

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-2

Urgent

Routine

AGENDA DATE February 5, 2013

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of Key Terms and Conditions for a Land Option and Lease Agreement with Golden Hills Solar, LLC for a Long-Term Solar and Farming Lease on County Owned Land Adjacent to the Fink Road Landfill and Authorize Staff to Finalize and Sign the Agreement

STAFF RECOMMENDATIONS:

1. Approve key terms and conditions (Attachment A) for a Land Option and Lease Agreement and Benefit Agreement with Golden Hills Solar, LLC., and a Long Term Farming Lease with JKB Development, Inc., to develop a solar generating facility on, and to farm, County owned land adjacent to the Fink Road Landfill.
2. Authorize the Chief Executive Officer to finalize and sign the Land Option and Lease Agreement, Benefit Agreement, and Long Term Farming Lease, and to execute and deliver any and all documents that she deems necessary for the purposes of the project.

FISCAL IMPACT:

The agreement with Golden Hills Solar, LLC provides a lease option term of 48 months. During that term the County will be paid \$18,750 in quarterly installments, for a total of \$300,000 at the end of the 48 month lease option term. Upon proof of Power Purchase Agreement (PPA) for 70 megawatts and exercise of the Option, the Solar Lease rent will become \$400,000 annually and the long term Farm Lease will become \$100,000 annually, for a total annual rent of \$500,000. Each base rent amount shall increase by 1.5% each year. The lease term is for 25 years, plus two additional one-year optional terms.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2013-54

On motion of Supervisor Monteith, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Withrow, Monteith, De Martini and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of Key Terms and Conditions of a Land Option and Lease Agreement with Golden Hills Solar, LLC for a Long-Term Solar and Farming Lease on County Owned Land Adjacent to the Fink Road Landfill and Authorize Staff to Finalize and Sign the Agreement

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FISCAL IMPACT: (Continued)

Additionally, a contribution of \$1,250,000 will be paid in annual equal installments of \$62,500 due on July 30th of each year, commencing in year 6. The overall value of this agreement is over \$18 million if extended to a term of 27 years (Attachment B), which includes the current short term Agricultural Lease with JKB Development approved by the Board of Supervisors in December 2012.

The Solar Lease rent of \$400,000 and the \$1,250,000 contribution is based on 70MW solar energy and will be adjusted based on the actual solar megawatt (MW) PPA obtained. The overall value of a minimum of 20MW solar energy is approximately \$8.15 million (Attachment C).

The current three-year Agricultural Lease with JKB Development, Inc. provides the County a guaranteed base rent of \$106,000 for the first three-years of the contract beginning February 14, 2014, as well as 20% of any almond harvest revenue over the agreed upon base amount of \$1,055,700. The value of this agreement over three years is at least \$318,000 and would increase if there is additional harvest revenue. Additionally, the rent would escalate by 2% each year thereafter if the County extends the lease for a fourth and possibly fifth year, with the revenue from any dry land farm leases also continuing. Upon exercise of option, the short term Agricultural Lease with JKB Development would be replaced with the long term farming lease.

DISCUSSION:

On September 29, 2009, the Board of Supervisors authorized staff to issue a Request for Qualifications (RFQ) to select the most qualified candidate interested in entering into a long-term ground lease for 1,678 acres of County owned property adjacent to the Fink Road Landfill. On December 8, 2009, the County entered into a 12-month Exclusive Right to Negotiate Agreement with JKB Development, Inc. (JKB Development), formally JKB Energy, for a long-term farming and potential solar farm lease for this location. At that time, the Board also authorized the Director of Environmental Resources to negotiate and enter into a contract with M.A. Garcia Agrilabor, Inc., for farm management services for the almond orchard during the negotiation period. On December 21, 2010, the Board of Supervisors approved a one-year extension to the 12-Month Exclusive Right to Negotiate Agreement with JKB Development. At that time, JKB Development also took over the Agricultural Lease Agreement. On December 20, 2011, the Board approved a second one-year extension to both the Exclusive Right to Negotiate Agreement and the Agricultural Lease Agreement, for a total of three years of an exclusive right to negotiate.

On December 11, 2012, the Board approved a three-year Agricultural Lease with JKB Development, Inc., with two possible one-year extensions. The Agricultural lease was

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separated from the Exclusive Right to Negotiate Agreement in order to provide more continuity for the farming operation. If the County separately enters into a long-term Land Option and Lease Agreement, JKB Development would be in a more favorable position to secure a Power Purchase Agreement for a long-term solar project. The Solar Lease is necessary to represent site control, an important aspect for selection for a Power Purchase Agreement (PPA).

The Exclusive Right to Negotiate Agreement with JKB Development expired on December 28, 2012. Staff have been working with JKB Development (JKB) and 8minutenergy Renewables, LLC (8ME) to finalize a long term farming and solar lease agreement. JKB and 8ME entered into a joint venture in April 2012 to ultimately obtain a PPA through a newly formed entity Golden Hills Solar, LLC (Golden Hills Solar).

8ME is a privately-owned, California-based company that is developing more than 2,000 MW of utility-scale solar projects all located on private, disturbed and low-value farm land within California. They have offices in Folsom, Los Angeles, San Francisco, San Diego and El Centro, California. 8ME and its partners currently have 23 different large utility-scale solar photovoltaic (PV) farms in various stages of development. In November 2012, 8ME completed all requirements to begin construction on a 200 MW project located in Imperial County, California, that is scheduled for commercial operation in early 2014. In December 2012, 8ME was awarded a PPA for 20 MW of clean, renewable solar energy from a separate project also located in Imperial County.

In March 2011, 8ME applied through the California Independent System Operator (Cal ISO), for an application to place into the energy grid system 70 MW through the Salado substation located near the project site. 8ME has completed its Phase 1 Cluster Study and is awaiting approval for its completed Phase II Cluster Study. 8ME has deposited \$1.9 million in connection with its Cal ISO application thus far and has indicated that an additional deposit of over \$1 million will be required in the second quarter of 2013. The Cal ISO regulates access to the bulk of the State's wholesale transmission grid and its process is now a necessary pre-requisite to competitively seek to obtain a PPA.

The County has been negotiating a Land Option and Lease Agreement with Golden Hills Solar, over the past few months. The terms agreed upon include:

- A lease for 1,678 acres;
- Option term is 48 months, lessee to secure/confirm short list status for a Power Purchase Agreement (PPA) on or before 24 months. County may terminate entire agreement if lessee is not shown on any power off-taker's shortlist at 24 months;
- If unable to obtain PPA at the end of the 48-month term, the County will not consider additional extensions;

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- A one-time option payment of \$300,000 to be paid in quarterly advance installments of \$18,750 for 48 months; first payment to be paid within 10 business days following execution of the Land Option and Lease Agreement;
- Upon exercise of option any existing Agricultural/Farming Lease will terminate;
- Lease term is one 25 year term, plus 2 additional optional terms of one year each;
- County is not responsible for any cost of water, water improvements, pumps, well construction, well maintenance, testing, etc.; notwithstanding, County will maintain its utility account with Turlock Irrigation District for the property and Lessee shall reimburse County for all electricity expenses incurred by Lessee;
- Lessee to pay any applicable real property taxes;
- Upon exercise of the Option, the Solar Lease rent is \$400,000 annually to be paid in quarterly installments, with a 1.5% escalator every year. This rent is based on a 70MW solar energy project, with a minimum base rent of \$114,285.71 annually should the solar energy project be 20MW;
- Upon exercise of the Option, the long term Farm Lease rent is \$100,000 annually (guaranteed over the life of the agreement) to be paid in quarterly installments, with a 1.5% escalator every year;
- A contribution of \$1,250,000 to be paid in annual equal installments of \$62,500 due on July 30th of each year, commencing in year 6. This is based on a 70MW solar energy project, with a minimum contribution of \$357,142.86 to be paid in equal installments of \$17,857.14 should the solar energy project be 20MW;
- Golden Hills Solar shall obtain a street address within the unincorporated portion of Stanislaus County for acquisition, purchasing, and billing purposes associated with the project; shall register this address with the State Board of Equalization (BOE) to file Use Tax Returns;
- Golden Hills Solar, to extent permissible by law, will require that all qualifying contractors and subcontractors have project supplies delivered to the project site or an address within the unincorporated portion of Stanislaus County and obtain the appropriate BOE registration that allows for all eligible use tax payments to the County of Stanislaus. Copies of BOE registrations, including the account number and subsequent Use Tax Returns, shall be provided to the County's Chief Executive Office within 10 days of a written request;
- Golden Hills Solar agrees to make a good faith effort in utilizing local contractor and sub-contractors (at least 25% of those hired).

The recommended key terms and conditions of the Land Option and Lease Agreement with Golden Hills Solar are attached (Attachment A). The Solar project encourages the development of a clean energy source within Stanislaus County.

The property is adjacent to the Fink Road Landfill and is set aside for future landfill expansion and/or environmental mitigation area. Currently the acreage is designated as

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“tentatively reserved” in the County’s Siting Element; the planning document that identifies existing and planned disposal capacity for the residents of Stanislaus County. The Siting Element was most recently updated and approved by the Board of Supervisors as part of the Countywide Integrated Waste Management Plan five-year review process on June 28, 2011. The agreement with Golden Hills Solar will allow the County to remove from the leased premises any property not under solar generation for use as environmental mitigation, upon 12 months prior written notice.

POLICY ISSUES:

The recommended action is consistent with the Board’s priorities of A Well Planned Infrastructure System and Efficient Delivery of Public Services by evaluating the best use of this County landfill buffer property on a long-term basis.

STAFFING IMPACT:

The Chief Executive Office, Department of Environmental Resources, Department of Planning and Community Development, and County Counsel staff have negotiated with Golden Hills Solar to finalize a Land Option and Lease Agreement.

CONTACT PERSON:

Keith Boggs, Assistant Executive Officer.	Telephone: (209) 525-6333
Jami Aggers, Director of Environmental Resources.	Telephone: (209) 525-6770

Golden Hills Solar
Term Sheet

- Land Option and Lease Agreement
 - Premises consist of 1,600 acres, more or less;
 - Solar footprint shall be 600 acres situated in a general area to be established as mutually agreed by the parties prior to execution of the Solar Lease; and further change shall require County approval not to be unreasonably withheld;
 - Two leases covering the entire 1,600 acres. No cross-default between leases;
 - Farm Lease – 1,000 acres, begins upon exercise of the Solar option and is co-terminus with the Solar Lease.
 - Solar Lease – 600 acres, to be built in four phases, with each phase being a minimum of 20MW-ac and all four totaling no more than 70MW-ac.
 - The Premises has been set aside and is planned for use as future environmental mitigation lands for the Fink Road Landfill. Therefore, the primary enticement for the County entering the lease is that Lessee promises it shall not let any portion of the premises become fallow or return to its natural state for more than 12 months, without prior written approval of the County. County to have authority to farm or otherwise utilize any portion of the property to maintain the property's viability for future mitigation land, at Lessee's expense. Land currently in Ag production to stay in production until such time that it went into solar panels;
 - County shall have option to remove from the leased Premises any property not under solar generation for use as environmental mitigation, upon 12 months prior written notice. Farm Lease Rent will be adjusted based on the percentage of the total acreage removed from the Premises. Farm Lessee will not be entitled to any other compensation. Thus, if the County claws back 100 acres for use as mitigation, the Farm Lease Rent will be reduced by 10%, any damages occurring to Farm Lessee due to loss of crops, revenue, or water allocation will not be compensated;
 - Allowed uses are limited to solar generation and farming. Other uses as mutually agreed in writing by the County;

- Lessee shall comply with all laws, including all conditions of approval for any land use approvals related to the Premises, including any environmental mitigation requirements.
- Lease Option Terms
 - Option term is 48 months. If, at the end of the 48-month term, Lessee is unable to obtain a Power Purchase Agreement (PPA), the County will not consider additional extensions of the option term;
 - Lessee to provide proof of (PPA) shortlist on or before 24 months;
 - County may terminate option term at 24 months if lessee is not shown on any power off-taker's "shortlist";
 - Consideration for the Solar Lease option is \$300,000 to be paid in quarterly installments of \$18,750 for 48 months; first payment to be paid within 10 business days following Board approval of Land Option and Lease Agreement. Option consideration shall not be credited to Base Rent or Additional Rent;
 - Short term Farm Lease with JKB Development, Inc. will be replaced with a long term Farm Lease upon exercise of option;
 - Conditions for exercise of Solar Lease option;
 - Proof of Power Purchase Agreement (PPA);
 - First quarterly payments for Solar Lease and long-term Farm Lease upon effective date of exercise of lease option.
- Lease Agreement
 - Upon exercise of Solar Lease option any currently existing Ag/Farm Leases terminate. Lessee to indemnify the County for any damages occurring or accruing to Ag/Farm Lessee's, including lost profits or crops, etc.;
 - Lease term is one 25 year term, plus two additional optional terms of one year each to be exercised in writing 6 months in advance of the start of the term;
 - County not responsible for any cost of water, water improvements, pumps, well construction, well maintenance, testing, etc.; Notwithstanding, County will maintain its utility account with Turlock Irrigation District for the Property and Lessee shall reimburse County for all electricity expenses incurred by Lessee;

- Lessee to pay any applicable real property taxes;
- Lessee shall not have a right of first refusal in the event the County sells the property;
- Compensation
 - Solar Lease Rent is \$400,000 annually to be paid in quarterly installments, pro-rated for any periods of less than twelve months at the start of the Term. The Base Rent amount shall increase by 1.5% every year. The rent is based on 70MW solar energy, with a minimum of 20MW at a lease rent of \$114,285.71;
 - Long term Farm Lease is \$100,000 annually (guaranteed over life of the agreement) to be paid in quarterly installments, pro-rated for any periods of less than twelve months at the start of the Term. The Base Rent amount shall increase by 1.5% every year;
 - Additional payment of \$1,250,000 to be paid in annual equal installments of \$62,500 due on July 30th of each year, commencing in year 6, based on 70MW solar energy; minimum of \$357,142.86 for a 20MW solar energy;
 - Sales/Use Tax;
 - Golden Hills Solar LLC shall obtain a street address within the unincorporated portion of Stanislaus County for acquisition, purchasing, and billing purposes associated with the project; and shall register this address with the State Board of Equalization (BOE) to file Use Tax Returns;
 - Golden Hills Solar LLC, to extent permissible by law, will require that all qualifying contractors and subcontractors have project supplies delivered to the project site or an address within the unincorporated portion of Stanislaus County and obtain the appropriate BOE registration that allows for all eligible use tax payments to the County of Stanislaus. Copies of BOE registrations, including the account number and subsequent Use Tax Returns, shall be provided to the County's Chief Executive Office within 10 days of a written request.
 - Upon exercise of the Solar Lease, Solar Lessee and Farm Lessee shall deposit into escrow one quarter of each respective annual rent amount (total of \$125,000), to serve as a guarantee of Solar and Farm rent;

- Removal of Fixtures, Equipment, Personal Property
 - If Solar Lessee does not restore the site to its original condition and remove all fixtures, equipment and personal property from the Premises no later than thirty days after termination of the Solar Lease, Lessee shall abandon the same to the County who shall take ownership and may dispose of or use the same as it sees fit;
 - Lessee shall provide a restoration bond in the amount of \$250,000, which amount will be increased by 5% every 3 years.
- Golden Hills Solar agrees to make a good faith effort in utilizing local (Stanislaus County) contractor and sub-contractors (at least 25% of total contractors and sub-contractors hired) for all capital improvements and on-going facility maintenance (employment) at the project area for the life of the project;

Solar at 70MW (Best Case Scenario)

Year	Farm Rent	1.5% Escalator	Farm Total	Solar Rent	1.5% Escalator	Solar Total	Option	\$1,250,000	TOTAL
Option YR 1	106,000.00	0	106,000.00	-	-	-	75,000.00		181,000.00
Option YR 2	106,000.00	0	106,000.00	-	-	-	75,000.00		181,000.00
Option YR 3	106,000.00	0	106,000.00	-	-	-	75,000.00		181,000.00
Option YR 4	106,000.00	2,120.00	108,120.00	-	-	-	75,000.00		183,120.00
1	100,000.00		100,000.00	400,000.00		400,000.00			500,000.00
2	100,000.00	1,500.00	101,500.00	400,000.00	6,000.00	406,000.00			507,500.00
3	101,500.00	1,522.50	103,022.50	406,000.00	6,090.00	412,090.00			515,112.50
4	103,022.50	1,545.34	104,567.84	412,090.00	6,181.35	418,271.35			522,839.19
5	104,567.84	1,568.52	106,136.36	418,271.35	6,274.07	424,545.42			530,681.78
6	106,136.36	1,592.05	107,728.40	424,545.42	6,368.18	430,913.60		62,500.00	601,142.00
7	107,728.40	1,615.93	109,344.33	430,913.60	6,463.70	437,377.31		62,500.00	609,221.63
8	109,344.33	1,640.16	110,984.49	437,377.31	6,560.66	443,937.97		62,500.00	617,422.46
9	110,984.49	1,664.77	112,649.26	443,937.97	6,659.07	450,597.03		62,500.00	625,746.29
10	112,649.26	1,689.74	114,339.00	450,597.03	6,758.96	457,355.99		62,500.00	634,194.99
11	114,339.00	1,715.08	116,054.08	457,355.99	6,860.34	464,216.33		62,500.00	642,770.41
12	116,054.08	1,740.81	117,794.89	464,216.33	6,963.24	471,179.57		62,500.00	651,474.47
13	117,794.89	1,766.92	119,561.82	471,179.57	7,067.69	478,247.27		62,500.00	660,309.09
14	119,561.82	1,793.43	121,355.24	478,247.27	7,173.71	485,420.98		62,500.00	669,276.22
15	121,355.24	1,820.33	123,175.57	485,420.98	7,281.31	492,702.29		62,500.00	678,377.87
16	123,175.57	1,847.63	125,023.21	492,702.29	7,390.53	500,092.83		62,500.00	687,616.03
17	125,023.21	1,875.35	126,898.55	500,092.83	7,501.39	507,594.22		62,500.00	696,992.77
18	126,898.55	1,903.48	128,802.03	507,594.22	7,613.91	515,208.13		62,500.00	706,510.17
19	128,802.03	1,932.03	130,734.06	515,208.13	7,728.12	522,936.25		62,500.00	716,170.32
20	130,734.06	1,961.01	132,695.07	522,936.25	7,844.04	530,780.30		62,500.00	725,975.37
21	132,695.07	1,990.43	134,685.50	530,780.30	7,961.70	538,742.00		62,500.00	735,927.50
22	134,685.50	2,020.28	136,705.78	538,742.00	8,081.13	546,823.13		62,500.00	746,028.92
23	136,705.78	2,050.59	138,756.37	546,823.13	8,202.35	555,025.48		62,500.00	756,281.85
24	138,756.37	2,081.35	140,837.72	555,025.48	8,325.38	563,350.86		62,500.00	766,688.58
25	140,837.72	2,112.57	142,950.28	563,350.86	8,450.26	571,801.12		62,500.00	777,251.41
Subtotal	3,387,352.08	45,070.28	3,432,422.36	11,853,408.32	171,801.12	12,025,209.44	300,000.00	1,250,000.00	17,007,631.80
26	142,950.28	2,144.25	145,094.54	571,801.12	8,577.02	580,378.14			725,472.68
27	145,094.54	2,176.42	147,270.95	580,378.14	8,705.67	589,083.81			736,354.77
TOTALS	3,675,396.90	49,390.95	3,724,787.85	13,005,587.58	189,083.81	13,194,671.40	300,000.00	1,250,000.00	18,469,459.25

Solar at 20MW (Least Case Scenario)

Year	Farm Rent	1.5% Escalator	Farm Total	Solar Rent	1.5% Escalator	Solar Total	Option	\$1,250,000	TOTAL
Option YR 1	106,000.00	0	106,000.00	-		-	75,000.00		181,000.00
Option YR 2	106,000.00	0	106,000.00	-		-	75,000.00		181,000.00
Option YR 3	106,000.00	0	106,000.00	-		-	75,000.00		181,000.00
Option YR 4	106,000.00	2,120.00	108,120.00	-		-	75,000.00		183,120.00
1	100,000.00		100,000.00	114,285.71		114,285.71			214,285.71
2	100,000.00	1,500.00	101,500.00	114,285.71	1,714.29	116,000.00			217,500.00
3	101,500.00	1,522.50	103,022.50	116,000.00	1,740.00	117,740.00			220,762.50
4	103,022.50	1,545.34	104,567.84	117,740.00	1,766.10	119,506.10			224,073.94
5	104,567.84	1,568.52	106,136.36	119,506.10	1,792.59	121,298.69			227,435.05
6	106,136.36	1,592.05	107,728.40	121,298.69	1,819.48	123,118.17		17,857.14	248,703.72
7	107,728.40	1,615.93	109,344.33	123,118.17	1,846.77	124,964.94		17,857.14	252,166.41
8	109,344.33	1,640.16	110,984.49	124,964.94	1,874.47	126,839.42		17,857.14	255,681.05
9	110,984.49	1,664.77	112,649.26	126,839.42	1,902.59	128,742.01		17,857.14	259,248.41
10	112,649.26	1,689.74	114,339.00	128,742.01	1,931.13	130,673.14		17,857.14	262,869.28
11	114,339.00	1,715.08	116,054.08	130,673.14	1,960.10	132,633.24		17,857.14	266,544.46
12	116,054.08	1,740.81	117,794.89	132,633.24	1,989.50	134,622.74		17,857.14	270,274.77
13	117,794.89	1,766.92	119,561.82	134,622.74	2,019.34	136,642.08		17,857.14	274,061.04
14	119,561.82	1,793.43	121,355.24	136,642.08	2,049.63	138,691.71		17,857.14	277,904.10
15	121,355.24	1,820.33	123,175.57	138,691.71	2,080.38	140,772.08		17,857.14	281,804.80
16	123,175.57	1,847.63	125,023.21	140,772.08	2,111.58	142,883.66		17,857.14	285,764.01
17	125,023.21	1,875.35	126,898.55	142,883.66	2,143.25	145,026.92		17,857.14	289,782.62
18	126,898.55	1,903.48	128,802.03	145,026.92	2,175.40	147,202.32		17,857.14	293,861.50
19	128,802.03	1,932.03	130,734.06	147,202.32	2,208.03	149,410.36		17,857.14	298,001.56
20	130,734.06	1,961.01	132,695.07	149,410.36	2,241.16	151,651.51		17,857.14	302,203.73
21	132,695.07	1,990.43	134,685.50	151,651.51	2,274.77	153,926.29		17,857.14	306,468.93
22	134,685.50	2,020.28	136,705.78	153,926.29	2,308.89	156,235.18		17,857.14	310,798.11
23	136,705.78	2,050.59	138,756.37	156,235.18	2,343.53	158,578.71		17,857.14	315,192.22
24	138,756.37	2,081.35	140,837.72	158,578.71	2,378.68	160,957.39		17,857.14	319,652.25
25	140,837.72	2,112.57	142,950.28	160,957.39	2,414.36	163,371.75		17,857.14	324,179.17
<i>Subtotal</i>	<i>3,387,352.08</i>	<i>45,070.28</i>	<i>3,432,422.36</i>	<i>3,386,688.09</i>	<i>49,086.04</i>	<i>3,435,774.13</i>	<i>300,000.00</i>	<i>357,142.86</i>	<i>7,525,339.34</i>
26	142,950.28	2,144.25	145,094.54	163,371.75	2,450.58	165,822.33			310,916.86
27	145,094.54	2,176.42	147,270.95	165,822.33	2,487.33	168,309.66			315,580.61
TOTALS	3,675,396.90	49,390.95	3,724,787.85	3,715,882.17	54,023.95	3,769,906.11	300,000.00	357,142.86	8,151,836.82

Kacey Smith - FW: press releases

✓
BOARD OF SUPERVISORS

From: "Michael S. Warda" <msw@wardalaw.com>
To: <smithk@stancounty.com>
Date: 1/24/2013 11:54 AM
Subject: FW: press releases
Attachments: 8minutenergy Signs GIA with IID -August 22, 2011 FINAL.pdf; 8minutenergy Mount Signal PPA with SDG&E - February 17, 2012 - FINAL.pdf; 8minutenergy Projects Approved Supported by Siera Club - Press Release - 2012-04-04 - FINAL.pdf; 8minutenergy Signs GIA with CAISO - July 9, 2012b.pdf; Sierra Club Press Release - April 3, 2012.pdf; 8minutenergy Construction on Mount Signal Solar press release - FINAL - November 12, 2012.pdf; 8minutenergy PPA with SDGE - December 17 2012 - FINAL.pdf

Dear Ms. Smith,

Please print the attached and provide them to the Board of Supervisors.

Thank you,
Michael Warda

From: Todd Bruckel [mailto:tbruckel@8minutenergy.com]
Sent: Wednesday, January 23, 2013 4:46 PM
To: Michael S. Warda
Subject: press releases

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FOR IMMEDIATE RELEASE

**8minutenergy Renewables and AES Solar to Develop 200 MW of
Locally Generated Solar Energy for SDG&E Power Purchase
Agreement**

*- Mount Signal Solar project in Imperial Valley scheduled to begin commercial operation
in 2013 -*

Folsom, CA – February 17, 2012 – 8minutenergy Renewables, LLC, signed a 25-year contract to sell 200 megawatts (200MWac) of clean, renewable solar energy from the Mount Signal Solar project in Imperial Valley, Calif., to San Diego Gas & Electric (SDG&E). The transaction was conducted with 82LV 8ME, LLC, a subsidiary of 8minutenergy Renewables, a leading independent solar PV developer based in Folsom, Calif., which has a joint development agreement with AES Solar of Arlington Va., to develop and build the Mount Signal Solar project. AES Solar, a joint venture between the AES Corporation and Riverstone Holdings LLC, develops, owns and operates utility scale photovoltaic solar installations worldwide.

The Mount Signal Solar project is a large, utility-scale solar generation facility sited on 1,940 of low-productivity farmland in the Imperial Valley, Calif. The project will create nearly 450 direct jobs and more than 500 indirect jobs in Imperial County, Calif. during the 18-month construction period. The Imperial Valley currently has an unemployment rate of about 30%, which is among the highest in the country.

The Mount Signal Solar project is slated to begin delivery of renewable energy to SDG&E in mid-2013. Mount Signal Solar project's annual production capacity of approximately 500 million kilowatt hours (kWhs) of electricity will produce enough renewable solar energy to serve 72,000 households in SDG&E's service territory. This clean solar generation plant will displace the equivalent of approximately 356,000 metric tons of carbon dioxide (CO₂) per year, which is equal to the amount that roughly 15 million trees would displace annually.

The Mount Signal Solar project will connect with SDG&E's Imperial Valley substation, and its renewable solar energy will be transmitted over the utility's Sunrise Powerlink transmission line, currently under construction and slated for completion in 2012.

"We look forward to delivering clean, renewable energy to over 72,000 customers of San Diego Gas & Electric," said Martin Hermann, chief executive officer of 8minutenergy Renewables, which has over 2,000MW and 15,000 acres of private, disturbed land under development for renewable solar projects in California. "The project is located Imperial Valley, which is one of the most favorable areas for solar. It will be also one of the first to transmit power via the new Sunrise Powerlink."

“The Mount Signal Solar project will ultimately create nearly 1,000 direct and indirect jobs in an area with high unemployment, and produce renewable energy that will further SDG&E’s goal of helping the state meet its 33 percent RPS mandate,” said Tom Buttgenbach, president of 8minutenergy Renewables. “SDG&E and the Imperial County Board of Supervisors all played pivotal roles in the careful evaluation, planning and support of this project.”

The utility-scale solar power system for Mount Signal Solar project is comprised of state-of-the-art solar photovoltaic modules, related power electronics, and other components including an advanced tracking system that follows the sun to maximize energy production. This solar composition of large scale solar arrays is designed to feed the SDG&E electric utility grid and represents the future paradigm for large scale electrical generation.

The contract is pending approval from the California Public Utilities Commission.

About AES Solar

AES Solar was established in March 2008 as a joint venture between the AES Corporation (NYSE: AES) and Riverstone Holdings LLC. The company develops, owns and operates utility-scale solar power plants. With 256 MW of projects in operation and construction and a significant project pipeline it has grown to become one of the leading global solar power producers, with presence in Europe, North America and Asia.

About 8minutenergy Renewables, LLC

8minutenergy is a California-based company that is passionate about helping California develop its renewable energy industry and is developing more than 2,000 MW of utility-scale solar projects all located on private, disturbed and low-productivity farm land within California. 8minutenergy’s development team is the largest focused on utility-scale solar PV in California and the United States. In concert with our partners, 8minutenergy delivers complete solar power plant solutions, including all aspects of development, financing, engineering, construction, operation and maintenance. 8minutenergy's proprietary transmission, land and economic analysis process and tools helps select optimal power plant sites for accelerated permitting with counties and utilities. 8minutenergy has offices in Folsom, Los Angeles, San Francisco, San Diego and El Centro, California. For more information, please call (916) 608-9060, send email to info@8minutenergy.com or visit www.8minutenergy.com.

About SDG&E

SDG&E is a regulated public utility that provides safe and reliable energy service to 3.6 million consumers through 1.4 million electric meters and more than 850,000 natural gas meters in San Diego and southern Orange counties. The utility’s area spans 4,100 square miles. SDG&E is committed to creating ways to help customers save energy and money every day.

SDG&E is a subsidiary of Sempra Energy (NYSE: SRE). Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2010 revenues of \$9 billion. The Sempra Energy companies’ 17,500 employees serve more than 31 million consumers worldwide.

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For Immediate Release – April 3, 2012

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New Appropriately Sited Solar Power Projects With Limited Effects on Habitat Will Create Local, Union Jobs, Invest in Long-term Conservation

Groups declare support for 600 megawatt solar projects in Imperial County, California

SAN DIEGO – Four major conservation groups today announced their support for a set of proposed large-scale solar power projects in Imperial County, Calif., because of the project meets the need to promote well-located clean energy development, demonstrate the care taken to address wildlife concerns, and create good union jobs. The Sierra Club, Audubon California, Defenders of Wildlife and the Natural Resources Defense Council all support the projects, which the Imperial County Board of Supervisors approved today.

When completed, the Mt. Signal, Calexico I and Calexico II solar projects under development by 8minutenergy will produce about 600 megawatts of electricity each year, enough to power more than 200,000 households. The projects are located on privately owned, disturbed land currently used to grow highly water-intensive landscaping grasses. The biological effects from the projects are significantly less than proposed renewable energy projects on environmentally sensitive public lands. These Imperial County projects show that it is possible to develop viable, cost-effective projects without sacrificing our precious desert wildlands.

"After close examination, the Sierra Club decided to support these projects due to the developer's willingness to provide support and funding for a program that should provide a higher level of protection for the imperiled burrowing owl, a species potentially affected by the large-scale development of solar," said **Bill Corcoran, Western Regional Campaign Director for the Sierra Club's Beyond Coal Campaign**. "We strongly support moving the development of large-scale clean energy projects away from pristine lands, and 8minutenergy's proposal is an appropriate balancing of solar energy production with the protection of our natural legacy."

Importantly, the Sierra Club introduced the developer to the International Brotherhood of Electrical Workers, which was critical in helping to finalize a Project Labor Agreement to employ local, Imperial Country workers for the projects. Imperial County has the highest unemployment rate in California (27%), and the projects will provide important economic benefits to the area.

"These projects are truly a win-win for local Imperial County workers and the environment," said **Johnny Simpson, Business Manager with the International Brotherhood of Electrical Workers (IBEW) Local 569**. "They will create good, middle-class green jobs with skilled

training, healthcare benefits and pension retirement while reducing polluting greenhouse gas emissions that cause climate change."

The projects will likely share and co-locate transmission lines, towers and other infrastructure with other solar developers and utilities, preventing additional threats to nearby lands and communities.

"The Imperial Valley is an Audubon Important Bird Area of global significance, and sensitive species of birds depend on the agricultural lands for nesting, foraging and roosting," said **Garry George, Renewable Energy Project Director with Audubon California**. "This project developer is siting it right by carefully choosing the lands that have the least impact on birds, and by working with the California Department of Fish & Game and Audubon to avoid, minimize or mitigate for the species affected by the project."

"The Mt. Signal Callexico I and Callexico II solar projects show that solar development can be smart from the start," said **Helen O'Shea, Deputy Director of NRDC's Western Renewable Energy Project**. "NRDC supports these Imperial County projects because they make use of appropriate lands that reduce on-site water consumption and will bring clean energy to the grid faster."

"By choosing a project site with very few impacts to wildlife, 8minuteenergy has shown that renewable energy can be developed quickly and without sacrificing sensitive wildlife and wild lands," said **Kim Delfino, Defenders of Wildlife's California program director**. "These projects are shining examples of how to develop solar energy right."

The Sierra Club testified in support of the projects at today's Imperial County Board of Supervisors' meeting.

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FOR IMMEDIATE RELEASE

Imperial County Board of Supervisors Approves World's Largest Solar PV Farm, 600MW, Developed by 8minutenergy Renewables with the Support of the Sierra Club and Leading Environmental Groups

- Investment in Local Labor and Collaboration with Sierra Club to Protect Biological Resources Sets Standard for Cooperation on Common Goals -

Folsom, CA – April 4, 2012 – 8minutenergy Renewables, LLC, a leading independent solar PV developer based in California, today announced that the Imperial County Board of Supervisors unanimously approved its utility-scale solar PV projects underway in the Imperial Valley. The approval received support from the Sierra Club, Audubon California, Defenders of Wildlife and the Natural Resources Defense Council.

8minutenergy's solar generation plant, currently the largest in the world, will be built in three phases and produce a total of up to 600 megawatts (MW) of clean, renewable solar power to provide electricity for over 200,000 households in California. The solar PV projects will displace the equivalent of approximately 1.6 million metric tons of carbon dioxide (CO₂) per year of a coal plant, which is equal to the amount that roughly 67 million trees would displace annually. These environmental benefits sync with the Sierra Club's 'Beyond Coal Campaign,' which strives to shift our nation's power resources away from burning coal to more natural, renewable energy sources.

