

OPTION TO LEASE AGREEMENT

This Option to Lease Agreement (this “Agreement”) is made and entered into effective June 6, 2018 (“Effective Date”) by and between by and between the **Napa Sanitation District**, a California special district, with its principal address 1515 Soscol Ferry Road, Napa, CA 94558 (“Landlord”) and **Ciel et Terre USA, Inc.**, a Delaware corporation with its principal place of business at 755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 (“C&T”) (referred individually as a “Party” and collectively as the “Parties”).

RECITALS

WHEREAS Landlord is the owner of certain lands in Napa, California being more particularly depicted in Exhibit 1 attached hereto (the “Property”);

WHEREAS a limited liability company (the “LLC”) to be formed and operated by C&T (the LLC and C&T referred to herein as the “Optionee”) seeks to obtain a lease of the Property from the Landlord for its use in conjunction with the funding, designing, installing and maintaining floating solar photovoltaic energy panels on the Property (the “Project”);

WHEREAS Landlord desires to grant to Optionee an option to lease a portion of the Property for the Project, and Optionee desires to obtain an option to lease, according to the terms and conditions set forth in this Agreement; and

WHEREAS the Land Lease, which is attached hereto as Exhibit 2, and Easement (Exhibit B to the Land Lease) would be executed by the Parties and will become effective if and when the Option granted pursuant to this Agreement is exercised.

AGREEMENT

IN CONSIDERATION of the sum of ten thousand dollars (\$10,000.00), for which the amount equal to three thousand dollars (\$3,000.00) shall be paid by C&T to Landlord upon execution of this Agreement and the remaining seven thousand dollars (\$7,000.00) shall be paid on the earlier of the Option Exercise Date, the date of Optionee’s written notice to Landlord of its intent to terminate this Agreement, or the end of the Option Term, other good and valuable consideration, and the mutual covenants hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged, and intending to be bound, the Parties hereto agree as follows:

1. **Purpose.** This Agreement sets forth the terms and conditions under which the Landlord grants Optionee an option for the exclusive right to lease the Property from Landlord for the purpose of securing the necessary recourses and capital to secure necessary consents such as planning permission and interconnection approval to facilitate the Project.

2. **Option Term, Termination, Extension and Costs.**

(a) **Term and Termination.** The term of the Option (“Option Term”) shall commence as of the Effective Date of this Agreement and shall terminate upon the earliest of the following:

- (i) Subject to Section 2(b) below, at the close of business on that day which is twenty-four (24) months after the Effective Date;
- (ii) Optionee's exercise of the Option in accordance with the terms hereof;
- (iii) Upon Landlord's receipt of Optionee's written notice to Landlord of its intent to terminate this Agreement;
- (iv) Upon Optionee's receipt of Landlord's written notice to Optionee of its intent to terminate this Agreement; or
- (v) Optionee's material default of any of the non-monetary terms, conditions and covenants hereof, which default is not remedied to the reasonable satisfaction of Landlord within thirty (30) days from the date of receipt of written notice by Landlord to Optionee of such non-monetary default ("Default").

In the event of termination, all of the rights and privileges granted to Optionee pursuant to this Agreement shall be terminated and be null and void. Further, in the event of termination of this Agreement, neither Party shall have any obligation to the other EXCEPT the obligations of Landlord and Optionee that may have accrued prior to the termination date.

(b) Extension. Provided that Optionee is not in Default under the terms of this Agreement and that Optionee has acted in good faith in accordance with the timetable attached hereto as Exhibit 3, Optionee shall have the right to extend the Option Term for a period to be agreed upon, but not to exceed an additional twelve (12) months, in the event and to the extent a planning application or planning appeal or grid interconnection application is pending and, notwithstanding Optionee's good faith diligence, has not yet been approved or finalized.

(c) Costs Reimbursement. In the event Landlord terminates the Option in accordance with Section 2(a)(iv) above, Landlord shall reimburse Optionee for Optionee's actual third party costs and expenses incurred in the development of the Project including, without limitation, costs incurred in association with design, electrical configuration, planning, grid connection, and professional costs; provided, however, that in no event shall such reimbursement exceed Fifty Thousand dollars (\$50,000), even if actual costs exceed that amount. If Optionee seeks reimbursement under this Section 2(c), it shall provide to Landlord a detailed accounting and invoice within thirty (30) days after Optionee receives Landlord's notice under Section 2(a)(iv). Landlord shall have thirty (30) days after receipt of Optionee's invoice and accounting to make payment of non-disputed amounts to Optionee, provided that notice of any dispute with regard to any cost(s) for which Optionee seeks reimbursement shall be provided to Optionee by Landlord within such thirty (30) day period, and any agreed-upon payment shall be made either within fourteen (14) days after the dispute is informally resolved, or if the dispute is not resolved, payment shall be made, as applicable, in accordance with the outcome of the dispute resolution process set forth in Section 12 herein.

Notwithstanding the foregoing, Landlord shall not be required to reimburse Optionee pursuant to the terms of this subparagraph if Landlord terminates this Agreement for Optionee's failure to substantially comply with the timetable set forth in Exhibit 3, but only in

the event the aforementioned failure to comply is not substantially due to a third party delay or delays that are not the result of the direct negligence of Optionee .

3. **Exercise of the Option.** Subject to Section 2 of this Agreement and provided that Optionee is not in Default under the terms of this Agreement, Optionee shall have the exclusive right to exercise the Option at any time during the Option term upon written notice to Landlord (“Option Exercise Date”); provided, however, that the Option shall not be deemed to have been effectively exercised unless and until: (i) all of the necessary consents and approvals have been obtained, including interconnection approval, planning permission and the consent of any lenders with a charge over the Property, which Landlord agrees to assist Optionee in obtaining in good faith, (ii) Optionee or the company to be formed by Optionee that will be lessee under the Land Lease provides written notice to Landlord that it is exercising its option, and (iii) the Optionee has substantially met the proposed timetable set forth in Exhibit 3, attached.

4. **Lease.**

(a) Upon the Option Exercise Date, this Agreement (except for those provisions that survive termination) shall terminate and the Parties rights and obligations with respect to the Premises shall be as set forth in the Land Lease.

(b) Landlord and Optionee shall execute, acknowledge and deliver or cause to be executed, acknowledged or delivered such additional documents as may be reasonably necessary to carry out their obligations under this Agreement, and otherwise in connection with the Land Lease.

5. **Exclusivity.** In consideration of C&T undertaking a feasibility study and the on-going design and development of the proposed Project, Landlord, on behalf of itself and its authorized representatives, agrees that it will not directly or indirectly enter into, continue with or participate in any discussions, negotiations, agreements, arrangements or understandings with any third party in relation to any floating solar photovoltaic energy generating project or installation at or on the Property or the property associated with the Solar Facility Easements until, if the option is not exercised, after the expiration or termination of the Option Term.

6. **Access Rights.** Prior to the Option Exercise Date, Landlord shall provide Optionee with reasonable access at reasonable times during Landlord’s standard operator hours to data, documents, and any other information pertinent to the Property in order to permit Optionee to evaluate the Property for the Project. Landlord hereby grants to Optionee the right to enter upon the Property from time to time upon request and Landlord’s consent, which consent shall not be unreasonably withheld, and conduct any and all required studies of the condition of the Property Optionee reasonably believes are needed to secure the necessary approvals to facilitate the Project. If Optionee desires to perform any invasive or other physical work on the Property as part of its evaluation (“Work”), it may do so only with the written consent of Landlord, which consent shall not be unreasonably withheld. Without limitation, and in support of Landlord’s consideration of Optionee’s request, Optionee shall provide to Landlord in writing specific plans, specifications, or other information with regard to the proposed Work. Furthermore, to the fullest extent permitted by law, Optionee hereby covenants, on behalf of itself and its permitted successors and assigns, to indemnify, defend (with counsel acceptable to Landlord), and hold

harmless Landlord and its officers, officials, directors, employees, representatives, volunteers, and agents (collectively, "Indemnitees") from and against any and all losses, costs, demands, damages, claims, liens, causes of action, judgments, administrative, regulatory or civil penalties or fines, expenses and liabilities, including, without limitation, reasonable attorneys' fees and costs (collectively, "Claims") to the extent resulting from, arising out of or in connection with, either directly or indirectly, entry onto the Property by Optionee, its agents, representatives and/or employees pursuant to this Agreement and any Work performed on the Property. Furthermore, Optionee shall repair, restore and return the Property to its condition immediately preceding the Work at its sole cost and expense, and reimburse Landlord for any costs incurred by Landlord to the extent Landlord must take any action with regard to the damage. Optionee shall at all times keep the Property free and clear of all liens and encumbrances affecting title to the Property. Optionee's indemnification obligations and obligations to restore the Property and to discharge any and all liens that attach to the Property as set forth in this Section 6 shall survive the expiration or earlier termination of this Agreement.

Optionee shall procure, at its sole expense, and maintain in full force and effect during the term of this Agreement, the following insurance naming the Indemnitees as additional insured and/or loss payee:

- i. Comprehensive General Liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with entry onto the Property with a policy limit of at least Two Million Dollars (\$2,000,000) per occurrence; and
- ii. Workers' compensation insurance that complies with the statutory requirements of the state of California (collectively, the "Minimum Required Insurance Coverage").

Within thirty (30) days of the Effective Date of this Agreement, Optionee shall furnish Landlord with certificates of insurance in form acceptable to Landlord evidencing the Minimum 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 adverse change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal. If any insurance policy or coverage required hereunder is canceled or reduced below the Minimum Required Insurance Coverage, Optionee shall, within fifteen (15) days after receipt of notice of such cancellation or reduction, but in no event later than the effective date of cancellation or reduction, file with Landlord a certificate showing that the Minimum Required Insurance Coverage has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Landlord may, without further notice and at its option, procure such Minimum Required Insurance Coverage at Optionee's expense, and Optionee shall promptly reimburse Landlord for the actual cost of the aforementioned insurance coverage upon receipt of billing from Landlord and detailed insurance documentation evidencing the coverage.

7. **Inspection and Recording.** Landlord shall make available to Optionee, upon request at any time after the execution of this Agreement, Landlord's records regarding title to and ownership of the Property prior to Optionee's exercising the Option.

8. **Timetable.** The Parties agree to act in good faith to complete their designated tasks by the proposed deadlines as described in Exhibit 3, attached hereto. The Parties acknowledge and understand that their failure to comply with the proposed timetable is likely to delay the completion of other tasks and the overall delivery of the Project; provided, however, that no failure to meet any deadline therein shall be deemed to be a breach of this Agreement, unless such deadline is designated in Exhibit 3 as “of the essence”.

