall be released without the approval of WRCOG and CARB.

(b) Confidentiality. Subrecipient and its employees shall hold all information, deliverables, and work products developed pursuant to this Project, including data records that personally identify or describe an individual or individuals, confidential in perpetuity and shall release it only to WRCOG, in compliance with California Civil Code sections 1798 et seq. and other relevant State or Federal statutes and regulations and CARB policies. Subrecipient shall only make such records available to necessary employees to perform their job duties. Subrecipient shall notify WRCOG promptly in writing of the circumstances surrounding any suspected loss, theft, possession, use, or knowledge of any information, data, or equipment acquired as part of this Project by any person other than those authorized under this Agreement. Subrecipient shall be responsible for any costs incurred by WRCOG or CARB due to a security incident resulting from Subrecipient's failure to perform or negligent acts of its personnel that result in an unauthorized disclosure, release, destruction, loss, theft, or misuse of information or data developed or gathered pursuant to this Project.

6. Breach of Agreement.

(a) Non-performance (Breach) Provisions. Subrecipient agrees that the following is a non-exhaustive list of the circumstances that constitute non-performance (breach) under this Agreement. These circumstances will be solely determined by WRCOG and include, but are not limited to:

(i) Failure to comply with any of the provisions of the Agreement or Grant Agreement, including Exhibits.

(ii) Failure to obligate or expend Grant Funds within established timelines, or failure to show timely interim progress to meet these timelines.

(iii) Insufficient performance or widespread deficiencies with Grant Fund or Project oversight, enforcement, recordkeeping, contracting, inspections, or any other duties.

(iv) Misuse of Grant Funds.

- (v) Funding of ineligible activities or other items.
- (vi) Exceeding the allowable Grant Fund allotment on an itemized or other basis.
- (vii) Insufficient, incomplete, or faulty documentation.
- (viii) Failure to provide required documentation or reports requested by WRCOG, CARB, or other State agencies, in a timely manner.
- (ix) Poor performance as determined by a review or fiscal audit.

(b) Additional Remedies. In addition to any other requirements and remedies set out elsewhere in this Agreement, upon request by WRCOG, Subrecipient will also perform as follows:

(i) Within 14 calendar days of any request, timely develop and implement a corrective action plan.

(ii) Immediately cease all work and spending, and notify all employees, representatives, agents, officers, and affiliates to immediately cease all work and spending.

(iii) Upon termination of this Agreement or upon issuance of the termination notice (whichever occurs sooner), Subrecipient shall immediately turn over all remaining Grant Funds in its possession or control and all records, personally identifiable information (“PII”), intellectual property, documents, information and data relating to performance, accounting, administration, contracting and management of the Grant Funds and the Project, as well as any other materials requested by WRCOG or as otherwise required by any of the provisions of this Agreement. WRCOG, at its sole discretion, may elect to have any or all of the funding, documentation, intellectual property, and other property transferred to another designee.

(iv) Unless otherwise directed in writing by WRCOG, upon termination of this Agreement or upon issuance of the termination notice (whichever occurs sooner), Subrecipient shall immediately cease all work, and cease all expenditure of Grant Funds.

(v) Unless otherwise directed in writing by WRCOG, upon termination of this Agreement or upon issuance of the termination notice (whichever occurs sooner), Subrecipient shall submit a Grant Disbursement Request and a Status Report covering activities up to and including the termination date. The Status Report shall be subject to review and approval by WRCOG before any final payments are disbursed. Upon receipt of the Grant Disbursement Request, and Status Report, and once all intellectual property and requested data, information and property have been transferred and assigned to WRCOG, WRCOG, at its sole discretion, may make a final payment to the Grantee. This payment shall be for all WRCOG-approved, actually incurred costs that in the opinion of WRCOG are justified. However, the total amount paid shall not exceed the total authorized amount as outlined in this Agreement.

(c) Liquidated Damages. If WRCOG or the State of California determines, within its or their sole and absolute discretion, that Subrecipient is in breach or has breached any obligation

to remain in compliance with any applicable federal, State, or local air quality rules, regulations, and statutes, then Subrecipient, immediately upon demand, will pay WRCOG (or to CARB, as requested), as recaptured funds or liquidated damages, the full amount of all Grant Funds received to date. The Subrecipient agrees that quantifying the losses arising from any breach is inherently difficult insofar as breach may cause the State of California or WRCOG irreparable, serious, or substantial harm or damage, including to taxpayers or to the environment. Subrecipient further stipulates that the agreed upon amount of recaptured funds or liquidated damages is not a penalty, but rather a reasonable measure of damages based upon experience and given the nature of the losses that may result from said breach. The Subrecipient agrees that the recaptured funds or liquidated damages have been computed, estimated, and agreed upon by all Parties and represents an attempt to make a reasonable forecast of probable actual loss because of the difficulty of estimating with exactness the damages which will result. This obligation shall apply even if there is a concurrent noncompliance or violation of air quality rules, regulations or laws caused by a third party. The remedies set out in this paragraph are contractual in nature.