8minutenergy worked closely with the Sierra Club to ensure the development of solar power projects that will provide low cost, clean renewable energy from the sun with low biological impacts particularly when compared with public lands projects on pristine desert wildlands. This unique collaboration includes a significant investment by 8minutenergy to jointly create a stewardship and education program – beyond what is required by the California Environmental Quality Act (CEQA) – to protect and enhance threatened species in the area. In the Imperial Valley, the program will safeguard the habitat of the borrowing owl - a species of special concern - and enable it to continue to blossom and thrive in the region.

"We are delighted that from the beginning 8minutenergy has considered potential environmental impacts when siting their projects," said Bill Corcoran, Western Regional Director of Sierra Club's Beyond Coal Campaign. "By working with the Sierra Club and the rest of the environmental community to provide additional stewardship for the burrowing owl they have demonstrated that they will go the extra mile."

"We appreciate the approval of our solar projects by the Imperial County Board of Supervisors, and are proud to work proactively with the Sierra Club to protect and enhance biological resources in the Imperial Valley," said Tom Buttgenbach, president of 8minutenergy Renewables. "This is a strong example of how solar energy

developers can work proactively and collaboratively with the local community and government, as well as with environmental and labor leaders to create a win-win-win for everyone involved.”

“Today we’re also announcing a substantial investment of over \$25 million dollars in Imperial County’s public benefit program, again going beyond the requirements of CEQA. The Imperial Valley is home to many of our projects, so it is important to be good contributing citizens to the Valley,” said Martin Hermann, chief executive officer of 8minutenergy Renewables, which has over 2,000 MW on private, disturbed land under development for renewable solar projects in California. “Our investment in local jobs and protecting the environment in the area exemplify our commitment to going above and beyond to support the local community.”

This investment into the local community will enhance the use of the Imperial Valley’s agricultural resources and support a variety of community programs focused on education, careers and economic development from large scale solar power plant operations. The three phases of 8minutenergy’s solar project will ultimately create almost 700 construction jobs (direct and indirect) over a period of three years, as well as nearly 100 permanent, well-paying jobs (direct and indirect) in an area with high unemployment, and produce renewable energy that will help the state meet its 33 percent RPS mandate.

The specific 8minutenergy solar PV project phases approved by the Imperial County Board of Supervisors, with the support of the Sierra Club, Audubon California, Defenders of Wildlife, and the Natural Resources Defense Council, include:

Mount Signal Solar Farm

The Mount Signal Solar project is a large, 200 MW utility-scale solar generation facility sited on roughly 1,400 of low-value farmland in the Imperial Valley, Calif. The project will create hundreds of direct and indirect jobs in Imperial County, Calif. during the 18-month construction period. Slated to begin delivery in mid-2013, it will produce enough renewable solar energy to serve approximately 70,000 households in SDG&E’s service territory.

Calexico Solar Farms I & II

Calexico Solar Farms I & II are two large utility-scale PV power plants that will produce 200 MW each of clean, safe, reliable electricity for approximately 140,000 households by 2014. The two solar projects will occupy a total of roughly 2,800 acres of private, disturbed, low-value farmland in the Imperial Valley, Calif. They will generate jobs and contribute millions of dollars in related benefits to the local economy.

About 8minutenergy Renewables, LLC

8minutenergy is a California-based company that is passionate about helping California develop its renewable energy industry and is developing more than 2,000 MW of utility-scale solar projects all located on private, disturbed and low-value farm land within California. 8minutenergy’s development team is the largest focused on utility-scale solar PV in California and the United States. In concert with our partners, 8minutenergy delivers complete solar power plant solutions, including all aspects of development, financing, engineering, construction, operation and maintenance. 8minutenergy’s proprietary transmission, land and economic analysis process and tools helps select

optimal power plant sites for accelerated permitting with counties and utilities.
8minutenergy has offices in Folsom, Los Angeles, San Francisco, San Diego and El Centro, California. For more information, please call (916) 608-9060, send email to info@8minutenergy.com or visit www.8minutenergy.com.

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FOR IMMEDIATE RELEASE

8minutenergy Signs Generation Interconnection Agreement (GIA) with ISO and SDG&E for 200 Megawatts of Solar PV Power

– Leading Utility-scale Solar PV Developer Completes Utility Study Process, Commits to Invest More in Region with High Unemployment –

Folsom, CA – July 9, 2012 – 8minutenergy Renewables, a leading independent solar PV developer based in California, today announced the signing of a Generation Interconnection Agreement (GIA) with the California Independent Systems Operator Corporation (ISO) and San Diego Gas & Electric (SDG&E) for 200 megawatts (200MWac) of clean, renewable utility-scale solar PV power from its solar project in Imperial Valley, Calif. The GIA confirms that 8minutenergy's solar project has completed ISO's Phase I and Phase II interconnection study processes as well as posted the required letters of credits.

The agreement details a series of investments by 8minutenergy to upgrade San Diego Gas & Electric's (SDG&E) power network, which will bring additional jobs and revenues to the region. Located on 1,422 acres of private, disturbed, low-value farm land, the solar project is scheduled to start construction in early 2014 and begin delivering renewable energy to SDG&E in December 2014. The project will create nearly 450 direct jobs and over 500 indirect jobs in Imperial County, Calif. during construction.

The solar project's annual production capacity of approximately 500 million kilowatt hours (kWh) of electricity will produce enough renewable solar energy to serve 72,000 households in SDG&E's service territory. This clean solar generation plant will displace the equivalent of about 356,000 metric tons of carbon dioxide (CO₂) per year, which is equal to the amount that roughly 15 million trees would displace annually.

"Solar projects of this nature will provide Californians with clean, renewable energy," said California ISO President and CEO Steve Berberich. "By signing this agreement, we are another step closer to helping California achieve important green energy goals."

"This agreement is critical for 8minutenergy, ISO and SDG&E to continue to develop clean, reliable, renewable energy for the people of California," said Martin Hermann, chief executive officer of 8minutenergy Renewables. "Coming on the heels of the approval of our 600 MW solar project – the largest in the world, currently – this GIA furthers our comprehensive approach to select the most favorable regions for the transmission and interconnection of renewable energy projects."

“This GIA means that 8minutenergy will be able to bring more jobs and economic stimulus to the Imperial Valley, an area in need of both,” said Tom Buttgenbach, president of 8minutenergy Renewables.

This project is part of the company’s portfolio of over 2,000 MW of utility-scale solar PV power under development by 8minutenergy in California. Over the life of 8minutenergy’s 12 solar farm projects in the Imperial Valley, the ongoing fiscal and economic benefits are projected to produce: \$2.3 billion in total economic output, 240 new jobs, \$1.5 billion in direct expenditures, \$50 million in additional property taxes, and a \$12.3 million net fiscal impact on the general fund. All 8minutenergy solar projects are considered in-state resources and are located on disturbed, low-value farm land.

The solar project will connect with SDG&E’s Imperial Valley substation, and its renewable solar energy will be transmitted over the utility’s Sunrise Powerlink transmission line, currently under construction and slated for completion in 2012.

The utility-scale solar power system for the solar project is comprised of state-of-the-art solar photovoltaic modules, related power electronics, and other components including an advanced tracking system that follows the sun to maximize energy production. This solar composition of large scale solar arrays is designed to feed the SDG&E electric utility grid and represents the future paradigm for large scale electrical generation.

About 8minutenergy Renewables, LLC

8minutenergy is a California-based company that is passionate about helping California develop its renewable energy industry and is developing more than 2,000 MW of utility-scale solar projects all located on private, disturbed and low-value farm land within California. 8minutenergy’s development team is the largest focused on utility-scale solar PV in California and the United States. In concert with our partners, 8minutenergy delivers complete solar power plant solutions, including all aspects of development, financing, engineering, construction, operation and maintenance. 8minutenergy’s proprietary transmission, land and economic analysis process and tools helps select optimal power plant sites for accelerated permitting with counties and utilities. 8minutenergy has offices in Folsom, Los Angeles, San Francisco, San Diego and El Centro, California. For more information, please call (916) 608-9060, send email to info@8minutenergy.com or visit www.8minutenergy.com.



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FOR IMMEDIATE RELEASE

8minutenergy and Gestamp Solar Sign Generation Interconnection Agreements (GIA) with Imperial Irrigation District (IID) for 355 Megawatts of Solar PV Power

– Leading Utility-scale Solar PV Developers Among First to Complete Utility Study Process and Ink GIA in Imperial Valley, \$1.5 Billion Investment in Region Underway –

Folsom, CA – August 22, 2011 – 8minutenergy Renewables – which holds the second largest solar PV portfolio in California and in the United States, and its partner Gestamp Solar, a top five global solar developer, announced today that they have signed a Generation Interconnection Agreement (GIA), with the Imperial Irrigation District (IID) for 355 Megawatts (MW) of utility-scale solar PV power. 8minutenergy and Gestamp Solar's five joint projects, comprising 355 MW, have successfully completed IID's Transitional Cluster Phase I and Facility Study phases and are ready for construction.

One of the first solar PV GIA's signed in Imperial Valley, California, the agreement sets in motion a series of major investments by 8minutenergy and Gestamp Solar to a quarter billion dollar upgrade of the IID power network, which will bring much needed jobs and revenues to the region. 8minutenergy and Gestamp Solar's first five joint projects are expected to create more than 1,000 construction and 55 permanent jobs in Imperial County. Over the life of 8minutenergy's 12 total solar farm projects in the Imperial Valley, the ongoing fiscal and economic benefits are projected to produce: \$2.3 billion in total economic output, 240 new jobs, \$1.5 billion in direct expenditures, \$50 million in additional property taxes, and a \$12.3 million net fiscal impact on the general fund.

"The approval of GIAs is an important milestone for 8minutenergy, Imperial County and the state of California," said Martin Hermann, CEO of 8minutenergy. "This agreement represents two years of effort by our team, our partner Gestamp Solar, and many other parties. We thank the IID and county representatives of the Imperial Valley, for their support in helping to bring clean energy to the people of southern California."

The first of 8minutenergy and Gestamp Solar's joint projects is the Chocolate Mountains Solar Farm, a 50 MW utility-scale solar PV farm that will generate enough clean, safe, reliable electricity to power over 25,000 households. The company expects Commercial Operation Dates (COD) for Chocolate Mountains and its Calipatria II solar PV farms in the next 15 months. Construction, commissioning and synchronizing to begin transmitting energy to the grid are projected for the fourth quarter of 2012 or early 2013.

All 8minutenergy and Gestamp Solar projects are considered in-state resources and are located on disturbed, low-productivity and irrigated farmland.

“As of today, less than ten percent of all renewable energy projects in the state’s pipeline have attained a GIA,” added Tom Buttgenbach, President of 8minutenergy. “This agreement confirms the validity of our approach, and further cements the viability of 8minutenergy’s portfolio.”

“Gestamp Solar is excited that its projects with 8minutenergy have obtained the GIA,” stated Pablo Otin, Vice President and U.S. Country Manager for Gestamp Solar. “We look forward to spearheading the engineering, construction, procurement and operations for the five projects, and to transmitting power soon.”

“IID is pleased that 8minutenergy is demonstrating its commitment to Imperial County through the development of a number of new solar generation facilities, and helping fund the necessary build-out of IID’s transmission facilities,” commented John Pierre Menvielle, Vice President, IID Board of Directors. “8minutenergy’s investment will confirm Imperial County’s position as the preferred location for renewable energy development in the Southwest, and IID’s position of leadership in developing the infrastructure necessary to deliver renewable energy to major population centers.”

“GIA approval for 8minutenergy’s projects marks a major step in bringing new jobs and a sustainable utility-scale solar PV export industry to the people of Imperial Valley,” said Gary Wyatt, Imperial County Supervisor, District 4.

8minutenergy has assembled one of the largest preconstruction development teams focused exclusively on utility-scale solar PV projects in California, with 50 people working on its portfolio, including over 20 in-house industry experts. Their proprietary processes cover the entire spectrum of preconstruction development for utility-scale solar PV projects -- from power grid analysis, land site selection and development, to selecting technologies for engineering. These unique processes identify optimal sites and validate them for economic viability and permitting. By communicating with all concerned parties throughout the process, 8minutenergy and Gestamp Solar minimize potential obstacles.

Gestamp Solar

Gestamp Solar is part of Gestamp Renewables, a division of Gestamp Corporation, and an industrial group that operates and supplies components within the renewable energy sector. Since 2005, Gestamp Renewables has aspired to position itself as an international leader within the renewable energy sector, using a unique and integrated business model encompassing the entire value chain—from manufacture and supply of components, to the promotion, construction, maintenance, operation and development of wind, solar, and biomass energy projects. Gestamp Solar has offices in San Francisco CA, Fresno CA, Reno NV, Albuquerque NM, and Jacksonville FL. For more information, please visit www.gestampsolar.com

8minutenergy Renewables, LLC

8minutenergy is a California-based company that is passionate about helping California develop its renewable energy industry. 8minutenergy’s preconstruction development team is the largest focused on utility-scale solar PV in California and the United States.

In concert with our partners, 8minutenergy delivers complete solar power plant solutions, including all aspects of development, financing, engineering, construction, operation and maintenance. 8minutenergy's proprietary land and economic analysis process helps select optimal power plant sites for accelerated permitting with counties and utilities. 8minutenergy has offices in Folsom, Los Angeles, San Francisco, San Diego and El Centro, California. For more information, please call (916) 608-9060, send email to info@8minutenergy.com or visit www.8minutenergy.com.



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FOR IMMEDIATE RELEASE

8minutenergy Renewables 266 MW Mount Signal Solar Farm Starts Construction

—\$636 Million in Financing for Project Closed on by 8minutenergy's Partner, AES Solar—

Folsom, CA – November 12, 2012 – 8minutenergy Renewables, LLC, a leading independent solar PV developer based in California, today announced that its Mount Signal Solar farm has completed all requirements to begin construction on the 266 megawatts (266MW-dc, 200MW-ac) project located in Imperial County, Calif. Construction began in November with commercial operation scheduled for early 2014. The final hurdle to construction - finalizing \$636 million in project financing - was recently closed by 8minutenergy's joint development partner, AES Solar. Mount Signal Solar will provide its clean, renewable solar PV power to about 65,000 households under a 25-year Power Purchase Agreement with San Diego Gas & Electric (SDG&E).

The Mount Signal Solar power plant is being built on 1,940 acres of low-productivity farmland in Imperial County, Calif. It represents the first of three phases of an approximately 800 MW-dc (600MW-ac) solar PV power project - currently the largest in the world - to be constructed. This first phase of the 800 MW project is the first solar project to be built in the California desert with the support of leading environmental groups such as the Sierra Club, Audubon California, Defenders of Wildlife and the Natural Resources Defense Council.

"We are thrilled to see the initial phase of this eventual 800 megawatt solar project, and the first of our many solar PV projects under development, begin construction," said Martin Hermann, chief executive officer of 8minutenergy Renewables, which has over 2,000 MW and 15,000 acres of private, disturbed land under development for renewable solar projects in California. "Mount Signal Solar will begin creating jobs next month, with an emphasis on hiring locally, and peak at nearly 1,000 jobs over the construction period. This is good news for the people of Imperial County, which currently has one of the highest unemployment rates in the country."

"The construction of Mount Signal Solar will share the benefits of the energy boom in the region directly with the people of Imperial County through new jobs and other economic benefits," said Tom Buttgenbach, president of 8minutenergy Renewables. "We are proud of working closely with key environmental groups to mitigate biological impacts and advance this solar project. We appreciate the role local support has played in developing this project, as well as that of our partner, AES Solar. We look forward to

seeing the completion of construction and to the transmission of clean renewable solar power to help SDG&E and the state of California meet its 33 percent RPS mandate.”

“We are pleased to have worked with 8minutenergy and Imperial County to develop and begin construction of this important solar project,” said Bob Hemphill, CEO of AES Solar.

Mount Signal Solar's annual production capacity of approximately 500 million kilowatt hours (kWhs) of electricity will produce enough renewable solar energy to serve over 65,000 households in SDG&E's service territory. This clean solar generation plant will displace the equivalent of approximately 356,000 metric tons of carbon dioxide (CO₂) per year, which is equal to the amount that roughly 15 million trees would absorb annually. Mount Signal Solar will connect with SDG&E's Imperial Valley substation, and its renewable solar energy will be transmitted over the utility's Sunrise Powerlink transmission line. The line was completed earlier this year with a mandate to transport renewable energy from the Imperial Valley to San Diego.

8minutenergy has over 2,000 MW of solar PV power under development in California. All 8minutenergy solar projects are considered in-state resources and are located on disturbed, low-value farm land. 8minutenergy strives to ensure that its solar power projects provide low cost, clean renewable energy from the sun with low environmental impacts, particularly when compared with public lands projects on pristine desert wildlands.

About AES Solar

AES Solar is a joint venture between The AES Corporation and Riverstone Holdings LLC formed to develop, own and operate utility-scale solar power plants. AES Solar currently has 256 MW in operations in the USA, Italy, Spain, France, Bulgaria, India, and Greece with substantial development activity in the United States and in other countries. For more information, visit www.aes-solar.com.

About 8minutenergy Renewables, LLC

8minutenergy is a California-based company that is passionate about helping California develop its renewable energy industry and is developing more than 2,000 MW of solar PV projects all located on private, disturbed and low-value farm land within California. 8minutenergy's development team is the largest focused on solar PV in California and the United States. In concert with our partners, 8minutenergy delivers complete solar power plant solutions, including all aspects of development, financing, engineering, construction, operation and maintenance. 8minutenergy's proprietary transmission, land and economic analysis process and tools helps select optimal power plant sites for accelerated permitting with counties and utilities. 8minutenergy has offices in Folsom, Los Angeles, San Francisco, San Diego and El Centro, California. For more information, please call (916) 608-9060, send email to info@8minutenergy.com or visit www.8minutenergy.com.



FOR IMMEDIATE RELEASE

8minutenergy Renewables and Gestamp Solar to Develop 20 MW of Solar Energy for SDG&E Power Purchase Agreement

– Leading Solar Developer Signs Second PPA in the Last Ten Months –

Folsom, CA – December 17, 2012 – 8minutenergy Renewables, LLC and Gestamp Solar today announced the signing of a 20-year contract to sell approximately 20 megawatts-ac of clean, renewable solar energy from their Calipatria Solar Farm project in Imperial Valley, Calif., to San Diego Gas & Electric (SDG&E). The transaction was conducted with 70SM1 8ME, LLC, a subsidiary of 8minutenergy Renewables, which is a leading independent solar PV developer based in Folsom, Calif., and Gestamp Solar, a top five global solar developer. The two companies have a joint development agreement to develop and build the Calipatria Solar Farm project.

The Calipatria Solar Farm project is a utility-scale solar generation facility sited on 160 acres of low-productivity farmland. Construction is projected to begin in late 2014, with the delivery of renewable energy to SDG&E expected by early 2015. This clean solar generation plant will displace the equivalent of approximately 54,000 metric tons of carbon dioxide (CO₂) per year, which is equal to the amount that roughly 2.2 million trees would displace annually.

The Calipatria Solar Farm committed to contracting 50-percent of the project costs to diverse-owned businesses. The California Public Utilities Commission (PUC) recently mandated that utilities must report on diverse business enterprise (DBE) spending in electric procurement.

“SDG&E has made a concerted effort to increase the number of diverse-owned suppliers we do business with in electric procurement resulting in our making significant strides this past year,” said Matt Burkhart, SDG&E’s vice president of electric and fuel procurement. “We are glad to see 8minutenergy helping to expand DBE participation in our procurement portfolio as we meet our retail customers’ needs.”

“Gestamp Solar is happy that our project has received a PPA with SDG&E,” stated Jorge Barredo, CEO of Gestamp Solar. “We look forward to leading the next stages in the development of the Calipatria Solar Farm and to transmitting power soon.”

“The solar farm’s annual production of approximately 48 million kilowatt hours (kWhs) of electricity will produce enough renewable solar energy to serve 9,000 households in SDG&E’s service territory,” said Martin Hermann, chief executive officer of 8minutenergy Renewables. “This is the second PPA in the last ten months that we’ve

secured, for a total capacity of close to 300MW-dc. This confirms the validity of our project development approach.”

“The Calipatria project will create approximately 50 direct jobs and more than 100 indirect jobs in the area during the construction period,” said Tom Buttgenbach, president of 8minutenergy Renewables. “We would like to thank SDG&E for their continued commitment to the Imperial Valley region, which has an unemployment rate among the highest in the country. We also appreciate the support of the Imperial County Board of Supervisors, the IID and the Imperial County planning department, which have all been instrumental in helping this solar project progress. This project will produce renewable energy that will contribute to SDG&E’s goal of helping the state meet its 33 percent RPS mandate.”

The Calipatria Solar Farm is located in Calipatria in the Imperial Valley. The facility's renewable solar energy will be delivered into the CAISO system and SDG&E's territory via the Sunrise Powerlink. The solar power system for the Calipatria Solar Farm will be comprised of state-of-the-art solar photovoltaic modules, related power electronics, and other components including an advanced tracking system that follows the sun to maximize energy production. The PPA contract is pending approval from the California Public Utilities Commission.

8minutenergy is focused on DG and large-scale projects, and has over 2,000 MW of solar PV power under development in the U.S. on 15,000 acres of private, disturbed land. All 8minutenergy solar projects are considered in-state resources and are located on disturbed, low-value farm land. 8minutenergy strives to ensure that its solar power projects provide low cost, clean renewable energy from the sun with low environmental impacts, particularly when compared with public lands projects on pristine desert wildlands.

About Gestamp Solar

Gestamp Solar is part of Gestamp Renewables, a division of Gestamp Corporation, and an industrial group that operates and supplies components within the renewable energy sector. Gestamp Solar specializes in the development, construction, operation and maintenance of utility scale photovoltaic plants in the United States, India, South Africa, Peru, Chile, Thailand, China, Japan, Italy, France and Spain, and has developed constructed over 500 MWs Solar Energy projects to date.

About Gestamp Renewables – Corporacion Gestamp

Corporación Gestamp (www.corporaciongestamp.com), parent of Gestamp Renewables, is a privately held, multinational leader in the steel components, automotive and renewable energy. Headquartered in Spain, Gestamp has over 35,000 employees operating in 130 industrial plants of over 25 countries in Europe, America and Asia. In 2011 Gestamp Corporation had revenue of approximately \$10 billion.

Gestamp Renewables (www.gestampren.com) is an integrated provider of solutions for renewable energy projects involving Biomass, Solar and Wind. The organization’s presence spreads across the renewable energy value chain and includes manufacturing, component supply, promotion, construction, maintenance, operation and project development. Gestamp Renewables integrates three lines of Corporacion Gestamp activity in the renewable energy sector: Gestamp Solar, Gestamp Wind and

Gestamp Biomass. The company is currently present in Europe, LATAM, Brazil, India, Turkey, South Africa, United States, China and Japan.

About 8minutenergy Renewables, LLC

8minutenergy is a California-based company that is passionate about helping California develop its renewable energy industry and is developing more than 2,000 MW of solar PV projects all located on private, disturbed and low-value farm land within California. 8minutenergy's development team is the largest focused on solar PV in California and the United States. In concert with our partners, 8minutenergy delivers complete solar power plant solutions, including all aspects of development, financing, engineering, construction, operation and maintenance. 8minutenergy's proprietary transmission, land and economic analysis process and tools helps select optimal power plant sites for accelerated permitting with counties and utilities. 8minutenergy has offices in Folsom, Los Angeles, San Francisco, San Diego and El Centro, California. For more information, please call (916) 608-9060, send email to info@8minutenergy.com or visit www.8minutenergy.com.

About SDG&E

SDG&E is a regulated public utility that provides safe and reliable energy service to 3.4 million consumers through 1.4 million electric meters and more than 850,000 natural gas meters in San Diego and southern Orange counties. The utility's area spans 4,100 square miles. SDG&E is committed to creating ways to help customers save energy and money every day. SDG&E is a subsidiary of Sempra Energy (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego.

Media Contacts:

San Diego Gas & Electric
Jennifer Ramp
(877) 866-2066
jramp@semprautilities.com
www.sdge.com

8minutenergy Renewables
Kevin Butler
(415) 990-1545
kbutler@8minutenergy.com

Gestamp Solar
Pablo Otin
(415) 713-1226
pablo.otin@gestampren.com

Significant Milestones Accomplished:

COUNTY	UTILITY	DATE	IMPACT
Exclusive Right to Negotiate Granted		December, 2009	
	Public Utilities Commission Ruling halting Bi-Lateral negotiations. Decision 10-12-048	December, 2010	Statewide Moratorium on direct negotiations.
Condition Use Permit Application.			
California Unions for Renewable Energy files objection to CUP		December, 2010	10 month Union, caused delay.
	8ME application for Interconnection.	March, 2011	FILED
California Unions for Renewable Energy resolves CUP.		October, 2011	
JKB submits offer for \$400,000 per year for lease of solar property.		October, 2011	
	Request to Extend Exclusive Right.	December, 2011	
	Phase 1 Interconnection study complete.	March, 2012	
	First Financial Security Posting	April, 2012	PAID \$1,900,000.00
8ME introduced to Stanislaus County.		April, 2012	
Initial CUP application completed.		May, 2012	
Lease negotiations commence.		September, 2012	
JKB 3 year lease for farming County.		November, 2012	
County requests the \$480,000 option payment.		December 17, 2012	

	Phase 2 of Interconnection nearly complete Second Financial Security Posting 1.5 Million	Q2 2013	TO BE PAID \$1,500,000.00
	ISO anticipated on- line	July, 2014	

NOTES:

1. To date, impact to general fund approximately \$280,000.00 net to Stanislaus County.
2. Revenue to Stanislaus County through proposed term \$19,135,939.00.

8ME/JKB

Review of Lease Negotiations

1/24/2013

Solar Lease	JKB/8ME 12/6/2012	County 12/17/2012	JKB/8ME 12/19/2012	County 12/21/2012	County 1/10/2013	JKB/8ME 1/18/2013
Option Period; Contingency Lease Term (Years)	4 years; county termination at year 2 if no "shortlist" for PPA 25+2	3 years. Shortlist by year 2. Executed PPA by year 3 25+2	4 years; county termination at year 2 if no "shortlist" for PPA 25+2	4 years; county termination at year 2 if no "shortlist" for PPA 25+2	4 years; county termination at year 2 if no "shortlist" for PPA 25+2	4 years; county termination at year 2 if no "shortlist" for PPA 25+2
Option Payment	\$0	\$500,000 Day 1	\$0	\$480,000 paid over first 24 months	\$480,000 paid over first 24 months	\$160,000 over 4 years
Lease Base Rate	\$324,000	\$500,000 ⁽²⁾	\$400,000	\$400,000	\$400,000	\$400,000
Rent Escalator	2% per year \$1,250,000 upon start of operations and credit of up to \$750k for sales tax to County (\$500K total upfront if generate sales tax)	2% every 3rd year	2% every 3rd year	2% every 3rd year	2% every 3rd year	2% every year
Additional Payment		\$1.25 mn starting year 6 + guarantee of \$750K in sales tax	\$1.5 mn starting year 6	\$1.25 mn starting year 6	\$1.25 mn starting year 6 (typo so unclear)	\$1.25 mn starting year 6
Total Solar Payment					\$ 13,513,591	\$ 15,547,730
Farm Lease						
Short Term Lease Rent ⁽¹⁾	\$105,000 per year	\$105,000 per year	\$105,000 per year	\$105,000 per year	\$105,000 per year	\$105,000 per year
LT Lease Base Rent	\$106,000 Per Year	Not Discussed	\$100,000	\$100,000	\$100,000	\$100,000
LT Lease Escalator	0%		2% every 3 years	2% every 3 years	2% every year	2% every year
Contingent Rent	up to \$70K for dry farming and % rent		\$0	\$0	\$0	\$0
Total Farm Payment					\$ 3,954,432	\$ 3,954,432
Grand Total Payment to County					\$ 17,468,023	\$ 19,502,162

(1) Assumes farm lease same in all scenarios for simplicity

(2) Assumes some split between solar and farm leases, but not addressed

(3) assume 2%

Recording Requested By And)
When Recorded Mail to:)
Golden Hills Solar, LLC)
c.o: Michael S. Warda, Esq.)
2350 W. Monte Vista Ave)
Turlock, California 95382)

(Space above this line for Recorder's Use)

Stanislaus County, California
APN's: 025-012-016, 025-012-017, 025-012-031 and 025-012-033

DOCUMENT TRANSFER TAX IS: \$0, because lease term is less than 35 years

SIGNATURE OF DECLARANT OR AGENT DETERMINING TAX

MEMORANDUM OF
LAND OPTION AND LEASE AGREEMENT

THIS MEMORANDUM OF LAND OPTION AND LEASE AGREEMENT ("*Memorandum*") is dated as of the 20th day of May, 2013, by and between Golden Hills Solar, LLC., a California limited liability company, or assignee ("*Lessee*") and the County of Stanislaus ("*Landlord*"). This Memorandum is in reference to the Land Option and Lease Agreement (the, "*Lease*") made and entered into as of the 20th day of May, 2013. Lessee and Landlord are at times collectively referred to hereinafter as the "Parties" or individually as a "Party."

Landlord is the lessor of the real property identified as Stanislaus County Assessor Parcel Numbers 025-012-016, 025-012-017, 025-012-031 and 025-012-033 as shown on the Assessor Parcel Map attached hereto as Exhibit A (the, "*Property*"). Landlord has granted and hereby does grant to Lessee and Lessee has accepted and hereby does accept from Landlord, pursuant to the terms of the Lease, an option to lease portions of the Property to be identified by the Lessee during the Option Period, not to exceed 600 acres in the aggregate (the "Site").

This instrument is a Memorandum of the Lease and is subject to all of the terms, covenants and conditions provided in the unrecorded Lease and in no way modifies the provisions of the Lease. If the terms of this instrument are inconsistent with the terms of the Lease, the terms of the Lease shall prevail. This instrument may be executed in one or more counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. Capitalized terms in this Memorandum have the meanings given them in the Lease.

Landlord and Lessee have agreed to record this Memorandum to give notice of the Lease and significant provisions thereof, including, without limitation, the following.

1. No Interference. Landlord's activities and any grant of rights Landlord makes to any third party, whether located on the Site or elsewhere, shall not, now or in the future, interfere in any way with Lessee's exercise of any rights granted under the Lease. Lessee shall have quiet and peaceful possession of the Site throughout the Term of the Lease. The rights and all rights of Lessee under the Lease will be subject and subordinate to any Mortgage now or hereafter affecting the Site; provided, however, that any such subordination is expressly conditioned upon Landlord obtaining the agreement of any Mortgagee that so long as Lessee is not in default in the performance and observance of the Lease beyond any applicable grace or cure period, the Mortgagee will not disturb Lessee's rights under the Lease, which subordination and non-disturbance agreement shall otherwise be in form and substance reasonably satisfactory to Lessee.

2. Term. (a) The initial lease term ("**Initial Term**") for each Leased Site Portion shall commence on the Sub-Escrow Closing date for such Leased Site Portion ("**Lease Commencement Date**") and shall end for each Leased Site Portion on the 25th anniversary of the Lease Commencement Date for the last Leased Site Portion that constitutes the Site (the "**Lease Expiration Date**"). Lessee shall have the right to extend the Initial Term for all Leased Site Portions that constitute the Site for two (2) consecutive additional periods of one (1) year each (each such period, an "**Extension Term**," and, collectively with the Initial Term, the "**Term**") following the Lease Expiration Date by giving Landlord written notice of its intent to extend the Lease not later than one-hundred-eighty (180) days prior to the end of the Initial Term or the then current Extension Term, provided that as a condition to any Extension Term, Lessee shall have performed all of its obligations that become due prior to such Extension Term under the terms of the Lease. In the event Lessee elects to exercise its right to extend the lease beyond the Initial Term, the terms and conditions in effect during the Initial Term shall be applicable during each Extension Term. If Lessee holds over in occupancy of the Site, or any portion thereof, after the end of the Term, during such hold over period, Lessee shall be subject to the terms and conditions specified in the Lease, so far as applicable.

3. Termination. On termination of the Lease, Lessee will record a quitclaim deed or release of this Memorandum in the public records. In the event Lessee fails to record such notice of termination, release or quitclaim deed within ten (10) days of request from Landlord, then Landlord has the right to record such notice of termination.

4. Right to Mortgage and Assign. Lessee shall have the absolute right to assign this Agreement in its entirety or any of its rights, duties and/or obligations hereunder to any third party, provided, that such Assignee assumes in writing all of Assignor's rights, duties and obligations hereunder

5. Notices. All notices, requests, statements or payments will be made to the addresses and persons specified below. All notices, requests, statements or payments will be made in writing except where this Agreement expressly provides that notice may be made orally. Notices required to be in writing will be delivered by hand delivery, overnight delivery, facsimile, or e-mail (so long as a copy of such e-mail notice is provided immediately thereafter in accordance with the requirements of Paragraph 29 in the Lease by hand delivery, overnight delivery, or facsimile). Notice by facsimile will (where confirmation of successful transmission is received)

be deemed to have been received on the day on which it was transmitted (unless transmitted after 5:00 p.m. at the place of receipt or on a day that is not a Business Day, in which case it will be deemed received on the next Business Day). Notice by hand delivery or overnight delivery will be deemed to have been received when delivered. Notice by e-mail will be deemed to have been received when such e-mail is transmitted, so long as a copy of such e-mail notice is delivered immediately thereafter by hand delivery, overnight delivery, or facsimile. A Party may change its address by providing notice of the same in accordance with the provisions of Paragraph 29 in the Lease.