9. **Representations.** Each Party represents that (a) it has the necessary power and authority to enter into and perform its obligations under this Agreement; (b) it has duly authorized the person signing this Agreement to execute this Agreement on its behalf; (c) upon execution, this Agreement will be a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms; and (d) the execution and delivery of this Agreement and its performance by such Party will not violate, result in a breach of or conflict with any law, rule, regulation, order or decree applicable to such Party, its organizational documents or the terms of any other agreement binding on such Party.

10. **Confidentiality.**

(a) “Confidential Information” for purposes of this Section shall mean confidential and/or proprietary information, communication or data, in any form, including, but not limited to, oral, written, graphic or electronic forms, relating to C&T’s business or the business of the C&T group of companies, know-how, products and services including, but not limited to, any information relating to the business, assets, affairs, customers, clients, suppliers, projects, plans, operations, intentions or market opportunities of C&T or the C&T group of companies, and together with information (including but not limited to trade secrets, patents, copyrights, trademarks and all other intellectual property, whether registered or unregistered) and materials (including but not limited to data, methodologies, concepts, results, technical, financial/business information, legal documents or marketing strategies, research and analysis) disclosed by C&T or Optionee to the Landlord, and all information derived by the Landlord from any such information and any other information designated by C&T as being confidential to it (whether or not it is marked “confidential”) or which ought reasonably be considered to be confidential.

(b) Landlord will receive or has received from Optionee, either before, on or after the date of this Agreement Confidential Information. In consideration of C&T and/or the Optionee agreeing to disclose Confidential Information, the Landlord hereby irrevocably agrees to (i) treat all Confidential Information as strictly private and confidential and shall take all steps necessary to preserve such confidentiality; (ii) use the Confidential Information only for the Project and, for the avoidance of doubt, shall not use or exploit the Confidential Information for any other purpose or commercial gain; (iii) not disclose or distribute the Confidential Information to any third party (other than in accordance with (iv)); (iv) disclose the Confidential Information only to such employees, officers and professional advisers as are required to be directly concerned with the Confidential Information and who shall be bound by obligations of confidentiality at least as stringent as those contained herein to the Landlord which extends to the Confidential Information and the Landlord shall be responsible for ensuring that all such persons comply with such obligations of confidentiality; and (v) not, other than for the Project, use, copy (in whole or in part), modify or adapt the Confidential Information in any way. All Confidential Information shall remain the sole property of C&T and no license under any trade secrets, copyrights, or

other rights is granted under this Agreement or by any disclosure of Confidential Information under this Agreement.

(c) The restrictions set out in this Section shall not apply to Confidential Information that the Landlord is clearly able to demonstrate by documentary evidence (i) at the time of disclosure is, or thereafter becomes through no fault of the Landlord, public knowledge; (ii) that after disclosure, is lawfully received by the Landlord from a third party without obligations of confidentiality, who has the right to disclose such information to the Landlord; or (iii) is required to be disclosed by law, court order or pursuant to a subpoena by a court, administrative agency or other authority with proper jurisdiction.

(d) In the event that Landlord receives a California Public Records Act request for such Confidential Information, Landlord shall give notice to Optionee of the request within three (3) business days of receipt, along with a copy thereof, and consult and reasonably cooperate with Optionee concerning the request and Landlord's anticipated response thereto. If Optionee objects to the release of all or any part of a record, Optionee shall cite the statutory basis therefor. In that event, Landlord agrees not to release such record; provided, however, that Optionee shall, to the fullest extent permitted by law, indemnify, defend with counsel acceptable to Landlord, and hold Indemnitees harmless from and against any and all Claims, including but not limited to, plaintiff's attorneys' fees and costs awarded by a court in a final judgment, resulting from, arising out of or in connection with Landlord's withholding of such record.

(e) The termination of this Agreement or the Land Lease and/or completion of the Project shall not affect the continuing obligation of this Section in full force and effect for a period of ten (10) years from the Effective Date. Notwithstanding anything to the contrary in this Agreement, with respect to trade secrets, the covenants of confidentiality set forth in this Agreement shall continue until such trade secrets no longer qualify as trade secrets under applicable law.

(f) Within five (5) business days of the termination of this Agreement, however so arising, the Landlord shall at the request of C&T or Optionee forthwith (i) deliver to C&T or Optionee under assignment in accordance with Section 13(h) or (ii) destroy all Confidential Information and copies thereof which may then be in its possession or under its power or control. Landlord shall certify the aforementioned destruction in a writing delivered to the requesting party.

(g) The Parties expressly acknowledge that C&T and/or Optionee under assignment in accordance with Section 13(h), as applicable, may seek and obtain equitable and injunctive relief from a court of competent jurisdiction to enforce the terms of this Section 10.

11. **Notices.**

(a) All notices, requests, demands and other communications required or permitted to be given hereunder shall be deemed to have been duly given if in writing and delivered personally, if mailed first class, postage prepaid, registered or certified mail, or by express or courier service as follows:

If to Landlord:

Napa Sanitation District
1515 Soscol Ferry Road
Napa, CA 94558

If to Optionee:

Ciel et Terre USA, Inc.
755 Baywood Drive, 2nd Floor
Petaluma, CA 94954
Phone: (707) 529-5890

With a copy to:

Ropers, Majeski, Kohn & Bentley, P.C.
1001 Marshall Street, Suite 500
Redwood City, CA 94063
ATTN: Francois G. Laugier

(b) Either Party may change the address to which such communications are to be directed to it by giving written notice to the other in the manner provided herein.

12. **Disputes.** The parties shall attempt to first resolve informally, with or without the assistance of a professional mediator mutually acceptable to the Parties, any dispute arising from or relating to this Agreement . If after a good faith attempt at such informal dispute resolution either Party believes that such attempts will not be successful, the Party initiating the dispute may at that point initiate judicial proceedings. The prevailing party in any dispute arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs, provided that the cost of mediation shall be shared equally by the Parties notwithstanding the outcome of any judicial proceeding.

13. **Miscellaneous.**

(a) **Headings.** The section headings provided herein are for convenience only and have no substantive effect on the construction of this Agreement.

(b) **Modification.** This Agreement may not be waived, altered, amended, or repealed, in whole or in part, except by means of written consent of all Parties to this Agreement.

(c) **Severability.** If one or more provisions of this Agreement are held to be invalid void, or otherwise unenforceable under applicable law by any court or administrative body of competent jurisdiction, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms to the fullest extent permitted by applicable law.

(d) **Waiver.** The failure by a Party to exercise or enforce any right hereunder shall not operate as a waiver of such Party's right to exercise or enforce such right or any other right in the future.

(e) Entire Agreement. This Agreement, together with Exhibits 1-3 attached hereto and incorporated herein, constitutes the entire agreement between the Parties concerning the subject matter hereto and supersedes all prior representations, negotiations, promises, understandings or agreements, whether oral or written, between the Parties with respect to the subject matter hereof. This Agreement shall be deemed to have been drafted collectively by the Parties, notwithstanding that one Party or the other may have performed the actual drafting hereof.

(f) Choice of Law; Venue. The validity, performance, construction and interpretation of this Agreement shall be governed by the laws of the State of California without regard to its conflict of law provisions. Any dispute arising under, in connection with, or incident to this Agreement or concerning its interpretation will be resolved exclusively state and federal courts located in Sonoma County, California, or San Francisco, California. Each Party hereto waives any venue objection as to said venue and submits to the personal jurisdiction of said court but only for purposes of resolving any dispute under this Agreement.

(g) Successors. This Agreement, and the rights and obligations of the Parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, and legal representatives.

(h) Assignment. Neither Party may assign any of its rights and obligations under this Agreement without the written consent of the other Party, provided, however, that Optionee may, without further consent of Landlord, and upon written notice to Landlord of such assignment and the assignee's written agreement to assume Optionee's rights and obligations under this Agreement, assign its rights and obligations under this Agreement to a to-be-formed limited liability entity that will be the ultimate "Project Company" as such term is defined under the Land Lease.

(i) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. This Agreement may be executed by facsimile, PDF or other electronic means, which will not affect its validity.

[SIGNATURES ON FOLLOWING PAGE]

Date: _____

LANDLORD

NAPA SANITATION DISTRICT, a California
Special District

By: _____

Jill Techel
Chair, Board of Directors

APPROVED AS TO FORM :

By: _____

John Bakker
District Counsel

ATTEST:

By: _____

Cheryl Schuh
Secretary, Board of Directors

Date: _____

OPTIONEE

CIEL ET TERRE USA, INC.

