

**FEE LETTER**  
**DATED NOVEMBER [ ], 2022**

Reference is hereby made to that (i) certain Reimbursement Agreement dated as of November [ ], 2022 (as amended, supplemented, modified or restated from time to time, the “*Agreement*”), by and between the City of Riverside (the “*City*”) and PNC Bank, National Association (the “*Bank*”), relating to the City of Riverside Variable Rate Refunding Water Revenue Bonds, Issue of 2011A (the “*Bonds*”) and (ii) a certain Irrevocable Transferable Direct-Pay Letter of Credit dated the date hereof, issued by the Bank pursuant to the Agreement, supporting the Bonds (as amended, supplemented, modified or restated from time to time, the “*Letter of Credit*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Letter is to confirm the agreement between the Bank and the City with respect to certain fees and expenses payable by the City to the Bank pursuant to the Agreement. This Fee Letter is the Fee Letter referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. This Fee Letter and the Agreement are to be construed as one agreement between the City and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Letter.

ARTICLE I. FEES.

*Section 1.1. Facility Fees.* (a) *Facility Fees.* The City agrees to pay or cause to be paid to the Bank in arrears on (i) the first Business Day of each January, April, July and October occurring to the Stated Expiration Date, and on (ii) the Stated Expiration Date, a non-refundable facility fee (the “*Facility Fee*”) for each such quarterly fee period, commencing on the first calendar day of such quarterly fee period and ending on the last calendar day of such quarterly fee period, in an amount equal to the product of the applicable rate per annum corresponding to the Level specified below in the pricing matrix associated with the Rating (as defined below) as specified below (the “*Facility Fee Rate*”) for each day during each related quarterly fee period multiplied by the Stated Amount of the Letter of Credit (without regard to any temporary reductions thereof that may be subject to reinstatement) for each day during each related quarterly fee period, including the date of issuance and the expiration date of the Letter of Credit:

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	LETTER OF CREDIT
				FEE RATE
Level 1:	Aa2 or above	AA or above	AA or above	0.23%
Level 2:	Aa3	AA-	AA-	0.28%
Level 3:	A1	A+	A+	0.38%
Level 4:	A2	A	A	0.48%

				LETTER OF CREDIT
LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	FEE RATE
Level 5:	A3	A-	A-	0.63%
Level 6:	Baa1	BBB+	BBB+	0.88%
Level 7:	Baa2	BBB	BBB	1.38%
Level 8:	Baa3 or below	BBB- or below	BBB- or below	3.38%

The following paragraph shall be applicable to both clause (i) (including the pricing matrix) and clause (ii) (including the pricing matrix) above. The term “*Rating*” as used above shall mean the long-term unenhanced debt rating assigned by any of Moody’s, S&P or Fitch to Parity Debt or any bonds or notes of the City secured by a senior lien on the Net Operating Revenues and in the event of a split rating, the Facility Fee Rate shall be based upon the Level in which the lowest such rating(s) appear(s) (for the avoidance of doubt, Level 8 is the lowest Level, and Level 1 is the highest Level for purposes of the above pricing grid). In the event that any relevant rating is withdrawn, suspended or otherwise unavailable from any of Moody’s, S&P or Fitch for any credit-related reason (and such suspension or withdrawal is initiated by the respective rating agency), or if any such rating falls below “Baa3” (or its equivalent) by Moody’s or “BBB-” (or its equivalent) by S&P or Fitch, in each such case, the Letter of Credit Fee Rate shall equal the Letter of Credit Fee Rate set forth in Level 8 plus 2.00% per annum, immediately and automatically and without notice to the City. Upon the occurrence and during the continuance of any Event of Default (whether or not the Bank declares an Event of Default in connection therewith), the Facility Fee Rate shall increase by an additional 2.00% over the Facility Fee Rate otherwise in effect immediately prior to the occurrence of such Event of Default, immediately and automatically and without notice to the City. Any change in the Facility Fee Rate resulting from a reduction, withdrawal, suspension or unavailability of a relevant rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The City acknowledges that as of the Effective Date the Facility Fee Rate is that specified above for Level 1. In the event that the Facility Fees are not paid when due, interest shall accrue on the Facility Fees from the date payment is due until payment in full at the Default Rate, such interest to be payable on demand. Such Facility Fee shall be payable in immediately available funds and computed on the basis of a 360-day year and the actual number of days elapsed.

(b) *Payment of Facility Fees.* In connection with the Facility Fees payable hereunder or which shall become due and payable hereunder, such Facility Fees shall be due and payable to the Bank within thirty (30) calendar days following receipt by the City of a written invoice from the Bank for the fee period related thereto. The related invoice shall be delivered via email to [ ] (or to such other person as designated in writing by the City to the Bank) and specify (i) the fees payable pursuant to this Section 1.1 for the related quarterly fee period and (ii) a remittance address and/or wire instructions. The failure by the Bank to provide any invoice shall not relieve the City of its obligation to pay such amounts as described above upon receipt of

an invoice within thirty (30) calendar days thereof. To the extent additional or other amounts are due and owing to the Bank with respect to Facility Fees for any fee period, the foregoing shall not preclude the Bank from providing the City with a supplemental invoice with respect to such additional or other amounts with respect to such Facility Fees and, in any event, shall not relieve the City of its obligation to pay such additional or other amounts due and owing the Bank with respect to such Facility Fees within thirty (30) calendar days following receipt by the City of such supplemental invoice. Notwithstanding anything to the contrary in this Section 1.1(b), all Facility Fees and any additional or other amounts which are due and owing to the Bank with respect to Facility Fees shall be due and payable to the Bank no later than the Stated Expiration Date.