If to Landlord:

Director of Environmental Resources
3800 Cornucopia Way, Suite C
Modesto, California 95358
Phone: 209-525-6700
Fax: 209-525-6774

With a copy to:

Chief Executive Officer
1010 10th Street, Suite 6800
Modesto, California 95354
Phone: (209) 525-6333
Fax: (209) 544-6226

If to Lessee:

Golden Hills Solar, LLC
c.o: Michael S. Warda, Esq.
2350 W. Monte Vista Ave
Turlock, California 95382


[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Land Option and Lease Agreement affecting the Property with Assessor Parcel Numbers 025-012-016, 025-012-017, 025-012-031 and 025-012-033, as of the date first above written.

COUNTY OF STANISLAUS


GOLDEN HILLS SOLAR, LLC, a
California limited liability company

By: 
Monica Nino,
Chief Executive Officer

By: 
Print: JAMES K. BRENDA

Its: Manager

Date: 5.16.13


By: 

Print: MARK HEALD

Its: CFO

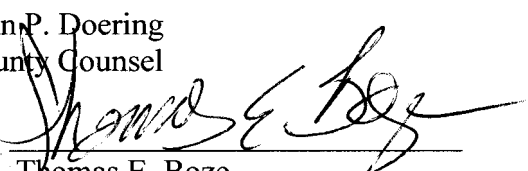
Date: 5/16/13

APPROVED AS TO CONTENT:

By: 
Keith Boggs,
GSA Director/Purchasing Agent

APPROVED AS TO FORM:

John P. Doering
County Counsel

By: 
Thomas E. Boze,
Deputy County Counsel

Signature Page to Memorandum of Land Option and Lease Agreement

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

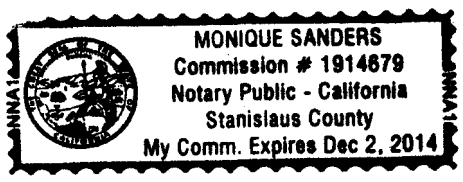
State of California

County of Stanislaus }

On 05/14/2013 before me, Monique Sanders, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared James Brenda, Mark Heald
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Monique Sanders
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Individual Partner — Limited General Individual Partner — Limited General

Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

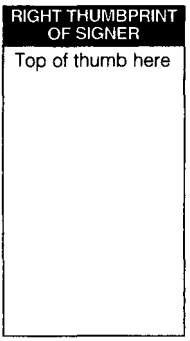
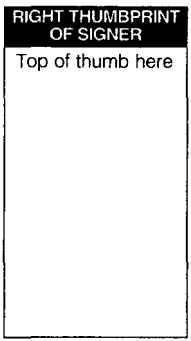


EXHIBIT A

Assessor Parcel Map depicting the Property

APN's: 025-012-016, 025-012-017, 025-012-031 and 025-012-033

SECTION 13-15, 22-24 T.6S. R.7E. M.D.B.& M.

THIS MAP FOR ASSESSMENT PURPOSES ONLY

083 005 025 - 012
083 014
086 000

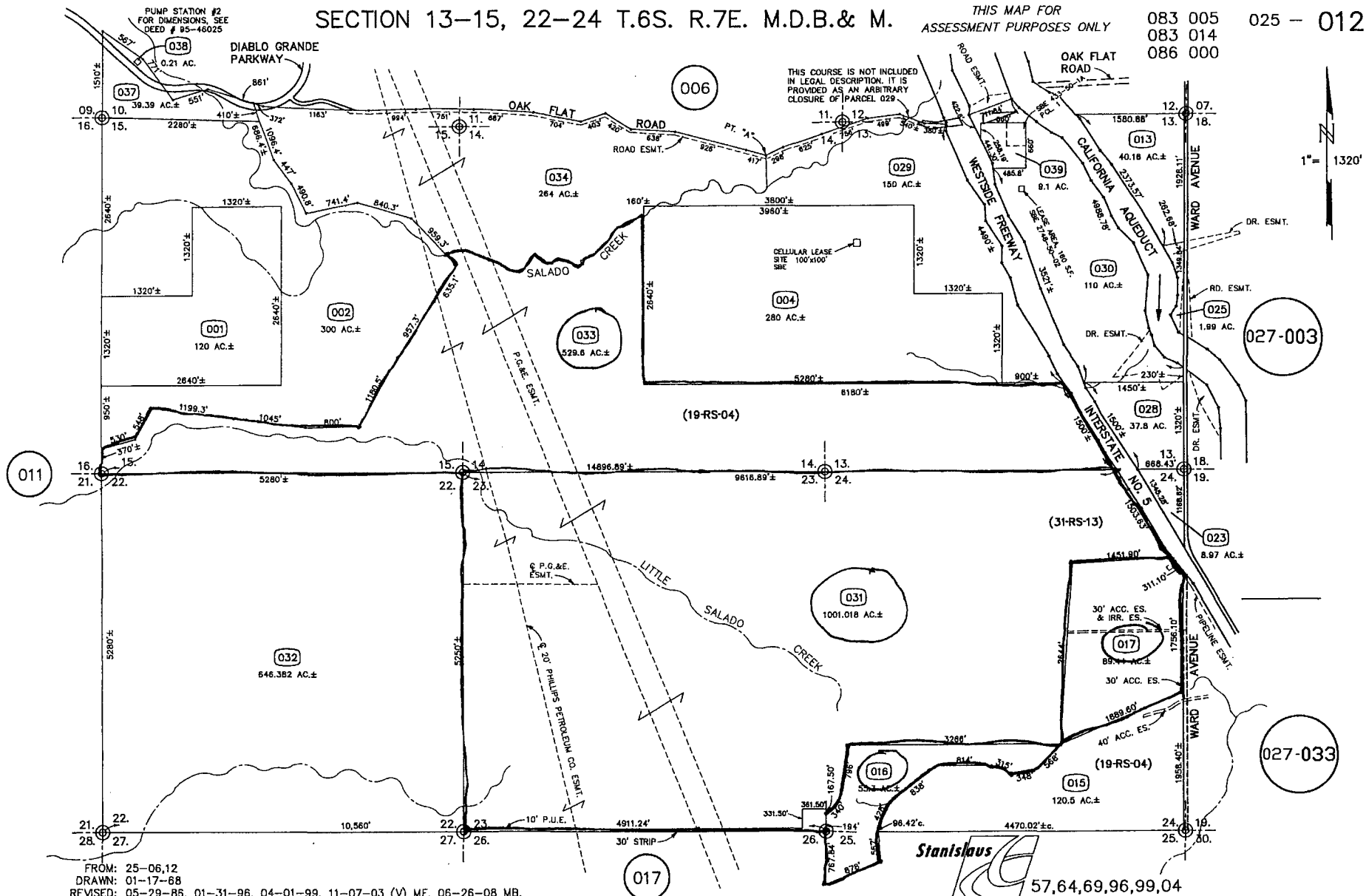


EXHIBIT "A"

FROM: 25-06,12
DRAWN: 01-17-88
REVISED: 05-29-88, 01-31-96, 04-01-99, 11-07-03 (V) MF, 06-26-08 MB.

Copyright 2001 Stanislaus County-All rights reserved

Stanislaus County Assessor
57,64,69,96,99,04

025 - 012

SOLAR GENERATING FACILITY
BENEFIT AGREEMENT

This Solar Generating Facility Benefit Agreement (“**Agreement**”) is entered into by and between the County of Stanislaus, a political subdivision of the State of California (hereinafter “**County**”) and Golden Hills Solar, LLC, a California limited liability company together with its successors and assigns, (hereinafter “**Developer**”). The County and Developer are each sometimes referred to herein as a “**Party**,” and collectively as “**Parties**.”

RECITALS

A. County is a public entity and a political subdivision of the State of California having the power to regulate land uses, approve or deny land use permits, and enforce conditions in such land use permits;

B. County has approved and issued Conditional Use Permit No. 2010-03, attached hereto as **Exhibit A** (subject to certain Conditions of Approval, attached hereto as **Exhibit B**), authorizing an 80-100 megawatt solar generating facility on certain real property situated in, and owned by, Stanislaus County at 4401/4881 Fink Road, APN: 025-012-016, 025-012-017, 025-012-031, and 025-012-033 (the “**Generating Facility**”, or “**Project**”);

C. Developer voluntarily enters into this Agreement, which was extensively negotiated between County and Developer in good faith, in connection with County’s approval of the Project;

D. Concurrent with this Agreement, the Parties will enter into that certain Solar Generating Facility Land Option and Lease Agreement (the “**Solar Lease**”) and all capitalized terms used herein without definition shall have the meaning as defined in the Solar Lease; and

E. The Parties wish to enter into this Agreement to provide for a concerted and coordinated effort to maximize the benefits of the Project to the County community and to minimize development related expenses associated with the construction and operation of the Project.

NOW THEREFORE, in consideration of the above-described recitals, the County and Developer hereby agree as follows:

I. DEVELOPER:

A. Benefit Payments: In consideration for the County's grant to Developer of the right to lease, in accordance with the terms of the Solar Lease, of that certain County-owned property which the

County anticipates to use after the date of this Agreement as environmental mitigation lands for the Fink Road Landfill, Developer, in addition to any other obligation owed to the County, including the payment of County Public Facilities Impact Fees and Fire Facilities Fees adopted by resolution of the Board of Supervisors, shall make a payment (the "**Benefit Payment**") to the County as follows:

1. The total amount of the Benefit Payment shall be One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000), based on a nameplate capacity of the Project of 70MW(ac).

2. The Benefit Payment shall be allocated to the Site¹ proportionally and become due and payable with respect to each Leased Site Portion² separately over a period of twenty (20) years, commencing upon the sixth (6th) anniversary of the Solar Lease Commencement Date³ for such Leased Site Portion, with annual installments of sixty two thousand five hundred Dollars (\$62,500.00). Each annual installment of Benefit Payment allocable to each Leased Site Portion shall be calculated by multiplying the amount of sixty two thousand five hundred Dollars (\$62,500.00) by a fraction, dividing the total capacity of the Generating Facility to be developed and operated on such Leased Site Portion by the Full Capacity⁴. For example, the annual installment of the Benefit Payment for a Leased Site Portion that is 20MW(ac) in size shall be calculated as: $\$62,500.000 \times [20\text{MW}(\text{ac}) / 70\text{MW}(\text{ac})]$.

3. Developer shall pay the annual Benefit Payment on or before July 30th of each year.

B. Local Vendors. Developer shall use commercially reasonable efforts to utilize "Local Vendors", as defined in Stanislaus County Code §2.24.125 (C), for no less than 25% of the total cost to construct and for ongoing Project operations.

C. Allocation of Sales and Use Tax Revenues.

1. Developer shall take the following actions to maximize County's receipt of sales and use taxes paid in connection with the construction of the Project or other activities attributable to the Project that are subject to sales or use taxes ("**Project Activities**"):

(a) Developer shall itself, and shall contractually require that its engineering, procurement and construction contractor(s) and subcontractor(s) (collectively, "**Development**

¹ Land Option & Lease Agreement, recital para. D

² Land Option & Lease Agreement, para. 2(a)(f).

³ Land Option & Lease Agreement, para. 4(a).

⁴ Land Option & Lease Agreement, para. 5(a)

Contractor"), perform all of the following to the extent permitted by law and consistent with Section 260.020 of the California Board of Equalization ("**BOE**") Compliance Policy and Procedures Manual and any other requirements of the BOE:

(i) Register as a Seller with the BOE and designate the Project jobsite as the business location (or sub-location) for reporting all local sales and use taxes payable that are attributable to the Project on the Development Contractor's Sales and Use Tax Returns for all Project Activities or, if already registered as a Seller, register for a Sub-permit for the Project jobsite. The Development Contractor shall be required to provide a copy of its Seller's Permit or Sub-permit, showing the Project jobsite as the business location (or sub-location), to Developer and County, within ten (10) days of the effective date of the respective contract or agreement.

(ii) Accrue and report all sales and use taxes payable that are attributable to the Project on the Development Contractor's Sales and Use Tax Returns for all Project Activities and attribute all such sales and use taxes to Stanislaus County, including on Schedule C of BOE Form 530.

(iii) Issue resale certificates and report the Developer's business location (or sub-location) for all sales of fixtures and materials furnished in connection with the Project.

(iv) Authorize County to share with Developer, all information reported to County concerning sales and use taxes paid by the Development Contractor related to the Project.

(v) Report to Developer, not later than forty-five (45) days after the end of each calendar quarter during which it has engaged in Project Activities the amount of sales and use taxes reported on its Combined State and Local Sales and Use Tax Return related to the Project for that calendar quarter.

(b) Contracts in Excess of \$5 Million. For any Project Activities in which the contract or sub-contract exceeds Five Million dollars (\$5,000,000.00) ("**Large Contract**"), Developer shall contractually require that its Development Contractor perform and contractually require in any sub-contract for Project Activities the following:

(i) Fixtures. If the Large Contract involves furnishing fixtures (as

defined in applicable BOE Regulations; see, for example, Sales and Use Tax Regulations §§ 1521, 1806 and 1826), that the Development Contractor perform all of the following to the extent permitted by law and consistent with § 260.020 of the California Board of Equalization ("BOE") Compliance Policy and Procedures Manual and any other requirements of the BOE:

1) Register as a Seller with the BOE and designate the Project jobsite as the business location (or sub-location) for reporting all local sales and use taxes payable that are attributable to Project on the Development Contractor's Sales and Use Tax Returns for all Project Activities or, if already registered as a Seller, register for a Sub-permit for the Project jobsite. The Development Contractor shall be required to provide a copy of its Seller's Permit or Sub-permit, showing the Project jobsite as the business location (or sub-location), to Developer and the Development Contractor within ten (10) days of the effective date of the Development Contract.

2) Accrue and report all sales and use taxes payable that are attributable to the Project on the Development Contractor's Sales and Use Tax Returns for all Project Activities and attribute all such sales and use taxes to Stanislaus County, including on Schedule C of BOE Form 530.

3) Issue resale certificates and report the Developer's business location (or sublocation) for all sales of fixtures furnished in connection with the Project to the jobsite.

4) Authorize County to share with Developer, and the Development Contractor all information reported to County concerning sales and use taxes paid by any subcontractor related to the Project.

5) Report to Developer and the Development Contractor, not later than forty-five (45) days after the end of each calendar quarter during which it has engaged in Project Activities, the amount of sales and use taxes reported on its Combined State and Local Sales and Use Tax Return related to the Project for that calendar quarter.

(ii) Materials. If the Large Contract involves furnishing of materials

(as defined in the applicable BOE Regulations; see, for example, Sales and Use Tax Regulations §§ 1521, 1806 and 1826), that the Development Contractor perform all of the following to the extent permitted by law and consistent with § 260.020 of the California Board of Equalization ("BOE") Compliance Policy and Procedures Manual and any other requirements of the BOE:

1) Register either as a Consumer or a Seller with the BOE and designate the Project jobsite as the business location (or sub-location) for reporting all local sales and use taxes payable that are attributable to the Project on the Development Contractor's Sales and Use Tax Returns for all Project Activities. If the Development Contractor is already registered with BOE as a Seller, it shall register for a Subpermit for the Project jobsite. If the Development Contractor is already registered with the BOE as a Consumer, it shall report all taxes for materials used in the Project to the Project jobsite location. The Development Contractor shall be required to provide a copy of its Seller's or Consumer's Permit or Subpermit, showing the Project jobsite as the business location (or sub-location), to Developer, and the Development Contractor, within ten (10) days of the effective date of the contract or subcontract.

2) Accrue and report all use taxes payable that are attributable to the Project on the Development Contractor's Sale and Use Tax Returns for all Project Activities as follows:

(A.) If registered as a Consumer, accrue and report all purchases related to the Project that are subject to use tax on the Development Contractor's Sales and Use Tax Returns for all Project Activities and attribute all such taxes to Stanislaus County.

(B.) If registered as a Seller: (a) If the Large Contract is on a lump sum or fixed price basis, accrue and report all sales and use taxes payable that are attributable to the Project on the Development Contractor's Sales and Use Tax Returns for all Project Activities and attribute all such sales and use taxes to Stanislaus County, including on Schedule C of BOE Form 530; (b)

If the Large Contract is on a time and materials plus tax basis issue resale certificates and report the Developer's business location (or sublocation) all sales of fixtures furnished in connection with the Project to the jobsite.

(C.) Authorize County to share with Developer, and the Development Contractor all information reported to County concerning use taxes paid by the contractor or subcontractor related to the Project.

(D.) Report to Developer, and the Development Contractor not later than forty-five (45) days after the end of each calendar quarter during which it has engaged in Project Activities the amount of taxes reported on its Combined State and Local Sales and Use Tax Return related to the Project for that calendar quarter.

(iii) Fixtures and Materials. If the Large Contract involves furnishing of both fixtures and materials (as defined in applicable BOE Regulations), that the Development Contractor perform all of the requirements set forth in Sections C.1.(b)(i) and (ii) above to the extent permitted by law.

II. COUNTY:

A. County agrees to work with Developer in finding the most cost efficient ways for Developer to meet the CUP conditions of approval to construct and operate the Project consistent with County rules and regulations (e.g., where applicable, County requirements for access roads, grading, drainage, water supply, fencing requirements).

III. TERM:

A. This Agreement is effective when executed by both Parties and shall remain in effect until the earlier to occur of (i) expiration of the Conditional Use Permit including any extensions thereof or (ii) termination of the Solar Lease.

IV. MISCELLANEOUS:

A. Authority: The individuals executing this Agreement represent and warrant that they have the authority to sign on behalf of their respective Parties.

B. Choice of Law: The laws of the State of California shall govern this Agreement.

C. Correspondence: All correspondence related to this Agreement shall be in writing and shall be addressed to the parties at the addresses set forth below:

If to Landlord:
Director of Environmental Resources
3800 Cornucopia Way, Suite C
Modesto, California 95358
Phone: 209-525-6700
Fax: 209-525-6774

With a copy to:
Chief Executive Officer
1010 10th Street, Suite 6800
Modesto, California 95354
Phone: (209) 525-6333
Fax: (209) 544-6226

If to Lessee:
Golden Hills Solar, LLC
c.o: Michael S. Warda, Esq.
2350 W. Monte Vista Ave
Turlock, California 95382

D. Counterparts: This Agreement may be executed in counterparts, each of which may be deemed an original, but all of which shall constitute one and the same document.

E. Entire Agreement: This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof, and supersedes any prior agreements, discussions, or commitments, written or oral, between the Parties to this Agreement with respect to such subject matter.

F. Further Assurances: The Parties hereto agree to take such actions and execute such additional documents as are reasonably necessary to carry out the provisions of this Agreement.

G. Modification: This Agreement may not be altered, amended or modified except by an instrument in writing signed by the Parties to this Agreement.

H. Severability: If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.

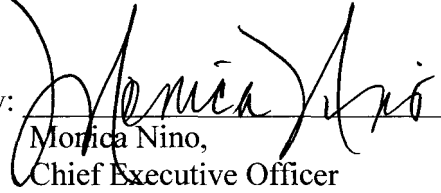
I. Duty to Negotiate In Good Faith. The Parties recognize that the commitments and obligations to each other set forth in this Agreement require the on-going cooperation of the Parties. In

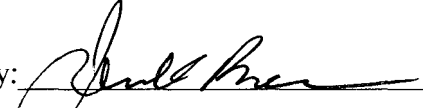
the event of any dispute, claim, question, or disagreement arising from or relating to this agreement or the breach thereof, the Parties shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. This Agreement imposes on both Parties a duty to negotiate in good faith all matters relating to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement:

COUNTY OF STANISLAUS

GOLDEN HILLS SOLAR, LLC, a California limited liability company^{1,2}

By: 
Morica Nino,
Chief Executive Officer

By: 

Its: Manager

Date: 5.16.13

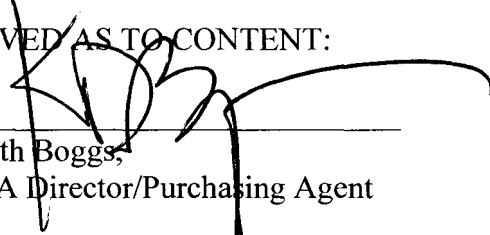
By: 

Its: ~~STAFF~~ CFO

Date: 5/16/13

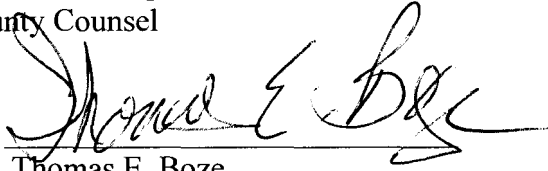
May 20, 2013

APPROVED AS TO CONTENT:

By: 
Keith Boggs,
GSA Director/Purchasing Agent

APPROVED AS TO FORM:

John P. Doering
County Counsel

By: 
Thomas E. Boze,
Deputy County Counsel

¹ Attach a copy the document authorizing the individual or corporate partner to execute this Agreement on its behalf.

² Signatures must be properly notarized.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

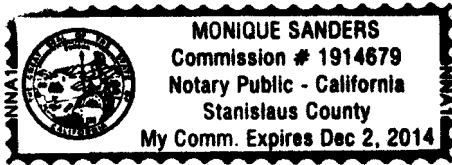
State of California

County of Stanislaus }

On 05/14/2013 before me, Monique Sanders, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared James Brenda, Mark Heald
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Monique Sanders
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing: _____

EXHIBIT A
CONDITIONAL USE PERMIT



Stanislaus County

Department of Planning and
Community Development

S 13,14,15,23,24 T 6 R 7
S 19 T 6 R 8

IF NOT USED IN 18 MONTHS
THIS PERMIT SHALL BE VOID
SECTION 21.104.030

USE PERMIT

PERMIT NO. 2010-03 ZONE: A-2-40/160 DATE OF APPROVAL: April 19, 2012

The undersigned is hereby granted a Use Permit in accordance with the provisions of the Stanislaus County Code, Title 21, Chapter 21.96, and any amendments to the same.

NAME: Scott Belyea, JKB Development ADDRESS: 941 E. Monte Vista Avenue

CITY: Turlock ZIP CODE: 95381 PHONE NO. (209) 668-5303

USE: Request to establish an 80-100 megawatt solar farm.

LOCATION OF PROPERTY: 4401/4881 Fink Road, west of I-5, in the Newman/Crows Landing area.

ASSESSOR'S PARCEL NO: 025-012-016, 017, 031, 033 and 027-033-012

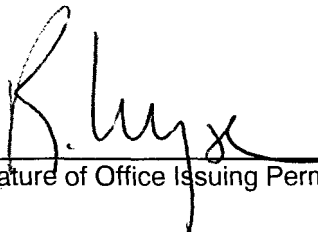
ACREAGE: 800± acres of a 1,687± acre site

The conditions of project approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020 (d) (1), these conditions constitute written notice of a statement of the amount of such fees, and a description of the dedications, reservations, and other exactions. You are hereby further notified that the ninety (90) day approval period in which you may protest these fees, dedications, reservations, and other exactions, pursuant to Government Code Section 66020 (a), has begun. If you fail to file a protest within this ninety (90) day period, complying with all of the requirements of Section 66020, you will be legally barred from later challenging such exactions.

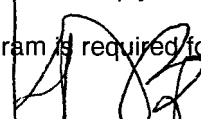
This permit is granted subject to Conditions of Approval (if attached). Failure to perform any of the stated conditions hereon shall constitute grounds for revocation of this permit.

I, the undersigned, do hereby certify that I have read the conditions and will comply with same in all respects.

Yes No An Environmental Impact Monitoring Reporting program is required for this project.



Signature of Office Issuing Permit



Signature of Agent, Representative or Owner
6-15-12

Date Issued

EXHIBIT B
CONDITIONS OF APROVAL

Recording Requested By And For The Benefit Of
And, When Recorded, Mail To:



County of Stanislaus
Department of Planning and
Community Development
1010 Tenth Street, Suite 3400
Modesto, CA 95354



Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2012-0038602-00
Wednesday, MAY 02, 2012 14:10:33
Ttl Pd \$0.00 Rcpt # 0003205623
BOT/R1/1-13

Space Above Reserved for Recorder's Use

NOTICE OF ADMINISTRATIVE CONDITIONS AND RESTRICTIONS

PLEASE TAKE NOTICE that the COUNTY OF STANISLAUS approved the land use development described below subject to administrative conditions and restrictions, copies of which are attached to this notice and incorporated herein by reference. The conditions and restrictions affect development of the property or parcels described below and are binding upon the named landowners and their successors in interest.

Property Owner(s): Stanislaus County

Project Site Address: 4401/4881 Fink Road, west of I-5, in the Newman/Crows Landing area.

Assessor's Parcel Number(s): 025-012-016, 017, 031, 033 and 027-033-012

General Plan Designation: Agriculture

Zoning District: A-2-40/160

Community Plan Designation: Not Applicable

Project Name/Description: **Use Permit Application No. 2010-03 - Fink Road Solar Farm** - Request to establish an 80-100 megawatt solar farm on 800± acres of a 1,687± acre site.

The undersigned duly authorized officer of Stanislaus County declares that the foregoing is true and correct under penalty of perjury under the laws of the State of California.

April 23, 2012
Dated

Bill Carlson
Senior Planner, Stanislaus County Department of
Planning & Community Development

ATTACHMENTS:

1. Conditions of Approval / Mitigation Measures
2. Project Area Map (For Illustrative Purposes Only)

ATTACHMENT 1

As Amended by the Planning Commission

April 19, 2012

NOTE: Approval of this application is valid only if the following conditions are met. This permit shall expire unless activated within 18 months of the date of approval. In order to activate the permit, it must be signed by the applicant and one of the following actions must occur: (a) a valid building permit must be obtained to construct the necessary structures and appurtenances; or, (b) the property must be used for the purpose for which the permit is granted. (Stanislaus County Ordinance 21.104.030)

CONDITIONS OF APPROVAL

**USE PERMIT APPLICATION NO. 2010-03
FINK ROAD SOLAR FARM
(STATE CLEARINGHOUSE NO. 2011012006)**

Department of Planning and Community Development

1. Use(s) shall be conducted as described in the application and supporting information (including the plot plan) as approved by the Planning Commission and/or Board of Supervisors and in accordance with other laws and ordinances. Construction of the initial phase of this project shall be allowed to begin within five (5) years of project approval provided it can be demonstrated that efforts to secure a Power Purchase Agreement and necessary building permits have been on-going.
2. Pursuant to Section 711.4 of the California Fish and Game Code (effective January 1, 2012), the applicant is required to pay a Department of Fish and Game filing fee at the time of recording a "Notice of Determination." Within five (5) days of approval of this project by the Planning Commission or Board of Supervisors, the applicant shall submit to the Department of Planning and Community Development a check for **\$2,158.50**, made payable to **Stanislaus County**, for the payment of Fish and Game and Clerk Recorder filing fees.

Pursuant to Section 711.4 (e)(3) of the California Fish and Game Code, no project shall be operative, vested, or final, nor shall local government permits for the project be valid, until the filing fees required pursuant to this section are paid.
3. Developer shall pay all Public Facilities Impact Fees and Fire Facilities Fees as adopted by Resolution of the Board of Supervisors. The fees shall be payable at the time of issuance of a building permit for any construction in the development project and shall be based on the rates in effect at the time of building permit issuance.
4. All exterior lighting shall be designed (aimed down and toward the site) to provide adequate illumination without a glare effect. This shall include, but not be limited to, the use of shielded light fixtures to prevent skyglow (light spilling into the night sky) and the installation of shielded fixtures to prevent light trespass (glare and spill light that shines onto neighboring properties).
5. Fences and landscaping adjacent to roadways shall be in compliance with County policies regarding setbacks, visibility, and obstructions along roadways.

6. A sign plan for all proposed on-site signs indicating the location, height, area of the sign(s), and message must be approved by the Planning Director or his appointed designee prior to installation.
7. As outlined in the Mitigation Monitoring Plan, the following environmental commitments shall be implemented as a part of this project:
 - A. The project applicant will provide basic information to ensure that a reliable source of water can serve the project in normal and drought years during the project's life. The project applicant will prepare a Water Demand and Supply Plan that will document a reliable source of water.
 - B. The project applicant will prepare a Decommissioning Plan that will ensure that the project site is restored to pre-project conditions, including on-site surface waters, at the end of the project's life.
 - C. In addition to the special-status wildlife surveys set forth in Mitigation Measure BIO-1, the project applicant will conduct surveys for Swainson's Hawk, loggerhead shrike, tricolored blackbird, hoary bat, western spadefoot toad, and San Joaquin whipsnake. The project applicant will prepare a Wildlife Survey Report that documents the results of the wildlife surveys and submit the report to the County prior to construction. The survey report shall include the following information:
 - An identification of the biologist(s) conducting the surveys and their qualifications.
 - The date(s) of the wildlife surveys.
 - The times of day the surveys were conducted.
 - The locations on the project site and buffer areas that were surveyed; and
 - Any other information necessary for the County to ensure compliance with state and federal laws and regulations.
 - D. The project applicant will avoid and minimize impacts on biological resources during project construction and operation. A qualified biologist will be present during the initial site preparation and construction to ensure that significant impacts to biological resources are appropriately mitigated. All employees will be provided with information regarding all protected natural features and the artificial drainage system, explaining the area's biogeochemical, water quality, and flood conveyance functions and values, and outlining activities that are prohibited to adequately protect the channelized drainage features.
 - E. Consistent with Mitigation Measure HM-2, the project applicant will prepare a Phase II Environmental Site Assessment prior to construction to determine whether toxic materials could be present in the soil at the project site.

- F. Consistent with Mitigation Measure HM-3, the project applicant will disclose the presence of any abandoned oil and gas exploration well on the project site, and impose a buffer zone to ensure that impacts to workers will be minimized.
 - G. The project applicant will implement all other Mitigation Measures set forth in this document as part of the project.
8. The Department of Planning and Community Development shall record a Notice of Administrative Conditions and Restrictions with the County Recorder's Office within 30 days of project approval. The Notice includes: Conditions of Approval/Development Standards and Schedule; any adopted Mitigation Measures; and a project area map.
9. The applicant/owner is required to defend, indemnify, or hold harmless the County, its officers, and employees from any claim, action, or proceedings against the County to set aside the approval of the project which is brought within the applicable statute of limitations. The County shall promptly notify the applicant of any claim, action, or proceeding to set aside the approval and shall cooperate fully in the defense.

Building Permits Division

10. Building permits are required and the project must comply with the California Code of Regulations, Title 24. Restroom facilities and interior lot line encroachment shall be reviewed as a part of the building permit process.

Department of Public Works

11. An encroachment permit shall be obtained for any new driveway approaches on any County maintained roadway.
12. Public Works shall approve the location and width of any new driveway approaches on any County-maintained roadway.

Department of Environmental Resources

13. On-site wastewater disposal system (OSWDS) shall be by individual Primary and Secondary wastewater treatment units, operated under conditions and guidelines established by Measure X.
14. The Stanislaus County Source Reduction and Recycling Element (SRRE) contains descriptions of the programs the County has implemented to reduce solid waste disposal in the County by 50%, as mandated by AB939.

Such programs include source reduction, recycling, and composting. Recommendations consistent with the SRRE, which should be incorporated into the project include:

- A. Minimizing, through source reduction, reuse, and recycling, the amount of waste from the project that will require disposal;

- B. During the construction phase, provisions should be made to separate recyclable material from the construction debris. Recovered materials such as wood, sheetrock, metal, and concrete should be diverted to approved use sites or to recyclers;
- C. Incorporate into the project, when possible, products that contain post-consumer recycled materials. Construction materials that have post-consumer content include steel framing, plastic lumber, carpeting, floor mats, parking bumpers, paint, lubricating oil products, glass, and window products;
- D. Compost and other soil amendments necessary for project landscaping can be obtained from permitted composting facilities within Stanislaus County, provided such landscaping material is available and meets specifications. Consider xeriscape practices for landscaped areas within the project. Xeriscaping is landscaping with slow-growing, drought tolerant plants to conserve water and reduce yard trimmings; and
- E. A designated area should be provided that would facilitate the storage of recyclable material containers at businesses.

Stanislaus County Fire Prevention Bureau/West Stanislaus County Fire Protection District (WSCFPD)/Cal Fire - Del Puerto District

- 15. A minimum 100 foot defensible area around the project shall be maintained. This defensible space shall comply with the California Public Resources Code. A vegetation management program shall be approved by WSCFPD.
- 16. An emergency electrical disconnect for the solar panels shall be available to the WSCFPD.
- 17. An adequate fire protection water supply shall be established and maintained. A maintenance program shall be approved by the WSCFPD.
- 18. A perimeter road with adequate cross roads built to State and County fire apparatus standards shall be installed and maintained prior to construction of the solar facility.
- 19. This project is located in the State Responsible Area - Fire Severity Hazard Zone and therefore must comply with the standards for that area.
- 20. Construct electrical infrastructure to latest California P.U.C. and Avian Protection Standards.
- 21. Consult with CAL FIRE prior to construction for access road and fire safe building standards.
- 22. Defensible space, emergency disconnect, and fire protection water supply shall be addressed prior to issuance of a building permit for this project.

23. Any gates to this project, shall comply with the Fire District's lock box standards.

San Joaquin Valley Air Pollution Control District (SJVAPCD)

24. This project is subject to Regulation VIII (Fugitive PM10 Prohibition) requirements and will require a Dust Control Plan (DCP) prior to the start of any construction activities.
25. The project is also subject to District Rule 9510 (Indirect Source Review) and may be subject to additional regulations/permits, as determined by the SJVAPCD. Certain equipment may be subject to District Rule 2010 (Permits Required) and Rule 2201 (New and Modified Stationary Source Review).
26. A revised Air Impact Assessment (AIA) application shall be submitted to the SJVAPCD and any applicable off-site mitigation fees paid before issuance of the first grading/building permit.