By: _____

Authorized Signatory

557.081 2919128.2

EXHIBIT 1

DEPICTION OF THE PROPERTY

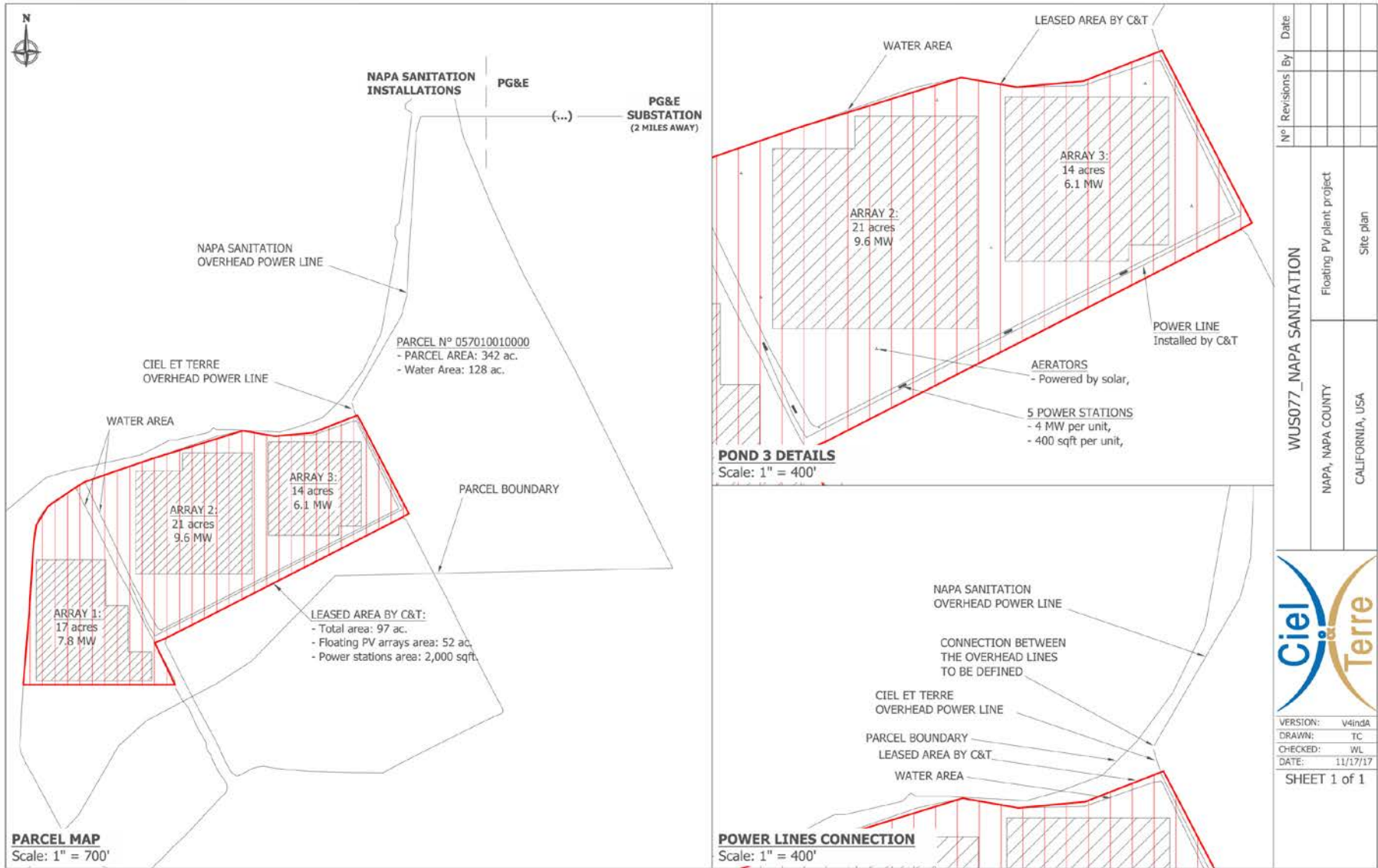


EXHIBIT 2
LEASE AGREEMENT

LAND LEASE

Between

NAPA SANITATION DISTRICT

And

CIEL ET TERRE USA, INC.

LAND LEASE

This Land Lease (“**Lease**”) is made as of _____, 20____ (the “**Execution Date**”) between Napa Sanitation District, a California special district, with its principal address at 1515 Soscol Ferry Road, Napa, CA 94558 (“**Landlord**”), and Ciel et Terre USA, Inc., a Delaware limited liability company with its principal place of business at 755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 (“**Project Company**”) (referred individually as a “**Party**” and collectively as the “**Parties**”).

RECITALS

WHEREAS, the Napa Sanitation District owns the Soscol Water Recycling Facility (“**Plant**”) located at 1515 Soscol Ferry Road in Napa, California; and

WHEREAS, on or about June 6, 2018, Landlord and Ciel et Terre USA, Inc., entered into an Option to Lease Agreement (the “**Option Agreement**”) whereby Project Company retained an option to lease, at its election, certain land(s), water surface(s) and embankment(s) at the Plant for the construction, installation, operation and maintenance of floating solar energy generating equipment (the “**Project**”); and

WHEREAS, if and when Project Company exercises its option to lease such lands pursuant to the terms of the Option Agreement, the Parties intend that this Lease become effective.

AGREEMENT

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

ARTICLE I

PREMISES

1.1 General.

a. Lease of Premises for Solar Energy Purposes. Landlord leases to Project Company, and Project Company leases from Landlord, a 97-acre portion of that certain real property commonly known as Napa County Assessor’s Parcel Number 057-010-010 (the “**Property**”) encompassing all of Oxidation Pond 4 and a portion of Oxidation Pond 3 (“**Ponds**”) as depicted in Exhibit A, attached hereto and incorporated herein (the “**Premises**”) for the purpose of monitoring, testing and evaluating the Premises for solar energy generation, and constructing, installing, using, replacing, relocating and removing from time to time, and maintaining and operating, floating solar energy generating equipment, and all necessary and proper electrical equipment on, along and in the Premises (collectively, “**Solar Facilities**”). Solar Facilities includes electrical transmission and/or distribution and communications lines and related cables, wires, cables, conduit, circuit breakers and transformers, and any and all necessary and proper facilities, fixtures, and additional equipment to be operated in conjunction with floating solar energy generating equipment installations and equipment in any way related to or associated with any of the foregoing for the transmission and delivery of electrical energy (“**Transmission Facilities**”). Project Company will have the exclusive right, subject to the Landlord’s retained rights as specified in subsection 1.1.d, to use the Premises for solar energy purposes during the Term (as defined

herein) of this Lease. For purposes of this Lease, “solar energy purposes” means converting solar energy into electrical energy via floating solar panels, and collecting and transmitting the electrical energy so converted, together with any and all activities related thereto.

The general description of the Premises depicted in Exhibit A as incorporated into this Lease on the Execution Date may not be a precise legal description of the Premises. The Landlord and Project Company hereby acknowledge and confirm that, notwithstanding any insufficiency in the legal description attached as Exhibit A, the Parties desire to enter this Lease and to be fully and legally bound by this Lease. Moreover, the Parties acknowledge and understand that the Premises refers to Plant Oxidation Pond No. 4 and the northern portion of Plant Oxidation Pond No. 3, including the Pond levees, as the Pond and levees are configured as of the Execution Date of this Lease, as generally depicted on the map attached as Exhibit A. Therefore, Landlord and Project Company agree that (i) they are thoroughly familiar with the proposed location of the area comprising the Premises, (ii) the Project Company, with the prior written consent of Landlord not to be unreasonably withheld, may alter the boundary of the Premises as necessary so long as the acreage of the Premises does not exceed 97 acres, the Premises does not include Plant Oxidation Pond #1 or #2, and the Premises does not extend beyond the parcel known as Assessor Parcel Number 057-010-010-000; and (iii) once Project Company completes its design work for the Project and determines the exact area that will be required for the Project, Project Company shall conduct a survey of the Premises at its sole cost and expense. The legal description of the Premises resulting from the survey shall be substituted for Exhibit A pursuant to an amendment to this Lease, which amendment may be approved by mutual consent of the Project Company and Landlord, and such legal description will become the final legal description of the Premises. The Parties acknowledge and agree that, until such substitution occurs, they are legally bound under this Lease pursuant to the legal description of the Premises attached as Exhibit A and both Parties will be obligated to perform hereunder based on such depiction of the Premises.

b. Access Easement. Landlord hereby grants to Project Company, for the Term, a non-exclusive easement substantially in the form attached hereto as Exhibit B (the “**Access Easement**”) over, across and on the Premises for ingress to and egress from the Solar Facilities by means of any existing roads and lanes, or, if no such roads exist or if it is otherwise commercially impracticable for Project Company to use existing roads, then by such route or routes as Project Company may construct from time to time as agreed to by Landlord in accordance with Section 1.1(l) herein. The Access Easement will run with and bind the Premises, and will inure to the benefit of and be binding upon Landlord and Project Company, as applicable, and their respective heirs, personal representatives, transferees, successors and assigns, and all persons claiming under them.

c. Transmission Easement. Landlord hereby grants Project Company for the Term a non-exclusive easement for Transmission Facilities substantially in the form attached hereto as Exhibit B (“**Transmission Easement**”) on, over and across the Premises, including ingress to and egress from the Solar Facilities, on such portions of the Premises as agreed to by Landlord in accordance with Section 1.1(l) herein. The Transmission Easement will contain all of the rights and privileges for Transmission Facilities as are set forth in this Lease. The Transmission Easement will run with the Premises and inure to the benefit of and be binding upon Landlord and Project Company and their respective transferees, successors, and assigns, and all persons claiming under them. Project Company will have the right to assign or convey all or any portion of the Transmission Easement to any person on an exclusive or nonexclusive basis, subject to the written consent of Landlord, which consent shall not be unreasonably withheld, or otherwise contract with

a third party that owns, operates and/or maintains electric transmission or distribution systems relating to the construction, operation, repair and/or maintenance of the electric transmission or distribution systems; provided, however, that Project Company may, without further consent of Landlord, and upon written notice to Landlord of such assignment and the assignee's written agreement to assume Project Company's rights and obligations under this Lease, assign its rights and obligations under this Lease to a limited liability entity to-be-formed by Project Company that will be the ultimate Project Company under this Lease . Project Company shall bury all Transmission Facilities located on the Premises.

d. Landlord's Retained Rights. Landlord will retain the right to use the the Premises to the extent its use is not inconsistent with Project Company's rights under this Lease. Such rights shall include, without limitation, Landlord's use of the Premises to (1) continue water storage and treatment operations, (2) conduct vegetative maintenance, and mosquito abatement measures in accordance with Section 4.6 herein, (3) perform water monitoring and sampling as may be required under applicable law, including without limitation the requirements of National Pollutant Discharge Elimination System Permit No. CA0037575 ("NPDES Permit") as may be amended or renewed from time to time, (4) conduct inspections, (5) conduct Premises maintenance and repair (6) conduct capital improvement projects on the Ponds and levees, and (7) take any and all other actions necessary to comply with any Legal Requirements, including but not limited to, the NPDES Permit.

e. Planned Location of Solar Facilities. The initial placement of the Solar Facilities on the Premises and easement areas shall be substantially as set forth in designs and specifications provided by Project Company in its building permit application. To the extent such placement materially varies from such design and specifications, Project Company shall consult with Landlord on its site development plan prior to deploying its Solar Facilities, in accordance with Section 1.1(l) herein.

f. Reserved.

g. Non-Interference with Landlord's Operations. Project Company acknowledges that the Premises is part of the Plant and is used by Landlord as part of its waste water treatment operations (together "**Landlord Operations**"), and that the Premises, Access Easement, and Transmission Easement may be concurrent with areas that are used for Landlord Operations. As such, Project Company agrees that it shall not materially interfere with Landlord Operations, and shall cause its subcontractors and agents to not materially interfere with Landlord Operations, provided that nothing in this Section 1.1(g) is intended to limit Project Company's rights to operate the Solar Facilities in accordance with this Lease.

h. Specifications. Design, implementation, and operation of the Solar Facilities by Project Company shall conform to the Specifications set forth in Exhibit C attached hereto, as may be revised in consultation with, and approval of, Landlord during the Procurement and Construction Period, defined herein ("**Specifications**").

i. Project Company shall install an emergency shutoff switch or breaker to shut power to the Solar Facilities. Such switch or breaker shall be available for Landlord's access at all times.

j. All solar energy generation activities described herein, including the Solar Facilities, Access Easement, Transmission Easement, and Specifications shall collectively be referred to as the **“Floating Solar Energy Project.”**

k. Project Company shall use commercially reasonable efforts to obtain, at its sole cost and expense:

(i) any zoning, land use and building permits required to construct, install and operate the Solar Facilities; and

(ii) any agreements and approvals from Pacific Gas and Electric Company necessary in order to interconnect the Solar Facilities to Landlord Operations’ electrical system and/or the appropriate utility’s electric distribution system.

