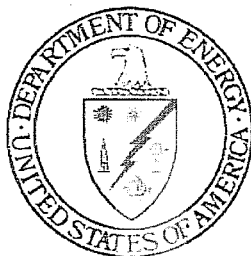


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October 25, 2010

2010 OCT 25 PM 4:12  
COUNTY OF SANTA BARBARA  
CLERK OF THE  
BOARD OF SUPERVISORS**David Matson**

Director, Department of Housing and Community Development  
County of Santa Barbara  
105 East Anapamu, Suite 105  
Santa Barbara, CA 93101

Dear David:

This letter is to inform you that the \$2,401,309 grant award from the U.S. Department of Energy BetterBuildings Program has not yet been accepted by the County of Santa Barbara, and zero dollars have been spent on this project. As a consequence, your project is included on the U.S. Department of Energy Chief Financial Officer's list of awards at risk of rescission action by Congress. We strongly suggest that you accept your award as soon as possible to minimize future risk of losing these grant funds.

The Department of Energy offers a variety of technical assistance resources to help eligible grantees and sub-grantees develop and implement successful energy efficiency and conservation projects and programs that meet the conditions and guidelines of the BetterBuildings program. However, formally accepting the BetterBuildings grant award and invoicing on award funds is the best way to reduce risk and show that progress is being made on your grant program.

We look forward to working with Santa Barbara and the rest of our Recovery Act grantees to develop promising retrofit financing programs that will help consumers across the country, while generating valuable data on the effectiveness of these programs that will help inform future decisions.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicole Reed".

Nicole Reed  
U.S. Department of Energy  
BetterBuildings Account Manager