California Regional Water Quality Control Board (RWQCB)

27. The district recommends incorporating Low Impact Development (LID) and Hydromodification Strategies into the storm water management plan for this project site. The project proponent should consider all the technically and economically feasible best management practices (BMPs) and applicable design standards to address potential impacts of storm water runoff from the proposed project.
28. Prior to construction, the developer shall be responsible for contacting the California Regional Water Quality Control Board to determine if any of the following are required: a Construction Storm Water General Permit; a Storm Water Pollution Prevention Plan; a Phase I and II Municipal Separate Storm Sewer System (MS4) Permit; an Industrial Storm Water General Permit; a Clean Water Act Section 404 Permit; a Clean Water Act Section 401 Permit-Water Quality Certification; or Waste Discharge Requirements (WDR). If a Storm Water Pollution Prevention Plan is required, it shall be completed prior to construction and a copy shall be submitted to the Stanislaus County Department of Public Works.

MITIGATION MEASURES

(Pursuant to California Public Resources Code 15074.1: Prior to deleting and substituting for a mitigation measure, the lead agency shall do both of the following:

- 1) Hold a public hearing to consider the project; and**
- 2) Adopt a written finding that the new measure is equivalent or more effective in mitigating or avoiding potential significant effects and that it in itself will not cause any potentially significant effect on the environment.)**

29. **AQ-1:** Implement all feasible fugitive dust control requirements of the San Joaquin Valley Air Pollution Control District (SJVAPCD), Regulation VIII. The following measures shall be implemented to reduce particulate matter less than or equal to 10 microns in diameter (PM₁₀) exhaust emissions and further reduce the already less-than-significant impacts associated with reactive organic gas (ROG) and oxides of nitrogen (NO_x) emissions:

- Provide commercial electric power to the project site in adequate capacity to avoid or minimize the use of portable electric generators and any other equipment.
 - Where feasible, substitute electric-powered equipment for diesel engine driven equipment, or implement the use of diesel particulate traps.
 - When not in use, avoid idling of on-site equipment.
 - Where feasible, avoid operation of multiple pieces of heavy duty equipment.
 - Require contractors to use the best available emission reduction and economically feasible technology on an established percentage of the equipment fleet. It is anticipated that in the near future PM_{10} control equipment will be available. The SJVAPCD shall be consulted with on this process. This requirement shall be included in construction bid specifications.
30. **AQ-2:** Comply with SJVAPCD's Regulation VIII-Fugitive Dust Prohibitions and implement the following applicable control measures, as required by law.
- The project applicant/operator shall submit a Dust Control Plan to the Air Pollution Control Officer (APCO) prior to the start of any construction activity on any site that will include 5 acres or more of disturbed surface area for non-residential development, or will include moving, depositing, or relocating more than 2,500 cubic yards per day of bulk materials. Construction activities shall not commence until the APCO has approved or conditionally approved the Dust Control Plan. An owner/operator shall provide written notification to the APCO within 10 days prior to the commencement of earthmoving activities via fax or mail. The requirement to submit a dust control plan shall apply to all construction related activities conducted at the project site.
 - The project applicant/operator shall submit a construction notification form to the APCO at least 48 hours prior to the start of any construction activity on the project site that includes greater than one acre of disturbed surface area.
31. **AQ-3:** Implement SJVAPCD-recommended enhanced and additional control measures to further reduce fugitive PM_{10} dust emissions from public roadways.
- Install sandbags or other erosion control measures to prevent silt runoff to public roadways from adjacent project areas with a slope greater than 1% in accordance the project's Stormwater Pollution Prevention Plan (SWPPP), which conforms with the required elements of the General Permit No. CAS000002 issued by the State of California, State Water Resources Control Board.
 - The area encompassing the San Joaquin Valley Air Basin (SJVAB) boundary is also classified as nonattainment for particulate matter less than or equal to 2.5 microns in diameter ($PM^{2.5}$). The SJVAPCD approach for achieving attainment of the $PM_{2.5}$ standard is has two components. The first component is that the existing PM_{10} reduction strategies will reduce the fugitive component of $PM_{2.5}$ emissions within the

SJVAPCD. The second component is to address the indirect formation of PM_{2.5}. As with ozone NO_x is a precursor of PM_{2.5} so the district reduction strategies for the reduction of NO_x throughout the basin will also reduce the formation of PM_{2.5}. In addition since the emissions estimate for PM₁₀ was compared to PM_{2.5} thresholds; if PM₁₀ emissions estimates are below the PM_{2.5} thresholds then PM_{2.5} must also be below the threshold. The proposed project shall be required to comply with the SJVAPCD's Regulation VIII (SJVAPCD 2009) control measures for construction emissions of PM₁₀. One of these control measures includes the use of water with all "land clearing, grubbing, scraping, excavation, land leveling, grading, cut and fill, and demolition activities" for fugitive dust suppression. Compliance with SJVAPCD Regulation VIII will further reduce emissions.

32. **BIO-1: Avoid and Minimize Impacts to Western Burrowing Owl, Valley Elderberry Longhorn Beetle, and San Joaquin Kit Fox, and Swainson's Hawk.**

- To avoid and minimize impacts to western burrowing owl, **the applicant shall conduct burrowing owl surveys of the areas proposed for disturbance by the project (as shown in Exhibit 3-1 of the IS/MND) following DFG protocol (2012), consisting of four survey visits: 1) at least one site visit between 15 February and 15 April, and 2) a minimum of three survey visits, at least three weeks apart, between 15 April and 15 July, with at least one visit after 15 June. If project construction begins prior to the completion of these surveys, then a modified survey approach shall be developed and approved by the County in consultation with DFG. A protocol-level preconstruction burrowing owl survey shall be conducted covering all areas subject to disturbance, and a 250-foot buffer area extending beyond areas subject to disturbance no fewer than 14 days and no more than 30 days prior to the start of construction according to methods approved by California Department of Fish and Game (DFG) (DFG 1995) within 24 hours prior to ground disturbance. Buffers around nesting sites shall be clearly marked during all construction activities and shall conform to the requirements in the following table:**

Location	Time of Year	Avoidance Buffer
Nesting sites	April 1-Aug 15	1000 feet
Nesting sites	Aug 16-Oct 15	500 feet
Nesting sites	Oct 16-Mar 31	250 feet

If occupied burrows are found within the proposed areas of disturbance and eviction is necessary to avoid direct burrowing owl mortality, the burrow eviction methods shall follow those prescribed in DFG 2012. Burrows occupied by burrowing owls shall not be disturbed during the nesting season (February 1 through August 31) unless a qualified biologist verifies through one week of non-invasive burrow monitoring (no scoping) that either: (1) the birds have not begun egg-laying and incubation; or (2) the juveniles from the occupied burrows are foraging independently and are capable of independent survival.

- To avoid and minimize impacts to San Joaquin kit fox, **the applicant shall implement the January 2011 U.S. Fish and Wildlife Service (USFWS) "Standardized Recommendations for Protection of the Endangered San Joaquin Kit Fox Prior to Or During Ground**

Disturbance,” approved for the proposed disturbance areas shown in Exhibit 3-1 of the IS/MND including but not limited to the preconstruction protocol-level surveys ~~(USFWS 1999)~~ **which** shall be conducted no fewer than 14 days and no more than 30 days prior to the onset of any ground-disturbing activity. The survey area shall include all areas subject to disturbance, and a 250-foot buffer area extending beyond areas subject to disturbance. In the event that an active San Joaquin kit fox den is detected during preconstruction surveys, DFG and USFWS shall be contacted immediately and no project activity shall begin until appropriate avoidance measures have been implemented, and DFG and USFWS have provided written authorization that project construction may proceed. In addition, the proposed fencing along the southern boundary of the project site shall be designed to be wildlife friendly by raising the bottom of the fence six inches above the ground to allow San Joaquin Kit Fox to move into and out of the project site.

- To avoid and minimize impact to valley elderberry longhorn beetle, prior to construction, **the applicant shall conduct** a survey ~~shall be conducted~~ for elderberry shrubs. The survey area shall include all areas subject to disturbance **(as shown in Exhibit 3-1 of the IS/MND)**, and a 250-foot buffer area extending beyond areas subject to disturbance. In the event that any elderberry shrubs are found, the project applicant shall determine if the shrubs can be completely avoided. Complete avoidance would require no ground disturbance with 20 feet of the shrub. If complete avoidance is not feasible, the project applicant shall comply with USFWS compensation guidelines for valley elderberry longhorn beetle (USFWS 1999).

To avoid and minimize impacts to Swainson’s hawk within all areas subject to disturbance and within 0.5 mile of the proposed areas of disturbance shown in Exhibit 3-1 of the IS/MND, the applicant shall conduct surveys using methods consistent with current DFG guidance (DFG 1994) and the “Recommended Timing and Methodology for Swainson’s Hawk Nesting Surveys In California’s Central Valley” (Swainson’s Hawk Technical Advisory Committee May 31, 2000). To avoid and minimize impacts to Swainson’s hawks, no intensive new disturbances (e.g. heavy equipment operation associated with construction, use of cranes or draglines, new rock crushing activities) or other project related activities which may cause nest abandonment or forced fledging, shall be initiated within 0.5 mile (buffer zone) of an active nest between March 1 - September 15. No trees known to be used by Swainson’s hawk for nesting shall be removed.

33. **BIO-2: Avoid and Minimize Impacts to Waters of the United States.**

- Prior to project approval, a qualified biologist shall survey the project site and map and describe all potential waters of the United States. This survey shall include all areas subject to disturbance, and a 250 buffer area extending beyond areas subject to disturbance. To the extent feasible, the project shall be designed and constructed to avoid all areas identified as potential waters of the United States. All potential waters of the United States in the project area shall be clearly marked for avoidance prior to construction with fencing or flagging. If complete avoidance of all potential waters of the United States is feasible, no additional mitigation to avoid and minimize this impact would be required.

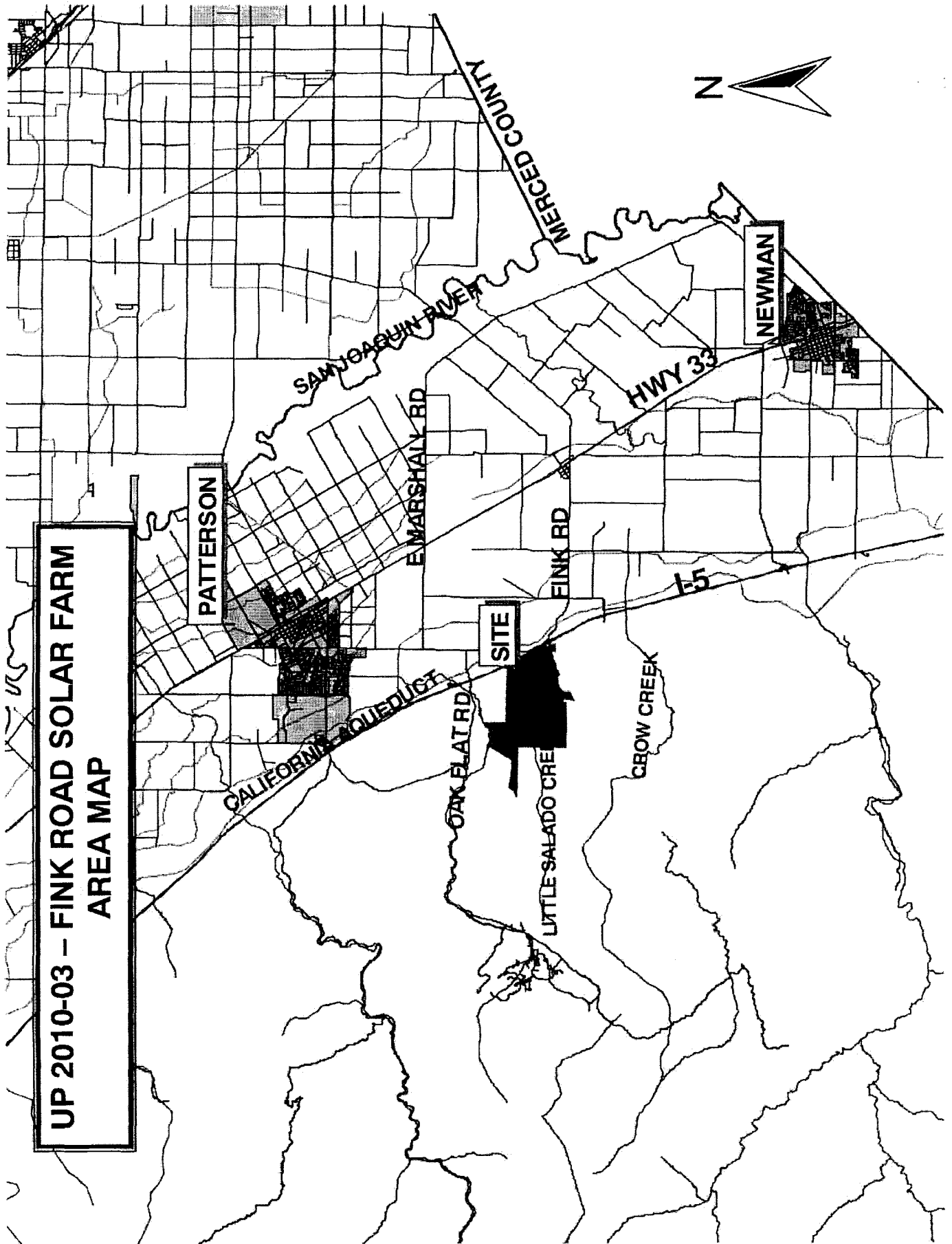
- If complete avoidance is not feasible, a formal delineation of waters of the United States shall be conducted by a qualified biologist to determine the extent of jurisdictional wetlands on the project site. The findings shall be documented in a detailed report and submitted to the U.S. Army Corps of Engineers (USACE) for verification as part of the formal Section 404 wetland delineation process. If there would be unavoidable effects under USACE jurisdiction, the Section 404 process shall be completed and the acreage of affected jurisdictional habitat shall be replaced and/or rehabilitated. The acreage of jurisdictional wetland affected shall be replaced on a "no-net-loss" basis in accordance with USACE regulations. Habitat restoration, rehabilitation, and/or replacement shall be at a location and by feasible methods agreeable to USACE.
34. **CR-1: Stop Work if Previously Unknown Archaeological Resources Are Uncovered during Project Construction, Assess the Significance of the Find, and Pursue Appropriate Management.**
- If an inadvertent discovery of cultural materials (e.g., unusual amounts of shell, animal bone, bottle glass, ceramics, structure/building remains) is made during project-related construction activities, ground disturbances in the area of the find shall be halted and a qualified professional archaeologist shall be notified regarding the discovery. The archaeologist shall determine whether the resource is potentially significant as per the California Register of Historic Resources (CRHR) and develop appropriate treatment measures.
35. **CR-2: Stop Work if Human Remains Are Uncovered during Project Construction, Assess the Significance of the Find, and Pursue Appropriate Management.**
- If human remains are uncovered during ground-disturbing activities, the contractor and/or the project applicant shall immediately halt potentially damaging excavation in the area of the find and notify the County Coroner and a professional archaeologist to determine the nature of the remains. The coroner is required to examine all discoveries of human remains within 48 hours of receiving notice of a discovery on private or state lands (Health and Safety Code Section 7050.5[b]). If the coroner determines that the remains are those of a Native American, he or she must contact the Native American Heritage Commission (NAHC) by phone within 24 hours of making that determination (Health and Safety Code Section 7050[c]). Following the coroner's findings, the property owner, contractor or project proponent, an archaeologist, and the NAHC-designated Most Likely Descendent (MLD) shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed. The responsibilities for acting upon notification of a discovery of Native American human remains are identified in California Public Resources Code (PRC) 5097.9.
 - Upon the discovery of Native American remains, the project applicant, in consultation with the County shall ensure that the immediate vicinity (according to generally accepted cultural or archaeological standards and practices) is not damaged or disturbed by further development activity until consultation with the MLD has taken place. The MLD shall have 48 hours to complete a site inspection and make recommendations after being granted access to the site. A range of possible treatments for the remains, including nondestructive removal and analysis,

preservation in place, relinquishment of the remains and associated items to the descendants, or other culturally appropriate treatment may be discussed. California PRC 5097.9 suggests that the concerned parties may extend discussions beyond the initial 48 hours to allow for the discovery of additional remains. The following is a list of site protection measures that the project applicant shall employ:

- a. record the site with the NAHC or the appropriate Information Center,
 - b. use an open space or conservation zoning designation or easement, and
 - c. record a document with Stanislaus County.
- The project applicant or their authorized representative shall rebury the Native American human remains and associated grave goods with appropriate dignity on the property in a location not subject to further subsurface disturbance if the NAHC is unable to identify a MLD or the MLD fails to make a recommendation within 48 hours after being granted access to the site. The landowner or their authorized representative may also re-inter the remains in a location not subject to further disturbance if they reject the recommendation of the MLD, and mediation by the NAHC fails to provide measures acceptable to the County.
36. **GEO-1:** Implement a Stormwater Pollution Prevention Plan (SWPPP) and associated Best Management Practices (BMPs) for disturbance of more than one acre.
 37. **GEO-2:** Prepare and submit for County review and approval, and implement a grading and erosion control plan.
 38. **HM-1:** Keep Hazardous Materials in an Identified Staging Area and Prepare and Implement an Accidental Spill Prevention and Response Plan during Construction.
 - Before construction begins, the project applicant shall require the construction contractor to identify a staging area where hazardous materials will be stored during construction. The staging area shall not be located in an undisturbed area. The contractor shall also be required to prepare an accidental spill prevention and response plan, which shall be reviewed and approved by the project applicant and the County, that identifies measures to prevent accidental spills from leaving the site and methods for responding to and cleaning up spills before neighboring properties are exposed to hazardous materials.
 39. **HM-2:** Prepare and Implement a Phase II Environmental Site Assessment.
 - Prior to commencing any ground-disturbing activities, the project applicant shall commission a Phase II Environmental Site Assessment which shall be prepared by an appropriately registered professional in the State of California. The Phase II will comply with the guidelines, standards, and regulations set forth by the California Department of Toxic Substances Control. The project applicant will submit the Phase II to the County prior to construction, and will comply with and implement all recommendations and requirements the County imposes in response to these assessments.

40. **HM-3:** Implement Avoidance and Minimization Measures for Impacts Related to the Abandoned Oil and Gas Exploration Well.
- The Phase II Environmental Site Assessment (Mitigation Measure HM-2) will also disclose the presence/absence of the abandoned oil and gas exploration well on the project site. The project applicant will test the gas and oil well for leakage prior to construction, record the location of the well on all project maps, and impose a 10-foot, no-build buffer zone around the well to ensure that impacts to workers are minimized.
41. **WQ-1:** A Stormwater Pollution Prevention Plan (SWPPP) for the proposed project will be prepared by the project applicant, approved by the Stanislaus County Public Works Department prior to commencing with any ground-disturbing construction related activities, and implemented by the project applicant.
- Best Management Practices (BMPs) will be included in the SWPPP for runoff, erosion and water quality, and the BMPs will be put in place and maintained during the duration of ground-disturbing activities during the rainy season or when rain is forecast.
42. **WQ-2:** A grading and drainage plan will be prepared, submitted to the Stanislaus County Public Works Department for approval prior to issuance of any new building permits, and implemented by the project applicant. Drainage calculations will be prepared as per the Stanislaus County Standards and Specifications that are current at the time a permit is issued. The plan will contain enough information to verify that all runoff will be kept from going onto adjacent properties, into Little Salado Creek or its tributaries, and into the Stanislaus County road right-of-way. All grading and drainage work for the site's access roads will keep runoff within the historic (natural) drainage shed for that area. The grading and drainage plan will comply with the current Stanislaus County National Pollutant Discharge Elimination System (NPDES) General Permit and the Quality Control standards for New Development.
43. **WQ-3:** The applicant shall prepare a hydrologic analysis to calculate runoff from the project for both the before and after construction scenarios. This analysis shall include the cross culverts under I-5 and any structures upstream or downstream that could have a secondary impact within Caltrans right-of-way. The hydrologic analysis to calculate runoff and determine flows shall follow the Caltrans Highway Design Manual specifications.

*Please note: If Conditions of Approval/Development Standards are amended by the Planning Commission or Board of Supervisors, such amendments will be noted in the upper right-hand corner of the Conditions of Approval/Development Standards; new wording is in **bold** and deleted wording will have a ~~line through it~~.*



**UP 2010-03 – FINK ROAD SOLAR FARM
AREA MAP**

SOLAR GENERATING FACILITY
LAND OPTION AND LEASE AGREEMENT

This Solar Generating Facility Land Option and Lease Agreement (the “*Agreement*”) made and entered into as of the 20th day of May, 2013 (the “*Effective Date*”), by and between Golden Hills Solar, LLC., a California limited liability company, or assignee (“*Lessee*”) and the County of Stanislaus (“*Landlord*” or “*Stanislaus County*”). Lessee and Landlord are at times collectively referred to hereinafter as the “*Parties*” or individually as a “*Party*.”

RECITALS

A. Landlord is the owner of certain real property located in Stanislaus County, State of California, consisting of four (4) legal parcels with a gross acreage of approximately 1,675 acres, with Assessor’s Parcel Numbers 025-012-016, 025-012-017, 025-012-031 and 025-012-033 as shown in the Stanislaus County Assessor Map attached hereto as **Exhibit A** (each, a “*Parcel*” and collectively, the “*Property*”), a portion of which the County anticipates to use after the Effective Date as environmental mitigation lands for the Fink Road Landfill.

B. Lessee desires to develop a 70MW(ac) solar energy generating facility (“*Generating Facility*”) in Stanislaus County, California, which requires the use of approximately 600 acres, and Lessee believes that one or more Parcels of the Property would be suitable for Lessee’s development plans.

C. Landlord desires to lease a portion of the Property to Lessee for the purpose of developing and operating the Generating Facility. The portion of the Property pre-approved by Landlord for the development and operation of the Generating Facility (the “*Pre-Approved Solar Property*”) shall be located on the western portion of the Property, with the following borders: eastern border running parallel to the eastern border of the Property in a distance of approximately 3,000 feet, western, northern and southern borders all equal to the western, northern and southern borders of the Property, all as depicted in **Exhibit A-1** hereto.

D. Lessee desires to conduct additional due diligence and entitlement activities in conjunction with the Generating Facility and to determine, in its sole discretion, which of the Parcels, or portions thereof, may be suitable or required for the successful development and operation of the Generating Facility or as mitigation land therefor. Upon Lessee’s determination of the Parcels, or portions thereof, suitable for further development of the Generating Facility, Lessee desires to designate in writing to Landlord at any time during the Option Period (as defined below) those Parcels, or portions thereof, that Lessee will utilize for the further development of the Generating Facility or mitigation land therefor (collectively, the “*Site*”); provided, however, that Lessee’s designation of any Parcel or portion thereof that is located within the Pre-Approved Solar Property shall not require any further action to become part of the Site and, provided further, that Lessee’s designation of any Parcel or portion thereof, which is on the Property outside of the Pre-Approved Solar Property, shall require written approval by the Landlord in order to be deemed part of the Site, such approval not to be unreasonably withheld.

E. Lessee desires to obtain from Landlord an exclusive option on the Property to designate and lease the Site for the development, building, owning, operating and maintaining of

the Generating Facility, including, without limitation, solar panels, heliostats, energy storage equipment, mounting substrates or supports, wiring and connections, power inverters, service equipment and associated structures, metering equipment, service roads, utility interconnections and any and all related equipment.

F. On February 5, 2013, (Board Agenda Item B-2) the Stanislaus County Board of Supervisors approved the key terms and conditions of this Agreement, including granting Lessee an exclusive option on the Property to designate and lease the Site for purpose of developing, building, owning, operating and maintaining the Generating Facility thereon, and authorized the Chief Executive Officer to finalize, execute and deliver this Agreement to Lessee.

G. The Parties desire to agree upon the terms of such Site lease should Lessee exercise the Lease Option (as defined below).

H. The Parties are entering into this Agreement to memorialize their understanding regarding the foregoing.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Lessee and Landlord hereby agree as follows:

SECTION 1 - DEFINITIONS

1. Definitions.

(a) “*Affiliate*” means when used with reference to a specified Person, any Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by or is under common control with the specified Person.

(b) “*Benefit Agreement*” means that certain Solar Generating Facility Benefit Agreement, dated as of even date hereof, between Landlord and Lessee.

(c) “*Business Day*” means any day other than a Saturday, Sunday or other day on which banks are authorized to be closed in New York, New York or Los Angeles, California.

(d) “*Energy*” means electric energy (alternating current, expressed in kilowatt-hours).

(e) “*Environmental Attributes*” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, in existence and available as of the Effective Date together with those adopted, approved, enacted or issued by any Governmental Entity during the Term (as defined below), attributable to the generation from the Generating Facility, and its displacement of conventional Energy generation. Environmental Attributes include, but are not limited to (1) Renewable Energy Credits; (2) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; and (3) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and

Handwritten initials for Landlord and Lessee.

other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere, irrespective of whether such Environmental Attributes accrue for the benefit of Lessee, any Affiliate, or any investor of Lessee to any Affiliate. Environmental Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Generating Facility, (ii) emission reduction credits encumbered or used by the Generating Facility for compliance with local, state, or federal operating and/or air quality permits, and (iii) Environmental Incentives.

(f) ***“Environmental Incentives”*** means any of the following, whether current and adopted or approved, enacted or issued by any Governmental Entity during the Term (as defined below) (i) investment tax credits attributable to the Generating Facility, any Generating Facility Asset or Energy output, (ii) production tax credits attributable to the Generating Facility, any Generating Facility Asset or Energy output, (iii) accelerated depreciation attributable to the Generating Facility, any Generating Facility Asset or Energy output, (iv) direct third-party rebates or subsidies for generation of energy by a renewable energy source, (v) fuel-related subsidies or “tipping fees” that may be paid to accept certain fuels, (vi) local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits and (vii) other financial incentives in the form of credits, tax write-offs, reductions, or allowances under applicable Law attributable to the Generating Facility, any Generating Facility Asset or Energy output, irrespective of whether such Environmental Incentives accrue for the benefit of Lessee, any Affiliate or any investor of Lessee or its Affiliate.

(g) ***“Environmental Laws”*** means all federal, state, local and regional laws, statutes, ordinances, orders, rules and regulations relating to the protection of human health or the environment including, without limitation, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1804, et seq., the Safe Drinking Water Act, the Clean Water Act, the Clean Air Act, the Toxic Substances Control Act, and any other applicable federal, state or local law now in force or hereafter enacted relating to waste disposal or environmental protection with respect to hazardous, toxic, or other substances generated, produced, leaked, released, spilled or disposed of at or from the Site, as any of the same may be amended or supplemented from time to time, and any regulation promulgated pursuant thereto.

(h) ***“Generating Facility Assets”*** means each and all of the assets of which the Generating Facility is comprised, including Lessee's solar energy panels, mounting systems, carports, tracking devices, inverters, integrators and other related equipment and components installed on the Site, electric lines and conduits, protective and associated equipment, improvements, and other tangible and intangible assets, permits, property rights and contract rights reasonably necessary for the construction, operation, and maintenance of the Generating Facility.

(i) ***“Governmental Entity”*** means any government or any agency, bureau, board, commission, court, department, official, political subdivision, tribunal, program administrator or other instrumentality of any government, whether federal, state or local, domestic or foreign, or any Person, owned, operated, managed or otherwise controlled thereby.

(j) **“Hazardous Materials”** means without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous substances, toxic substances, pollutants, contaminants, radon, asbestos, lead or lead based paint, oil and petroleum products and their by-products, polychlorinated biphenyls or related materials, and mold, dangerous fungi, bacterial or microbial matter contamination or pathogenic organisms that reproduce through the release of spores or the splitting of cells, as those terms may be used or defined in any Environmental Law.

(k) **“Law”** means any national, regional, state or local law, statute, rule, regulation, code, ordinance, administrative ruling, judgment, decree, order or directive of any jurisdiction applicable to the Agreement or the transaction contemplated thereby.

(l) **“Lessee’s Financing Parties”** means any Persons, and their successors and assignees, providing funding in connection with any development, bridge, construction, permanent debt or tax equity financing or refinancing for the Generating Facility.

(m) **“Person”** means an individual, general or limited partnership, corporation, municipal corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Entity, limited liability company, or any other entity of whatever nature.

(n) **“Renewable Energy Credits”** means certificates, green tags, or other transferable indicia indicating generation of a particular quantity of energy from a renewable energy source by a renewable energy facility attributed to all of the Energy output during the Term (as defined below) created under a renewable energy, emission reduction, or other reporting program adopted by a governmental authority, or for which a registry and a market exists (which, as of the Effective Date are certificates issued by Green-e in accordance with the Green-e Renewable Electric Certification Program, National Standard Version 1.3 administered by the Center of Resource Solutions); excluding, however, all Environmental Incentives.

SECTION 2 - OPTION

2. Lease Option.

(a) **Option Grant.** Landlord hereby grants Lessee the exclusive option on the Property to designate the Site in writing to Landlord and to lease the Site upon the terms and conditions set forth herein (**“Lease Option”**). Any portion of the Site designated by Lessee that is located within the Pre-Approved Solar Property shall become a part of the Site by Lessee’s written designation hereunder. Any portion of the Site designated by Lessee that is located outside of the Pre-Approved Solar Property shall require written approval by the Landlord in order to be deemed part of the Site, such approval not to be unreasonably withheld. Lessee shall have the right to exercise the Lease Option by delivering to Landlord up to four (4) separate written notices in accordance with the terms of this Agreement (each, an **“Exercise Notice”**) for an aggregate acreage not to exceed six hundred (600) acres at any time prior to the end of the Option Period (the **“Lease Option Termination Date”**), provided that (A) each Exercise Notice shall include evidence that Lessee, or any assignee or successor of Lessee, has been shortlisted by a direct-access-service-provider, utility, industrial or commercial off-taker of Energy for a

power purchase agreement (a **“PPA Shortlisting”**), (B) except for the first Exercise Notice, which shall be for a portion of the Property sufficient for the development of the Generation Facility with a nameplate capacity of at least 20MW(ac) and provide evidence of a PPA Shortlisting, any subsequent Exercise Notice may be for any nameplate capacity, (C) the aggregate of all Exercise Notices shall be for PPA Shortlistings totalling not more than 70MW(ac) nameplate capacity, and (D) Lessee issue each Exercise Notice for that portion of the Site in an acreage that is no greater than the acreage necessary to develop, operate and produce Energy under such power purchase agreement upon that portion of the Generating Facility. Lessee shall have the right to exercise its Lease Option for the Site by delivering to Landlord less than four (4) Exercise Notices. The portion of the Site covered by any Exercise Notice may not be greater than the portion of the Site required to develop and operate the portion of the Generating Facility required to produce Energy required to satisfy Lessee’s obligations under the subject power purchase agreement(s) and shall not exceed six hundred (600) acres in the aggregate.

(b) **Option Period.** The Option period shall be up to forty-eight (48) months from the Effective Date (**“Option Period”**). Notwithstanding the foregoing, should Lessee fail to deliver to Landlord evidence of a PPA Shortlisting (as defined in Paragraph 2(a) above) for not less than 20MW(ac) nameplate capacity by 12:00 p.m., in connection with the first Exercise Notice, by the thirtieth (30th) day prior to the second year anniversary of the Effective Date (the **“PPA Shortlisting Deadline”**), then Landlord shall have the right to terminate this Agreement by written notice to be delivered to Lessee in compliance with the notice provisions set forth in Paragraph 29 below on the PPA Shortlisting Deadline, unless Lessee delivers evidence of a PPA Shortlisting in a nameplate capacity of not less than 20MW(ac) prior to the PPA Shortlisting Deadline.

(c) **Escrow.** Immediately following full execution of this Agreement, the Parties shall open an escrow (**“Escrow”**) relating to this Agreement and the transactions contemplated hereunder with Stewart Title of California Inc., or other escrow company mutually acceptable to the Parties (**“Escrow Company”**). The Escrow will consists of up to four (4) sub-escrows (each, a **“Sub-Escrow”**) which the Escrow Company shall establish for each Leased Site Portion (as defined below) with respect to which Lessee delivers to Landlord an Exercise Notice. All Escrow costs and expenses shall be borne solely by Lessee, unless specifically stated otherwise in this Agreement. Unless earlier closed as provided in Paragraph 2(i) below, Escrow on all Leased Site Portions shall terminate sixty (60) days following the end of the Option Period. Upon termination of the Escrow, Escrow Company shall return all refundable deposits to Lessee.

(d) **Title Report.** Within ten (10) days following the opening of Escrow, Lessee shall cause to be prepared a Preliminary Title Report (**“PTR”**) together with a commitment for title insurance contemplating California Land Title Association (CLTA) standard coverage along with any requested endorsements (**“Commitment for Title Insurance”**) as set forth below, issued by insurance carrier(s) reasonably acceptable to Lessee. Lessee shall be responsible for all costs, expenses and premiums and costs relating to the CLTA coverage. Lessee shall be responsible for all excess costs, expenses and premiums relating to the PTR. Within fifteen (15) days from Lessee’s receipt of the PTR, Lessee shall notify Landlord in writing of any liens, encumbrances and/or other title deficiencies that are not acceptable to Lessee as determined in Lessee’s sole discretion (**“Title Deficiencies”**) and Landlord shall use its best commercial efforts

to eliminate any Title Deficiencies. If Landlord has been unable to remove all Title Deficiencies to Lessee's satisfaction, despite having used best commercial efforts, then Lessee shall have the right, in its sole discretion, to either proceed with the Option (and accept the title with all uncured Title Deficiencies) or terminate this Agreement (which termination shall be Lessee's sole and exclusive remedy for Landlord's failure to cure any Title Deficiencies).

(e) **Memorandum.** Contemporaneously with the execution of this Agreement, Lessee shall prepare and Landlord shall sign and deliver to Lessee a notarized Memorandum of Land Option and Lease Agreement ("**Memorandum**") that Lessee shall then deliver to the Escrow Company with the instruction to record the Memorandum against the Property with the County Recorder's Office where the Property is located.