(d) Reservation of Rights. Nothing stated herein above in any way limits, prevents, or precludes the State of California or WRCOG from taking any enforcement action, exercising any police power, or prosecuting any violation of law against Subrecipient, its employees, officers, agents, assigns, representatives, contractors, subcontractors, affiliates, grantees, sub awardees, subgrantees, or any third parties.

7. Conflict of Interest. By entering into this Agreement, Subrecipient certifies, represents and warrants that he, she, it is in compliance with all applicable State and federal conflict of interest laws on the date said grant, award, contract, subcontract, agreement or voucher (as applicable) is signed and shall remain in compliance with all such laws for a period of five (5) consecutive years following receipt of any and all funding amounts on a rolling continuous basis. Subrecipient further certifies, represents, and warrants that he, she, it has no interest, and shall not acquire any interest, direct or indirect, which will conflict with Subrecipient's ability to impartially perform under, or complete the tasks described in, any and all agreements, grants, awards, contracts, subcontracts, vouchers, or programs. The Subrecipient acknowledges, understands, and accepts that Subrecipient must disclose any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest. The Subrecipient acknowledges, understands, and accepts that the nature and extent of any actual, apparent, or potential conflict of interest may be a basis for disqualification from receiving any funds. The Subrecipient certifies, represents, and warrants that Subrecipient will immediately advise WRCOG in writing of any potential new conflicts of interest as they arise.

8. Indemnification. To the fullest extent permitted by law, Subrecipient, its contractors, consultants, subcontractors, subconsultants, materialmen, suppliers, workers, successors, volunteers, and assigns (collectively, the "Subrecipient Parties") shall, and hereby does, agree to indemnify, defend, and hold harmless WRCOG; and its elected and appointed officials, officers, directors, employees, agents, volunteers, successors, representatives, and assigns (collectively, the "WRCOG Parties"), from and against all damages, claims, liabilities, settlements, penalties, fines, costs, expenses, losses, or attorney and consultant fees and costs (collectively "Damages") incurred by WRCOG to the extent that the same arise or result from or are caused by the acts or omissions of the Subrecipient Parties in connection with the Project and/or in connection with the exercise of any other rights granted by this Agreement. Subrecipient indemnification

obligations herein shall include, but are not limited to, the following: 1) any and all claims under workers' compensation acts and other employee benefit acts with respect to Subrecipient's employees/volunteers or Subrecipient's employees arising out of the Project, 2) liability for damages for death or bodily injury to person, (3) injury to, loss or theft of property; and 3) any failure or alleged failure to comply with any provision of law.

9. Insurance. Subrecipient shall comply with the insurance provisions attached hereto as Exhibit "B" and incorporated herein by this reference.

10. Miscellaneous Provisions.

(a) Conflict with Grant Agreement. In the event of an inconsistency between this Agreement and the Grant Agreement, the terms of the Grant Agreement shall control.

(b) Amendment. This Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing signed by both Parties.

(c) Assignment. Subrecipient shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of WRCOG and CARB, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

(d) Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

(e) Entire Agreement. This Agreement constitutes the entire and integrated agreement with respect to the subject matter hereof and supersedes any and all prior and contemporaneous oral or written negotiations, representations or agreements.

(f) Notices, Demands and Communications Between the Parties. Formal notices, demands and communications between Parties shall be deemed sufficiently given if: (i) by commercial overnight delivery; (ii) by messenger service for immediate personal delivery; or (iii) by electronic transmittal, including electronic mail and/or fax transmissions, subject to written verification of receipt by the receiving party. Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by written notice to the other Party.

All notices, demands and communications shall be sent, as follows:

To WRCOG:

Western Riverside Council of
Governments

To Subrecipient:

City of Moreno Valley
14177 Frederick St.

3390 University Avenue, Suite #450 Moreno Valley, CA 92553
Riverside, CA 92501 Attn: Melissa Walker, Public Works
Attn: Taylor York, Program Manager Director

Notices shall be deemed effective upon receipt or with respect to electronic transmission, upon receipt of written verification from the receiving party.

(g) Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

(h) Laws and Regulations. Each Party shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of this Agreement, and shall give all notices required by law. Each Party shall be liable for all violations of such laws and regulations in connection with this Agreement.

(i) Third Party Beneficiary. Subrecipient acknowledges, accepts, and agrees that the State of California, acting by and through the CARB, is an intended third-party beneficiary to any and all agreements, vouchers, contracts, subcontracts, awards, and grants with WRCOG where any CARB-provided funds are used or applied to pay or reimburse Subrecipient.