(iii) Landlord shall reasonably cooperate with Project Company’s reasonable requests to assist Project Company in obtaining such agreements, permits and approvals.

l. Landlord Consent Process. With respect to any actions in which Project Company is required herein to confer with Landlord or otherwise obtain Landlord’s approval, Project Company shall submit to Landlord in writing with adequate specificity the reason for the action, the details, including specifications as applicable, of the action proposed, and the timing of the proposed action. Unless there is a need for a more timely response, Landlord shall respond in writing no later than fifteen (15) business days after receipt of Project Company’s proposal. Such response shall either approve or disapprove of the proposed action, or request additional information (which request may include a meeting with Project Company). If Landlord does not approve, or if Landlord concludes that it cannot render a determination as a result of a lack of sufficient information even after meeting with Project Company or receiving additional information from Project Company, Project Company may initiate dispute resolution in accordance with Section 9.5 herein.

m. OSHA Compliance. Project Company shall ensure that all state and federal Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws or codes are adhered to in its or its contractors’ or subcontractors’ performance under this Lease.

1.2 **Solar Easement.**

a. Open Access to Sun. Landlord hereby grants and conveys to Project Company a non-exclusive easement substantially in the form attached hereto as Exhibit B (the “Solar Easement”) on, over and across the Property for open and unobstructed access to the sun to the Solar Facilities and to ensure adequate exposure of the Solar Facilities to the sun. The Solar Easement includes a prohibition of any obstruction to the open and unobstructed access of the Solar Facilities to the sun.

b. Landlord Improvements. Trees, buildings and other improvements located adjacent to the Premises as of the date of this Lease will be allowed to remain, provided that Landlord may within its discretion permit and condition removal of such trees, buildings and other improvements at Project Company’s expense upon written request of Project Company. Landlord may not place or plant any trees, buildings or improvements (an **“Improvement”**) on or adjacent to the Premises after the date of this Lease which may impede or materially interfere with the open and unobstructed access of the Solar Facilities to the sun, unless Landlord has received written

approval from Project Company for any such trees, structure or improvement. Subject to the foregoing, Landlord may without Project Company approval construct an Improvement on or ancillary to the Premises if such Improvement meets all of the following requirements:

(i) Such Improvement poses no interference with any part of the Solar Facilities located on the Premises or elsewhere in the Project; and

(ii) Such Improvement is located at least fifty (50) feet from the location of any Solar Facility (whether such Solar Facility is located on the Premises or elsewhere in the Project).

If Landlord constructs an Improvement that is determined by Project Company to violate or not be in compliance with any of the restrictions of this section, Project Company may provide notice to Landlord that said Improvement must to be removed within thirty (30) days of Landlord's receipt of Project Company's notice. Should Landlord fail to remove the non-complying Improvement or otherwise invokes Dispute Resolution under Section 9.5 within such thirty (30) day period, Project Company may cause the same to be removed and may off-set the cost of the removal against any lease payments due hereunder to Landlord.

c. No Interference. Landlord will not materially interfere with, and will not allow any other party to materially interfere with, the free, unobstructed and open and unobstructed access to the sun, solar speed or solar direction over and across the Premises.

1.3 Continuing Nature of Obligations.

a. Benefits are "In Gross". The Access Easement, Transmission Easement and Solar Easement granted by Landlord in this Lease to Project Company are easements "in gross", which means, among other things, that they are interests personal to and for the benefit of Project Company, and its successors and assigns. The Access Easement, the Transmission Easement and the Solar Easement are independent of any lands or estates or interest in lands, there is no other real property benefiting from such easements, as between the Premises and other tracts of property on which Project Company may locate Solar Facilities, no tract is considered dominant or servient as to the other.

b. Burdens Run With and Against the Land. The burdens of the Solar Easement, Transmission Easement and the Access Easement will run with and against the Premises and will be a charge and burden on the Premises and will be binding upon and against Landlord and its successors, assigns, permittees, licensees, lessees, employees and agents. The Lease, the Access Easement, the Transmission Easement and the Solar Easement will inure to the benefit of Project Company and its successors, assigns, permittees, licensees and Project lessees. Landlord and Project Company agree to execute all documents reasonably necessary to record the Solar Easement, Transmission Easement and the Access Easement in the county where the Premises are located.

ARTICLE II

LEASE TERM

2.1 **Term**. This Lease shall have a term of twenty-five (25) years ("**Lease Term**") commencing on the date Project Company or the assigned Optionee under the Option Agreement

exercises its option under the Option Agreement (“**Effective Date**”), unless earlier terminated in accordance with the terms of this Lease, which Term shall be comprised of the sum of the Procurement and Construction Period and Operating Term as follows:

a. Procurement and Construction Period. Project Company’s rights under this Lease will be in effect throughout the Procurement and Construction Period. The “**Procurement and Construction Period**” commences on the Effective Date of this Lease and expires on that date which is eighteen (18) months after the Effective Date or earlier date upon notification by Project Company that it has completed all tasks scheduled for the Procurement and Development Period. During the Procurement and Construction Period, the Project Company shall develop, construct, and install the Solar Facilities on the Premises.

b. Operating Term. The “**Operating Term**” of this Lease shall commence upon the expiration of the Procurement and Construction Period and shall continue until that date which is twenty-five (25) years from the Effective Date of this Lease. Notwithstanding the foregoing, the Operating Term may be terminated prior to the expiration of the Lease Term in accordance with the terms of this Lease.

2.2 **Termination of Lease.** This Lease will terminate upon the earliest of the following events:

- a. The expiration of the Lease Term;
- b. The written agreement of the Parties to terminate this Lease;
- c. At the option of Project Company upon the expiration of the Procurement and Construction Period; provided that Project Company shall be required to transmit written notice of termination to Landlord not less than sixty (60) days prior to the expiration of the Procurement and Construction Period as set forth in Section 2.1(a);
- d. Landlord’s termination in accordance with Section 2.3 (Landlord Purchase).
- e. A material Breach of this Lease by either Party and the election of the non-breaching party to terminate the Lease pursuant to Article IX of this Lease;
- f. A condemnation of all or a portion of the Premises and the election of the Project Company to terminate the Lease pursuant to Article VIII hereof; or
- g. Pursuant to applicable law, except that if any such applicable law is amended or terminated after the Effective Date, and the effect of such amendment or termination is to extend the permissible Procurement and Construction Period or eliminate the requirement that commercial operation or the development of the potential to produce solar energy begin within a specified time period, then this Lease will automatically be amended to incorporate such amendment or termination, as if such amendment or termination was fully incorporated herein.

2.3 **Landlord Purchase.**

a. Option to Purchase. At any time after seven (7) years after the Operating Term begins, Landlord may elect to purchase the Solar Facilities and terminate this Lease upon not less than 180 days’ advance written notice to Project Company. If Landlord elects to purchase the

Solar Facilities prior to the expiration of the Lease Term, the purchase price shall be comprised of the fair market value of the Solar Facilities at the time of purchase, which valuation would be conducted in accordance with the valuation procedures set forth in Section 2.3(b) below.

b. Determination of Fair Market Value. Upon Landlord's exercise of the option to purchase, as set forth in Section 2.3(a) above, the Parties shall have thirty (30) days to negotiate in good faith and agree upon the selection of a nationally recognized independent appraiser with experience and expertise in the solar photovoltaic industry to determine the fair market value of the Solar Facilities. If the Parties cannot reach agreement on an appraiser, each Party shall select one (1) appraiser, and the two (2) appraisers shall select a third appraiser to determine the fair market valuation of the Solar Facilities. The appraiser agreed to by the Parties, or otherwise selected by the two other appraisers, shall act reasonably and in good faith to determine the fair market value of the Solar Facilities and shall set forth such determination in a written opinion delivered to the Parties. The valuation made by the appraiser shall be binding upon the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be shared by the Parties equally.

2.4 **Survival of Covenants.** Landlord acknowledges that the covenants, conditions, rights and restrictions in favor of Project Company pursuant to this Lease including, but not limited to, the Access Easement and Solar Easement, and Project Company's use of and benefit from those covenants, conditions, rights and restrictions, may constitute a portion of the Project and that the covenants, conditions, rights and restrictions in favor of Project Company pursuant to this Lease will not be deemed nominal, invalid, inoperative or otherwise be disregarded while any portion of the Project remains operational. Project Company acknowledges that the covenants, conditions, rights and restrictions in favor of Landlord pursuant to this Lease will not be deemed nominal, invalid, inoperative or otherwise be disregarded while any portion of the Project remains operational.

ARTICLE III

PAYMENTS AND TAXES

3.1 **Payments.**

a. **Rent.** Commencing thirty (30) days following the Effective Date of this Lease, and on each anniversary thereafter during the Lease Term, Project Company shall pay to Landlord annual rent in the amounts as reflected on Exhibit H attached hereto and incorporated herein by reference ("Rent"). Any Rent payments for less than a full calendar year shall be prorated based on the actual number of days of the Lease Term in such year.

b. **Additional Rent.** Beginning with the eighth anniversary of the Effective Date, Project Company shall pay as additional rent to Landlord ("Additional Rent") fifty percent (50%) of the annual gross revenue received by Project Company from third parties in the prior calendar year for each kilowatt hour of energy generated by the Solar Facilities in excess of the minimum amount of energy Project Company contracts to provide to the off-taker ("Excess Energy"). The exact percentage of Excess Energy gross revenue Project Company will be required to provide Landlord as Additional Rent shall be negotiated in good faith by the Parties once Project Company has executed a power purchase agreement with the off-taker. Additional Rent payments shall be accompanied by an accounting showing the total gross revenues received by Project Company for the Excess Energy during the prior calendar year. The initial Additional Rent payment and accompanying accounting shall be due with the Rent payment that is due 30 days

following the eighth anniversary of the Effective Date. Thereafter, the payments and accompanying accounting shall be due on each February 1st during the Lease Term.

c. **Potential Construction Staging Area Rent.** In the event that Project Company desires to temporarily lease additional land from Landlord located outside of the Premises for construction staging purposes (“Construction Staging Area Lease”), Project Company shall pay to Landlord annual rent in the amount of Two Thousand Dollars (\$2,000) per acre covered by Construction Staging Area Lease (“Construction Staging Area Rent”). The Construction Staging Area Rent shall be payable within thirty (30) days following execution of the Construction Staging Area Lease and on each anniversary thereafter for the term of the Construction Staging Area Lease or until earlier terminated by either party thereto.