(f) **Acreage.** The legal description and exact number of acres comprising each portion of the Site for which Lessee has delivered an Exercise Notice (each, a "**Leased Site Portion**") shall be determined prior to the Lease Commencement Date (as hereinafter defined), based on Lessee's notification to Landlord as to which portions of the Property Lessee will lease for purposes of developing the Generating Facility or for mitigation purposes. The legal description and exact acreage shall be obtained as a result of a survey to be ordered by Lessee at its sole cost and expense.

(g) **Subdivision.** If a Leased Site Portion or the Site does not constitute a legally transferable parcel or parcels pursuant to the Subdivision Map Act, then during the Option Period Lessee may, in its sole discretion and at its expense, elect to pursue subdivision of the Site parcel or parcels under the Subdivision Map Act in order to establish the Leased Site Portion or the Site as a legally transferable parcel or parcels under the Subdivision Map Act prior to the Lease Commencement Date. If Lessee elects to pursue such subdivision, then Landlord agrees to provide Lessee with assistance with respect to such subdivision, including all necessary approvals thereof by Landlord and any applicable third parties.

(h) **Entitlements.** Lessee will endeavour to obtain certain entitlements (e.g., conditional use permits, grid interconnection and transmission agreements, power purchase agreements, and the like) necessary to develop and operate the Generating Facility, including development of a generation interconnection tie line. Landlord shall use reasonable commercial efforts to support Lessee in obtaining such entitlements. However, Lessee shall not change any attributes "running with the land," such as zoning, until after or concurrent with the first Lease Commencement Date or earlier with the prior written consent of Landlord. Lessee may enter into other agreements, such as interconnection and transmission agreements at Lessee's sole discretion. Lessee shall be responsible for all costs associated with its efforts to obtain any entitlements.

(i) **Sub-Escrow Closing and Conditions.**

(i) **Sub-Escrow Closing.** The closing of a Sub-Escrow for each Leased Site Portion (each, a "**Sub-Escrow Closing**") shall occur on a date set forth in the Exercise Notice related to such Leased Site Portion (each, a "**Sub-Escrow Closing Date**") but in no event shall such Sub-Escrow Closing Date occur later than ninety (90) days from the date of the Exercise Notice.

(ii) **Conditions to Sub-Escrow Closing.** A Sub-Escrow Closing for each Leased Site Portion is subject to satisfaction of the following conditions:

(A) **Harvest Termination Notice.** If any portion of the Property with respect to which Lessee desires to deliver to Landlord an Exercise Notice is subject to a farming lease with a third party, Lessee's timely delivery of Harvest Termination Notice(s) pursuant to Paragraph 2(l)(i) below.

(B) **Termination of Farming Lease and Vacation of Leased Site Portion(s).** Termination of the Farming Lease and Farming Lessee's vacation of the Leased Site Portion(s) pursuant to Paragraph 2(l)(i) below.

(C) **Deposit Reimbursement Amount.** Lessee's deposit of the Reimbursement Amount (as defined below) pursuant to Paragraph 2(l)(i) below.

(D) [Deleted]

(E) **Exercise Notice.** Lessee's delivery of Exercise Notice(s) pursuant to Paragraph 2(a), a legal description and survey of each Leased Site Portion pursuant to Paragraph 2(f) and Landlord's approval of the Leased Site Portion if such Leased Site Portion or any portion thereof is not part of the Pre-Approved Solar Property.

(F) **Deposit of Quarterly Rent and Security Deposit.** Lessee's deposit of one full or partial quarter of the Annual Rent for each Leased Site Portion pursuant to Paragraph 5(b); and deposit of the Security Deposit pursuant to Paragraph 5(f).

(G) **Option Payments.** Lessee is not in default with respect to its obligations under Paragraphs 2(n) and 2(o) below.

(H) **Compliance with Agreement.** Lessee's strict performance of all the matters required to be performed by this Agreement, specifically Lessee's strict performance of paragraph 5 below for each Leased Site Portion where Sub-Escrow has closed.

(I) **Insurance.** Delivery by Lessee of one or more certificates of insurance evidencing coverage in accordance with Paragraph 21 below.

(J) **Memorandum of Land Option and Lease Agreement.** Recordation of the Memorandum of Land Option and Lease Agreement pursuant to Paragraph 2(e) above; and preparation of Memorandum of Agreement for recordation at Sub-Escrow Closing for each of the Leased Site Portions pursuant to Paragraphs 25(a) and (b).

(K) **Title Commitment.** Commitment by the title company to issue a title policy in favor of Lessee omitting all exceptions to title that were not approved by Lessee.

(L) **No Condemnation.** The absence of any pending or threatened condemnation or eminent domain proceedings affecting the applicable Leased Site Portion. Landlord shall disclose any condemnation action or other eminent domain proceedings with respect to the applicable Leased Site Portion.

(iii) **Notice to Satisfy Condition.** Lessee shall notify Landlord in writing of Landlord's failure to satisfy any condition to Sub-Escrow Closing. Landlord is obligated to perform hereunder. If Landlord fails to satisfy any condition to Sub-Escrow Closing within thirty (30) days, Lessee shall have the right to terminate Escrow and Escrow Company shall return all refundable deposits to Lessee. Lessee may, however, at its sole discretion, cost and expense, remedy the defect, effectuate the Sub-Escrow Closing and commence the lease of the applicable Leased Site Portion.

(j) **Liens.** If any bank or other financial institution holds a lien encumbering the Leased Site Portion ("**Lienholder**"), Lessee shall have the right to remove such lien pursuant to the terms of this Paragraph 2(j). Landlord agrees to fully cooperate and hereby grants Lessee a power of attorney to effect such removal to the extent that Lessee determines it necessary for Lessee to build and operate the Generating Facility as contemplated by this Agreement. Lessee shall have the right, on Landlord's behalf, to modify and/or pay-off Landlord's deed of trust (or a portion thereof that releases the Site) with Lienholder, and any amounts paid by Lessee in connection therewith shall be credited against the Annual Rent due hereunder. Landlord shall not increase the loan balance encumbering the Site nor shall Landlord create any additional liens for the Site during and prior to the Term, except with Lessee's express prior written consent.

(k) **Site Access during Lease Option Period.** As of the Effective Date, Landlord grants to Lessee a non-exclusive right to access the Property in accordance with the terms and conditions hereinafter set forth ("**Site Access Right**") for purposes of conducting due diligence on the Property in conjunction with the development, design, planning and permitting of the Generating Facility. Landlord acknowledges and agrees that Lessee's due diligence activities may include soil and geological testing. Prior to entering the Property, any party conducting due diligence activities that requires access to the Site shall, upon Landlord's request, provide Landlord with proof of general liability insurance in the amount of one million dollars (\$1,000,000) combined single limit per occurrence and two million dollars (\$2,000,000) in the aggregate, with such policy naming Landlord as additional insured.

(l) **Landlord's Documentation.** In addition to Landlord's disclosure obligations under this Agreement, Landlord agrees to provide to Lessee any and all additional relevant documentation related to the Property in Landlord's possession and to cooperate with Lessee in Lessee's due diligence activities on the Property.

(i) **Farming Lease.** Lessee acknowledges that concurrent with the execution of this Agreement Landlord will enter into a lease of the Property for farming purposes pursuant to that certain lease agreement ("**Farming Lease**") between Landlord and JKB Development, Inc., a California corporation ("**Farming Lessee**"). The Farming Lease provides that it shall terminate with respect to each Leased Site Portion concurrent with Lessee's delivery of an Exercise Notice for that Leased Site Portion during the Option Period, but that the Farming Lease shall continue according to its terms with respect to the acreage constituting the remainder of the Property. For each Leased Site Portion, sixty (60) days prior to the delivery thereof, Lessee shall notify Landlord and the Farming Lessee in writing of its intent to deliver to Landlord an Exercise Notice in accordance with this Agreement ("**Harvest Termination Notice**"). Following receipt of each Harvest Termination Notice, Landlord and Farming Lessee shall vacate the applicable Leased Site Portion within sixty (60) days of the delivery of the

applicable Harvest Termination Notice. Prior to delivery of the Harvest Termination Notice, Lessee and Farming Lessee shall use commercially reasonable efforts to coordinate a vacation date in order to minimize any losses in connection with the harvest of Farming Lessee's crops on the Property with respect to which Lessee intends to deliver the applicable Exercise Notice. Lessee agrees and acknowledges that it shall be liable to Farm Lessee and Landlord, and shall reimburse the Farming Lessee, for any and all damages incurred by the Farming Lessee accruing out of the termination of the Farming Lease for each Leased Site Portion, said amount to be determined by Lessee and Farm Lessee, (the "**Reimbursement Amount**") and Lessee shall deposit the Reimbursement Amount for the applicable Leased Site Portion with the Escrow Company as a condition of Sub-Escrow Closing. Landlord hereby assigns to Farming Lessee all of its right, title and interest to the aggregate Reimbursement Amount to be received from the Lessee, which amount shall be delivered by the Escrow Company to the Farming Lessee upon Sub-Escrow Closing.

(m) **Option Termination.** Lessee shall have the right to terminate the Lease Option by written notice to Landlord with immediate effect at any time on or prior to the Lease Option Termination Date. Any Lease Option payments made by Lessee shall be non-refundable. Upon termination of the Lease Option by Lessee, the Parties shall have no further obligation under this Agreement, except as herein described; provided, however, that in the event of termination Lessee agrees to promptly release or quitclaim all recorded notices and/or options.

(n) **Option Payments.** In consideration of the Lease Option and the Site Access Right during the Option Period, Lessee shall make to Landlord a quarterly Lease Option payment in the amount of Eighteen Thousand, Seven Hundred Fifty Dollars (\$18,750.00), payable in advance, in quarterly instalments, with the first prorated payment of the Lease Option payment due within ten (10) Business Days after the Effective Date and subsequent payments due on the first date of the next calendar quarter (January 1st, April 1st, July 1st and October 1st). Lessee and Landlord agree that during the Option Period Landlord shall continue receiving any and all income pursuant to the terms of the Farming Lease, or the New Farming Lease pursuant Paragraph 2(l)(i) above, which income shall not constitute consideration under this Agreement. During the Option Period, Lessee shall not interrupt the operations of the Farming Lessee, or any new farm lessee pursuant to Paragraph 2(l)(i) above on the Property.

(o) **Untimely Payment of Lease Option Payments.** In the event Lessee makes any Lease Option Payment at least thirty (30) days after the due date for such Lease Option Payment as set forth Paragraph 2(n) above (a "**Delinquent Option Payment**"), then the Lessee shall pay to Landlord a late charge of Two Thousand Dollars (\$2,000) as liquidated damages, in lieu of actual damages, for, inter alia, processing, accounting and collection expenses (the "**Option Late Charge**"). As a separate amount not a part of the Option Late Charge, Lessee shall pay interest on the amount of the Delinquent Option Payment due to Landlord at the monthly rate of eight-tenths of a percent (8/10ths of 1%) compounded interest per month calculated on the amount of the Delinquent Option Payment due from the date such payment should have been made until the date paid in full, plus accrued interest. In the event Lessee is at least ninety (90) days late with payment of the relevant Lease Option Payment, then such non-payment by Lessee shall constitute a default under the terms of this Agreement and Landlord shall send a default notice (the "**Option Default Notice**") to Lessee with a thirty (30) day curing period upon receipt of the Option Default Notice by Lessee. If Lessee fails to cure the default prior to the end of the thirty

(30) day cure period, Landlord shall have the right to terminate this Agreement with such termination becoming effective on the tenth (10th) Business Day following Landlord's notice of termination provided to Lessee.

SECTION 3 - LEASE

3. **Lease.** As of the Lease Commencement Date (as defined below) and only subject to Lessee's exercise of the Lease Option in accordance with Section 2 above, Landlord hereby leases the Site to Lessee upon the terms and conditions stated herein.

4. **Lease Term.**

(a) The initial lease term ("**Initial Term**") for each Leased Site Portion shall commence on the Sub-Escrow Closing date for such Leased Site Portion ("**Lease Commencement Date**") and shall end for each Leased Site Portion on the 25th anniversary of the Lease Commencement Date for the last Leased Site Portion that constitutes the Site (the "**Lease Expiration Date**"). Lessee shall have the right to extend the Initial Term for all Leased Site Portions that constitute the Site for two (2) consecutive additional periods of one (1) year each (each such period, an "**Extension Term**," and, collectively with the Initial Term, the "**Term**") following the Lease Expiration Date by giving Landlord written notice of its intent to extend the Lease not later than one-hundred-eighty (180) days prior to the end of the Initial Term or the then current Extension Term, provided that as a condition to any Extension Term, Lessee shall have performed all of its obligations that become due prior to such Extension Term under the terms of this Agreement. In the event Lessee elects to exercise its right to extend the lease beyond the Initial Term, the terms and conditions in effect during the Initial Term shall be applicable during each Extension Term. If Lessee holds over in occupancy of the Site, or any portion thereof, after the end of the Term, during such hold over period, Lessee shall be subject to the terms and conditions specified in this Agreement, so far as applicable.

(b) **Lessee's Termination Right.** The Parties agree that within twenty-four (24) months following the Lease Commencement Date for each Leased Site Portion (the "**Early Termination Period**"), Lessee shall have a one-time right to terminate the Agreement (the "**Lessee's Termination Right**") for such Leased Site Portion. In the event Lessee elects to exercise Lessee's Termination Right, Lessee shall provide Landlord with at least ninety (90) days' advanced written notice of its intent to terminate the Agreement (the "**Termination Notice**") for such Lease Site Portion. Any and all Rent paid by Lessee to Landlord prior to the date of Termination Notice shall remain the property of Landlord. Within the ten (10) day period following the Termination Date, Lessee shall be obligated to file with the proper county recorder office notice of termination of this Agreement. Upon termination of this Agreement by Lessee, Lessee shall restore the Leased Site Portion in accordance with the provisions of Paragraph 19 below.

(c) **Landlord's Right to Claw Back Mitigation Lands.** During the Option Period, upon twelve (12) months prior written notice to Lessee, Landlord shall have the right to remove from the Property, for use as environmental mitigation land for the Fink Road Landfill (i) any portion of the Property that is not part of the Pre-Approved Solar Property, and (ii) any portion of the Property that is not Pre-Approved Solar Property with respect to which Lessee has not

exercised its Lease Option in accordance with the terms hereof. Following the Lease Commencement Date for the last Leased Site Portion, Landlord shall have the right to claw back any portion of the Property with respect to which Lessee did not exercise the Lease Option prior to the expiration of the Option Period, provided that in the event Landlord elects to remove from the Property, excluding the Site, any portion thereof, Landlord agrees not to remove any portion thereof the removal of which could reasonably interfere with the operation of the Generating Facility, including portions of the Property or other property owned by Landlord over which Lessee enjoys easement rights for grid interconnection purposes. Rent shall continue to be calculated pursuant to Paragraph 5 below.

5. Rent.

(a) The Parties agree that Lessee shall pay Landlord an annual rent for the entire Site in the amount of Four Hundred Thousand Dollars (\$400,000), irrespective of size and location of the Site on the Property ("**Annual Rent**"). The calculation of Annual Rent assumes the development and operation of a Generating Facility with 70MW(ac) nameplate capacity ("**Full Capacity**"). Should Lessee deliver Exercise Notices for Leased Site Portions to accommodate the development and operation of a Generating Facility for less than Full Capacity, the Annual Rent for any Leased Site Portion shall be calculated by multiplying the Annual Rent for the entire Site by a fraction, dividing the capacity of the Generating Facility to be developed and operated on such Leased Site Portion by the Full Capacity. For example, the Annual Rent for a Leased Site Portion that is 20MW(ac) in capacity shall be calculated as: \$400,000 x [20MW(ac) / 70MW(ac)].

(b) The Annual Rent for each leased Site Portion shall be payable in quarterly installments (the "**Quarterly Rent**"), with the first partial or full payment due on the respective Lease Commencement Date and subsequent payments due on the next calendar quarter, defined as January 1st, April 1st, July 1st and October 1st.

(c) The Annual Rent for each Leased Site Portion shall increase each year on January 1 by an amount equal to one-and-a-half percent (1.5%) multiplied by the prior year's Annual Rent for the duration of the Initial Term and each Extension Term, if applicable. Any amount of Quarterly Rent paid to Landlord shall be non-refundable.

(d) Within ten (10) days following the first occurring Lease Commencement Date, Landlord shall provide Lessee with Landlord's bank account information, including wiring instructions, enabling Lessee to make timely payments in accordance with the terms of this Agreement. Landlord shall provide Lessee with a prompt written notice following any change in the bank account information that would prevent Lessee from making timely payments. In the event Landlord changes its bank account information and fails to provide Lessee with such new bank account information, then the deadline for any payment due and payable to Landlord under this Agreement shall be extended, without the application of Paragraph 5(e) below, to ten (10) Business Days from the time Lessee is provided with the new bank account information. Any late lease payments shall be subject to the provisions of Paragraph 5(e) below.

(e) **Untimely Payment of Rent.** In the event Lessee makes any Quarterly Rent payment ten (10) days after the due date for such Quarterly Rent payment set forth in Paragraph

5(b) above (the “*Delinquent Rent*”), then the Lessee shall pay to Landlord a late charge of Two Thousand Dollars \$2,000 as liquidated damages, in lieu of actual damages, for, inter alia, processing, accounting and collection expenses (the “*Rent Late Charge*”). As a separate amount not a part of the Rent Late Charge, Lessee shall pay interest on the amount of Delinquent Rent due to Landlord at the monthly rate of eight tenths of one percent (8/10ths of 1%) compounded interest per month calculated on the amount of the relevant Quarterly Rent payment due from the date such payment should have been made until the date paid in full, plus accrued interest. In the event Lessee is at least sixty (60) days late with payment of the relevant Quarterly Rent, then such non-payment by Lessee shall constitute a default under the terms of this Agreement and Landlord shall send a default notice (the “*Rent Default Notice*”) to Lessee with a thirty (30) day curing period upon receipt of the Rent Default Notice by Lessee. If Lessee fails to cure the default prior to the end of the thirty (30) day cure period, Landlord shall have the right to terminate this Agreement with such termination becoming effective on the tenth (10th) Business Day following Landlord’s notice of termination provided to Lessee.

(f) **Security Deposit.** Along with the first payment of Quarterly Rent, Lessee shall make a one-time payment to Landlord of One-Hundred-Thousand Dollars (\$100,000.00), to be held by Landlord as a security deposit (“*Security Deposit*”) during the Term. The Security Deposit shall be deposited by Landlord into the Stanislaus County Treasury, and all interest earned shall increase the Security Deposit. Landlord may, at its sole discretion, use the Security Deposit for payment of any delinquent amount required to be paid by Lessee, Landlord shall promptly notify Lessee in writing and Lessee shall replenish the Security Deposit to its original amount within thirty (30) days after receipt of Landlord’s written notice. Landlord shall return any unused amount of Security Deposit (including interest earned thereon) to Lessee within thirty (30) days after the Lessee completes its Restoration Obligation pursuant to Paragraph 19 below.

6. Permitted Use.

(a) During the Term, Lessee shall use each Lease Site Portion and the Site for the sole purpose of installation, construction, operation, maintenance, repair, improvement, replacement, and removal of the Generating Facility and uses incidental thereto (the “*Permitted Use*”) and for no other business or purpose. Lessee shall comply with the terms and conditions of all land use permits issued for the Property, as may be amended from time to time, including Use Permit Application No. 2010-03 “Fink Road Solar Farm.” Lessee shall adhere to the Stanislaus County Right to Farm Ordinance (County Code section 9.32.050) and shall execute a Stanislaus County Right to Farm Notice. Landlord may abate any public nuisance related to the Lessee’s use of the Property and Lessee shall reimburse the Landlord for the costs to abate said nuisance. Nothing in this Agreement shall be deemed to give Lessee the right to sell any goods or services or engage in any other activities, other than those stated herein.

(b) Lessee shall have the right, at its sole cost and expense, to construct structures on the Site reasonably necessary, required, or useful in conjunction with the operation or maintenance of the Generating Facility or enabling the Generating Facility to be connected to an electrical distribution or transmission network. Lessee shall pay the fees, including public facility fees, in effect at the time of building permit issuance.

(c) Lessee shall at all times maintain the Site's viability for future possible use as mitigation land and shall not let any portion of the Site not used for solar production become fallow or return to its natural state for more than 12 months, without prior written approval of the Landlord.

(d) [Deleted]

(e) Lessee shall obtain Landlord approval prior to erecting any signage upon the Site. Lessee shall not cause or allow the display of billboards or advertisements upon the Site. Security of the Site shall be the responsibility of Lessee.

(f) Within sixty (60) days of the Lease Commencement Date, Lessee shall submit a weed management plan to the Landlord for approval. Lessee shall comply with the approved weed management plan.

7. Mineral, Water & Access Rights and Utilities

(a) **Ownership and Use by Landlord.** The Parties agree that Landlord shall retain all mineral rights (the "*Mineral Rights*") and water rights ("*Water Rights*") in connection with the Site owned by Landlord as of the Effective Date with the limitation during the Term that Landlord shall have the right to exercise such Mineral Rights and Water Rights only to the extent such exercise does not interfere with Lessee's Permitted Use. During the Term, Landlord shall have no right to enter the Site for exploitation of Mineral Rights or Water Rights, or both, without Lessee's prior written consent which shall not be unreasonably withheld.

(b) **Water.** Lessee shall comply with the mitigation monitoring plan approved for Use Permit Application No. 2010-03 "Fink Road Solar Farm" and will prepare a Water Demand and Supply Plan prior to initiating any ground-disturbing activities to identify a stable supply of water. Lessee is solely responsible for any costs or expense of procuring any water required by Lessee for Lessee's operations. Landlord will provide reasonable assistance to Lessee in its efforts to identify and secure water, but has no obligation to provide Lessee with water or to develop groundwater wells or water conveyance improvements.

(c) **Access.** Lessee shall have the rights of ingress to and egress from the Site for Lessee and Lessee's employees, guests, contractors, agents, representatives and invitees, by existing access routes and other reasonable and adequate routes of travel designated from time to time by the Landlord, including existing roads and other routes through property owned by Landlord that adjoins the Property that would allow the Persons listed in this sentence access the Site.

(d) **Utilities.** Lessee agrees to pay, or cause to be paid, all charges which are incurred by Lessee for gas, water, electricity, light, heat or power, telephone or other communication service use, or other utility use, rendered or supplied upon or in connection with the Site. Lessee shall also obtain, or cause to be obtained, without cost to Landlord, any and all necessary permits, licenses or other authorizations required for the lawful and proper installation and maintenance upon the Site of wires, pipes, conduits and other equipment for the supply of utilities to the Site.

8. Sublease. Lessee may sublease all or any portion of the Site to any Person, provided that any sub-Lessee shall use the Site only for a Permitted Use. Lessee shall include in any sublease a requirement that the sublessee maintain liability insurance and name the Landlord as additional insured. Said liability insurance shall meet the requirements of Paragraph 21 below.

9. Taxes.

(a) Pursuant to the provisions of the California Revenue and Taxation Code Section 107.6, Lessee is hereby advised that the terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Lessee, Lessee may be subjected to the payment of real property taxes levied on such interest. Lessee shall be solely responsible for the payment of any such real property taxes. Lessee shall pay all such taxes when due, and shall not allow any such taxes, assessments or fees to become a lien against the Premises or any improvement thereon; provided, however, that nothing herein shall be deemed to prevent or prohibit Lessee from contesting the validity of any such tax, assessment or fee in a manner authorized by law. In addition, Lessee shall be solely responsible for payment of any taxes or assessments levied upon any improvements, fixtures or personal property located on the Premises, to the extent that such taxes or assessments result from the business or other activities of Lessee upon, or in connection with, the Site.

(b) Landlord shall not be obligated to pay any taxes or assessments accruing against Lessee on any Leased Site Portion or any interest therein during the Lease Term, or any extension thereof; all such payments shall be the sole responsibility of Lessee. To clarify, Landlord is responsible for (a) all property taxes during the Option Period; (b) during the Lease Term, all property taxes excluding Leased Site Portion.

(c) Within thirty (30) Business Days after each Lease Commencement Date, the Parties shall submit to the County a "Statement of Separate Ownership" under California Revenue and Tax Code 2188.2 specifying their respective interests in the Property. Each Party shall notify the Stanislaus County Tax Assessor and Tax Collector of the proper address for its respective tax bill. Landlord shall submit the real property tax bill to Lessee within ten (10) days after Landlord receives the bill from the taxing authority. Lessee shall pay its portion of the real property taxes directly to the taxing authority. Landlord shall pay its portion of the real property taxes, and if Landlord fails to do so prior to any delinquency date, Lessee shall be entitled (but not obligated) to make payments, including any late penalties, in fulfillment of Landlord's obligations to the taxing authority and may offset the amount of such payments from amounts due Landlord under this Agreement.

(d) As used herein, the term "taxes" means all taxes, governmental bonds, special assessments, Mello-Roos assessments, charges, rent income or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal, personal or corporate income tax, or any real or personal property tax, (ii) any estate inheritance taxes, (iii) any franchise, succession or transfer taxes, (iv) interest on taxes or penalties resulting from Lessee's failure to pay taxes, (v) any increases in taxes attributable to the sale of Lessee's leasehold interest in the Premises, or (vi) any taxes which are essentially payments to a governmental agency for the right to make improvements to the Premises.

[Handwritten initials for Landlord and Lessee]

10. Ownership of Generating Facility

(a) Landlord acknowledges and agrees that, notwithstanding that the Generating Facility or any Generating Facility Asset may be considered as a fixture on the Site, Lessee or its Affiliate, successor or assignee is the exclusive owner and operator of the Generating Facility, and that the Generating Facility may not be sold, leased, assigned, mortgaged, pledged or otherwise alienated or encumbered (collectively, a **“Transfer”**) with the fee interest or leasehold rights to the Site or otherwise by Landlord or any other Person. Landlord shall give Lessee at least thirty (30) days’ written notice prior to any transfer of all or a portion of the Site identifying the transferee, the portion of Site to be transferred and the proposed date of Transfer.

(b) Landlord agrees and acknowledges that the Generating Facility and all Generating Facility Assets shall remain the personal property of Lessee and Lessee shall have the right to remove the same at any time during the Term, whether or not said items are considered fixtures and attachments to real property under applicable Laws.

(c) Landlord acknowledges that Lessee or its Affiliate, successor or assignee is the exclusive owner of electricity (kWh) generated by the Generating Facility and owner of the Environmental Attributes, Environmental Incentives and Renewable Energy Credits of the Generating Facility.

11. Notice of Non-Responsibility

(a) **General.** Lessee shall provide Landlord with a written notice of any work of improvement (the **“Work of Improvement”**) being conducted by Lessee or on Lessee’s behalf on the Site within one (1) Business Day from the start thereof. For the purposes of this Agreement, the term **“Work of Improvement”** includes but is not restricted to the work performed by Lessee or on Lessee’s behalf on the Site that constitutes the construction, alteration, addition to, repair, or removal, in whole or in part of the Generating Facility.

(b) **Recordation of Notice of Non-Responsibility.** Within ten (10) days after Landlord’s receipt of the notice referred to in Paragraph 11(a) above, Landlord shall record a notice of non-responsibility in the office of the county recorder of the county in which the Site is located.

(c) **Mechanic’s Lien.** In the event a mechanic’s lien is filed against the Site for Work of Improvement being conducted by Lessee or on Lessee’s behalf, Lessee shall resolve the associated claim within thirty (30) days of the filing thereof. In the event Lessee is unable to resolve such claim within the thirty (30) day period and elects to contest the claim and the lien associated therewith, then Lessee shall obtain a bond to cover the mechanic’s lien in the event Lessee is unsuccessful in its contest and as a result is unable to satisfy its payment obligations to the contractor. In the event Lessee does not cause the mechanic’s lien to be removed within thirty (30) days following the filing thereof or does not obtain a bond within such thirty (30) day period, then Lessee shall be deemed in default under the terms of this Agreement and Landlord may (but shall not be required to) pay said claim and any costs, and the amount so paid, together with reasonable attorneys’ fees incurred in connection therewith, shall be immediately due and

mn Lessee *[Signature]*

owing from Lessee to Landlord as additional rent payable pursuant to the provisions of Paragraph 5 above.

12. Landlord's Representations and Warranties; Covenants of Landlord. In order to induce Lessee to enter into this Agreement, Landlord covenants, represents and warrants, as of the Effective Date and throughout the Term of this Agreement, as follows:

(a) There are no liens, mortgages or security interests on the Property, except those liens ("**Property Liens**") stated on the "**Schedule of Property Liens**," attached hereto as **Exhibit B**, or as identified in the PTR for each applicable Parcel.

(b) Landlord is the owner of fee simple title of the Property and has full authority to enter into, execute, deliver and perform this Agreement, and is not in default of any mortgage affecting the Site.

(c) Landlord covenants that Landlord has lawful title to the Property and full right to enter into this Agreement and that Lessee shall have quiet and peaceful possession of the Site throughout the Term.

(d) Landlord has received no actual or constructive notice of any condemnation or eminent domain proceedings or negotiations for the purchase of the Property or any part thereof in lieu of condemnation.

(e) To Landlord's knowledge, there are no unrecorded easements, leases or agreements affecting the Property that might prevent or adversely affect the use or occupancy of the Site by Lessee for operation of the Generating Facility.

(f) There are no circumstances known to Landlord and commitments to third parties that may damage, impair or otherwise adversely affect the Generating Facility or its construction, installation or function (including activities that may adversely affect the Generating Facility's exposure to sunlight).

(g) To Landlord's knowledge, there are no Hazardous Materials present at the Property and Landlord has no knowledge of any violation of Environmental Laws relating to the Property. Landlord has no knowledge of any underground storage tanks located on the Property. Landlord has not manufactured, introduced, released or discharged from or onto the Property, the soil or the groundwater any Hazardous Materials nor permitted the same, and Landlord has not used or permitted the use of the Property or any part thereof for the generation, treatment, storage, handling or disposal of any Hazardous Materials. Lessee acknowledges that the Property has been used for agricultural purposes and may contain chemicals lawfully used for such agricultural purposes.

(h) There is no claim, litigation, proceeding or governmental investigation pending or so far as is known to Landlord, threatened against or relating to Landlord or the Property which is in conflict with this Agreement or which could have a material adverse impact upon the Permitted Use.

(i) During the Term, Landlord shall remain current with respect to (i) the payment of all property taxes, fees and special assessments levied against the Property, and (ii) hazard and liability insurance coverage related to the Property, except as noted in Paragraph 18 below.

(j) The Property is not subject to any Land Conservation Contract executed pursuant to Section 51200 et seq., of the California Government Code, commonly referred to as the "Williamson Act."

13. Subordination; Non-Disturbance Agreement.

(a) This Agreement and all rights of Lessee under this Agreement will be subject and subordinate to the lien of any mortgage, deed of trust or other security document (collectively, "**Mortgage**") now or hereafter affecting the Site; provided, however, that any such subordination is expressly conditioned upon Landlord obtaining the agreement of any lender holding such Mortgage (the "**Mortgagee**") that so long as Lessee is not in default in the performance and observance of any covenant, condition, term or provision of this Agreement beyond any applicable grace or cure period, the Mortgagee will not disturb Lessee's rights under this Agreement, which subordination and non-disturbance agreement shall otherwise be in form and substance reasonably satisfactory to Lessee and shall be recorded in the real property records of the county in which the Site is located. The lien of any such Mortgage will not cover the Generating Facility or Lessee's moveable trade fixtures or other personal property of Lessee located in or on the Site.

(b) In the event Landlord's default under the terms of any applicable Mortgage could lead to the foreclosure on the Property, Landlord agrees to provide Lessee with an immediate notice of any applicable Mortgagee's oral or written intent to foreclose on the Site allowing Lessee to cure Landlord's default if Landlord is unable or unwilling to do so. Lessee shall be entitled to credit any payment(s) made to cure such default against the Annual Rent.

14. Condemnation.

(a) In the event any portion of the Site is taken by eminent domain or otherwise by way of condemnation and such taking causes any material interference with Lessee' Permitted Use of the Site, then Landlord shall, at its expense, using commercially reasonable efforts, within three (3) months after such condemnation event, repair and restore the remainder of the Site to a condition that allows Lessee's continued Permitted Use of the Site as provided in this Agreement.

(b) Landlord may terminate this Agreement effective as of the date of such condemnation event, if the condemnation award paid or payable to Landlord for the taking of the Site is insufficient to restore the Site as provided in Paragraph 14(a) above. Landlord shall so notify Lessee within thirty (30) days after the date of such casualty event. In the event of a termination pursuant to this Paragraph 14(b), no amounts shall be due from either Party to the other Party.

(c) Landlord and Lessee agree that (i) all condemnation awards payable in connection with the taking of all or any portion of the Site shall belong to Landlord, (ii) all condemnation awards payable in connection with the taking of the Agreement, the Generating Facility, or any

Generating Facility Asset due to condemnation of the Site shall belong to Lessee, and (iii) Lessee shall have the right to file any separate claim available to Lessee related to the taking of the Agreement, the Generating Facility, or any Generating Facility Asset.

15. Quiet Enjoyment. Landlord covenants that Lessee shall peaceably and quietly have, hold and enjoy any Leased Site Portion and the Site during the Term and Landlord shall protect and defend the right, title and interest of Lessee hereunder from any other rights, interests, titles and claims arising through Landlord. During the Term, Landlord shall have the right to enter the Site with reasonable frequency, during daylight hours, by giving Lessee three (3) days' advance notice (phone, e-mail or regular mail is acceptable) and provided that while at the Site Landlord shall be accompanied by a Site manager and obey all required safety rules and regulations. From time to time, Lessee shall provide Landlord with contact information for Site visit requests, and Landlord agrees to direct all such requests to Lessee's designated contact. The preceding three (3) day notice requirement shall not apply in emergency situations which reasonably require immediate access to the Site by Landlord.

16. Compliance with Laws. During the Term, Lessee shall act pursuant to this Agreement in accordance with applicable federal, state, and local Laws. Lessee shall comply with all Laws pertaining to wages and hours, state and federal income tax, unemployment insurance, Social Security, disability insurance, worker's compensation insurance, and discrimination in employment.