*Section 1.2. Draw Fee.* The City agrees to pay to the Bank in connection with each Drawing under the Letter of Credit, a non-refundable drawing fee in the amount of \$250, payable on the date each such Drawing without notice or invoice to the City.

*Section 1.3. Amendment, Transfer, Waiver Fees and Other Fees and Expenses.* Upon each transfer of the Letter of Credit in accordance with its terms or the appointment of a successor Tender Agent under the Eighth Supplemental Resolution, the City agrees to pay the Bank a non-refundable transfer fee in an amount equal to \$2,500, and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank), payable on the date of such transfer or appointment.

The City agrees to pay to the Bank on the date of each amendment, modification, or supplement of the Agreement, this Fee Letter, the Bonds or the Letter of Credit or any amendment, modification, or supplement to any Related Document which requires a standard waiver or consent of the Bank, a non-refundable amendment, modification, supplement, standard waiver or consent fee in an amount equal to \$2,500, and to reimburse the Bank for its actual costs and expenses associated with such amendment, modification, supplement, standard waiver or consent (including, without limitation, the reasonable fees and expenses of counsel to the Bank); *provided, however*, that any fee in connection with a non-standard waiver (for the avoidance of doubt, a non-standard waiver includes any waiver requested in connection with a Default or an Event of Default) shall be mutually agreed upon by the City and the Bank and shall include, without limitation, the reasonable fees and expenses of counsel to the Bank in connection therewith.

*Section 1.4. Termination Fee; Reduction Fee.* (a) Notwithstanding the foregoing or any other provision of the Agreement or this Fee Letter to the contrary, the City agrees not to terminate, permanently reduce or replace the Agreement or the Letter of Credit prior to the Stated Expiration Date, except upon (i) the payment by the City to the Bank of the Termination Fee or a Reduction Fee, as described below, (ii) the payment by the City to the Bank of all then known and accrued Obligations payable under the Agreement and this Fee Letter and (iii) the City providing the Bank with thirty (30) days prior written notice of its intent to terminate the Agreement and the Letter of Credit and (iv) the City shall have provided the Bank evidence that the City has or will have sufficient funds to reimburse the Bank for any Drawings required in connection with the termination of the Letter of Credit; *provided, however*, that any such

termination of the Letter of Credit shall be in compliance with the terms and conditions of the Resolution and the Agreement; *provided, further*, that (1) no Termination Fee shall become payable if the Letter of Credit is terminated or replaced after the first anniversary of the Effective Date and (2) no Reduction Fee shall become payable with respect to a permanent reduction of the Stated Amount of the Letter of Credit that occurs after the first anniversary of the Effective Date.

The City agrees that all payments to the Bank referred to in the preceding paragraph shall be made in immediately available funds.

(b) Except as provided in clause (A) of Section 1.4(a) hereof, the City hereby agrees to pay to the Bank a Termination Fee in connection with the termination or replacement of the Letter of Credit by the City as set forth in Section 1.4(a) hereof in an amount equal to the product of (A) the Facility Fee Rate in effect pursuant to Section 1.1 hereof on the date of termination, (B) the Stated Amount in effect on the date of the termination, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the first anniversary of the Effective Date and the denominator of which is 360 (the “*Termination Fee*”), payable on the date the Letter of Credit is terminated or replaced.

(c) Except as provided in clause (B) of Section 1.4(a) hereof, the City hereby agrees to pay to the Bank a Reduction Fee in connection with each and every permanent reduction of the Letter of Credit by the City as set forth in Section 1.4(a) hereof in an amount equal to the product of (A) the Facility Fee Rate in effect pursuant to Section 1.1 hereof on the date of such permanent reduction, (B) the difference between the Stated Amount (without regard to any reductions thereof, including without limitation, any Drawing under the Letter of Credit that may be reinstated pursuant to the terms of the Letter of Credit) prior to such permanent reduction and the Stated Amount (without regard to any reductions thereof, including without limitation, any Drawing under the Letter of Credit that may be reinstated pursuant to the terms of the Letter of Credit) after such permanent reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction to and including the first anniversary of the Effective Date and the denominator of which is 360 (the “*Reduction Fee*”), payable on the date the Stated Amount of the Letter of Credit is permanently reduced.

## ARTICLE II. MISCELLANEOUS.

*Section 2.1. Expenses.* The City shall pay the reasonable legal fees and expenses of the Bank incurred in connection with the preparation and negotiation of the Agreement, the Letter of Credit, this Fee Letter and certain other Related Documents in an amount not to exceed \$45,000 (plus disbursements). Legal fees shall be paid directly to the Bank’s counsel, Orrick, Herrington & Sutcliffe LLP, in accordance with the instructions provided by Orrick, Herrington & Sutcliffe LLP.

*Section 2.2. Amendments.* No amendment to this Fee Letter shall become effective without the prior written consent of the City and the Bank.

*Section 2.3. Governing Law.* This Fee Letter shall be governed by and construed in accordance with the internal laws of the State of California.

*Section 2.4. Counterparts.* This Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument; and any of the parties hereto may execute this Fee Letter by signing such counterpart. This Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

*Section 2.5. Severability.* Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 2.6. No Disclosure.* Unless required by law, the City shall not deliver or permit, authorize or consent to the delivery of this Fee Letter to any Person unless the Bank provides its prior written consent.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

CITY OF RIVERSIDE

By: \_\_\_\_\_  
\_\_\_\_\_

APPROVED AS TO FORM:

Phaedra Norton, City Attorney

Date: November [\_\_], 2022

By \_\_\_\_\_  
Deputy City Attorney

PNC BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_

Name: An C. Tran

Title: Managing Director, Senior Vice  
President