3.2 Pond Drainage/Interference Contingency. In the event that Landlord is required to drain one or more of the Ponds by order of any government authority or in accordance with any settlement agreement with a regulatory agency or other third party or any Legal Requirements (defined herein), including but not limited to, Landlord’s NPDES Permit, Landlord shall reimburse Project Company in accordance with the cost calculation formula set forth in Exhibit D (“Cost Calculation Formula”) for the cost of removal, installation, or repositioning/movement of the solar panels. The Parties shall cooperate in good faith to develop and implement actions necessary to comply with any such order of government authority or as required under any Legal Requirements the most cost effective manner practicable.

3.3 Taxes, Assessments, and Utilities.

a. Project Company Taxes and Assessments. Project Company is advised that under California Revenue and Taxation Code Section 107.6, a possessory interest subject to property taxation may be created by this Lease. Project Company hereby agrees that if such possessory interest is created and such interest is subject to property taxation, Project Company shall be responsible for the payment of said property taxes levied on any such interest when due. Project Company will also pay all personal property taxes and assessments levied against the Solar Facilities when due, including any such taxes based on electricity production. Project Company shall be responsible for no other property taxation related to the Premises. But for the aforementioned tax created under this Lease and pursuant to California Revenue and Taxation Code Section 107.6, Landlord shall be responsible for all real property taxes and assessments levied against the Premises and all personal property taxes and assessments levied against any property and improvements owned by Landlord and located on the Premises.

b. Tax Contest. Project Company may contest the validity or amount of any levied taxes, assessments or other charges for which each is responsible under this Lease as long as such contest is pursued in good faith and with due diligence and the Project Company has paid the obligation in question or established adequate reserves to pay the obligation in the event of an adverse determination.

c. Project Company Utilities. Project Company will pay for all water, electric, telecommunications and any other utility services used by the Solar Facilities or Project Company on the Premises.

ARTICLE IV

PROJECT COMPANY COVENANTS

Project Company covenants, represents and warrants to Landlord as follows:

4.1 **Mechanics Liens.** Project Company will keep the Premises free and clear of all liens and claims of liens for labor, materials, services, supplies and equipment performed for or furnished to Project Company or, at the request of Project Company, any Solar Facility on the Premises in connection with Project Company's use of the Premises. Project Company may contest any such lien, but will post a bond or utilize other available means to remove any lien that is created during the contested proceeding. Project Company agrees to otherwise remove any lien or encumbrance for which it is responsible pursuant to this paragraph within sixty (60) days of notice to Project Company of the creation of any such lien or encumbrance.

4.2 **Permits and Laws.** Project Company and its designees will at all times comply with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, judgments, Approvals (defined below) and other valid orders of any governmental authority having jurisdiction over the Premises or the Project ("Legal Requirements"). Project Company will obtain all permits, licenses, approvals, entitlements and orders required by any governmental authority having jurisdiction over the Premises or the Project ("Approvals") regardless of whether the Approvals are required to be issued under the name of Landlord.

To the fullest extent permitted by law, Project Company will indemnify, defend (with counsel approved by Landlord) and hold harmless Landlord and its officers, officials, employee, volunteers, agents, consultants, and contractors (collectively, "Indemnitees") from and against any and all liability, loss, cost, expense (including without limitation attorneys' fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (collectively, "Claims") with regard to Legal Requirements. Project Company will have the right, in its sole discretion, to contest by appropriate legal proceedings brought in the name of Project Company or in the names of both Project Company and Landlord where appropriate or required (or in the name of the Landlord where the property owner is required to be solely named), the validity or applicability to the Premises or Solar Facilities of any Legal Requirement now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity, provided that this requirement shall not apply in circumstances where Landlord initiates legal proceedings against Project Company in a regulatory role. Landlord will reasonably cooperate in such contest, provided Project Company reimburses Landlord for its reasonable and actual out-of-pocket expense directly incurred in connection with such cooperation. Any such contest or proceeding, including any maintained in the name of Landlord, will be defended by Project Company, but Project Company may not take any action or agree to any settlement, including injunctive relief, that may affect Landlord or Landlord Operations without the written consent of Landlord, which consent shall not be unreasonably withheld. Furthermore, to the fullest extent permitted by law, Project Company will indemnify, defend and hold harmless the Indemnitees from Project Company's failure to observe or comply during the contest with the contested Legal Requirement.

4.3 **Project Company's Improvements.**

a. Subject to Sections 4.4(b) and (c) below, all Solar Facilities constructed, installed or placed on the Premises by Project Company pursuant to this Lease will be and remain

the sole property of Project Company and Landlord will have no ownership or other interest in any Solar Facilities on the Premises. The Solar Facilities are and will remain personal property of the Project Company, notwithstanding any present or future common ownership of the Solar Facilities and the Premises.

b. Construction, installation, and placement of the Solar Facilities will be at the sole cost and expense of Project Company, and shall be consistent with the Specifications set forth at Exhibit C, and as may be revised from time to time in accordance with the terms of this Lease.

c. Throughout the Lease Term, Project Company will, at its sole cost and expense, maintain Project Company's Solar Facilities in good condition and repair, including maintaining the Solar Facilities in a clean and orderly condition, such as taking measures to ensure there is no accumulation of bird excrement or dirt on the floating solar panels or associated equipment. Such maintenance and repair activities, unless in an emergency situation, shall occur during Landlord's standard operating hours, provided, however, that to the extent any maintenance, other than in emergency situations, requires shut down of the Solar Facilities, Project Company shall conduct such maintenance during off-peak or part-peak hours. Landlord shall be provided no less than twenty-four (24) hours-notice before any such activity is to occur. Any person conducting such maintenance and repair activities shall wear safety apparel in accordance with applicable law, and shall wear personal flotation devices while working on the solar panel floats. Any maintenance personnel shall sign in, sign out, and shall provide a cell phone number with Landlord's lead shift operator on site.

d. Project Company shall notify Landlord within twelve (12) hours following Project Company's discovery of (i) any material malfunction in the operation of the System or (ii) an interruption in the supply of electrical energy from the Solar Facilities. Landlord and Project Company shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Project Company's repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays. Landlord shall notify Project Company immediately upon the discovery of an emergency condition affecting the Solar Facilities, provided that Landlord may take any emergency action necessary to protect human health or the environment to extent immediate action is required and prior notice to Project Company is not possible.

e. All Solar Facilities constructed, installed or placed on the Premises by Project Company pursuant to this Lease may, upon reasonable advance notice to Landlord, be moved, removed, replaced, repaired or refurbished by Project Company at any time, provided that such actions by Project Company may not interfere with Landlord Operations, or if such action may interfere with Landlord Operations, such actions shall require Landlord's prior written consent, which consent shall not be unreasonably withheld. Project Company will pay Landlord the fair market value of caliche, gravel, or water from the Premises purchased by Project Company with the consent of Landlord.

f. Project Company will take commercially reasonable steps to avoid damaging any tile lines or irrigation systems on the Premises or easement areas. Project Company agrees to repair, replace and/or reroute underground tile lines damaged during construction or operation of the Solar Facilities at Project Company's sole cost and expense. Upon reasonable notice, Landlord will be given the opportunity to inspect the repair, replacement or rerouting of tile or irrigation systems prior to being covered with topsoil.

g. Project Company shall, at its sole cost and expense, restore the Levee Roads to their pre-construction elevations as such pre-construction elevations are determined pursuant to the Landlord's Survey (as herein defined). In order to determine the pre-construction elevations of the Levee Roads, Landlord shall at its sole cost and expense conduct a survey of the Levee Roads ("Landlord's Survey") within thirty (30) days of the commencement of the Procurement and Construction Period. Within thirty (30) days following the commencement of the Operating Term, Project Company shall, at its sole cost and expense, conduct a survey of the Levee Roads to determine their post-construction elevations ("Project Company's Survey"). For any Levee Road determined by the Project Company's Survey to be below the pre-construction elevation described in Landlord's Survey, Project Company shall, at its sole cost and expense, restore such Levee Road to two (2) feet above its pre-construction elevation within six (6) months of completion of the Project Company's Survey and in accordance with the commercially reasonable specifications provided by Landlord.

h. Project Company shall, at its sole cost and expense, use its best efforts to install, operate and maintain throughout the Operating Term, aerators on the Ponds in sufficient numbers and at sufficient locations, the sufficiency of which is to be determined in Project Company's sole discretion, to ensure continued circulation of Pond water. Landlord may monitor the dissolved oxygen levels in the Ponds. If, during the Operating Term, the dissolved oxygen level of the Ponds falls below 4.0 ppm (the "**Dissolved Oxygen Threshold Level**") as the direct result of Project Company's activities on the Premises, then and only then shall Project Company, at its sole cost and expense, take appropriate remedial action to increase the dissolved oxygen levels of the Ponds to the Dissolved Oxygen Threshold Level. Notwithstanding the foregoing, at all times during the Lease Term, Project Company shall use its best efforts and cooperate in good faith with Landlord to maintain the dissolved oxygen concentrations of the Ponds at or above the Dissolved Oxygen Threshold Level. Project Company shall be responsible for operating and maintaining any aerators installed by Project Company throughout the Operating Term.

i. In the event that Project Company desires to utilize Landlord's existing power lines and/or poles and Landlord consents to such use (which consent shall not unreasonably be withheld), Project Company shall, within thirty (30) days of a demand for payment by Landlord, pay to Landlord fifty percent (50%) of the actual annual maintenance costs incurred by Landlord to maintain such lines and/or poles, , including but not limited to, cleaning of the power lines following fires and maintenance of surrounding trees and other vegetation affecting such lines and/or poles. Project Company's share of the annual maintenance costs shall be prorated onward from the date Project Company installs its lines on Landlord's poles. Project Company's obligations pursuant to this subparagraph shall also apply in the event that Project Company and Landlord co-locate their respective lines on new electric poles rather than on Landlord's existing electric poles.

j. Throughout the Lease Term, Project Company shall ensure that the levee roads located on the Premises ("Levee Roads") remain unobstructed so that there is sufficient room on such roads for vehicle ingress and egress at all times.