17. Lessee's Representations and Warranties. Lessee represents and warrants that, during the Term or any extension thereof, or for such longer period as may be specified herein, Lessee shall comply with the following provisions unless otherwise specifically approved in writing by the Landlord:

(a) Lessee shall not cause or permit any Hazardous Materials to be brought, kept or used in or about the Site by Lessee, its agents, employees, assigns, contractors or invitees, except as required by Lessee's Permitted Use of the Site.

(b) Any handling, transportation, storage, treatment or usage by Lessee of Hazardous Materials that is to occur on the Site following the Lease Commencement Date shall be in compliance with all applicable Hazardous Materials Laws.

(c) Any leaks, spills, release, discharge, emission or disposal of Hazardous Materials which may occur within the Site following the Lease Commencement Date shall be promptly and thoroughly cleaned and removed from the Site by Lessee at its sole expense, and any such discharge shall be promptly reported in writing to Landlord, and to any other appropriate governmental regulatory authorities.

(d) No friable asbestos shall be constructed, placed on, deposited, stored, disposed of, or located by Lessee within the Site.

(e) Within ten (10) Business Days following construction on the Site of any underground improvements, including, but not limited to, treatment or storage tanks, or water, gas or oil wells, Lessee shall provide Landlord with a written notice describing the underground improvement that has been constructed on the Site.

(f) Lessee shall conduct and complete all investigations, studies, sampling, and testing procedures and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from, or affecting the Site in accordance with all applicable Hazardous Materials' Laws and to the satisfaction of Landlord.

(g) Lessee shall promptly supply Landlord with copies of all notices, reports, correspondence, and submissions made by Lessee to the United States Environmental Protection Agency, the United Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to applicable Hazardous Materials' Laws.

(h) Lessee shall promptly notify Landlord of any liens threatened or attached against the Site pursuant to any Hazardous Materials' Law. If such a lien is filed, then within twenty (20) days following such filing or before any governmental authority commences proceedings to sell the Site pursuant to the lien, whichever occurs first, Lessee shall either: (i) pay the claim and remove the lien from the Site; or (ii) furnish either (1) a bond or cash deposit reasonably satisfactory to Landlord in an amount not less than the claim from which the lien arises, or (2) other security satisfactory to Landlord in an amount not less than that which is sufficient to discharge the claim from which the lien arises. At the end of the Term, Lessee shall surrender the Site to Landlord free of any and all Hazardous Materials and in compliance with all Hazardous Materials' Laws affecting the Site.

18. AS-IS Lease. Lessee acknowledges and agrees that: (i) prior to a Sub-Escrow Closing for an applicable Leased Site Portion, in Lessee's discretion, Lessee shall inspect the Leased Site Portion and the improvements located thereon, and shall examine the legal, environmental, zoning, land use, seismic, title, survey and physical characteristics and condition thereof; (ii) by leasing the Leased Site Portion, Lessee shall be deemed to have approved of all such characteristics and conditions; and (iii) the Lease Site Portion and the improvements thereon are to be leased to, and accepted by Lessee in their condition as of the Lease Commencement Date, "AS IS," "WHERE IS" and "WITH ALL FAULTS" with no warranty expressed or implied regarding the condition of the soil, its geology, or the presence of known or unknown faults or Hazardous Materials (except to the extent that the Landlord is aware of but does not disclose such conditions), and no patent or latent defect or deficiency in the condition of the Site or the improvements thereon whether or not known or discovered, shall affect the rights of either Landlord or Lessee hereunder. Lessee shall rely solely upon its own independent investigation concerning the physical condition of the Lease Site Portion and its compliance with applicable statutes, ordinances, rules and regulations. Landlord shall have no responsibility for site preparation, demolition, or any other removal or replacement of improvements on the Leased Site Portion to the extent that Lessee is constructing improvements on the Leased Site Portion. If following the Lease Commencement Date, the condition of the Leased Site Portion is not in all respects entirely suitable for the uses to which the Leased Site Portion will be put pursuant to this Lease, then it shall be the sole responsibility and obligation of Lessee to correct any defect including soil, subsurface or structural conditions, reconstruct any improvements, and otherwise put the Leased Site Portion in a condition suitable for the Generating Facility to be developed pursuant to this Lease. The Lessee hereby waives any right to seek reimbursement from the Landlord for costs Lessee incurs in connection with the correction of any physical condition on the Leased Site Portion.

19. Site Restoration.

(a) Upon expiration of the Term or the earlier termination of this Agreement, Lessee shall, after receipt of written notice from Landlord to Lessee to proceed ("**Restoration NTP**"), at Lessee's sole cost and expense, restore the Site to the same condition as it was on the Lease Commencement Date, normal wear and tear (or deterioration due to non-usage of such items as drainage systems) as well as groundwater wells and water improvements excluded, by removing from the Site (a) the Generating Facility and any associated equipment or other personal property owned by Lessee, and (b) all subterranean foundations, cables, conduits or similar equipment installed by Lessee down to five (5) feet ("**Restoration Obligation**"). Notwithstanding the foregoing, Lessee shall not be obligated to change the then-current zoning for the Site to the zoning in effect as of the Lease Commencement Date. Landlord shall deliver the Restoration NTP not more than one hundred eighty (180) days after expiration of the Term or earlier termination of this Agreement.

(b) Landlord hereby grants to Lessee and its contractors, representatives and agents a license to enter upon the Site to perform Lessee's Restoration Obligation for the duration of one hundred eighty days (180) after delivery of the Restoration NTP to Lessee. All restoration work shall be done by a bonded restoration contractor and based on a contract in form and substance as reasonably approved by Lessee and Landlord. Lessee hereby indemnifies Landlord from and against any and all claims made against Landlord as a result of the restoration work performed by Lessee or its contractors on the Site.

(c) Prior to commencement of construction of the Generating Facility, Lessee shall obtain and deliver to Landlord a restoration bond, or similar financial assurance, in form and substance reasonably satisfactory to Landlord (the "**Restoration Bond**") securing performance of Lessee's obligation, whether upon expiration of the Term, exercise of a termination right granted hereunder or other termination of this Agreement, to remove the Generating Facility and all other improvements made to and located on the Site. The Restoration Bond shall be in an amount of not less than two hundred fifty thousand Dollars (\$250,000.00), which amount shall be increased by five percent (5%) (non-compounding) on every third anniversary of the initial Restoration Bond issuance date. Once in place, Lessee shall keep such Restoration Bond, or similar financial assurance, in force throughout the remainder of the Term of this Agreement. Landlord shall be permitted to draw upon such Restoration Bond or other financial assurance in the event that Lessee fails to remove the Generating Facility and other improvements and restore the Site as required pursuant to the terms of this Agreement.

(d) Notwithstanding anything to the contrary in Paragraph 10 above, should Lessee fail, within 180 after the date of the Restoration NTP to remove any portion of the Generating Facility from the Site, Lessee shall be deemed to have abandoned any portion the Generating Facility remaining on the Site and Landlord shall have the right to possess the Generating Facility or remove the Generating Facility from the Site at Lessee's sole cost and expense.

20. Liability and Indemnity

(a) **Lessee Indemnity.** Lessee shall indemnify, defend with counsel reasonably acceptable to Landlord, and hold harmless Landlord, its shareholders, directors, officers, agents,

employees, volunteers and representatives (the “**Landlord Indemnitees**”) from any claim, demand, lawsuit, or action of any kind (each, a “**Claim**” and collectively, “**Claims**”) for injury to or death of persons, including, but not limited to, employees of Lessee or Landlord, and damage or destruction of property, including, but not limited to, property of Lessee, any utility company or Landlord, or other loss or damage incurred by Landlord, arising out of (i) Lessee’s use of the Site; (ii) the operation of the Generating Facility; (iii) the alternation, work, or actions taken on or about the Site; or (iv) the material breach by Lessee of any of its obligations under this Agreement regardless of whether a Claim is caused in part by the negligent act or omission of the Landlord. The obligation to indemnify shall extend to and encompass all costs incurred by Landlord and any Landlord Indemnitee in defending such Claims, including, but not limited to, attorney, witness and expert witness fees, and any other litigation related expenses. Lessee’s obligations pursuant to this Paragraph 20(a) shall not extend to Claims for liability to the extent attributable to the sole negligence or wilful misconduct of Landlord, the Landlord Indemnitees, or their respective contractors, successors or assigns, or to the acts of third parties. Lessee shall pay any cost that may be incurred by Landlord or the Landlord Indemnitees in enforcing this indemnity, including reasonable attorney fees.

(b) **Landlord Indemnity.** Landlord shall indemnify, defend and hold harmless Lessee, its members, directors, officers, agents, employees, volunteers and representatives (the “**Lessee Indemnitees**”) from all Claims, to the extent caused by (i) the sole negligence or wilful misconduct of Landlord or any of the Landlord Indemnitees, (ii) any breach by Landlord of any of its obligations under this Agreement. The obligation to indemnify shall extend to and encompass all costs incurred by Lessee and any Lessee Indemnitee in defending such claims, demands, lawsuits or actions, including, but not limited to, attorney, witness and expert witness fees, and any other litigation related expenses. Landlord’s obligations pursuant to this Paragraph 20(b) shall not extend to claims, demands, lawsuits or actions for liability to the extent attributable to the negligence or wilful misconduct of Lessee, the Lessee Indemnitees, or their respective contractors, successors or assigns, or the acts of third-parties. Landlord shall pay any cost that may be incurred by Lessee or the Lessee Indemnitees in enforcing this indemnity, including reasonable attorney fees.

(c) **No Consequential Damages.** Notwithstanding any provision in this Agreement to the contrary, neither Lessee nor Landlord shall be liable to the other for incidental, consequential, special, punitive or indirect damages, including without limitation, loss of use, loss of profits, cost of capital or increased operating costs, arising out of this Agreement whether by reason of contract, indemnity, strict liability, negligence, intentional conduct, breach of warranty or from breach of this Agreement. The foregoing provision shall not prohibit Lessee or Landlord from seeking and obtaining general contract damages for a breach of this Agreement.

(d) **Waiver.** The express remedies and measures of damages provided for in this Agreement shall be the sole and exclusive remedies for a party hereunder and all other remedies or damages at law or in equity are hereby waived.

21. Insurance. Throughout the Term, Lessee shall, at Lessee’s sole cost and expense, keep in force the following insurance coverage:

(a) **General Liability Insurance.** Lessee and all contractors working on behalf of Lessee shall maintain a commercial general liability policy in the amount of two million dollars (\$2,000,000) combined single limit per occurrence, and five million dollars (\$5,000,000) in the aggregate, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Landlord as additional insured.

(b) **Automobile Insurance.** Lessee and all contractors working on behalf of Lessee shall maintain comprehensive automobile liability coverage in the amount of two million dollars (\$2,000,000), combined single limit including coverage for owned and non-owned vehicles. Automobile liability policies shall name the Landlord as additional insured.

(c) **Builder's Risk and Flood Insurance.** Upon commencement of any construction and continuing until issuance of a certificate of substantial completion pursuant to an agreement between Lessee and a contractor for the construction of the Generating Facility, Lessee and all contractors working on behalf of Lessee shall maintain a policy of builder's all-risk insurance in an amount not less than the full insurable cost for such applicable phase of the Generating Facility located on the Site. Said all-risk insurance shall be on a replacement cost basis. Upon completion of the construction of the Generating Facility, Lessee shall maintain property insurance covering all risks of loss (other than earthquake), including flood (if required) for one hundred percent (100%) of the replacement value of each phase of the Generating Facility with deductible, if any. The policy of builder's all-risk insurance procured by Lessee shall name Landlord as an additional insured.

(d) **Worker's Compensation.** Lessee will deliver or cause to be delivered to Landlord evidence satisfactory to Landlord that Lessee and all contractors with whom Lessee has contracted for the performance of work on the Site or otherwise pursuant to this Agreement carries workers' compensation as required by law.

(e) **Increase in Insurance Amount Required.** Once every five (5) years during the Term, the amount of the insurance required pursuant to this Paragraph shall be increased. The increase shall be equal to the percentage increase of the producer price index ("**PPPI**") for the County of Stanislaus for the prior sixty (60) month period (November 1 of year one (1) through October 31 of year five (5) of the applicable prior five-year time period).

(f) **Additional Requirements.** Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII or such other rating as approved by Landlord. The Commercial General Liability and comprehensive automobile policies required hereunder shall name Landlord as an additional insured. Prior to commencement of construction work, Lessee shall furnish Landlord with certificates of insurance in form acceptable to Landlord evidencing the required insurance coverage and duly executed endorsements evidencing such additional insured status. The certificates shall contain a statement of obligation on the part of the carrier to notify Landlord of any material change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation, termination or non-renewal. Coverage provided by Lessee shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by

Landlord, and the policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of Landlord. Lessee shall furnish the required certificates and endorsements to Landlord within the time provided herein, and shall provide Landlord with certified copies of the required insurance policies upon request of Landlord.

(g) **Performance and Payment Bond(s).**

(i) Prior to commencement of any phase of work on the Generating Facility, Lessee shall cause Lessee's contractor to deliver to Landlord copies of payment bond(s) and performance bond(s) or other surety instrument issued by a reputable insurance company licensed to do business in California, each in a penal sum of not less than one hundred percent (100%) of the scheduled cost of construction for such phase of the Generating Facility, or a portion of the Generating Facility with prior written approval by Landlord

(ii) In lieu of such performance and payment bonds, Lessee may submit evidence satisfactory to Landlord of Lessee's ability to commence and complete the construction of that particular phase of the Generating Facility in the form of an irrevocable letter of credit, pledge of cash deposit, certificate of deposit, or other marketable securities held by a broker or other financial institution, a completion guaranty in a form and from a guarantor acceptable to Landlord or other revenue bonds sufficient for the purposes of this Paragraph. Such evidence must be submitted in approvable form in sufficient time to allow Landlord to review and approve the information prior to the start of construction.

22. Assignment

(a) Each Party (each, an "*Assignor*") shall have the absolute right to assign this Agreement in its entirety or any of its rights, duties and/or obligations hereunder to (i) a purchaser of the Property in the case of Landlord, or (ii) any third party in the case of Lessee (in either case, hereafter referred to as the "*Assignee*"), provided, that such Assignee assumes in writing all of Assignor's rights, duties and obligations hereunder ("*Assumption Agreement*"). Upon the assignment made in accordance with this Paragraph, Assignor shall deliver to the other Party a written notice of such assignment within ten (10) Business Days of the effective date thereof, and such notice shall be accompanied by a fully executed copy of the Assumption Agreement. As of the assignment date, all references to "Lessee" or "Landlord" herein, as applicable, shall refer to the Assignee. For the avoidance of doubt, any assignment made to an Assignee in contravention to this Paragraph shall be deemed null and void and shall not relieve the Assignor of any of its duties or obligations hereunder

(b) With respect to an assignment pursuant to Paragraph 22(a), Landlord acknowledges and agrees that, upon receipt of written direction by Lessee's Financing Party or any other financing-transaction assignee of Lessee (collectively, "*Lender*"), and notwithstanding any instructions to the contrary from Lessee, Landlord will recognize Lender, or any third party to whom Lender has reassigned the rights of Lessee under this Agreement, as the proper and lawful grantee of the Agreement and as the proper and lawful successor to Lessee with respect to access to the Site and fully entitled to receive the rights and benefits of Lessee hereunder so long as Lender (or its assignee) performs the obligations of Lessee hereunder. Landlord shall be protected and shall incur no liability in acting or proceeding in good faith upon any such

foregoing written notice and direction by Lender which Landlord shall in good faith believe (i) to be genuine and (ii) a copy of which to have been delivered to Lessee. Landlord shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such foregoing notice and direction, but may accept and rely upon them as conclusive evidence of the truth and accuracy of such statements.

(c) In addition, Landlord agrees and consents as follows:

(i) Landlord agrees to notify Lender in writing, at the address designated by Lender, of any act of default of Lessee under this Agreement of which Landlord has knowledge that would entitle Landlord to cancel, terminate, annul or modify the Agreement or dispossess or evict Lessee from the Site or otherwise proceed with enforcement remedies against Lessee, and Lender shall have the same amount of time as Lessee, but at least ten (10) days with respect to any monetary default and at least thirty (30) days with respect to any non-monetary default, to cure any default by Lessee under the Agreement; provided that in no event shall Lender be obligated to cure any such default.

(ii) Notwithstanding that the Generating Facility is present on the Site, and subject to the terms and conditions hereof, Landlord hereby subordinates any lien it may have in and to the personal property used by Lessee in the conduct of its business and which is or may from time to time hereafter be located at the Site, and to which Lessee has granted or will grant a security interest to Lender (all such property and the records relating thereto shall be hereafter called the "**Collateral**") to the lien of Lender; provided, however, that this subordination shall not prevent Landlord from exercising any right or remedy against Lessee to which Landlord may be entitled under the terms of the Agreement or as may be provided by applicable law, nor shall it prevent Landlord from exercising any lien it may have on any property of Lessee, including the Collateral, so long as Landlord recognizes Lender's prior right to the Collateral described above. Landlord recognizes and acknowledges that any claim or claims ("**Claims**") that Lender has or may have against such Collateral by virtue of any lien or security interest, is superior to any lien, security interest, or claim of any nature which Landlord now has or may hereafter have to such Collateral by statute, agreement or otherwise. The subordination of lien provided for herein shall be effective until the discharge of the Claims. Landlord further agrees to notify any purchaser of the Site, and any subsequent mortgagee or other encumbrance holder, of the existence of the foregoing waiver of Landlord's lien, which shall be binding upon the executors, administrators, successors and transferees of Landlord, and shall inure to the benefit of the successors and assigns of Lender.

(iii) Landlord shall retain all rights of levy for rent and claims against Lessee to secure the obligations of Lessee hereunder, provided that Landlord consents to Lender's security interest in the Generating Facility and waives all right of levy for rent and all claims and demands of every kind against the Generating Facility, such waiver to continue so long as any sum remains owing from Lessee to the Lender. Landlord agrees that the Generating Facility shall not be subject to distraint or execution by, or to any claim of, Landlord.

(iv) Landlord hereby irrevocably agrees and consents to refrain from taking any action to bar, restrain or otherwise prevent Lender from the Site for the purpose of inspecting the Generating Facility.

23. Financing. Landlord shall not be required to subordinate its interest in the Site as security for any Lessee loans or financing. However, Lessee may pledge its interest in this Agreement, and the Generating Facility, as security for loans or financing against its personal property. Subject to Landlord's commitments under Paragraph 22 and this Paragraph 23, if Lessee's Lender(s) requests additional terms and conditions to those already provided in this Agreement, Landlord agrees to consider any such requests in good faith; provided, however, that such amendment shall not materially impair the rights or materially increase the burdens or obligations of Landlord under this Agreement, or extend the term of the Lease beyond the Term. Landlord acknowledges that Lessee will be financing the acquisition and installation of the Generating Facility with financing accommodations from one or more financial institutions and that Lessee's obligations will be secured by, among other collateral, a pledge or collateral assignment of this Agreement and Lessee's rights to payment and a first security right in the Generating Facility. Lessee shall be responsible for reasonable costs that Landlord incurs as part of the financing described in this Paragraph 23. In order to facilitate such necessary financing, and with respect to any Lender and the Generating Facility, Landlord agrees as follows:

(a) **Classification of Generating Facility as Personal Property Only:** Landlord acknowledges that it has been advised that part of the collateral securing financial accommodations of Lessee is the granting of a first priority security interest ("**Security Interest**") in the Generating Facility to Lender to be perfected by a filing under the Uniform Commercial Code (UCC) and to be documented in a recorded notice on title to the Site. Landlord agrees to such filings so long as they reflect the Parties' agreement that any filing to perfect or provide notice of the Security Interest clearly document the Parties' intent that the Generating Facility is considered personal property only and is not considered a fixture to the Site.

(b) These filings by Lessee or Lender may include:

(i) UCC filing of a Financing Statement (FORM UCC-1) which clearly covers the Generating Facility as personal property only and not as a fixture.

(ii) Real estate filing ("**Fixture Filing**") in the appropriate office for recording of real estate records of the jurisdiction of the Site which disclaims fixture status of the Generating Facility. Such filing shall contain information sufficiently identifying the Generating Facility such that the disclaimer will be disclosed by a title search of the real property that makes up the Site. Such filing shall not create any interest in or lien upon the real property underlying the Site or the interest of the Landlord and shall expressly disclaim the creation of such an interest or a lien.

(iii) Landlord will use commercially reasonable efforts to place its successors, assigns, and lienors on notice of the ownership of the Generating Facility by Lessee and/or its Lender(s), the existence of the security interest, and the fact that the Generating Facility is not part of the Site or a fixture thereof, as necessary and appropriate to avoid confusion or adverse claims.

24. Further Assurances

(a) Upon the receipt of a written request from the other Party, each Party shall execute such additional documents, instruments and assurances and take such additional actions as are reasonably necessary and desirable to carry out the terms and intent hereof. Neither Party shall unreasonably withhold, condition or delay its compliance with any reasonable request made pursuant to this Paragraph 24. Lessee shall be responsible for reasonable costs that Landlord incurs as a result of Landlord's obligations under this Paragraph 24(a).

(b) From time to time, upon written request by Lessee (or its lenders), Landlord shall provide within seven (7) days thereafter (i) a lien waiver from any party purporting to have a lien, security interest or other encumbrance on the Site as a result of a contractual arrangement with Landlord, confirming that it has no interest in the Generating Facility, or (ii) an estoppel certificate attesting, to the knowledge of Landlord, of Lessee's compliance with the terms of this Agreement or detailing any known issues of noncompliance.

(c) In the event Lessee or any Affiliate of Lessee requests from Landlord during the Option Period or Term grant of an easement for grid interconnection purposes on the Site (that may be separate from the Lease) or on any other property owned by Landlord neighboring the Site, Landlord shall grant such easement to the requesting party upon terms and conditions reasonably acceptable to Landlord and at Lessee's sole cost and expense. Landlord shall use reasonable commercial efforts to support Lessee or its Affiliates in conjunction with any grid interconnection sought by Lessee or Lessee's Affiliates, and Landlord shall, at Lessee's sole cost and expense, execute such additional documents, instruments and assurances and take such additional actions as Lessee or its Affiliate deems reasonably necessary or desirable with respect to such grid interconnection.

25. Recording.

(a) Memorandum of Agreement. Landlord agrees to execute a Memorandum of this Agreement, in form and substance satisfactory to the Parties, which shall be recorded with the appropriate recording officer. The date set forth in the Memorandum of this Agreement is for recording purposes only. Upon termination of this Agreement for any reason, Lessee shall promptly record with the Stanislaus County Recorder's Office a "quitclaim" acknowledging that the Memorandum is terminated and that Lessee has no further interest of any kind in and to the Site. A copy of the recorded quitclaim shall be provided to Landlord within ten (10) Business Days of termination of this Agreement. If Lessee fails to provide such copy within the time specified, Landlord may request in writing that Lessee provide same. If Lessee fails to do so within ten (10) Business Days of receipt of such request then Lessee hereby grants Landlord an irrevocable power of attorney, coupled with an interest, for the sole purpose of executing and recording such documentation as Landlord deems appropriate for extinguishing all rights of Lessee in and to the Site. Landlord shall provide Lessee with a copy of any documents filed or recorded pursuant to said power of attorney.

(b) Memoranda for Leased Site Option. If requested by Lessee, Landlord agrees to execute a Memorandum of Lease for each Leased Site Portion, in form and substance

 Lessee

satisfactory to the Parties, which shall be recorded with the appropriate County Recorder's Officer.

(c) **Ancillary Documentation.** Landlord agrees to Lessee's making of any filings against the Site Lessee deems appropriate to preserve Lessee's rights in the Site and Generating Facility. Landlord shall have the right to approve any documentation which may create a cloud on Landlord's title to the Site prior to Lessee's filing thereof.

26. **Default.**

(a) **Events of Default.** With respect to Landlord and Lessee, as applicable, an event of default ("**Event of Default**") shall exist under this Agreement:

(i) **Monetary Obligation.** Unless another time is provided for in this Agreement, such Party fails to pay any amount within thirty (30) Business Days after receipt of written notice (the "**Notice of Default**") that such amount is past due;

(ii) **Non-Payment of Benefit Payment.** Lessee fails to make a Benefit Payment (as defined in the Benefit Agreement) to Landlord in accordance with the terms of the Benefit Agreement.

(iii) **Insurance.** Lessee fails to obtain and maintain any policy of insurance required pursuant to this Agreement, and Lessee fails to cure such default within ten (10) Business Days following receipt of Notice of Default;

(iv) **Abandonment.** During the Term, Lessee abandons the Generating Facility, including without limitation Lessee's failure to operate the Generating Facility, for a continuous period of sixty (60) days following commencement of the operation thereof;

(v) **Bankruptcy; Reorganization.** Such Party files a petition or answer seeking reorganization or arrangement under the federal bankruptcy Laws or any other applicable law or statute of the United States of America or any State, district or territory thereof; or

(vi) **Cure.** Except as otherwise set forth in Paragraph 26(a)(i) and 26(a)(iii), a Party is in breach of any representation or warranty set forth herein or fails to perform any material obligation set forth in this Agreement and such breach or failure is not cured within thirty (30) days after Notice of Default from the non-defaulting Party; provided, however, that if the breach or failure is such that it cannot be cured within such thirty (30) day period using commercially reasonable efforts the cure period shall be extended up to an additional sixty (60) days so long as the defaulting Party is diligently pursuing such cure.

(b) **Failure to Give Notice of Default.** Failure to give, or delay in giving, Notice of Default shall not constitute a waiver of any obligation, requirement or covenant required to be performed hereunder. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any rights and remedies as to any breach shall not operate as a waiver of any breach or of any such rights or remedies. Delay by either Party in asserting any of its rights and remedies shall not deprive such Party of the right to institute and maintain any

action or proceeding which it may deem appropriate to protect, assert or enforce any such rights or remedies.

(c) **Statutory Notice.** Any notice given pursuant to this Paragraph shall be deemed to be the required statutory notice under Section 1161 of the California Code of Civil Procedures. Any other Notice of Default delivered hereunder shall require an additional statutory notice, not sooner than thirty (30) days after delivery of the initial Notice of Default, before any action for termination of this Agreement may be commenced by Landlord.

(d) **Remedies Upon Event of Default.** Upon an Event of Default by one Party, the other Party shall have the right, but not the obligation, to terminate or suspend this Agreement, in part or in whole as to the Site, with respect to all obligations arising after the effective date of such termination or suspension (other than payment obligations relating to obligations arising prior to such termination or suspension and any other obligations that survive termination). The defaulting Party shall be liable to reimburse the non-defaulting Party for such non-defaulting Party's expenses and costs relating to such default (including, but not limited to, reasonable attorney's fees). Subject to the other terms and conditions of this Agreement, each Party shall have all rights and remedies available at law and in equity for any breach of this Agreement by the other party.

27. **Dispute Resolution and Arbitration**

(a) The Parties, through their respective Chairman, CEO, President or other authorized representative, shall negotiate in good faith and attempt to resolve any dispute, controversy or claim arising out of or relating to this Agreement (a "**Dispute**") within thirty (30) days after the date that a Party gives written notice of such Dispute to the other Party.

(b) If, after such negotiation in accordance with Paragraph 27(a) above, the Dispute remains unresolved, either Party may require that a non-binding mediation take place. In such mediation, the Chairman, CEO, President or other authorized representative of each Party shall meet for at least three (3) hours or for a time otherwise agreed to between the parties with a mediator whom the Parties choose together. If the Parties are unable to agree on a mediator, then either Party is hereby empowered to request the mediation services of JAMS to appoint a mediator. The mediator's fee and expenses shall be paid one-half by each Party.

(c) In the event any Dispute is not settled to the mutual satisfaction of the Parties pursuant to Paragraphs 27(a) or 27(b), both Parties shall retain the right, but not the obligation, to pursue any legal or equitable remedy available to it in a court of competent jurisdiction.

(d) All mediations pursuant to Paragraph 27(b) shall be held at a location to be agreed to between the parties and, in absence of any agreement, in San Francisco, California. Any legal action or proceeding brought by either of the Parties against the other Party with respect to this Agreement or the transactions in connection with or relating hereto, may be brought in the courts of the State of California in Stanislaus County and, by execution and delivery of this Agreement, each of the Parties hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid court and waives any objection which it may have to the laying of venue of any proceedings brought in any such court;

and any claim that such proceedings have been brought in an inconvenient forum. Each of the Parties agrees that a judgment, after exhaustion of all available appeals, in any such action or proceeding shall be conclusive and binding upon each of the Parties, and may be enforced in any other jurisdiction, by a suit upon such judgment, a certified copy of which shall be conclusive evidence of the judgment.

28. Amendments. This Agreement may be amended only in writing signed by Lessee and Landlord or their respective successors in interest; provided, however, if Landlord has been notified that Lessee has assigned any of its rights, duties or obligations under this Agreement to a Lender, then the prior written consent of Lender is required as well. Only those amendments to this Agreement extending the Option Period, extending the Term, and reducing Annual Rent shall require prior written approval by the Stanislaus County Board of Supervisors to be valid and enforceable. Amendments to this Agreement not requiring prior written approval by the Stanislaus County Board of Supervisors in accordance with the immediately preceding sentence shall be valid and enforceable if in written form and signed by Lessee and Landlord (with written consent of Lender, if required under this Paragraph 28).

29. Notices. All notices, requests, statements or payments will be made to the addresses and persons specified below. All notices, requests, statements or payments will be made in writing except where this Agreement expressly provides that notice may be made orally. Notices required to be in writing will be delivered by hand delivery, overnight delivery, facsimile, or e-mail (so long as a copy of such e-mail notice is provided immediately thereafter in accordance with the requirements of this Paragraph 29 by hand delivery, overnight delivery, or facsimile). Notice by facsimile will (where confirmation of successful transmission is received) be deemed to have been received on the day on which it was transmitted (unless transmitted after 5:00 p.m. at the place of receipt or on a day that is not a Business Day, in which case it will be deemed received on the next Business Day). Notice by hand delivery or overnight delivery will be deemed to have been received when delivered. Notice by e-mail will be deemed to have been received when such e-mail is transmitted, so long as a copy of such e-mail notice is delivered immediately thereafter by hand delivery, overnight delivery, or facsimile. A Party may change its address by providing notice of the same in accordance with the provisions of this Paragraph 29.

If to Landlord:

Director of Environmental Resources
3800 Cornucopia Way, Suite C
Modesto, California 95358
Phone: 209-525-6700
Fax: 209-525-6774

[Handwritten initials for Landlord and Lessee]

With a copy to:

Chief Executive Officer
1010 10th Street, Suite 6800
Modesto, California 95354
Phone: (209) 525-6333
Fax: (209) 544-6226

If to Lessee:

Golden Hills Solar, LLC
c.o: Michael S. Warda, Esq.
2350 W. Monte Vista Ave
Turlock, California 95382

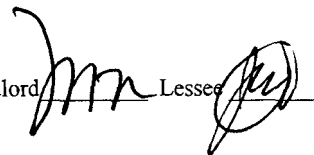
30. Entire Agreement; Amendments. This Agreement (including the exhibits, schedules and any written supplements or amendments) constitutes the entire agreement between the Parties, and shall supersede any prior oral or written agreements between the Parties, relating to the subject matter hereof. Except as otherwise expressly provided in this Agreement, in order to be effective any amendment, modification or change to this Agreement must be in writing and executed by both Parties.

31. Recitals. The Recitals set forth herein above are hereby incorporated in and made a part of this Agreement by this reference.

32. Survival. Any provision(s) of this Agreement that expressly or by implication comes into or remains in full force following the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

33. Severability. If any part, term, or provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination shall not affect or impair the validity, legality or enforceability of any other part, term or provision of this Agreement and shall not render this Agreement unenforceable or invalid as a whole. Rather the part of this Agreement that is found invalid or unenforceable will be amended, changed or interpreted to achieve as nearly as possible the same objectives and economic effect as the original provision, or replaced to the extent possible, with a legal, enforceable and valid provision that is as similar in tenor to the stricken provision, within the limits of applicable Law, and the remainder of this Agreement will remain in full force and effect.

34. Waiver. The waiver by either Party of any breach of any term, condition, or provision herein contained shall not be deemed to be a waiver of such term, condition, or provision, or any subsequent breach of the same, or any other term, condition, or provision contained herein.

Handwritten initials for the Landlord and Lessee. The Landlord's initials are 'JM' and the Lessee's initials are 'MSW'.

35. **Governing Law.** This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the state in which the Site is located.

36. **Brokerage Commissions.** Each Party warrants to the other that no person or entity has a right to claim a real estate commission, finder's fee or any other form of compensation with respect to the transaction contemplated by this Agreement (collectively, "*Real Estate Compensation*"). Each Party hereby agrees to indemnify, defend and hold harmless the other Party from and against claims for Real Estate Compensation asserted by any third party as a result of actions by the indemnifying Party claimed to give rise to brokerage commissions payable as a result of the execution of this Agreement, which indemnification shall survive the expiration or earlier termination of this Agreement.

37. **No Election of Remedies.** Except as expressly set forth in this Agreement, the exercise by either Party of any of its remedies under this Agreement will be without prejudice to such Party's other remedies under this Agreement or available at law or in equity.

38. **No Recourse to Affiliates.** This Agreement is solely and exclusively between the Parties, and any obligations created herein on the part of either Party shall be the obligations solely of such Party. No Party shall have recourse to any parent, subsidiary, partner, member, Affiliate, lender, director, officer or employee of the other Party for performance or non-performance of any obligation hereunder, unless such obligations were assumed in writing by the Person against whom recourse is sought.

39. **Relationships of Parties.** The Parties are independent contractors, and will not be deemed to be partners, joint venturers or agents of each other for any purpose, unless expressly stated otherwise herein.

40. **No Third Party Beneficiaries.** Nothing in this Agreement will provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind, except with respect to Lessee's Financing Parties to the extent expressly provided herein.