(j) Relationship of Parties. The Parties agree and intend that the Parties are independent contracting entities and do not intend by this Agreement to create any partnership, joint venture, or similar business arrangement, relationship or association between them.

(k) Governing Law. This Agreement shall be governed by the laws of the State of California without regard to conflicts of laws principles. Any litigation or other legal proceedings which arise under or in connection with this Agreement shall be conducted in a federal or state court located within or for Riverside County, California.

(l) Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Either Parties' consent or approval of any act by the other Party requiring its consent or approval shall not be deemed to waive or render unnecessary its consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

(m) Survival. Subrecipient acknowledges, agrees, and accepts that those terms, conditions, provisions, and exhibits which by their nature should survive termination, cancellation or expiration of the grant, award, contract, voucher, subcontract, or agreement, shall so survive, including but not limited to those sections and provisions pertaining to indemnity, recordkeeping, audit, third party beneficiary status, return or recapture of funds, data security, insurance, confidentiality, and the general provisions.

(n) Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not

preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

(o) Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder.

(p) Binding Effect. The terms of this Agreement shall inure to the benefit of, and shall be binding upon, each of the Parties and their respective successors and assigns.

(q) Authorized Signature. The Subrecipient agrees and acknowledges that it has signed or has authorized the signing of the grant, award, contract, subcontract and/or agreement with WRCOG, and by doing so hereby declares under penalty of perjury, under the laws of the State of California, that all statements and responses made in said grant, award, contract, subcontract and/or agreement are true and correct, with full knowledge that all statements and responses are subject to investigation and that any incomplete, unclear, false, or dishonest response may be grounds for disqualification from receiving any existing or further funding or participating in any programs or projects using the CARB-provided or WRCOG-provided funds, or from doing business with the State of California or WRCOG. Subrecipient acknowledges, understands, and accepts that by providing or making any false statements or providing false information, the Subrecipient may be in a violation of the California False Claims Act (Government Code Section 12650 et seq.). Subrecipient certifies, represents, and warrants that the individual signing on its, his or her behalf herein below is an authorized representative of Subrecipient with full power and legal authority to sign below and by said signature Subrecipient is bound to and will comply with all terms, conditions and obligations set forth in this agreement, grant, voucher, application and/or contract, as applicable..

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE
TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
CARB GRANT
SUBRECIPIENT AGREEMENT**

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

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

CITY OF MORENO VALLEY

By: _____
Dr. Kurt Wilson
Executive Director

By: _____
Brian Mohan
City Manager

APPROVED AS TO FORM:

ATTEST:

By: _____
Best Best & Krieger LLP
General Counsel

By: _____

**EXHIBIT “A”
DESCRIPTION OF PROJECT**

Subrecipient commits to purchase the below EVs and utilize these technologies in activities that would have previously utilized internal combustion technologies, and Subrecipient commits to deploy them in a way that benefits California Climate Investment Priority Populations.

Item	Total Cost	Grant Funds	Match Funds
Elgin All Electric Broom Bear	\$823,495.30	\$360,537.60	\$462,957.70
Rizon E18L	\$211,516.70	\$93,335.67	\$118,181.03

In addition to cash match in the table above, Subrecipient will provide \$22,659 in in-kind match funding, provided through agency staff time committed to conducting project-related activities.

EXHIBIT “B” INSURANCE

1. Subrecipient shall maintain insurance for the duration of this Agreement in compliance with all grant requirements. Subrecipient shall not begin work under this Agreement until WRCOG has acknowledged receipt of Subrecipient’s certifications of insurance in compliance with this Agreement. The coverages described below must be evidenced on a certificate of insurance and all endorsements required must be attached and provide to WRCOG.

1.1 General Provisions applying to all policies:

(a) Coverage Term – Coverage shall be in force for the complete term of the grant. If insurance expires during the term of the grant, a new certificate must be received by WRCOG and CARB at least thirty (30) days prior to the expiration of the insurance. Any new insurance must comply with the terms of this Agreement.

(b) Policy Cancellation or Termination & Notice of Non-Renewal – Subrecipient shall notify WRCOG within five (5) business days of any cancellation, non-renewal or material change that affects required insurance coverage. New certificates of insurance are subject to the approval of the State, and Subrecipient agrees that no work or services will be performed prior to obtaining such approval. In the event Subrecipient fails to keep in effect at all times the specified insurance coverage, WRCOG may terminate this Agreement, subject to the provisions of this Agreement.

(c) Premiums, Assessments, and Deductibles - Subrecipient is responsible for any premiums, policy assessment, deductibles, or self-insured retentions contained within its insurance program.

(d) Primary Clause – Any required insurance contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by WRCOG or CARB.

