

THIS FIFTH AMENDMENT TO THE AGREEMENT TO DELIVER THE 2013-2014 COUNTY OF SANTA BARBARA EMPOWER ENERGY EFFICIENCY PROGRAM (the “emPower Funding Fifth Amendment”), by and between the County of Santa Barbara (the “County”) and Southern California Gas Company (“SoCalGas”), is effective as of January 1, 2019 (“emPower Funding Fifth Amendment Effective Date”). Initially capitalized terms used but not defined herein shall have the meaning ascribed to them in the Agreement (as defined in the Recitals), as amended by the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment (as defined in the Recitals).

## RECITALS

WHEREAS, on May 10, 2012, the California Public Utilities Commission (the “Commission”) issued its Decision Providing Guidance On 2013-2014 Energy Efficiency Portfolios and 2012 Marketing, Education, and Outreach, which included the “continuation of successful financing programs that were originally supported by American Recovery and Reinvestment Act (“ARRA”) stimulus funding in 2011 and 2012 and implemented by third parties, local governments, and/or via the California Energy Commission”; and

WHEREAS, on November 8, 2012, the Commission issued its *Decision Approving 2013-2014 Energy Efficiency Programs and Budgets*, D. 12-11-015, which approved a portfolio of energy efficiency programs and budgets to be implemented in 2013-2014, including the County of Santa Barbara emPower Energy Efficiency Program (the “Program”); and

WHEREAS, SoCalGas and the County entered into that certain Agreement to Deliver the 2013-2014 County of Santa Barbara Empower Energy Efficiency Program effective as of August 1, 2013 (the “Agreement”), which was amended by that certain First Amendment to the Agreement to Deliver the 2013-2014 County of Santa Barbara Empower Energy Efficiency Program effective as of December 17, 2014 (“First Amendment”) and that certain Second Amendment to the Agreement to Deliver the 2013-2014 County of Santa Barbara Empower Energy Efficiency Program effective as of January 1, 2016 (“Second Amendment”); and

WHEREAS, SoCalGas and the County amended the Agreement to increase the Authorized Budget and extend the Term of the Agreement on December 6, 2016 (“Third Amendment”), and on December 5, 2017 (“Fourth Amendment”). The Fourth Amendment extended the term of the Agreement through March 31, 2019; and

WHEREAS, SoCalGas, on behalf of the Participating Utilities, notified the County on July 26, 2018, that SoCalGas and the Participating Utilities would, in compliance with Advice Letter No. 5349-A, filed at the Commission on September 4, 2018, be discontinuing the implementation of the Program as of December 31, 2018 and funding for the Program at the end of the term of the Agreement; and

WHEREAS, SoCalGas and the County desire to amend the Agreement to establish the County as the owner of Loan Loss Reserve (LLR) funds required to be held in the Reserve Operating Accounts to serve as credit enhancements for loan balances that are active and outstanding in accordance with the terms set forth in the Finance Agreement and interest after the end of the Term of the Agreement, March 31, 2019, all in accordance with the terms of the Agreement, as amended hereby.

WHEREAS, this emPower Funding Fifth Amendment incorporates the terms and conditions set forth in the original Agreement, as modified by the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment, except as modified by this emPower Funding Fifth Amendment.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. Amendments to the Agreement. The Agreement is amended as follows:

1. Section 9.2.6.b (iii) is amended to read as follows: “(iii) be subject to return to Utility or County in accordance with Section 9.3.7.”

2. Section 9.3.3 is amended to read as follows:

“9.3.3. Funds transferred to the Reserve Operating Accounts shall not be used for or allocated to any purpose except as provided for in this Agreement. The Reserve Operating Accounts shall remain open and operating for the remaining life of any outstanding loans under the Finance Program in accordance with the Finance Agreement. At the end of the term of this Agreement, such LLR reserve funds and the future interest on such funds shall be the property of the County to be used for energy programs and activities.”

3. A new Section 9.3.7. is added as follows:

“9.3.7. Ramp-Down Arrangement. At the end of the term of this Agreement, the Reserve Operating Accounts shall maintain a collective balance equal to five percent (5%) of the loan balances that are active and outstanding as of January 31, 2019 (such 5% balance, the “Remaining ROA Balance”). County shall transfer all funds in the Reserve Operating Accounts that are in excess of such five percent (5%) collective balance to the respective Deposit Holding Accounts. Within 30 days after the expiration of the term of this Agreement, County shall return all funds remaining in all Deposit Holding Accounts and all accrued interest in all Reflow Accounts, in each case, as of the end of the term of this Agreement, to the Utility. The parties acknowledge and agree that, as of March 31, 2019, Utility will be under no obligation to provide any Program Funding or have any other liability to County or any Authorized Finance Program Lender in connection with any outstanding loans, and that such Remaining ROA Balance will be the sole and exclusive LLR Credit Enhancement available with respect to such outstanding loans. The foregoing is henceforth referred to as the “Ramp-Down Arrangement.”

4. A new Section 9.3.8 is added as follows:

“9.3.8. Prior to the end of the term of this Agreement, County shall (a) provide a formal notice to the Authorized Finance Program Lender(s) explaining in detail the impending end of the Program and its implementation, including the Ramp-Down Arrangement, and (b) take any and all other actions reasonably necessary to ensure that the Finance Agreement(s) and all other applicable documents are modified or amended as necessary to be in compliance with the Ramp-Down Arrangement.

5. Insert the following as a new subsection at the end of Section 13.1:

“(d) County’s utilization or administration of the Remaining ROA Balance, or (e) County’s obligation to formally and fully inform the Authorized Finance Program Lender(s) of the Ramp-Down Arrangement and to otherwise satisfy its obligations under Section 9.3.8, it being understood that County’s indemnity obligations hereunder extend to any claims made by the Authorized Finance Program Lender(s) against Utility in connection with or that arising out of the Ramp-Down Arrangement.”

II. Miscellaneous. This emPower Funding Fifth Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument. Except as otherwise amended pursuant to this emPower Funding Fifth Amendment, all provisions of the Agreement (as amended by the First Amendment, Second Amendment, Third Amendment and Fourth Amendment) shall remain unchanged and in full force and effect.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this emPower Funding Fifth Amendment to be executed by their duly authorized representatives as of the emPower Funding Fifth Amendment Effective Date.

ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD


COUNTY OF SANTA BARBARA:

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
STEVE LAVAGNINO  
Chair, Board of Supervisors

APPROVED AS TO ACCOUNTING FORM:  
BETSY M. SCHAFFER, CPA  
AUDITOR-CONTROLLER

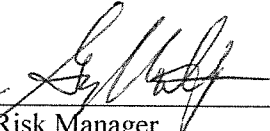
By:  \_\_\_\_\_  
Deputy Auditor- Controller

BY:  \_\_\_\_\_  
GEORGE CHAPJIAN  
Director, Community Services Department

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By:  \_\_\_\_\_  
Deputy County Counsel

APPROVED AS TO FORM:  
RAY AROMATORIO, ARM, AIC  
RISK MANAGEMENT

By:  \_\_\_\_\_  
Risk Manager

**SOUTHERN CALIFORNIA GAS COMPANY**

By: \_\_\_\_\_  
Sharon L. Tomkins

Title: Vice President of Customer Solutions and Strategy

Date: \_\_\_\_\_