41. **Attorneys' Fees; Costs.** In the event of any action, claim, suit or proceeding between the Parties relating to this Agreement or the subject matter hereof, the prevailing Party will be entitled to recover its reasonable attorneys' fees and expenses and costs of such action, claim, suit or proceeding, in addition to any other relief granted or awarded. Each Party will bear its own costs and expenses relating to negotiating this Agreement and any additional documents relating hereto or thereto.

42. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which is an original and all of which together constitute one and the same instrument. A signature on a copy of this Agreement received by either Party by facsimile transmission or electronic signature is binding upon the other Party as an original.

43. **General Interpretation.** The terms of this Agreement have been negotiated by the Parties hereto and the language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the Party causing such

The image shows handwritten initials 'JMN' and a signature in black ink. The initials are written in a cursive style, and the signature is a more complex, flowing script.

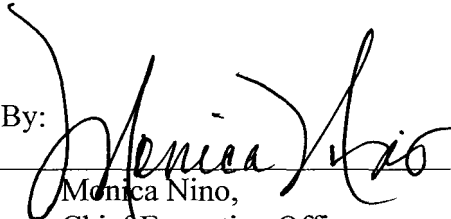
instrument of any portion thereof to be drafted, or in favor of the Party receiving a particular benefit under this Agreement. No rule of strict construction will be applied against any Person.


[Signature page to follow]

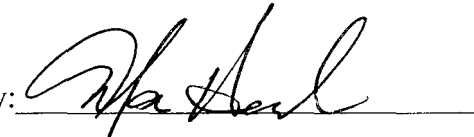
IN WITNESS WHEREOF, the parties have executed this Solar Generating Facility Land Option and Lease Agreement, affecting the Property with assessor parcel numbers 025-012-031, 025-012-033, 025-012-016, and 025-012-017, on the day and year first above written.

COUNTY OF STANISLAUS


GOLDEN HILLS SOLAR, LLC, a California limited liability company ^{1,2}

By: 
Monica Nino,
Chief Executive Officer

By: 
Its: Manager
Date: 5.16.13

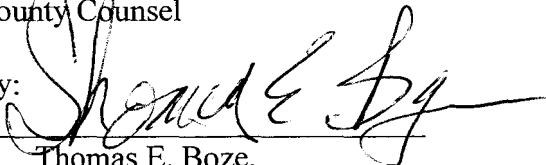
By: 
Its: CFO
Date: 5/16/13

APPROVED AS TO CONTENT:

By: 
Keith Boggs,
GSA Director/Purchasing Agent

APPROVED AS TO FORM:

John P. Doering
County Counsel

By: 
Thomas E. Boze,
Deputy County Counsel

¹ Lessee shall attach a copy the document authorizing the individual or corporate partner to execute this Agreement on its behalf.

² Lessee's signatures must be properly notarized.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Stanislaus }

On 05/16/2013 before me, Monique Sanders, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared James Brenda, Mark Heald
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature: Monique Sanders
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

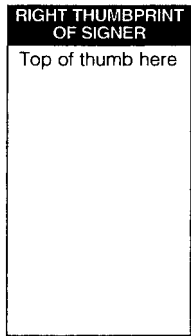
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

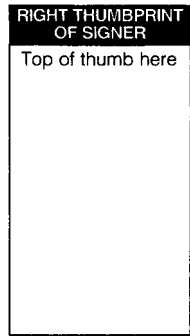
- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

EXHIBIT A

Stanislaus County Assessor Parcel Map

[Book 25, Page 12]

1. *APN:* 025-012-031– comprising approximately 1,001 acres.
2. 025-012-033 – comprising approximately 530 acres.
3. 025-012-017–comprising approximately 89 acres.
4. 025-012-016–comprising approximately 55 acres.

EXHIBIT A-1

Proposed Location and Acreage of Site

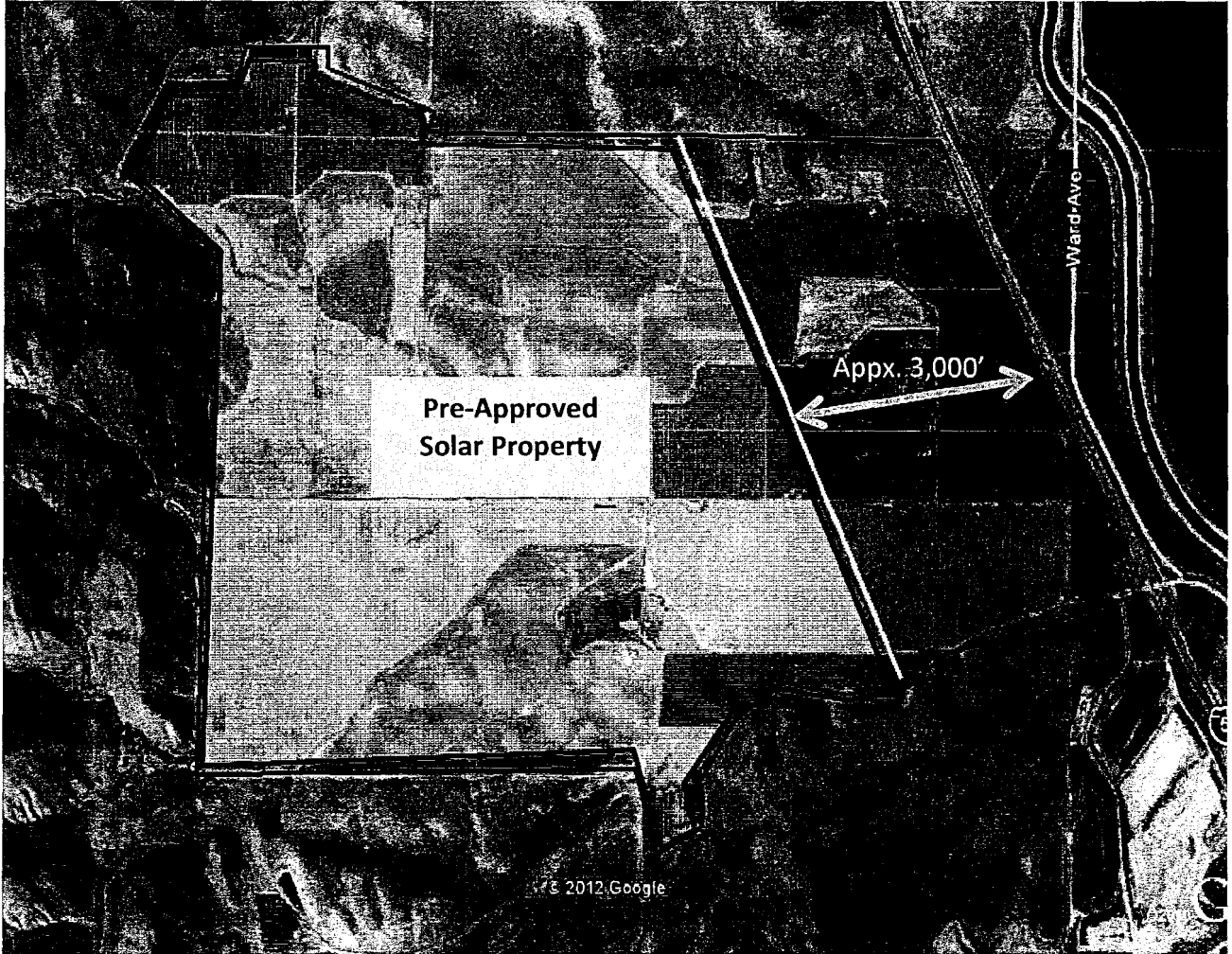
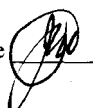


EXHIBIT B

Schedule of Property Liens

1. None

jm 

SOLAR GENERATING FACILITY

LONG-TERM FARMING LEASE

This Long-Term Farming Lease (this "*Lease*") is entered into on May 20, 2013, by and between the County of Stanislaus, a political subdivision of the State of California ("*Landlord*") and JKB Development, Inc., a California corporation ("*Farm Lessee*"), with reference to the facts and circumstances set forth in the Recitals below. Landlord and Farm Lessee are at times collectively referred to hereinafter as the "*Parties*" or individually as a "*Party*."

RECITALS

A. Landlord is the owner of certain real property in the County of Stanislaus, State of California, consisting of four (4) legal parcels, identified by assessor parcel numbers: 025-012-031, 025-012-033, 025-012-016 and 025-012-017, with a gross acreage of approximately 1,675 acres, as shown on the Assessor's Parcel Map attached hereto as Exhibit "A", together with any and all appurtenances and easements and all current and future improvements (excluding the Generating Facility) thereon (each, a "*Parcel*" and collectively, the "*Property*").

B. Concurrently with the Parties entering into this Lease, Landlord and an Affiliate of Farm Lessee, Golden Hills Solar, LLC., a California limited liability company ("*Optionee*"), and the Landlord are entering into that certain Solar Generating Facility Land Option and Lease Agreement (the "*Solar Agreement*") in connection with Optionee's intended development, construction and operation of a solar energy generating facility with a nameplate capacity of approximately 70MW(ac) (the "*Generating Facility*") on portion of the Property consisting of approximately 600 acres (the "*Site*").

C. Pursuant to the terms of the Option and Lease Agreement, the Optionee has been granted an option to lease the Site (the "*Lease Option*") from the Landlord for the purpose of developing, constructing and operating the Generating Facility.

D. It is the Parties desire that upon exercise by the Optionee of the Lease Option in accordance with the terms of the Option and Land Agreement, the Site or portions thereof, will be excluded from this Lease and Farm Lessee's rights with respect thereto will terminate.

E. Landlord and Farm Lessee are currently lessor and lessee, respectively, of a valid lease to farm the Property dated December 11, 2012, with a term of three years and containing two options to extend, each for one year. The existing lease contains provisions that terminate the lease upon exercise of the Option that gives rise to this Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, mutual covenants and agreements herein contained, and intending to be legally bound hereby, the Parties hereby agree as follows:

1. **Definitions.**

(a) “*Affiliate*” means an entity or person that (a) controls, is controlled by, or is under common control with another entity or person, (b) results from the merger or consolidation of an entity with another entity; or (c) results from the transfer of all or substantially all of an entity’s membership interests or assets, and “control” shall mean the direct, indirect or individual ownership of more than fifty percent (50%) of the total voting interest in the ordinary direction of the entity’s affairs.

(b) “*Rent*” shall have the meaning ascribed to such term in Paragraph 5(a) hereof.

(c) “*Base Rent Acreage*” shall have the meaning ascribed to such term in Paragraph 5(a) hereof.

(d) “*Business Day*” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday in Los Angeles, California.

(e) “*Dispute*” shall have the meaning ascribed to such term in Paragraph 26 hereof.

(f) “*Effective Date*” shall have the meaning ascribed to such term in Paragraph 2 hereof.

(g) “*Environmental Laws*” means all federal, state, local and regional Laws relating to the protection of human health or the environment including, without limitation, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1804, et seq., the Safe Drinking Water Act, the Clean Water Act, the Clean Air Act, the Toxic Substances Control Act, and any other applicable federal, state or local Law now in force or hereafter enacted relating to waste disposal or environmental protection with respect to hazardous, toxic, or other substances generated, produced, leaked, released, spilled or disposed of at or from any Site, as any of the same may be amended or supplemented from time to time, and any regulation promulgated pursuant thereto.

(h) “*Exercise Notice*” shall have the meaning ascribed to such term in Paragraph 6(b) hereof.

(i) “*Existing Farming Lease*” shall have the meaning ascribed to such term in Paragraph 2 hereof.

(j) “*Extension Term*” shall have the meaning ascribed to such term in Paragraph 4 hereof.

(k) “*Farm Lessee*” shall have the meaning ascribed to such term in the preamble hereof.

(l) “*Farm Lessee Indemnitees*” shall have the meaning ascribed to such term in Paragraph 17(b) hereof.

(m) “*Landlord*” shall have the meaning ascribed to such term in the preamble hereof.

(n) “*Landlord Indemnitees*” shall have the meaning ascribed to such term in Paragraph 17(a) hereof.

(o) “*Generating Facility*” shall have the meaning ascribed to such term in Recital B hereof.

(p) “*Governmental Entity*” means any government or any agency, bureau, board, commission, court, department, official, political subdivision, tribunal, program administrator or other instrumentality of any government, whether federal, state or local, domestic or foreign, or any Person, owned, operated, managed or otherwise controlled thereby.

(q) “*Harvest Termination Notice*” shall have the meaning ascribed to such term in Paragraph 6(b) hereof.

(r) “*Hazardous Materials*” means without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous substances, toxic substances, pollutants, contaminants, radon, asbestos, lead or lead based paint, oil and petroleum products and their by-products, polychlorinated biphenyls or related materials, and mold, dangerous fungi, bacterial or microbial matter contamination or pathogenic organisms that reproduce through the release of spores or the splitting of cells, as those terms may be used or defined in any Environmental Law.

(s) “*Initial Term*” shall have the meaning ascribed to such term in Paragraph 4 hereof.

(t) “*Law*” means any national, regional, state or local law, statute, rule, regulation, code, ordinance, administrative ruling, judgment, decree, order or directive of any jurisdiction applicable to this Lease or the transaction contemplated thereby.

(u) “*Lease*” shall have the meaning ascribed to such term in the preamble hereof.

(v) “*Lease Option*” shall have the meaning ascribed to such term in Recital C hereof.

(w) “*Lien*” shall mean any mortgage, chattel mortgage, deed of trust, pledge, lien, charge, encumbrance, lease, exercise of rights, security interest, lease in the nature of a security interest, statutory right in rem, or claim of any kind, including any thereof arising under any conditional sale agreement or title retention agreement.

(x) “*Memorandum of Lease*” shall have the meaning ascribed to such term in Paragraph 24 hereof.

(y) “*Optionee*” shall have the meaning ascribed to such term in Recital B hereof.

(z) “*Option and Lease Agreement*” shall have the meaning ascribed to such term in Recital B hereof.

(aa) “*Parcel*” shall have the meaning ascribed to such term in Recital A hereof.

(bb) “*Party*” or “*Parties*” shall have the meaning ascribed to such term in the preamble hereof.

(cc) “*Person*” means an individual, general or limited partnership, corporation, municipal corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Entity, limited liability company, or any other entity of whatever nature.

(dd) “*Property*” shall have the meaning ascribed to such term in Recital A hereof.

(ee) “*Site*” shall have the meaning ascribed to such term in Recital B hereof.

(ff) “*Term*” shall have the meaning ascribed to such term in Paragraph 4 hereof.

2. **Existing Farming Lease.** The Parties entered into that certain lease agreement dated December 11, 2012, (“*Existing Farming Lease*”) for the lease of the Property. The effective date of the terms of this Lease as stated herein shall be the date the Optionee delivers its first *Exercise Notice* to the Landlord (the “*Effective Date*”). On the Effective Date of this Lease, the Existing Farming Lease shall automatically terminate and be of no force and effect and the Parties rights and obligations with respect to the Property shall be governed exclusively by the provisions of this Lease. The termination of the Existing Farm Lease shall not operate as a bar to any claims of breach occurring prior to the termination.

3. **Agreement to Lease Property.** For and in consideration of the rents payable hereunder and covenants contained herein, the Landlord agrees to lease the Property to the Farm Lessee, and the Farm Lessee agrees to lease the Property from the Landlord on the terms and conditions set forth in this Lease.

4. **Lease Term.** The initial term of this Lease (the “*Initial Term*”) shall commence on the Effective Date and shall end on the twenty fifth (25th) anniversary of the Effective Date. The Farm Lessee shall have the right to extend the Initial Term for an additional term of Two (2) consecutive periods of one (1) year each (each such extension, an “*Extension Term*,” and, collectively with the Initial Term, “*Term*”) by giving the Landlord written notice of its intent to extend this Lease not later than one hundred eighty (180) days prior to the end of the Initial Term or the then current Extension Term. In the event the Farm Lessee elects to exercise its right to extend this Lease beyond the Initial Term, the terms and conditions in effect during the Initial Term shall be applicable during each Extension Term.

5. **Rent.**

(a) **Rent.** For each calendar year of this Lease, the Farm Lessee agrees to pay to the Landlord an annual rent in the amount of One Hundred Thousand Dollars (\$100,000.00) (the "**Rent**") payable on February 1 of the following year. The Rent shall increase each year on January 1 by an amount equal to one and one-half percent (1.5%) multiplied by the prior year's Rent for the duration of the Initial Term and each Extension Term. For example, if the Effective Date occurs in 2013 the Rent to be paid on February 1, 2014, will be \$101,500; and so forth. The amount of Rent is based on the total acreage of the Property immediately prior to the Effective Date and is determined to be one thousand six hundred seventy five (1,675) acres (the "**Base Rent Acreage**") with the understanding that up to six hundred (600) acres may be removed from the Property for the Site pursuant to the terms herein with no adjustment to the Base Rent amount.

(b) **Place for Payment of Base Rent and Other Amounts.** The Rent and any other amounts due to the Landlord in accordance with this Paragraph 5(b) shall be paid to the Landlord and remitted to the care of:

Director of Environmental Resources
3800 Cornucopia Way, Suite C
Modesto, California 95358
Phone: 209-525-6700
Fax: 209-525-6774

(c) **Untimely Payment of Rent.** In the event Lessee makes any Rent payment ten (10) days after the due date for such Rent payment set forth above (the "Delinquent Rent"), then the Farm Lessee shall pay to Landlord a late charge of Two Thousand Dollars \$2,000 as liquidated damages, in lieu of actual damages, for, inter alia, processing, accounting and collection expenses (the "**Rent Late Charge**"). As a separate amount not a part of the Rent Late Charge, Lessee shall pay interest on the amount of Delinquent Rent due to Landlord at the monthly rate of eight tenths of a percent (.8%) compound interest per month calculated on the amount of the relevant Quarterly Rent payment due from the date such payment should have been made until the date paid in full, plus accrued interest. In the event Farm Lessee is at least thirty (30) days late with payment of the Rent, then such non-payment by Farm Lessee shall constitute a default under the terms of this Agreement and Landlord shall send a default notice (the "**Rent Default Notice**") to Farm Lessee with a thirty (30) day curing period upon receipt of the Rent Default Notice by Farm Lessee. If Farm Lessee fails to cure the default prior to the end of the thirty (30) day cure period, Landlord shall have the right to terminate this Lease with such termination becoming effective on the tenth (10th) Business Day following Landlord's notice of termination provided to Lessee.

6. **Reduction in the Size of the Property.**

(a) **Landlord's Right to Claw Back Mitigation Lands.** Farm Lessor shall have the right to remove any portion of the Property for use as environmental mitigation land

provided that Lessor shall provide Farm Lessee twelve (12) months prior written notice. Only if the acreage of the Property is reduced as provided for in this Paragraph 6(a), shall the Base Rent be reduced in proportion to the acreage of the removed to the Base Rent Acreage; so that rent will be calculated by multiplying the then current Rent by a fraction, with the numerator as the acreage removed and the denominator as the Base Rent Acreage less the total acreage comprising the Site. For example, if 100 acres in aggregate are removed by the Landlord in the first year, the rent shall be calculated as: \$100,000 x [100 acres/1,675 acres – Site acreage].

(b) **Generating Facility Site:**

(i) **Pre-Approved Solar Property.** Landlord and Farm Lessee agree that the portion of the Property shown in Exhibit A-1 has been identified by the Landlord and Optionee as that portion of the Property, which may be leased to Optionee and upon which the Generating Facility will be developed. Farm Lessee agrees that Optionee may exercise its option to lease the Property in four separate portions in an acreage and location to be determined at the time by the delivery of the Optionee's *Exercise Notice*, (each portion, a "*Leased Site Portion*") in accordance with the terms of the Solar Agreement.

(ii) **Harvest Termination Notice.** Pursuant to the terms of the Solar Agreement, for each Leased Site Portion, sixty (60) days prior to the delivery of the Exercise Notice to Landlord, Optionee shall notify Landlord and the Farming Lessee in writing of its intent to deliver to Landlord an Exercise Notice (the "*Harvest Termination Notice*"). Prior to delivery of the Harvest Termination Notice, Optionee and Farming Lessee shall use commercially reasonable efforts to coordinate a vacation date in order to minimize any losses in connection with the harvest of Farming Lessee's crops on the Property.

(iii) **Vacation of Site and Termination of Lease.** Following receipt of each Harvest Termination Notice, Farming Lessee shall vacate the applicable Leased Site Portion within sixty (60) days of the delivery of the applicable Harvest Termination Notice. This Lease shall terminate with respect to that portion of the Property to which each Exercise Notice relates on the date of delivery thereof to the Landlord by the Optionee, but shall continue in accordance with its terms with respect to the remaining portion of the Property.

(c) **Damages and Reimbursement.** Farming Lessee hereby releases Landlord and waives any claim for damages of any kind whatsoever that it may have against Landlord arising out of or related to the termination of the Lease with respect to: (i) any claw back of the Property by Landlord provided in Paragraph 6 (a); or (ii) as to any Leased Site Portion or the Site provided in Paragraph 6 (b). Farming Lessee acknowledges that in entering into the Solar Agreement, Optionee agreed to reimburse and be liable to Farm Lessee, and Landlord for any and all damages incurred by the Farming Lessee accruing out of the termination of the Farming Lease for each Leased Site Portion, said amount to be determined by Lessee and Farm Lessee, (the "**Reimbursement Amount**") and Optionee shall deposit the Reimbursement Amount for the applicable Leased Site Portion with the Escrow Company as a condition of Sub-Escrow Closing on each Lease Site Portion. Landlord hereby assigns to Farming Lessee all of its right, title and interest to the aggregate Reimbursement Amount to be received from the Lessee, which amount shall be delivered by the Escrow Company to the Farming Lessee upon Sub-Escrow Closing.

FARMING LESSEE CERTIFIES THAT IT HAS READ SECTION 1542 OF THE CIVIL CODE, WHICH PROVIDES:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

FARMING LESSEE HEREBY WAIVES APPLICATION OF SECTION 1542 OF THE CIVIL CODE.

FARMING LESSEE UNDERSTANDS AND ACKNOWLEDGES THAT THE SIGNIFICANCE AND CONSEQUENCES OF THIS WAIVER OF SECTION 1542 OF THE CIVIL CODE IS THAT THE FARMING LESSEE WILL NOT BE PERMITTED TO MAKE ANY CLAIMS FOR INJURY AND/OR DAMAGES THAT MAY EXIST AS OF THE DATE OF THIS RELEASE BUT WHICH FARMING LESSEE DOES NOT KNOW EXIST, AND WHICH, IF KNOWN, WOULD MATERIALLY AFFECT THE FARMING LESSEE'S DECISION TO EXECUTE THIS RELEASE, REGARDLESS OF WHETHER FARMING LESSEE'S LACK OF KNOWLEDGE IS THE RESULT OF IGNORANCE, OVERSIGHT, ERROR, NEGLIGENCE OR ANY OTHER CAUSE.

7. **Termination of Option and Lease Agreement.** If following the termination of this Lease for the Site or portion thereof, the Optionee exercises its one-time right to terminate the Option and Lease Agreement in accordance therewith, then, upon the effective date of such termination, the Parties shall meet and confer with respect to the feasibility of entering into a new lease agreement for the Site on terms substantially similar to those set forth herein.

8. **Permitted Use.** The Farm Lessee shall use the Property solely for farming purposes. The Farm Lessee shall not change the use of the Property without first obtaining the written consent of Landlord, which consent may not be unreasonably withheld. The Farm Lessee shall, at the Farm Lessee's own cost and expense, comply with all statutes, ordinances, regulations, and requirements of all governmental entities, both federal and state and county or municipal, including those requiring capital improvements to the Property, relating to any use and occupancy of the Property (and specifically not limited to any particular use or occupancy by the Farm Lessee), whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. If any license, permit, or other governmental authorization is required for the lawful use or occupancy of the Property or any portion thereof, the Farm Lessee shall procure and maintain it throughout the term of this Lease. The judgment of any court of competent jurisdiction, or the admission by the Farm Lessee in a proceeding brought against the Farm Lessee by any government entity, that the Farm Lessee has violated any such statute,

ordinance, regulation, or requirement shall be conclusive as between the Landlord and the Farm Lessee and shall constitute grounds for termination of this Lease by the Landlord. The Farm Lessee shall not use or permit the Property or any portion thereof to be improved, developed, used, or occupied in any manner or for any purpose that is in any way in violation of any applicable Law. The Farm Lessee shall not maintain, commit, or permit the maintenance or commission of any nuisance as now or hereafter defined by any Law applicable to the Property or any part thereof. Notwithstanding the foregoing, this Paragraph 8 shall not apply to the Site.

9. Utilities.

(a) Upon commencement of this Lease, Landlord shall not be responsible for any cost of water, water improvements, pumps, well construction, and well maintenance or testing. Notwithstanding, Landlord shall maintain its utility account with Turlock Irrigation District for the Property and Farm Lessee shall reimburse Landlord for all electricity expenses as set forth below.

(b) The Farm Lessee shall pay or cause to be paid, and hold the Landlord and the Landlord's property including the Property free and clear of all charges for the provision of gas, telephone service, and other public utilities to, and the removal of garbage and rubbish from the Property during the Term of this Lease, except that the Landlord shall advance all costs associated with the purchase of irrigation water and electricity. The Landlord and the Farm Lessee acknowledge that there are substantial costs associated with the purchase of irrigation water and electricity required for the irrigation of the almond orchards located on the Property.

(c) The Farm Lessee covenants that it (a) will reimburse the Landlord a sum equal to the advances paid by the Landlord for irrigation water and electricity, and (b) will reimburse the Landlord for such advances from the first payment(s) received by the Farm Lessee from any third party as payment for the almond crop harvested from the Property but in any event such reimbursement shall be made before January 31 of each calendar year. The Landlord shall forward all invoices for water and electricity to the Farm Lessee within five (5) days of receipt thereof.

10. Taxes.

(a) Pursuant to the provisions of the California Revenue and Taxation Code Section 107.6, Farm Lessee is hereby advised that the terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Farm Lessee, Farm Lessee may be subjected to the payment of real property taxes levied on such interest. Farm Lessee shall be solely responsible for the payment of any such real property taxes. Farm Lessee shall pay all such taxes when due, and shall not allow any such taxes, assessments or fees to become a lien against the Premises or any improvement thereon; provided, however, that nothing herein shall be deemed to prevent or prohibit Farm Lessee from contesting the validity of any such tax, assessment or fee in a manner authorized by law. In addition, Farm Lessee shall be solely responsible for payment of any taxes or assessments levied upon any improvements, fixtures or personal property located on the Premises, to the extent that such taxes or assessments result from the business or other activities of Farm Lessee upon, or in connection with, the Site.

(b) Landlord shall not be obligated to pay any taxes or assessments accruing against Farm Lessee on any Leased Site Portion or any interest therein during the Lease Term, or any extension thereof; all such payments shall be the sole responsibility of Farm Lessee.

(c) Within thirty (30) business days after Effective Date, the Parties shall submit to the County a "Statement of Separate Ownership" under California Revenue and Tax Code section 2188.2 specifying their respective interests in the Property. Each Party shall notify the Stanislaus County Tax Assessor and Tax Collector of the proper address for its respective tax bill. Landlord shall submit the real property tax bill to Farm Lessee within ten (10) days after Landlord receives the bill from the taxing authority. Farm Lessee shall pay its portion of the real property taxes directly to the taxing authority. Landlord shall pay its portion of the real property taxes, and if Landlord fails to do so prior to any delinquency date, Farm Lessee shall be entitled (but not obligated) to make payments, including any late penalties, in fulfillment of Landlord's obligations to the taxing authority and may offset the amount of such payments from amounts due Landlord under this Agreement.

(d) As used herein, the term "taxes" means all taxes, governmental bonds, special assessments, Mello-Roos assessments, charges, rent income or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal, personal or corporate income tax, or any real or personal property tax, (ii) any estate inheritance taxes, (iii) any franchise, succession or transfer taxes, (iv) interest on taxes or penalties resulting from Farm Lessee's failure to pay taxes, (v) any increases in taxes attributable to the sale of Farm Lessee's leasehold interest in the Premises, or (vi) any taxes which are essentially payments to a governmental agency for the right to make improvements to the Premises.

11. **Agricultural Practices.** The Farm Lessee shall follow the agricultural practices that are generally recommended for and that are best adapted to the Property and appropriate for the location of the Property. During and throughout the Term of this Lease, the Farm Lessee shall keep and maintain the Property in approximately the same condition as it is as of the Effective Date, except for normal aging of the trees and wear and tear. The Farm Lessee shall perform weed abatement and erosion control on any unfarmed areas of the Property.

12. **Costs of Operations.** The Farm Lessee shall pay for the all costs associated with the Property, including but not limited to, labor, utilities, water, power, machinery, equipment, fertilizer, insecticides necessary and appropriate to operate and manage the Property.

13. **Insecticides; Pesticides.** The Farm Lessee shall store and use pesticides, fertilizers and other chemicals, and dispose of containers in accordance with the applicable Law. The Farm Lessee shall maintain and furnish to the Landlord at the Landlord's request a field by field record of the amount, kinds and dates of applications of fertilizers and pesticides.

14. **No Interference.**

(a) The Landlord shall not erect any structures or make any improvements on any portion of the Property that would be inconsistent with the permitted use of the Property described in Paragraph 8 above.

(b) The Farm Lessee shall use commercially reasonable efforts to minimize any interference with the development, construction, operation and maintenance of the Generating Facility on the Site.

15. Representations and Warranties of the Parties.

(a) In addition to the representations and warranties specified elsewhere in this Lease, in order to induce the Landlord to enter into this Lease, the Farm Lessee covenants, represents and warrants as follows:

(i) The Farm Lessee has full authority to enter into, execute, deliver and perform this Lease and is not in default under any material agreement affecting the Farm Lessee's ability to perform its obligations hereunder.

(ii) There is no claim, litigation, proceeding or governmental investigation pending or, so far as is known to the Farm Lessee, threatened against or relating to the Farm Lessee which is in conflict with this Lease.

(iii) Upon notice from the Landlord or Optionee, the Farm Lessee will perform its obligations with respect to the vacation of the Site as provided herein.

(b) In order to induce the Farm Lessee to enter into this Lease, the Landlord covenants, represents and warrants as follows:

(i) The Landlord is the owner of fee simple title of each of the Parcels.

(ii) The Landlord has full authority to enter into, execute, deliver and perform this Lease.

(iii) To Landlord's actual knowledge without having conducted any research or due diligence review, there are no Liens, except for those Liens described in the attached Exhibit "B".

(iv) To the Landlord's knowledge without having conducted any research or due diligence review, there are no Hazardous Materials present on any portion of the Property and the Landlord has no actual knowledge without having conducted any research or due diligence review of any violation of Environmental Laws relating to the Property. The Landlord has no knowledge without having conducted any research or due diligence review of any underground storage tanks located on the Property. To the Landlord's knowledge, the Landlord has not manufactured, introduced, released or discharged from or onto the Property, the soil or the groundwater any Hazardous Materials nor permitted the same, and, to the Landlord's knowledge, the Landlord has not used or permitted the use of the Property or any part thereof for the generation, treatment, storage, handling or disposal of any Hazardous Materials.

(v) To the Landlord's knowledge without having conducted any research or due diligence review, there is no claim, litigation, proceeding or governmental

investigation pending or so far as is known to the Landlord, threatened against or relating to the Landlord or the Property which is in conflict with this Lease or which could have a material adverse impact upon the Farm Lessee's intended use of the Property.

(vi) No portion of the Property, including the Site, is subject to the California Land Conservation Act of 1965, more commonly referred to as the "*Williamson Act*".

16. [Reserved]

17. **Indemnity and Liability.**

(a) **Farm Lessee Indemnity.** Farm Lessee shall indemnify, defend with counsel reasonably acceptable to Landlord, and hold harmless Landlord, its shareholders, directors, officers, agents, employees, volunteers and representatives (the "*Landlord Indemnitees*") of and from any claim, demand, lawsuit, or action of any kind for injury to or death of persons, including, but not limited to, employees of Lessee or Landlord, and damage or destruction of property, including, but not limited to, property of Lessee, any utility company or Landlord, or other loss or damage incurred by Landlord (collectively, "Claim" or "Claims"), arising out of (i) Farm Lessee's use of the Property; (ii) the alternation, work, or things done in, on or about the Site; or (iii) the material breach by Farm Lessee of any of its obligations under this Agreement regardless of whether a Claim is caused in part by the negligent act or omission of the Landlord. The obligation to indemnify shall extend to and encompass all costs incurred by Landlord and any Landlord Indemnitee in defending such Claims, including, but not limited to, attorney, witness and expert witness fees, and any other litigation related expenses. Lessee's obligations pursuant to this Paragraph 17(a) shall not extend to Claims for liability to the extent attributable to the sole negligence or wilful misconduct of Landlord, the Landlord Indemnitees, or their respective contractors, successors or assigns, or to the acts of third parties. Lessee shall pay any cost that may be incurred by Landlord or the Landlord Indemnitees in enforcing this indemnity, including reasonable attorney fees.

(b) **Landlord Indemnity.** Landlord shall indemnify, defend and hold harmless Farm Lessee, its members, directors, officers, agents, employees, volunteers and representatives (the "*Farm Lessee Indemnitees*") of and from all Claims, to the extent caused by (i) the sole negligence or wilful misconduct of Landlord, its agents, officers, directors, employees or contractors, (ii) any breach by Landlord of any of its obligations under this Agreement. The obligation to indemnify shall extend to and encompass all costs incurred by Farm Lessee and any Farm Lessee Indemnitee in defending such claims, demands, lawsuits or actions, including, but not limited to, attorney, witness and expert witness fees, and any other litigation related expenses. Landlord's obligations pursuant to this Paragraph 17(b) shall not extend to claims, demands, lawsuits or actions for liability to the extent attributable to the negligence or wilful misconduct of Farm Lessee, the Farm Lessee Indemnitees, or their respective contractors, successors or assigns, or the acts of third-parties. Landlord shall pay any cost that may be incurred by Farm Lessee or the Lessee Indemnitees in enforcing this indemnity, including reasonable attorney fees.