4.4 **Removal of Project Company's Improvements.**

a. Project Company Will Remove Solar Facilities Upon Termination.

b. At the end of the Lease Term, including upon any early termination of the Lease, and subject to Landlord's option as set forth in Section 4.4(b) hereof, Project Company will

remove all its Solar Facilities, within twelve (12) months from the date the Lease Term expires or the Lease terminates. Landlord grants Project Company a license for such removal, which license will survive for twelve (12) months after the expiration or termination of this Lease. Such license and removal period shall be extended up to sixty (60) days in the event Landlord exercises its option under Section 4.4.(b) hereof. The Project Company shall pay Rent during the license period in accordance with Section 3.1. Upon removal of the Solar Facilities, Project Company shall restore the Premises and other areas affected by the Solar Facilities to conditions substantially as existing on the Execution Date.

c. Reserved.

d. Landlord's Right to Remove Solar Facilities Upon Failure by Project Company. If Project Company fails to remove any of the Solar Facilities within the required time period set for in Section 4.4(a) above, such Solar Facilities will be considered abandoned by Project Company and Landlord may keep the Solar Facilities at no additional cost or remove these Solar Facilities from the Premises and dispose of them in its sole discretion without notice or liability to Project Company. In such event, if Landlord removes such Solar Facilities at Landlord's expense, Project Company will reimburse Landlord for all reasonable costs of removing those Solar Facilities, less any salvage value received by Landlord (or if the Landlord seeks to keep the Solar Facilities, less the fair market value of said Solar Facilities), within thirty (30) days after receipt of an invoice from Landlord.

e. Security for Removal. Commencing with the seventh (7th) year of the Operating Term, Project Company will establish and maintain throughout the remainder of the Operating Term security payable to Landlord to cover Project Company's obligations under Section 4.4(a) above (the "**Restoration Security**") through one of the following means to be selected by Project Company in its sole discretion: (i) by establishing an escrow account with a bank selected by Landlord, or (ii) by delivering to Landlord a letter of credit, bond, corporate guarantee from an investment grade company or equivalent security reasonably acceptable to Landlord. The amount of the Restoration Security will be equal to the Net Removal Cost (as defined below), which will be determined by the parties in good faith; provided, however, if the parties cannot agree upon the Net Removal Cost within sixty (60) days, then the Net Removal Cost will be determined by an independent engineer mutually selected by the parties and paid for equally by Project Company and Landlord. The terms of any escrow fund, letter of credit, corporate guarantee or bond will expressly provide that Landlord will be entitled to use amounts received from the Restoration Security to remedy any damage to the Premises if Project Company fails to comply with its obligations pursuant to Section 4.4(a), after notice and opportunity to cure as provided herein. Interest earnings, if any, on any escrow fund will be the property of Project Company, and any amounts remaining in any escrow fund after Project Company has complied with its obligations pursuant to Section 4.4(a) will belong to Project Company. As used herein, the "**Net Removal Cost**" means (A) the cost of performing Project Company's obligations under Section 4.4(a) minus (B) the salvage value of the Solar Facilities located on the Premises at the time such calculation is made.

4.5 **Hazardous Wastes.** Project Company hereby covenants and agrees that throughout the Lease Term:

a. The Premises, and the use and operation thereof, shall be in compliance with all Hazardous Materials Laws (as defined in Exhibit E attached hereto and incorporated herein) , and Project Company shall not cause or permit the Premises or any portion thereof to be in violation of any Hazardous Materials Laws .

b. Project Company shall not permit the Premises or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials (as defined in Exhibit E) nor shall Project Company permit the presence or release of Hazardous Materials in, on, under, about or from the Premises with the exception of materials customarily used in the construction, operation, use or maintenance of solar facilities in compliance with Hazardous Materials Laws.

c. Upon receiving knowledge of the same, Project Company shall immediately advise Landlord in writing of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Project Company or the Premises pursuant to any applicable Hazardous Materials Laws; (ii) any and all complaints, claims, citations, demands, inquiries, reports, or notices made or threatened by any third party against Project Company or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; (iii) the presence or release of any Hazardous Materials in, on, under, about or from the Premises; or (iv) Project Company's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Premises classified as "Border Zone Property" under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in connection therewith, that may in any way affect the Premises pursuant to any Hazardous Materials Laws or cause it or any part thereof to be designated as Border Zone Property. The matters set forth in the foregoing clauses (i) through (iv) are hereinafter referred to as "Hazardous Materials Claims." Landlord shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claim, and to have its reasonable attorney's fees in connection therewith paid by the Landlord.

d. Without Landlord's prior written consent, which shall not be unreasonably withheld, Landlord shall not take any remedial action in response to the presence of any Hazardous Materials in, on, under, or about the Premises (other than in emergency situations or as required by governmental agencies having jurisdiction in which case Landlord agrees to provide its consent), nor enter into any settlement agreement, consent decree, or other compromise with respect to any Hazardous Materials Claim.

e. If the presence of any Hazardous Material on the Premises results in any contamination of the Premises in violation of Hazardous Materials Laws, except to the extent such contamination is caused by Landlord, Project Company shall promptly take all actions at its sole expense as are necessary to remediate the Premises as required by law; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld in Landlord's reasonable discretion. All costs and expenses of any Remedial Work (defined below) shall be paid by Project Company, it being understood that Landlord shall incur no cost, expense or liability in connection with any Remedial Work. Project Company shall have the right, but no obligation, to join and participate in, as a party if it so elects at Landlord's cost, any legal proceedings or actions initiated in connection with any Hazardous Material Claims. For purposes of this Lease, "Remedial Work" means all investigation, testing, analysis, monitoring, restoration, abatement, detoxification, containment, handling, treatment, removal, storage, decontamination, clean-up, transport, disposal or other ameliorative work or response action required by (i) any Hazardous Materials Laws, (ii) any order or request of any federal, state or local governmental agency, or (iii) any judgment, consent decree, settlement or compromise with respect to any and all enforcement, clean-up, removal, remedial or other governmental or regulatory actions or agreements or orders threatened, instituted, or completed pursuant to any Hazardous Materials Laws or any actions, proceedings or claims by such entities or third parties relating to or arising out of the breach of any Hazardous

Materials Laws or the presence or release of any Hazardous Material in, on, under or from the Premises.

f. To the fullest extent permitted by law, Project Company shall indemnify, defend (with counsel approved by Landlord) and hold Indemnitees harmless from and against any and all Claims resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, transport, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Premises by Project Company, Project Company's employees, agents, contractors, subcontractors, licensees, permittees, or any person acting on behalf of any of the foregoing during the Term of this Lease, (ii) the failure of Project Company, Project Company's employees, agents, contractors, subcontractors, licensees, permittees, or any person acting on behalf of any of the foregoing to comply with Hazardous Materials Laws, or (iii) the breach by Project Company of any of its covenants contained in this Paragraph. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Premises or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials on the Premises by Project Company or Project Company's employees, agents, contractors, subcontractors, licensees, permittees, or any person acting on behalf of any of the foregoing, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws and shall include, without limitation, Claims arising in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work ordered by a court or required by any federal, state, or local governmental agency or political subdivision. The indemnification obligations in this Paragraph shall survive the expiration or earlier termination of this Lease.

4.6 Pest/Weed Abatement. Project Company acknowledges that Landlord must comply with certain Legal Requirements with regard to the abatement of weeds, mosquitos, rodents and other pests on and around the Premises ("Landlord's Abatement Activities"), and that placement of the Solar Facilities may interfere with those abatement activities. Therefore, Project Company agrees that it will use best efforts to accommodate Landlord's Abatement Activities and to ensure compliance with any applicable weed, mosquito, rodent or other pest abatement requirements.

4.7 Insurance. Commencing upon the Effective Date and continuing throughout the Lease Term, Project Company shall obtain and maintain in full force and effect all insurance required under this paragraph and such insurance shall have been approved by Landlord, which approval shall not be unreasonably withheld. Project Company shall not allow any contractor or subcontractor to commence work on under this Lease until all similar insurance required of the Project Company shall have been so obtained and approved. All requirements herein provided shall appear either in the body of the insurance policies or as endorsements and shall specifically bind the insurance carrier.

a. Project Company shall procure and maintain for the duration of the Lease Term all necessary insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Project Company, the Project Company's agents, representatives, employees or subcontractors.

b. Coverage shall be at least as broad as:

(i) Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

(ii) Insurance Services Office form number CA 0001 (Ed. 12/90) covering Automobile Liability, code 1 (any auto).

(iii) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If no employees are utilized, the Project Company shall sign a declaration as described in California Health and Safety Code Section 19825.

c. Project Company shall maintain limits no less than:

(i) General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations. If Commercial General Liability Insurance or other form with a general aggregate liability is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(ii) Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.

(iii) Workers' Compensation: statutory limit; Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

d. Any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to Landlord. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Lease; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured; whichever is greater.

e. Project Company will provide Landlord with copies of certificates of insurance evidencing this coverage upon request by Landlord.

f. The Indemnitees shall be included as additional insureds on each of the required policies. Moreover, the insurance coverage required herein shall be primary insurance, each policy required shall include an endorsement providing that that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Landlord.

g. The Workers' Compensation endorsement shall contain a Waiver of Subrogation against Landlord. Project Company shall provide to Landlord an endorsement from the Worker's Compensation insurer, if any, agreeing to waive all rights of subrogation against Landlord for injuries to employees of the Insured resulting from activities under this Lease.

h. Project Company shall furnish Landlord with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf.

i. Project Company shall include all contractors and subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each prior to

commencement of subcontractor's work. All coverages for contractors and subcontractors shall be subject to all of the requirements stated herein.

j. If any insurance policy or coverage required hereunder is canceled or reduced, Project Company shall, within fifteen (15) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Landlord a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Landlord may, without further notice and at its option, procure such insurance coverage at Project Company's expense, and Project Company shall promptly reimburse Landlord for such the actual cost of the aforementioned insurance coverage upon receipt of billing from Landlord and detailed insurance documentation evidencing the coverage.

k. 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.

4.8 **Prevailing Wages.** Project Company will comply with California Labor Code Section 1720 et set, and the regulations adopted pursuant thereto ("Prevailing Wage Laws") in its performance under this Lease, such requirement to further apply to Project Company's contractors and subcontractors. To the fullest extent permitted by law, Project Company shall indemnify, defend (with counsel approved by Landlord) and hold the Indemnitees harmless from and against Claims which directly or indirectly, in whole or in part, are caused by, arise in connection with, or relate to, the payment or requirement of payment of prevailing wages (including without limitation all claims that may be made by contractors, subcontractors or other third party claimants pursuant to California Labor Code Sections 1726 and 1781), or noncompliance with the Prevailing Wage Laws; provided, however, that Project Company's indemnification obligations set forth in this Section shall not apply to Claims arising from the gross negligence or willful misconduct of the Indemnitees. Project Company's indemnification obligations pursuant to this subsection shall survive the expiration or earlier termination of this Lease.

ARTICLE V

LANDLORD COVENANTS

Landlord covenants, represents and warrants to Project Company as follows:

5.1 **Title and Authority.** Except to the extent otherwise stated in this Lease, Landlord is the sole owner of the Premises in fee simple and each person or entity signing the Lease on behalf of Landlord has the full and unrestricted authority to execute and deliver this Lease and to grant the leaseholds, easements and other rights granted to Project Company herein. There are no encumbrances or liens (including farm or other tenancies) against the Premises except those which are listed on Exhibit E, attached hereto (the "**Encumbrances**"). Landlord agrees to deliver any documents necessary to correct any title defects. All persons having any ownership interest in the Premises are signing this Lease as Landlord. When signed by Landlord, this Lease constitutes a valid and binding agreement enforceable against Landlord in accordance with its terms.

