

**Agreement By and Among the Monterey Bay Community Power Authority
of Monterey, Santa Cruz and San Benito Counties and the Counties of
Monterey, Santa Cruz and San Benito Regarding Credit Support**

This Agreement (Agreement) is entered into by and among the Monterey Bay Community Power Authority of Monterey, Santa Cruz and San Benito Counties (MBCP) and the County of Santa Cruz, the County of Monterey and the County of San Benito (collectively Guarantors), each a member of MBCP and is effective when fully executed by the parties.

WHEREAS, MBCP was formed on February 21, 2017 by and among the cities and counties listed on Exhibit A to this Agreement. The members of the MBCP share various powers common to each party under California law, including but not limited to the power to study, promote, develop, conduct, operate and manage energy, energy efficiency and conservation, and to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions; and

WHEREAS, MBCP requires start-up and initial working capital in the amount of \$3,000,000 (three million dollars); and

WHEREAS, MBCP has selected River City Bank from which to receive the start-up and initial capital which will be memorialized in a Credit Agreement by and between Monterey Bay Community Power Authority, as Borrower and River City Bank, as Lender (Credit Agreement); and

WHEREAS, River City Bank requires a non-revolving credit guaranty and other supporting documents (Credit Guaranty) from the members of MBCP in support of the Credit Agreement. A Credit Guarantee was contemplated in the Joint Exercise of Powers Agreement Relating to and Creating the Monterey Bay Community Power Authority of Monterey, Santa Cruz, and San Benito Counties (JPA Agreement); and

WHEREAS, the JPA Agreement at section 5.3.4 provides that the Credit Guarantee shall be distributed on a per seat basis with shared seat members dividing the Credit Guarantee among the cities sharing those seats;

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WHEREAS, the Guarantors have agreed to provide a Credit Guarantee to River City Bank in a total amount of \$3,000,000 (three million dollars), with each of the Guarantors responsible to provide only an allocated share of the Credit Guarantee; and

WHEREAS, the Credit Agreement provides that River City Bank and MBCP may amend the Credit Agreement without approval of the Guarantors;

WHEREAS, this document is intended to require that MBCP obtain authority from each of the Guarantors before authorizing an amendment to the Credit Agreement;

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

1. MBCP hereby agrees not to authorize any amendment to the Credit Agreement without the express and formal approval of each of the authorizing bodies of the Guarantors.
2. The term of this Agreement shall be from the effective date to the date of release of the Credit Guaranty.
3. This Agreement shall not be amended except in a written amendment executed by all the parties to this Agreement.
4. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the parties that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions of this Agreement shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

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5. This Agreement may be executed in any number of counterparts, and upon execution by all parties, each executed counterpart shall have the same force and effect as an original instrument and as if all parties had signed the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed:

COUNTY OF MONTEREY

_____	_____
Chairperson of the Board of Supervisors	Date

APPROVED AS TO FORM:

_____	_____
Office of the County Counsel	Date

COUNTY OF SAN BENITO

_____	_____
Chairperson of the Board of Supervisors	Date

APPROVED AS TO FORM:

_____	_____
Office of the County Counsel	Date

COUNTY OF SANTA CRUZ

_____	_____
Chairperson of the Board of Supervisors	Date

APPROVED AS TO FORM:

_____	_____
Office of the County Counsel	Date

MBCP

Chairperson of the Policy Board

Date

APPROVED AS TO FORM:

Interim General Counsel

Date

Exhibit A

List of Parties to the MBCP

County of Santa Cruz

City of Santa Cruz

City of Watsonville

City of Capitola

City of Scotts Valley

County of Monterey

City of Salinas

City of Monterey

City of Pacific Grove

City of Carmel

City of Seaside

City of Marina

Sand City

Soledad

Greenfield

Gonzales

County of San Benito

City of Hollister

City of San Juan Bautista