(e) Insurance Carrier Required Rating – All insurance companies must carry an AM Best rating of at least “A-” with a financial category rating of no lower than VI. If Subrecipient is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.

(f) Endorsements – Any required endorsements requested by CARB must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

(g) Inadequate Insurance – Inadequate or lack of insurance does not negate Subrecipient’s obligations under this Agreement.

(h) Available Coverages/Limits – All coverage and limits available to the Awardee shall also be available and applicable to WRCOG and to the State.

1.2 Commercial General Liability – Subrecipient shall maintain general liability on an occurrence form with limits not less than \$2,000,000 per occurrence for bodily injury and property

damage liability combined with a \$5,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, products, completed operations, personal and advertising injury, and liability assumed under this Agreement. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to Subrecipient's limit of liability. The policy must name "WRCOG, its officers, agents, and employees as additional insured, and State of California and California Air Resources Board, its officers, agents, and employees as additional insured, with respect to liability arising out of work or operations performed by or on behalf of Subrecipient. A blanket additional insured endorsement is not acceptable. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must also be attached to the certificate.

1.3 Automobile Liability - If the Subrecipient will be using vehicles to complete the Project or driving a vehicle onto State property, automobile liability insurance is required. For vehicles used in a CARB-funded shared mobility services (e.g., electric bikes and scooters, carshare vehicles, shuttles, and buses), the Subrecipient shall maintain motor vehicle liability with limits of not less than a \$5,000,000 per accident. For any other vehicle that is not used in a CARB-funded shared mobility service (e.g., vehicles used for project planning, rebalancing, maintenance, marketing, outreach, or driving to events), the Subrecipient shall maintain motor vehicle liability with limits of not less than \$2,000,000 per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. At the request of CARB, the Subrecipient must show proof of automobile liability. For any work or activity performed or carried out in whole or in part using CARB Grant Funds or to carry out any term or condition of this Grant Agreement, each insurance policy must name "WRCOG, its officers, agents, and employees and the State of California, the California Air Resources Board, and each of its and their officers, agents, and employees as additional insureds" with respect to liability arising out of work or operations performed by or on behalf of Subrecipient. A blanket additional insured endorsement is not acceptable. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must also be attached to the certificate.

1.4 Workers Compensation and Employers Liability – Subrecipient shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of work under this Agreement. In addition, employer's liability limits of \$1,000,000 are required. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to certificate. The policy must name "WRCOG, its officers, agents, and employees as additional insured, and State of California and California Air Resources Board, its officers, agents, and employees as additional insured, with respect to liability arising out of work or operations performed by or on behalf of Subrecipient." A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to the certificate.

1.5 Cyber Liability - Cyber Liability coverage, with limits not less than \$2,000,000 per occurrence or claim. Coverage shall be sufficiently broad to respond to the duties and obligations as undertaken by Subrecipient under this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response

costs as well as regulatory fines and penalties. For any work or activity performed or carried out in whole or in part using Grant Funds or to carry out any term or condition of this Grant Agreement, each insurance policy must name “WRCOG, its officers, agents, and employees and the State of California, the California Air Resources Board, and each of its and their officers, agents, and employees as additional insureds” by an endorsement that states the names exactly as stated above in this Grant Agreement. A blanket additional insured endorsement is not acceptable. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must also be attached to the certificate.

1.6 Professional Liability (Errors and Omissions) - Insurance appropriate to the Subrecipient’s profession, with limit no less than \$2,000,000 per occurrence or claim, \$5,000,000 aggregate. For any work or activity performed or carried out in whole or in part using Grant Funds or to carry out any term or condition of this Grant Agreement, each insurance policy must name “WRCOG, its officers, agents, and employees and the State of California, the California Air Resources Board, and each of its and their officers, agents, and employees as additional insureds” by an endorsement that states the names exactly as stated above in this Grant Agreement. A blanket additional insured endorsement is not acceptable. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must also be attached to the certificate.

1.7 Self-insurance – If Subrecipient has elected to be self-insured it must receive approval of its self-insurance program from the DGS Office of Risk and Insurance Management (ORIM). To obtain ORIM approval, the Grantee must submit the following documents to ORIM.

(a) Workers’ Compensation – Subrecipient will provide a copy of its Certificate of Consent to Self-Insure from the Department of Industrial Relations.

(b) All Other – The Subrecipient’s Risk Manager, or comparable position holder, shall provide a written description of the plan including what is covered, what is not covered, identify the financial limits of the plan, and identify the source of funds for financing the plan.

(i) Provide the firm’s most recent audited annual financial statement including all accounting letters. The report must show the firm’s owner’s equity of at least \$5,000,000 and annual profit of at least \$500,000.

(ii) Provide a signed written statement from the firm’s CPA confirming the annual net profit for each of the prior 4 years has been at least \$500,000.