5.2 **Cooperation to Eliminate Lien Interference.** Landlord will cooperate with Project Company to obtain non-disturbance and subordination agreements, or such other necessary agreements, from any person or entity with a lien, encumbrance, mortgage, deed of trust, lease or

other exception to Landlord's fee title to the Premises to the extent necessary to eliminate any actual or potential interference by any such lienholder with any rights granted to Project Company under this Lease. Landlord will also cooperate with Project Company to obtain and maintain any permits or approvals needed for the Solar Facilities, and will provide Project Company with such further assurances and will execute any estoppel certificates, consents to assignments, non-disturbance and subordination agreements, or additional documents that may be reasonably necessary for recording purposes or requested by Project Company or any of its lenders in accordance with the terms herein.

5.3 **Quiet Enjoyment.** As long as Project Company is not in Breach of this Lease, Project Company will have the quiet use and enjoyment of the Premises in accordance with the terms of this Lease without any interference by Landlord or any person claiming through Landlord. Landlord's activities on the Premises and any grant of rights Landlord makes to any other person will be only as permitted, and will not interfere with any of Project Company's rights or activities, as set forth under this Lease.

5.4 **Exclusivity.** During the Term of this Lease, Project Company will have the sole and exclusive rights to install and operate Solar Facilities on the Premises, to use the Premises for solar energy purposes and to convert all of the solar resources of the Premises. In no event during the Lease Term will Landlord construct, build or locate or allow others to construct, build or locate any solar energy facility or similar project on the Premises.

5.5 **Reserved.**

5.6 **Operation of the Solar Facilities.** Landlord acknowledges and understands that the Solar Facilities to be located on the Premises, or in connection with the Project on adjacent property may impact the view on the Premises or on adjacent Premises or otherwise cause visual effects. Landlord covenants and agrees that the Landlord will not assert that the Solar Facilities constitute a nuisance.

5.7 **Security.** Landlord shall be responsible for using commercially reasonable efforts to maintain the physical security of the Solar Facilities against known risks and risks that should have been known by Landlord. Landlord will not conduct activities on, in or about the Premises or the Solar Facilities that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the Transmission Facilities unless such activities are required by Legal Requirements, including but not limited to, Landlord's NPDES Permit. Such efforts as are implemented as of the Effective Date with regard to Landlord's waste water treatment plant and reclamation facilities and operations shall be deemed commercially reasonable efforts for purposes of this Section.

ARTICLE VI

INDEMNIFICATION

6.1 **Project Company Indemnification.** To the fullest extent permitted by law, Project Company agrees to indemnify, hold harmless, protect, and defend Indemnitees from and against any and all Claims whether foreseeable or unforeseeable, which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, result from, or relate to (i) any act, error, omission or negligence of Project Company or Project Company's agents, employees, representatives, or contractors on or about the

Premises, (ii) Project Company's use of, or activities on or about, the Premises or Project Company's operation of the Solar Facilities on the Premises or (iii) Project Company's activities or performance under this Lease except for Claims caused by the sole and active negligence or intentional misconduct of the Indemnitees . Project Company's compliance with the insurance requirements set forth in this Lease shall not in any way restrict, limit or modify Project Company's indemnification obligations hereunder. The provisions of this Section shall survive the termination, cancellation, or expiration of this Lease.

6.2 **Landlord Indemnification.** To the fullest extent permitted by law, Landlord agrees to indemnify, hold harmless, protect, and defend Project Company from and against any and all Claims whether foreseeable or unforeseeable, which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, result from, or relate to (i) any act, error, omission or negligence of Landlord or Landlord's agents, employees, representatives, or contractors on or about the Premises, (ii) Landlord's use of, or activities on or about, the Premises or (iii) Landlord's activities or performance under this Lease except for Claims caused by the sole and active negligence or intentional misconduct of Project Company.

ARTICLE VII

ASSIGNMENT; FINANCING

7.1 **Right to Encumber.** The Parties acknowledge that Project Company may obtain construction and long-term financing or other credit support from one or more Lenders. **"Lender(s)"** means person or persons providing construction or permanent financing to Project Company in connection with construction, ownership, operation and maintenance of the System. To the extent Project Company seeks to finance construction, implementation, and/or operation of the Solar Facilities, it may contract with a lender to assume Project Company's rights under this Lease only if all of the following conditions are fully satisfied:

a. Any Lender or other equity partner of Project Company must be reputable and have qualifications that would otherwise be necessary to contract or associate with a California municipal corporation under applicable law and consistent with good governance practices.

b. This Lease must be attached to the loan documents, and Lender must separately agree with Landlord that to the extent the lender assumes any or all of Project Company's rights under this Lease, it agrees to be bound by the lease and fully assume all obligations of Project Company hereunder.

c. The Lender must further agree in writing with Landlord that it may not assign any of Project Company's rights the Lender assumes under this Lease and the loan documents without the written consent of Landlord, which consent shall not be unreasonably withheld.

7.2 **Lender Right to Cure Project Company Default.** Landlord agrees that any Lender will have the right to make any payment and to, and subject to the conditions of herein, do any other act or thing required to be performed by Project Company under this Lease, and any such payment, act or thing performed by Lender will be effective to prevent a Breach by Project Company and any forfeiture of any of Project Company's rights under this Lease as if done by Project Company itself.

7.3 Notice from Project Company to Lender in Case of Project Company Default.

During the time all or any part of Project Company's interests in this Lease are mortgaged or assigned to any Lender, if Project Company defaults under any of its obligations and Landlord is required to give Project Company notice of the default, Project Company will be required to give Lender notice of the default within five (5) days of receipt of notice from Landlord, and shall concurrently provide to Landlord a copy of the Notice sent to the Lender. If Landlord becomes entitled to terminate this Lease due to an uncured default by Project Company, Landlord will not terminate this Lease before at least thirty-five (35) days from the date notice of the default was sent by Landlord to Project Company to provide the Lender an opportunity to cure the default and prevent termination of this Lease.

7.4 Successor Servicing. The Parties acknowledge that in connection with any construction or long term financing or other credit support provided to Project Company or its affiliates by a Lender, such Lender may require that Project Company or its affiliates appoint a third party to act as backup or successor provider of operation and maintenance services with respect to the Solar Facilities and/or administrative services with respect to this Lease (the "**Successor Provider**"). Landlord agrees to accept performance from any Successor Provider so appointed so long as (a) Landlord consents to such Successor Provider, which consent shall not be unreasonably withheld, and (2) the Successor Provider agrees to perform in accordance with the terms of this Lease.

7.5 Assignment of Project Company's Interest. Project Company may assign its rights or interest in the Lease only with the written consent of Landlord, provided, however, that Project Company may, without further consent of Landlord, and upon written notice to Landlord of such assignment and the assignee's written agreement to assume Project Company's rights and obligations under this Lease, assign its rights and obligations under this Lease to a limited liability entity to-be-formed by Project Company that will be the ultimate Project Company under this Lease . In no event may the Lease be assigned unless the assignee agrees to assume Project Company's obligations under this Lease , and such assignee has the financial and substantive ability to fulfill all Project Company's obligations under this Lease.

ARTICLE VIII

CONDEMNATION

8.1 Effect of Condemnation. If eminent domain proceedings are commenced against all or any portion of the Premises, and the taking and proposed use of such property would prevent or adversely affect Project Company's construction, installation or operation of Solar Facilities on the Premises, at Project Company's option, the parties will either amend this Lease to reflect any necessary relocation of the Solar Facilities which will preserve the value and benefit of the Lease to Project Company, together with any corresponding payments, or this Lease will terminate in which event neither party will have any further obligations.

8.2 Condemnation Proceeds. All payments made by a condemnor on account of a taking by eminent domain will be the property of the Landlord, except that Project Company will be entitled to any award or amount paid for the reasonable costs of removing or relocating any of the Solar Facilities or the loss of any such Solar Facilities or the use of the Premises pursuant to the Lease. Project Company will have the right to participate in any condemnation proceedings to this extent.

ARTICLE IX

DEFAULT/TERMINATION

9.1 **Definition of Breach.** Each of the following will constitute a “**Breach**” that will permit the non-defaulting party to terminate this Lease or pursue other remedies available at law or equity:

a. any failure by Project Company to pay any amounts due under Article III if the failure to pay continues for thirty (30) days after written notice from Landlord; or

b. any other material breach of this Lease by either Party which continues for thirty (30) days after written notice of default from the non-defaulting Party or, if the cure will take longer than thirty (30) days, provided, that such thirty (30) day cure period shall be extended (but not beyond ninety (90) days) if and to the extent reasonably necessary to cure the Breach, if (A) the breaching Party initiates such cure within the thirty (30) day period and continues such cure to completion and (B) there is no material adverse effect on the non-breaching Party resulting from the failure to cure the Breach.

9.2 In the event of a default by either party with respect to a material provision of this Lease, without limiting the non-defaulting party in the exercise of any right or remedy which the non-defaulting party may have by reason of such default, the non-defaulting party may pursue any remedy now or hereafter available to the non-defaulting party under the laws or judicial decisions of the state of California; provided, however, the non-defaulting party shall use reasonable efforts to mitigate its damages in connection with a default by the other Party.

9.3 **Surrender.** Upon the termination or expiration of this Lease, the terms of Section 4.4 herein shall apply. For the period between the date of termination or expiration of this Lease and the date on which Project Company completes removal of the Solar Facilities as required under Section 4.4 of this Lease (or the date upon which Landlord purchases the Solar Facilities under Section 4.4(b) of this Lease), Project Company will continue to pay Rent.

9.4 **Damages.** **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS LEASE, NEITHER PARTY WILL BE ENTITLED TO, AND EACH OF LANDLORD AND PROJECT COMPANY HEREBY WAIVES ANY AND ALL RIGHTS TO RECOVER, CONSEQUENTIAL, INCIDENTAL, AND PUNITIVE OR EXEMPLARY DAMAGES, HOWEVER ARISING, WHETHER IN CONTRACT, IN TORT, OR OTHERWISE, UNDER OR WITH RESPECT TO ANY ACTION TAKEN IN CONNECTION WITH THIS LEASE, EXCEPT WHERE SUCH DAMAGES ARE REQUIRED TO BE IMPOSED BY APPLICABLE LAW.**

9.5 **Delinquent Payments.** If Project Company fails to pay Landlord any sum to be paid by Project Company hereunder within thirty (30) days after such payment is due, interest on the unpaid amount will accrue at a rate of ten percent (10%) per annum or the maximum rate allowed by law, whichever is less, from thirty (30) days after the date such payment was due until the date such payment is made.