(c) **No Consequential Damages.** Notwithstanding any provision in this Lease to the contrary, neither the Farm Lessee nor the Landlord shall be liable to the other for

incidental, consequential, special, punitive or indirect damages, including without limitation, loss of use, loss of profits, cost of capital or increased operating costs, arising out of this Lease whether by reason of contract, indemnity, strict liability, negligence, intentional conduct, breach of warranty or from breach of this Lease. The foregoing provision shall not prohibit the Farm Lessee or the Landlord from seeking and obtaining general contract damages for a breach of this Lease.

18. **Liability Insurance.** Throughout the Term, Lessee shall, at Lessee's sole cost and expense, keep in force the following insurance coverage:

(a) **General Liability Insurance.** Lessee and all contractors working on behalf of Lessee shall maintain a commercial general liability policy in the amount of two million dollars (\$2,000,000) combined single limit per occurrence, and two million dollars (\$2,000,000) in the aggregate, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Landlord as additional insured.

(b) **Automobile Insurance.** Lessee and all contractors working on behalf of Lessee shall maintain comprehensive automobile liability coverage in the amount of two million dollars (\$2,000,000), combined single limit including coverage for owned and non-owned vehicles. Automobile liability policies shall name the Landlord as additional insured.

(c) **Worker's Compensation.** Farm Lessee will deliver or cause to be delivered to Landlord evidence satisfactory to Landlord that Lessee and all contractors with whom Farm Lessee has contracted for the performance of work on the Site or otherwise pursuant to this Agreement carries workers' compensation as required by law.

(d) **Increase in Insurance Amount Required.** Once every five (5) years during the Term, the amount of the insurance required pursuant to this Paragraph 18 shall be increased. The increase shall be equal to the percentage increase of the producer price index ("PPI") for the County of Stanislaus for the prior sixty (60) month period (November 1 of year one (1) through October 31 of year five (5) of the applicable prior five-year time period).

(e) **Additional Requirements.** Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII or such other rating as approved by Landlord. The Commercial General Liability and comprehensive automobile policies required hereunder shall name Landlord and its respective officers, officials, agents, employees, and representatives as additional insureds. Property insurance shall name Landlord as loss payee. Prior to commencement of the lease and any construction work, Farm Lessee shall furnish Landlord with certificates of insurance in form acceptable to Landlord evidencing the required insurance coverage and duly executed endorsements evidencing such additional insured status. The certificates shall contain a statement of obligation on the part of the carrier to notify Landlord of any material change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation, termination or non-renewal. Coverage provided by Farm Lessee shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by Landlord, and the

policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of Landlord. Lessee shall furnish the required certificates and endorsements to Landlord within the time provided herein, and shall provide Landlord with certified copies of the required insurance policies upon request of Landlord.

19. [Reserved]

20. **Assignment.** The Farm Lessee shall not assign any of its rights or interests under this Lease without the Landlord's prior written consent. Any purported assignment in violation of this Paragraph 20 shall be null and void.

21. **Farm Lessee's Right to Sublease.**

(a) **General.** Farm Lessee shall have the right to sublease all or any portion of the Property from time to time, and at all times during the Term of this Lease, without Landlord's consent; provided, however, that the following conditions are met:

(i) The term of any sublease shall not extend beyond the Term of this Lease;

(ii) Any and all subleases shall be expressly made subject to all of the terms, covenants, and conditions of this Lease; and

(iii) Any subtenant shall be required to attorn to Landlord in the event of Farm Lessee's default under this Lease.

(b) **No Release of Farm Lessee.** Following any sublease by Farm Lessee in accordance with this Paragraph, Farm Lessee shall not be relieved of any obligation to be performed by Farm Lessee under this Lease, whether occurring before or after such subletting. Each subtenant shall be jointly and severally liable with Farm Lessee (and Farm Lessee shall be jointly and severally liable with each subtenant) for the payment of rent (or, in the case of a sublease, rent in the amount set forth in the sublease) and for the performance of all other terms and provisions of this Lease.

22. **Transfers to or by Corporation.** Notwithstanding Paragraph 20 above, Farm Lessee may, without the prior consent of Landlord, transfer and assign all of Farm Lessee's interest under the Lease and the leasehold estate created under this lease to a corporation now or hereafter organized in which Farm Lessee owns at least 50 percent of all outstanding shares of stock. If Farm Lessee is a corporation, or if Farm Lessee's interest in this Lease is assigned to a corporation under the immediately preceding sentence, any transfer or assignment of any stock or interest in the corporation totaling in the aggregate more than 50 percent of all such stock or interest in the corporation shall be considered an assignment of this Lease requiring the prior written consent of Landlord; provided, however, that for the calculation of the 50 percent threshold in the immediately preceding sentence, any transfer of shares to a shareholder's spouse, children, or grandchildren caused by the shareholder's death shall be excluded.

23. **Subordination of Farm Lessee's Interest.** At any point during the term of the Solar Agreement, upon written request from Landlord, the Farm Lessee agrees to subordinate its

interest to that portion of the Property which will be required by the Optionee for purposes of an easement or right of way for the construction of the gen-ties associated with the Generating Facility. The Farm Lessee agrees to execute and deliver any documents reasonably required to effectuate the subordination of its interest in the relevant portion of the Property as described in the immediately preceding sentence.

24. **Memorandum of Lease.** Concurrent with the execution of this Lease, the Landlord shall deliver to the Farm Lessee a signed and notarized Memorandum of Farm Lease ("**Memorandum of Lease**") with the authority to record the Memorandum of Lease with the respective county recorder. The Memorandum of Lease shall be in the form attached hereto as Exhibit "C". The Farm Lessee shall be responsible for all recordation costs.

25. **Further Assurances.** Upon the receipt of a written request from the other Party, each Party shall execute such additional documents, instruments and assurances and take such additional actions as are reasonably necessary and desirable to carry out the terms and intent hereof. Neither Party shall unreasonably withhold, condition or delay its compliance with any reasonable request made pursuant to this this Paragraph 25. The Farm Lessee shall be responsible for reasonable costs that the Landlord incurs as a result of the Landlord's obligations under this Paragraph 25.

26. **Dispute Resolution and Arbitration.**

(a) The Parties, through their respective Chairman, CEO, President or other authorized representative, shall negotiate in good faith and attempt to resolve any dispute, controversy or claim arising out of or relating to this Agreement (a "**Dispute**") within thirty (30) days after the date that a Party gives written notice of such Dispute to the other Party.

(b) If, after such negotiation in accordance with Paragraph 26(a) above, the Dispute remains unresolved, either Party may require that a non-binding mediation take place. In such mediation, the Chairman, CEO, President or other authorized representative of each Party shall meet for at least three (3) hours with a mediator whom the Parties choose together. If the Parties are unable to agree on a mediator, then either Party is hereby empowered to request the mediation services of JAMS to appoint a mediator. The mediator's fee and expenses shall be paid one-half by each Party.

(c) In the event any Dispute is not settled to the mutual satisfaction of the Parties pursuant to Paragraph 26(a) or 26(b), both Parties shall retain the right, but not the obligation, to pursue any legal or equitable remedy available to it in a court of competent jurisdiction.

(d) All mediations pursuant to Paragraph 26(b) shall be held in San Francisco, California. Any legal action or proceeding brought by either of the Parties against the other Party with respect to this Lease or the transactions in connection with or relating hereto, may be brought in the courts of the State of California in Stanislaus County and, by execution and delivery of this Lease, each of the Parties hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid court and waives any objection which it may have to the laying of venue of any proceedings brought in

any such court; and any claim that such proceedings have been brought in an inconvenient forum. Each of the Parties agrees that a judgment, after exhaustion of all available appeals, in any such action or proceeding shall be conclusive and binding upon each of the Parties, and may be enforced in any other jurisdiction, by a suit upon such judgment, a certified copy of which shall be conclusive evidence of the judgment.

27. **Miscellaneous.**

(a) **Amendments.** In order to be effective, any amendment, modification or change to this Lease must be in writing and executed by both Parties.

(b) **Notices.** All notices, requests, statements or payments will be made to the addresses and persons specified below. All notices, requests, statements or payments will be made in writing except where this Lease expressly provides that notice may be made orally. Notices required to be in writing will be delivered by hand delivery, overnight delivery, facsimile, or e-mail (so long as a copy of such e-mail notice is provided immediately thereafter in accordance with the requirements of this Paragraph 27(b) by hand delivery, overnight delivery, or facsimile). Notice by facsimile will (where confirmation of successful transmission is received) be deemed to have been received on the day on which it was transmitted (unless transmitted after 5:00 p.m. at the place of receipt or on a day that is not a Business Day, in which case it will be deemed received on the next Business Day). Notice by hand delivery or overnight delivery will be deemed to have been received when delivered. Notice by e-mail will be deemed to have been received when such e-mail is transmitted, so long as a copy of such e-mail notice is delivered immediately thereafter by hand delivery, overnight delivery, or facsimile. A Party may change its address by providing notice of the same in accordance with the provisions of this Paragraph 27(b).

JKB Development, Inc.
P.O. Box 2998
Turlock, CA 95382

Stanislaus County
Department of Environmental Resources
3800 Cornucopia Way
Modesto, CA 95358

(c) **Entire Agreement.** This Lease (including any exhibits, schedules and appendices hereto) constitutes the entire agreement between the Parties and shall supersede any prior or contemporaneous oral or written agreements between the Parties relating to the subject matter hereof.

(d) **Survival.** Any provisions of this Lease that expressly or by implication comes into or remains in full force following the termination or expiration of this Lease shall survive the termination or expiration of this Lease.

(e) **Severability.** If any part, term, or provision of this Lease is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination shall

not affect or impair the validity, legality or enforceability of any other part, term or provision of this Lease and shall not render this Lease unenforceable or invalid as a whole. Rather the part of this Lease that is found invalid or unenforceable will be amended, changed or interpreted to achieve as nearly as possible the same objectives and economic effect as the original provision, or replaced to the extent possible, with a legal, enforceable and valid provision that is as similar in tenor to the stricken provision, within the limits of applicable Law, and the remainder of this Lease will remain in full force and effect.

(f) **Waiver.** The waiver by either Party of any breach of any term, condition, or provision herein contained shall not be deemed to be a waiver of such term, condition, or provision, or any subsequent breach of the same, or any other term, condition, or provision contained herein.

(g) **Headings.** The paragraph headings herein are inserted only for convenience of reference and shall in no way define, limit or describe the scope or intent of a provision of this Lease.

(h) **Recitals.** The Recitals set forth herein above are hereby incorporated in and made a part of this Lease by this reference.

(i) **Brokerage Commissions.** Each Party hereby agrees to indemnify, defend and hold harmless the other Party from and against claims for brokerage commissions asserted by any third party as a result of actions by the indemnifying Party claimed to give rise to brokerage commissions payable as a result of the execution of this Lease, which indemnification shall survive the expiration or earlier termination of this Lease.

(j) **Governing Law.** This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State in which the Property is located, without regard to its conflicts of law principles, except to the extent they defer to such State laws.

(k) **No Election of Remedies.** Except as expressly set forth in this Lease, the exercise by either Party of any of its remedies under this Lease will be without prejudice to such Party's other remedies under this Lease or available at law or in equity.

(l) **No Recourse to Affiliates.** This Lease is solely and exclusively between the Parties, and any obligations created herein on the part of either Party shall be the obligations solely of such Party. No Party shall have recourse to any parent, subsidiary, partner, member, Affiliate, lender, director, officer or employee of the other Party for performance or non-performance of any obligation hereunder, unless such obligations were assumed in writing by the Person against whom recourse is sought.

(m) **Relationships of Parties.** The Parties are independent contractors, and will not be deemed to be partners, joint venturers or agents of each other for any purpose, unless expressly stated otherwise herein.

(n) **No Third Party Beneficiaries.** Nothing in this Lease will provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind.

(o) **Attorneys' Fees; Costs.** In the event of any action, claim, suit or proceeding between the Parties relating to this Lease or the subject matter hereof, the prevailing Party will be entitled to recover its reasonable attorneys' fees and expenses and costs of such action, claim, suit or proceeding, in addition to any other relief granted or awarded. Each Party will bear its own costs and expenses relating to negotiating this Lease and any additional documents relating hereto or thereto.

(p) **Counterparts.** This Lease may be executed in one or more counterparts, each of which is an original and all of which together constitute one and the same instrument. A signature on a copy of this Lease received by either Party by facsimile transmission or electronic signature is binding upon the other Party as an original.

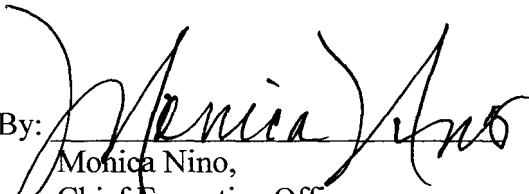
(q) **General Interpretation.** The terms of this Lease have been negotiated by the Parties hereto and the language used in this Lease shall be deemed to be the language chosen by the Parties hereto to express their mutual intent. This Lease shall be construed without regard to any presumption or rule requiring construction against the Party causing such instrument of any portion thereof to be drafted, or in favor of the Party receiving a particular benefit under this Lease. No rule of strict construction will be applied against any Person.

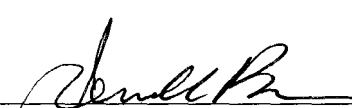
[Signature page to follow]


IN WITNESS WHEREOF, the Parties have executed this Lease affecting the Property with assessor parcel numbers 025-012-031, 025-012-033, 025-012-016, and 025-012-017, on the day and year first above written.

COUNTY OF STANISLAUS

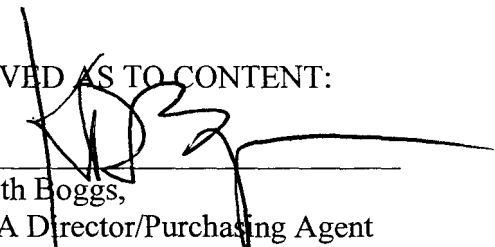
JKB Development, Inc.^{1,2}

By: 
Monica Nino,
Chief Executive Officer

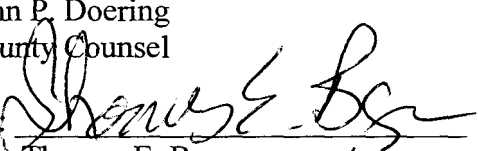
By: 
Print: JAMES K. BRENNAN
Its: President
Date: 5.16.13

By: 
Print: MARC HEALD
Its: CFO/SECRETARY
Date: 5/16/13

APPROVED AS TO CONTENT:

By: 
Keith Boggs,
GSA Director/Purchasing Agent

APPROVED AS TO FORM:

John P. Doering
County Counsel
By: 
Thomas E. Boze,
Deputy County Counsel

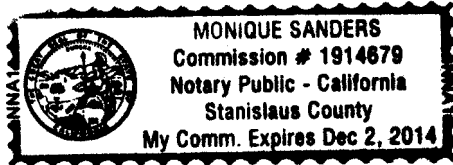
¹ Farming Lessee shall attach a copy the document authorizing the individual or corporate partner to execute this Agreement on its behalf.

² Farming Lessee's signatures must be properly notarized.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of Stanislaus }
 On 05/14/2013 before me, Monique Sanders, Notary Public
Date Here Insert Name and Title of the Officer
 personally appeared James Brenda, Mark Heald
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Monique Sanders
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

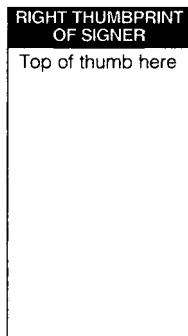
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

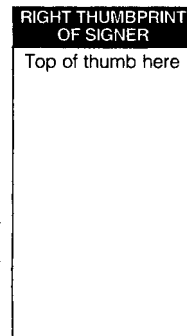
- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

EXHIBIT A
Stanislaus County Assessor Parcel Map
[Book 25, Page 12]

1. 025-012-031– comprising approximately 1,001 acres.
2. 025-012-033 – comprising approximately 530 acres.
3. 025-012-017–comprising approximately 89 acres.
4. 025-012-016–comprising approximately 55 acres.

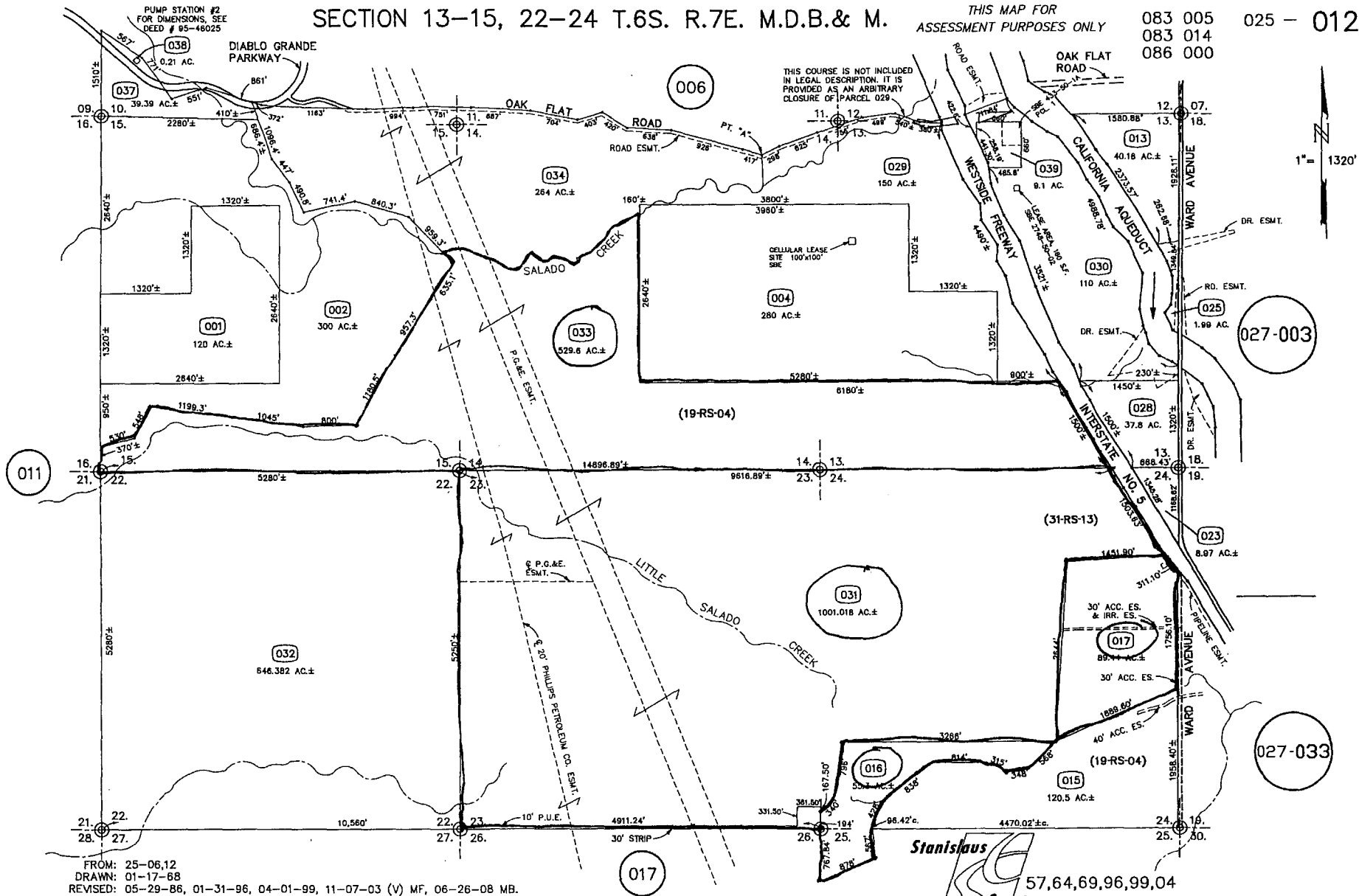
JMN *[Signature]*

SECTION 13-15, 22-24 T.6S. R.7E. M.D.B.& M.

THIS MAP FOR ASSESSMENT PURPOSES ONLY

083 005
083 014
086 000
025 - 012

EXHIBIT "A"



FROM: 25-06,12
DRAWN: 01-17-88
REVISED: 05-29-86, 01-31-96, 04-01-99, 11-07-03 (V) MF, 06-26-08 MB.

Copyright 2001 Stanislaus County-All rights reserved

Stanislaus County Assessor
57,64,69,96,99,04

025 - 012

EXHIBIT A-1

Proposed Location of Site




Handwritten initials for Landlord and Lessee.

EXHIBIT B
Schedule of Property Liens

1. None

Handwritten initials for Landlord and Lessee.

EXHIBIT "C"
Memorandum of Lease

jm 

Recording Requested By And)
When Recorded Mail to:)
JKB Development, Inc.)
P.O. Box 2998)
Turlock, CA 95382)
)

(Space above this line for Recorder's Use)

Stanislaus County, California
APN's: 025-012-016, 025-012-017, 025-012-031 and 025-012-033

DOCUMENT TRANSFER TAX IS: \$0, because lease term is less than 35 years

SIGNATURE OF DECLARANT OR AGENT DETERMINING TAX

MEMORANDUM OF
LONG-TERM FARMING LEASE

THIS MEMORANDUM OF LONG-TERM FARMING LEASE ("**Memorandum**") is dated as of the 20th day of May, 2013, between the County of Stanislaus, a political subdivision of the State of California ("**Landlord**") and JKB Development, Inc., a California corporation ("**Farm Lessee**"), This Memorandum is in reference to the Long-Term Farming Lease (the, "**Farm Lease**") made and entered into as of the 20th day of May, 2013 (the "Effective Date.) Lessee and Landlord are at times collectively referred to hereinafter as the "Parties" or individually as a "Party."

Landlord is the lessor of the real property identified as Stanislaus County Assessor Parcel Numbers 025-012-016, 025-012-017, 025-012-031 and 025-012-033 as shown on the Assessor Parcel Map attached hereto as Exhibit A (the, "**Property**"). Concurrently with the Parties entering into this Farm Lease, Landlord and an affiliate of Farm Lessee, Golden Hills Solar, LLC., a California limited liability company ("**Optionee**"), and the Landlord are entering into that certain Solar Generating Facility Land Option and Lease Agreement (the "**Solar Agreement**") in connection with Optionee's intended development, construction and operation of a solar energy generating facility with a nameplate capacity of approximately 70MW(ac) (the "**Generating Facility**") on portion of the Property consisting of approximately 600 acres (the "**Site**").

This instrument is a Memorandum of the Farm Lease and is subject to all of the terms, covenants and conditions provided in the unrecorded Lease and in no way modifies the provisions of the Farm Lease. If the terms of this instrument are inconsistent with the terms of the Farm Lease, the terms of the Farm Lease shall prevail. This instrument may be executed in one or more counterparts, each of which, when so executed and delivered, shall be deemed an

original, but all of which, taken together, shall constitute one and the same instrument. Capitalized terms in this Memorandum have the meanings given them in the Farm Lease.

Landlord and Lessee have agreed to record this Memorandum to give notice of the Farm Lease and significant provisions thereof, including, without limitation, the following.

1. No Interference. (a) The Landlord shall not erect any structures or make any improvements on any portion of the Property that would be inconsistent with the permitted use of the Property described in Paragraph 8 above. (b) The Farm Lessee shall use commercially reasonable efforts to minimize any interference with the development, construction, operation and maintenance of the Generating Facility on the Site.

2. Term. The initial term of the Farm Lease (the "Initial Term") shall commence on the Effective Date and shall end on the twenty fifth (25th) anniversary of the Effective Date. The Farm Lessee shall have the right to extend the Initial Term for an additional term of Two (2) consecutive periods of one (1) year each (each such extension, an "Extension Term," and, collectively with the Initial Term, "Term") by giving the Landlord written notice of its intent to extend this Lease not later than one hundred eighty (180) days prior to the end of the Initial Term or the then current Extension Term. In the event the Farm Lessee elects to exercise its right to extend this Lease beyond the Initial Term, the terms and conditions in effect during the Initial Term shall be applicable during each Extension Term.

3. Pre-Approved Solar Property. Landlord and Farm Lessee agree that the portion of the Property shown in Exhibit A-1 has been identified by the Landlord and Optionee as that portion of the Property, which may be leased to Optionee and upon which the Generating Facility will be developed. Farm Lessee agrees that Optionee may exercise its option to lease the Property in four separate portions in an acreage and location to be determined at the time by the delivery of the Optionee's Exercise Notice, (each portion, a "Leased Site Portion") in accordance with the terms of the Solar Agreement.

4. Vacation of Site and Termination of Lease. Pursuant to the terms of the Solar Agreement, for each Leased Site Portion, sixty (60) days prior to the delivery of the Exercise Notice to Landlord, Optionee shall notify Landlord and the Farming Lessee in writing of its intent to deliver to Landlord an Exercise Notice (the "Harvest Termination Notice"). Prior to delivery of the Harvest Termination Notice, Optionee and Farming Lessee shall use commercially reasonable efforts to coordinate a vacation date in order to minimize any losses in connection with the harvest of Farming Lessee's crops on the Property. Following receipt of each Harvest Termination Notice, Farming Lessee shall vacate the applicable Leased Site Portion within sixty (60) days of the delivery of the applicable Harvest Termination Notice. The Farm Lease shall terminate with respect to that portion of the Property to which each Exercise Notice relates on the date of delivery thereof to the Landlord by the Optionee, but shall continue in accordance with its terms with respect to the remaining portion of the Property.

5. Termination. On termination of the Farm Lease, Lessee will record a quitclaim deed or release of this Memorandum in the public records. In the event Farm Lessee fails to record such notice of termination, release or quitclaim deed within ten (10) days of request from Landlord, then Landlord has the right to record such notice of termination.

6. Right to Assign. The Farm Lessee shall not assign any of its rights or interests under this Lease without the Landlord's prior written consent. Any purported assignment in violation of Paragraph 20 of the Farm Lease shall be null and void.

7. Notices. All notices, requests, statements or payments will be made to the addresses and persons specified below. All notices, requests, statements or payments will be made in writing except where this Agreement expressly provides that notice may be made orally. Notices required to be in writing will be delivered by hand delivery, overnight delivery, facsimile, or e-mail (so long as a copy of such e-mail notice is provided immediately thereafter in accordance with the requirements of Paragraph 29 in the Lease by hand delivery, overnight delivery, or facsimile). Notice by facsimile will (where confirmation of successful transmission is received) be deemed to have been received on the day on which it was transmitted (unless transmitted after 5:00 p.m. at the place of receipt or on a day that is not a Business Day, in which case it will be deemed received on the next Business Day). Notice by hand delivery or overnight delivery will be deemed to have been received when delivered. Notice by e-mail will be deemed to have been received when such e-mail is transmitted, so long as a copy of such e-mail notice is delivered immediately thereafter by hand delivery, overnight delivery, or facsimile. A Party may change its address by providing notice of the same in accordance with the provisions of Paragraph 29 in the Lease.

If to Landlord:

Director of Environmental Resources
3800 Cornucopia Way, Suite C
Modesto, California 95358
Phone: 209-525-6700
Fax: 209-525-6774

If to Lessee:

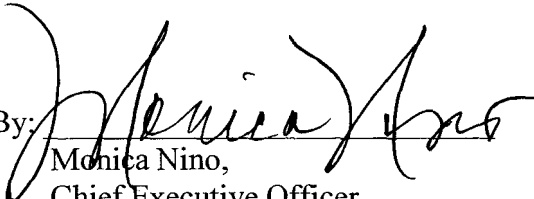
JKB Development, Inc.
P.O. Box 2998
Turlock, CA 95382


[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Long-Term Farming Lease affecting the Property with Assessor Parcel Numbers 025-012-016, 025-012-017, 025-012-031 and 025-012-033, as of the date first above written.


COUNTY OF STANISLAUS

JKB Development, Inc.

By: 
Monica Nino,
Chief Executive Officer

By: 
Print: JAMES K. BRENNAN
Its: President


Date: 5.16.13

By: 
Print: MARK HEALD

Its: CFO / SECRETARY

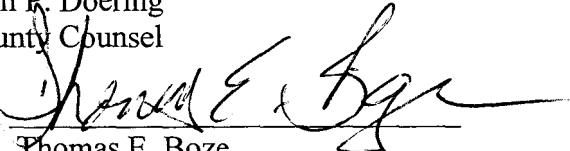
Date: 5/16/13

APPROVED AS TO CONTENT:

By: 
Keith Boggs,
GSA Director/Purchasing Agent

APPROVED AS TO FORM:

John R. Doering
County Counsel

By: 
Thomas E. Boze,
Deputy County Counsel

Signature Page to Memorandum of Long-Term Farming Lease

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Stanislaus }

On 05/14/2013 before me, Monique Sanders, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared James Brenda, Mark Heald
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Monique Sanders
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

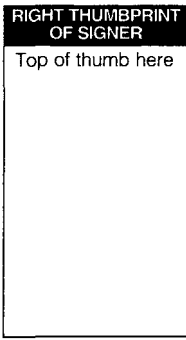
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

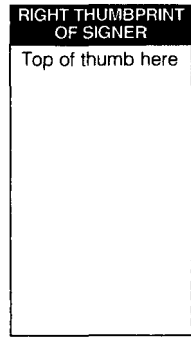
- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

EXHIBIT A

**Assessor Parcel Map depicting the Property
APN's: 025-012-016, 025-012-017, 025-012-031 and 025-012-033**

SECTION 13-15, 22-24 T.6S. R.7E. M.D.B.& M.

THIS MAP FOR ASSESSMENT PURPOSES ONLY

083 005
083 014
086 000

025 - 012

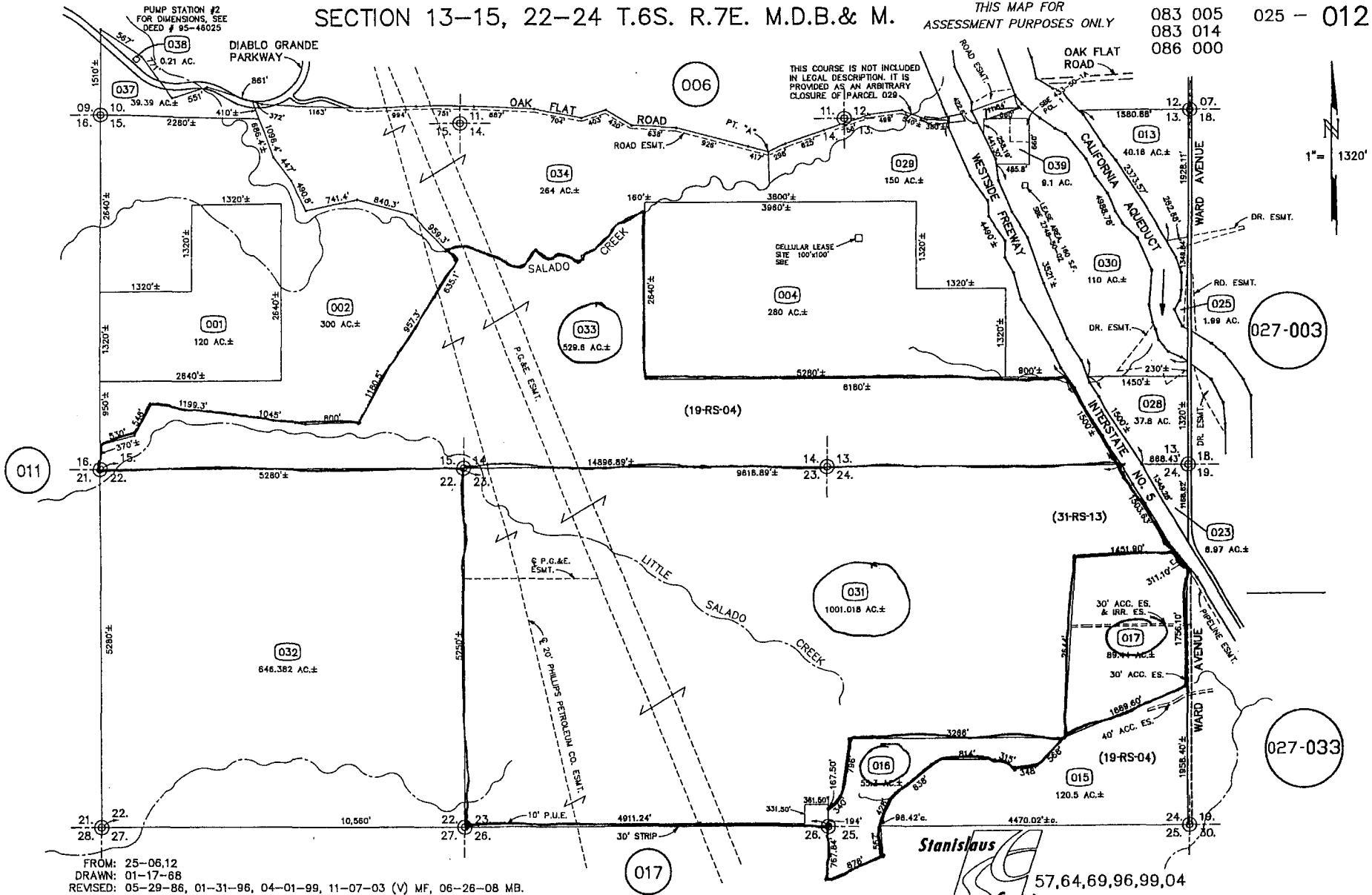


EXHIBIT "A"

FROM: 25-06-12
DRAWN: 01-17-68
REVISED: 05-29-86, 01-31-96, 04-01-99, 11-07-03 (V) MF, 06-26-08 MB.

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Stanislaus
County
Assessor
57,64,69,96,99,04

025 - 012

EXHIBIT A-1

Proposed Location of Site

