

**Memorandum of Understanding By and Among the Silicon Valley Clean Energy Authority
and the City of Gilroy, the City of Mountain View, the City of Sunnyvale, and the County
of Santa Clara Regarding Bank Loan Guarantee**

Whereas, the Silicon Valley Clean Energy Authority (SVCEA) is a joint powers agency formed by the Silicon Valley Clean Energy Authority Joint Powers Agreement (SVCEA JPA) and operating under the authority of the Joint Exercise of Powers Act (Government Code Sections 6500 et seq.) to form and operate a separate public agency to implement a Community Choice Aggregation (CCA) program along with other purposes enumerated in the SVCEA JPA; and

Whereas, the Cities of Gilroy, Mountain View, and Sunnyvale and the County of Santa Clara are Parties to the SVCEA JPA (the "Parties"), and pursuant to Section 2.3 of the SVCEA JPA, the obligations of SVCEA are not the debts, liabilities or obligations of the Parties to the SVCEA JPA; and

Whereas, for the purposes of this Memorandum of Understanding (MOU), Gilroy, Mountain View, and Sunnyvale are each acting in their individual capacities as a municipal corporation and the County of Santa Clara is acting in its individual capacity as a subdivision of the state; and

Whereas, SVCEA has requested that the Parties provide guarantees for a \$2,000,000 working capital facility from River City Bank in the following amounts: \$220,000 for Gilroy, \$480,000 for Mountain View, \$1,020,000 for Sunnyvale and \$280,000 for the County of Santa Clara ; and

Whereas, the Joint Exercise of Powers Act at Government Code Section 6508.1 permits a party to the SVCEA JPA to separately contract for, or assume responsibility for, specific debts, liabilities or obligations of SVCEA; and

Whereas, the governing body of each of the Parties have approved the loan guarantees as described in this MOU.

Now, therefore SVCEA, Gilroy, Mountain View, Sunnyvale and the County of Santa Clara agree as follows:

1. SVCEA represents that it has the legal authority under the laws of the State of California to enter into the working capital loan transaction in the amount of \$2,000,000 from River City Bank, as evidenced by the Loan Agreement attached hereto as Exhibit A (hereinafter referred to as the River City Loan).
2. In reliance upon the above representation and agreement, Gilroy will sign the Commercial Guarantee in the form attached hereto as Exhibit B. In furtherance of the loan guarantee, Gilroy represents that it has the financial wherewithal to provide the guaranteed funds if called until the loan has been satisfied by SVCEA or the full amount of the guarantee has been drawn, whichever occurs first. SVCEA agrees that Gilroy's liability under this MOU is for the specific bank loan guarantee identified herein for Gilroy only and that Gilroy shall not be liable for any other debts, liabilities or obligations of SVCEA as provided by the SVCEA JPA.
3. In reliance upon the above representation and agreement, Mountain View will sign the Commercial Guarantee in the form attached hereto as Exhibit B. In furtherance of the

loan guarantee, Mountain View represents that it has the financial wherewithal to provide the guaranteed funds if called until the loan has been satisfied by SVCEA or the full amount of the guarantee has been drawn, whichever occurs first. SVCEA agrees that Mountain View's liability under this MOU is for the specific bank loan guarantee identified herein for Mountain View only and that Mountain View shall not be liable for any other debts, liabilities or obligations of SVCEA as provided by the SVCEA JPA.

4. In reliance upon the above representation and agreement, Sunnyvale will sign the Commercial Guarantee in the form attached hereto as Exhibit B. In furtherance of the loan guarantee, Sunnyvale represents that it has the financial wherewithal to provide the guaranteed funds if called until the loan has been satisfied by SVCEA or the full amount of the guarantee has been drawn, whichever occurs first. SVCEA agrees that Sunnyvale's liability under this MOU is for the specific bank loan guarantee identified herein for Sunnyvale only and that Sunnyvale shall not be liable for any other debts, liabilities or obligations of SVCEA as provided by the SVCEA JPA.
5. In reliance upon the above representation and agreement, the County of Santa Clara will sign the Commercial Guarantee in the form attached hereto as Exhibit B. In furtherance of the loan guarantee, the County of Santa Clara represents that it has the financial wherewithal to provide the guaranteed funds if called until the loan has been satisfied by SVCEA or the full amount of the guarantee has been drawn, whichever occurs first. SVCEA agrees that the County of Santa Clara's liability under this MOU is for the specific bank loan guarantee identified herein for the County of Santa Clara only and that the County of Santa Clara shall not be liable for any other debts, liabilities or obligations of SVCEA as provided by the SVCEA JPA.
6. SVCEA will ensure that a provision is included within the River City Loan providing that River City Bank will enforce the guarantees provided pursuant to the MOU in proportion to the amount of each of the four guarantees.
7. SVCEA will repay the Parties for any draw on the loan guarantees described in this MOU prior to commencing reimbursement of any of the Initial Costs described in Section 6.3.2 of the SVCEA JPA. Any partial reimbursement by SVCEA to the Parties will be disbursed proportionally to the amount of each of the four guarantees.

APPROVED BY SVCEA

By: _____
Tom Habashi, Chief Executive Officer

Dated: _____

APPROVED BY CITY OF GILROY

By: _____

Dated: _____

APPROVED BY CITY OF MOUNTAIN VIEW

By: _____

Dated: _____

APPROVED BY CITY OF SUNNYVALE

By: _____

Dated: _____

APPROVED BY THE COUNTY OF SANTA CLARA

By: _____

Dated: _____