FUND TRADE AGREEMENT

BETWEEN THE CITY OF WALNUT
AND THE CITY OF COMMERCE, CALIFORNIA

This Assignment Agreement is made and entered into this **11th day of August, 2026**, by and between the City of Walnut, California ("Walnut") and the City of Commerce, California ("Commerce") with respect to the following facts:

A. Walnut has uncommitted funding authority for its Fiscal Years 2026-27 and 2027-28 allocation of Proposition "A" Local Return funds ("Prop A Funds") that can be made available to Commerce to assist in providing the services discussed in Paragraph B below. Walnut is willing to assign its uncommitted Prop A Funds to Commerce for the purpose(s) identified in Paragraph B, in exchange for the assignment by Commerce of the amount of its general funds indicated in Section l below.

B. Commerce proposes to use Walnut's uncommitted Prop A Funds to provide ongoing transportation operation services (including fixed route, dial-a-ride, and recreation) to the residents of Commerce, and to fund certain eligible capital improvement projects. Adequate Prop A funding for such services is not currently available given the limited amount of Commerce's Local Return allocation.

Now, therefore, in consideration of the mutual benefits to be derived by the parties and of the premises herein contained, it is mutually agreed as follows:

1. Exchange. Walnut agrees to assign $1,500,000 of its Fiscal Year 2026-27 Proposition "A" Local Return funding authority to Commerce. In return, Commerce agrees to assign $1,125,000 of its general funds to Walnut. This same exchange will also be conducted in Fiscal Year 2027-28.

2. Consideration. Walnut shall provide the agreed-upon Proposition "A" Local Return funds to Commerce in one lump sum payment for each respective fiscal year. Commerce shall also provide the agreed-upon general funds to Walnut in a single lump-sum payment for each fiscal year. The lump sum payment by Commerce shall be due and payable upon approval by the Los Angeles Metropolitan Transportation Authority ("LAMTA") of Walnut's project description (Metro's Smartsheet Database) covering the services discussed in Paragraph B.

3. Term. This Agreement is effective on the date first above written, and shall continue for such time as is necessary for both parties to complete their mutual obligations set forth herein.

4. Termination. This Agreement may be terminated with or without cause by either party upon five (5) days written notice to the other party.

5. Notices. Notices shall be given pursuant to this Agreement by personal service on the party to be notified or by written notice upon such party by certified mail deposited in the custody of the United States Postal Service addressed as follows:

CITY OF WALNUT
21201 La Puente Road
Walnut, CA 91789
Attn: Alex Merkel Medina, Director of Finance and City Treasurer

. CITY OF COMMERCE
2535 Commerce Way
Commerce, CA 90040
Attn: Alvaro Castellon, Director of Finance

6. Assurances.

a. Commerce shall use the assigned Proposition "A" Local Return funds only for the purpose of providing the services discussed in Paragraph B of this Agreement and within the time limits specified in LAMTA's Proposition "A" Local Return Program Guidelines.

b. Concurrently with the execution of this Agreement, Commerce shall provide LAMTA with the Standard Assurances and Understandings Regarding Receipt and Use of Proposition "A" funds specified in the Guidelines regarding the use of the assigned Proposition "A" Local Return Funds.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, duly authorized, on the day and year above written.

CITY OF WALNUT	CITY OF COMMERCE
By______________________	By______________________
Tom Weiner City Manager	Kevin Lainez Mayor

ATTEST:

Teresa De Dios City Clerk	Eduardo Sarmiento City Clerk
Approved as to Form:	Approved as to Form:
Barbara Leibold City Attorney	Noel Tapia City Attorney