

ASSIGNMENT OF CONTRACT PAYMENTS
Under the H-GAC Clean Vehicles Program

This Assignment Agreement (the "Assignment Agreement") is made by and among the Houston-Galveston Area Council ("H-GAC"), _____ (the "Contractor"), and _____ (the "Assignee") and is dated as of the __ day of _____, ____.

H-GAC Mailing Address:

Contractor Mailing Address:

Assignee Mailing Address:

WHEREAS, H-GAC and the Contractor entered into a Clean Vehicles Program contract identified as _____ (the "Contract"), pursuant to which the Contractor has agreed to purchase qualified low emission vehicles, equipment, and/or infrastructure (the "Qualified Property") and to operate the Qualified Property in the Houston-Galveston-Brazoria non-attainment area for <project life> years; and

WHEREAS, under the Contract, H-GAC has agreed to reimburse the Contractor for certain properly documented costs incurred in the purchase of the Qualified Property in an amount not to exceed \$_____;

and

WHEREAS, the Contractor is financing the acquisition of the Qualified Property through a secured loan, lease purchase or similar financing arrangement from Assignee and desires to assign its right to payments under the Contract (the "Contract Payments") to Assignee;

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Contractor hereby assigns the Contract Payments to Assignee, Assignee accepts the assignment of the Contract Payments, and H-GAC consents to such assignment, all subject to the terms of this Assignment Agreement.
2. H-GAC will make Contract Payments, as they become due for payment, directly to Assignee. H-GAC shall not make a payment to the Assignee until it receives documentation showing that the vendor of the Qualified Property being financed has been paid for the costs of such Qualified Property.
3. Assignee agrees that the Contract Payments shall be applied to the principal due under the secured loan, lease purchase or similar financing arrangement entered into between Contractor and Assignee, a copy of which is attached hereto and by this reference made a part hereof (the "Financing Documents").
4. Nothing in this Assignment Agreement shall modify the obligations of the Contractor under the Contract, including but not limited to the Contractor's obligation to provide satisfactory documentation to H-GAC that it has paid its matching share of the purchase price of the Qualified Property, if required pursuant to the Contract project specifications.
5. Assignee agrees to notify H-GAC of a payment or other default by Contractor under the Financing Documents, Assignee's acceleration of the debt under the Financing Documents, and Assignee's proposed exercise of any remedies, including repossession, under the Financing Documents. Assignee shall notify H-GAC at the same time it notifies the Contractor. Regardless of whether the

Assignee notifies the Contractor, the Assignee shall notify H-GAC promptly and in no event later than 15 days following its determination to exercise its remedies under the Financing Documents.

6. Assignee acknowledges that H-GAC receives federal grants which are used to make the Contract Payments, and such federal grants impose restrictions on the use of the Qualified Property. In the event the Assignee obtains control of the Qualified Property, Assignee agrees that it will take such measures as may reasonably be required by H-GAC to ensure that the Qualified Property is used in a manner consistent with the restrictions imposed by the federal grant used to make the Contract Payments. Unless waived by H-GAC in writing, Assignee shall sell the Qualified Property only to purchasers which agree to comply with the terms of the Contract, including use of the Qualified Property within the Houston-Galveston-Brazoria non-attainment area and quarterly reporting on such use.

IN WITNESS WHEREOF, the parties have caused this Assignment Agreement to be executed by their respective duly authorized representatives.

HOUSTON-GALVESTON AREA COUNCIL

By: _____
Jack Steele, Executive Director

By: _____
(Contractor)
Printed Name: _____
Title: _____

By: _____
(Assignee)
Printed Name: _____
Title: _____