9.6 **Disputes.** The parties shall attempt to first resolve informally any dispute arising from or relating to this Lease with or without the assistance of a professional mediator mutually acceptable to the Parties. If after a good faith attempt at such informal dispute resolution either

Party believes that such attempts will not be successful, such party may at that point initiate judicial proceedings. The prevailing party in any dispute arising out of this Lease shall be entitled to reasonable attorneys' fees and costs, provided that the cost of mediation shall be borne equally by the Parties notwithstanding the outcome of any judicial proceeding.

ARTICLE X

MISCELLANEOUS

10.1 **Notice.** Notices, consents or other documents required or permitted by this Lease must be given by personal delivery, reputable overnight courier or certified U.S. mail postage prepaid and will be sent to the respective Parties as follows (or at such other address as either Party may designate upon written notice to the other party in the manner provided in this paragraph) and will be deemed delivered upon actual delivery or refusal, if personally delivered, upon the date of actual delivery or refusal shown on the courier's delivery receipt if sent by overnight courier and on the fourth business day after deposit in the U.S. mail if sent by certified mail:

To Landlord: Napa Sanitation District
1515 Soscol Ferry Road
Napa, CA 94558

To Project Company: Ciel et Terre USA, Inc.
755 Baywood Drive
Second Floor
Petaluma, CA 94954

10.1 **Relationship of the Parties; No Third Party Beneficiaries.** The duties, obligations and liabilities of each of the parties are intended to be several and not joint or collective. This Lease will not be interpreted or construed to create an association, joint venture, fiduciary relationship or partnership between Landlord and Project Company or to impose any partnership obligation or liability or any trust or agency obligation or relationship upon either party. Landlord and Project Company will not have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act or be an agent or representative of, or to otherwise bind, the other party. Except for the rights of Lenders set forth above, no provision of this Lease is intended to nor will it in any way inure to the benefit of any third party so as to constitute any such person a third party beneficiary under this Lease, or of any one or more of the terms of this Lease, or otherwise give rise to any cause of action in any person not a party to this Lease.

10.2 **Entire Agreement.** It is mutually understood and agreed that this Lease, together with Exhibits A-H attached hereto, constitutes the entire agreement between Landlord and Project Company and supersedes any and all prior oral or written understandings, representations or statements, and that no understandings, representatives or statements, verbal or written, have been made which modify, amend, qualify or affect the terms of this Lease. This Lease may not be amended except in a writing executed by both parties. All exhibits attached to this Lease are deemed incorporated herein.

10.3 **Governing Law.** This Lease is made in and will be governed by the laws of California without regard to principles of conflicts of laws, and the venue for any dispute will be the Superior Court of Napa County. The Parties agree that any rule of construction to the effect that

ambiguities are to be resolved in favor of either party will not be employed in the interpretation of this Lease. In interpreting this Lease, time is of the essence.

10.4 Cooperation. Each of the Parties, without further consideration, agrees to execute and deliver such additional documents and take such action as may be reasonably necessary to carry out the purposes and intent of this Lease and to fulfill the obligations of the respective Parties. If, at any time during the Lease Term, Project Company deems it to be necessary or desirable to meet legal or regulatory requirements, Project Company may request that Landlord re-execute a new lease substantially in the form of this Lease with a term equal to the Lease Term remaining as of the date of execution of the new lease, and Landlord will execute and enter into the new lease with Project Company or its designee to the extent Landlord may do so under applicable law. In the event of inaccuracies or insufficiencies in the legal description of the Premises, this Lease will be amended to correct the inaccuracies or insufficiencies.

10.5 Waiver. Neither Party will be deemed to have waived any provision of this Lease or any remedy available to it unless such waiver is in writing and signed by the party against whom the waiver would operate. Any waiver at any time by either party of its rights with respect to any rights arising in connection with this Lease will not be deemed a waiver with respect to any subsequent or other matter. In the event that Project Company makes any overpayments to Landlord hereunder, Project Company will offset the amount of such overpayments to Landlord against future payments due to Landlord from Project Company hereunder.

10.6 Force Majeure.

a. Neither Landlord nor Project Company will be liable to each other for any failure to perform an obligation of this Lease to the extent such performance is prevented by a Force Majeure. For the purposes of this Lease, Force Majeure will mean an act of God; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; rise in sea or river level due to climate change, abnormal and unanticipated weather condition or actions of the elements, including hurricane, flood, lightning, wind, and drought (each as "Force Majeure Event") to the extent such failure to perform, by exercise of due diligence and foresight, could not reasonably have been avoided.

b. Except as otherwise expressly provided to the contrary in this Lease, if either Party is rendered wholly or partly unable to timely perform its obligations under this Lease because of a Force Majeure Event, that Party shall be excused from the performance affected by the Force Majeure Event (but only to the extent so affected) and the time for performing such excused obligations shall be extended as reasonably necessary; provided, that: (i) the Party affected by such Force Majeure Event, as soon as reasonably practicable after obtaining knowledge of the occurrence of the claimed Force Majeure Event, gives the other Party prompt oral notice, followed by a written notice reasonably describing the event; (ii) the suspension of or extension of time for performance is of no greater scope and of no longer duration than is required by the Force Majeure Event; and (iii) the Party affected by such Force Majeure Event uses all reasonable efforts to mitigate or remedy its inability to perform as soon as reasonably possible. The Procurement and Construction Period shall be extended day for day for each day performance is suspended due to a Force Majeure Event that occurs during the Procurement and Construction Period.

10.7 Confidentiality.

a. Confidential Information. To the extent permitted by law, Landlord will maintain in the strictest confidence, for the benefit of Project Company and any assignee or transferee of Project Company, Project Company's Confidential Information (as herein defined) unless such information either (i) is in the public domain by reason of prior publication through no act or omission of Landlord or its employees or agents; (ii) was already known to Landlord at the time of disclosure and which Landlord is free to use or disclose without breach of any obligation to any person or entity, or (iii) is required to be disclosed under applicable law with respect to California local governments, including without limitation the California Public Records Act, Cal. Gov't Code §§ 6250 et seq. All Confidential Information shall remain the sole property of Project Company and no license under any trade secrets, copyrights, or other rights is granted under this Lease or by any disclosure of Confidential Information under this Lease. Landlord will not use such information for its own benefit, publish or otherwise disclose it to others, or permit its use by others for their benefit or to the detriment of Project Company, any assignee or transferee. Notwithstanding the foregoing, Landlord may disclose such information to Landlord's lenders, attorneys, accountants and other personal financial advisors solely for use in connection with their representation of Landlord regarding this Lease; any prospective purchaser of the Premises who has made a written offer to purchase or otherwise acquire the Premises that Landlord desires to accept and who is bound by obligations of confidentiality at least as stringent as those contained herein; or pursuant to lawful process, subpoena or court order requiring such disclosure, provided Landlord in making such disclosure advises the party receiving the information of the confidentiality of the information and obtains the written agreement of said party not to disclose the information, which agreement will run to the benefit of and be enforceable by Project Company and any assignee or transferee of Project Company. "Confidential Information" shall mean confidential and/or proprietary information, communication or data, in any form, including, but not limited to, oral, written, graphic or electronic forms, relating to Project Company's business and Solar Facilities, know-how, products and services including, but not limited to, any information relating to the business, assets, affairs, customers, clients, suppliers, projects, plans, operations, intentions or market opportunities of Project Company and together with information (including but not limited to trade secrets, patents, copyrights, trademarks and all other intellectual property, whether registered or unregistered) and materials (including but not limited to data, methodologies, concepts, results, technical, financial/business information, legal documents or marketing strategies, research and analysis) disclosed by Project Company to the Landlord, and all information derived by Landlord from any such information and any other information designated by Project Company as being confidential to it (whether or not it is marked "confidential") or which ought reasonably be considered to be confidential.

b. Public Records Act. In the event that Landlord receives a California Public Records Act request for such Confidential Information, Landlord shall give notice to Project Company of the request within three (3) business days of receipt, along with a copy thereof, and consult and reasonably cooperate with Project Company concerning the request and Landlord's anticipated response thereto. If Project Company objects to the release of all or any part of a record, Project Company shall cite the statutory basis therefor. In that event, Landlord agrees not to release such record; provided, however, that Project Company shall indemnify, defend with counsel acceptable to Landlord, and hold Indemnitees harmless from and against any and all Claims, including but not limited to reasonable attorneys' fees and costs incurred in defending such action and plaintiff's attorneys' fees and costs awarded by the court in a final judgment, resulting from, arising out of or in connection with Landlord's withholding of such record. The provisions of this Section 10.7 will survive the termination or expiration of this Lease.

10.8 **Goodwill and Publicity.** The Parties shall coordinate and cooperate with each other when making written public announcements related to the execution and existence of this Lease , and each Party shall have the right to promptly review, comment upon and approve any publicity materials, press releases or other written public statements by the other Party that refer to, or that describe any aspect of, this Lease , provided that nothing herein shall affect or otherwise limit Landlord’s disclosure obligations under applicable law. Neither Party shall make any press release or written public announcement of the specific terms of this Lease (except for filings or other statements or releases as may be required by applicable law) without the specific prior written consent of the other Party. Without limiting the generality of the foregoing, all public statements must accurately reflect the rights and obligations of the Parties under this Lease .

10.9 **Tax Credits.** If under Legal Requirements the holder of a leasehold interest in the nature of that held by Project Company under this Lease becomes ineligible for any tax credit, benefit or incentive for alternative energy expenditure established by any local, state or federal governmental authority, then, at Project Company’s option, Landlord and Project Company will amend this Lease or replace it with a different instrument, to the extent possible under applicable law, so as to convert Project Company’s interest in the Premises to a substantially similar interest that makes Project Company eligible for such tax credit, benefit or incentive and to the extent such amended or replacement lease reflect the intent of the Parties in entering into this Lease, and which contains the same material terms as this Lease.

10.10 **Severability.** Each provision hereof will be valid and will be enforceable to the extent not prohibited by law. If any provision hereof or the application thereof to any person or circumstance will to any extent be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, provided that the remaining provisions continue to reflect the intent of the parties in entering into this Lease.

10.11 **Counterparts.** This Lease may be executed in two or more counterparts and by different parties on separate counterparts, all of which will be considered one and the same agreement and each of which will be deemed an original.

10.12 **Memorandum of Lease.** Landlord and Project Company will execute in recordable form and Project Company will then record a memorandum of this Lease in the form attached hereto as Exhibit G. Landlord hereby consents to the recordation of the interest of an assignee in the Premises.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the ___ day of _____, 20____.

LANDLORD
NAPA SANITATION DISTRICT

By: _____
Jill Techel
Chair, Board of Directors

ATTEST:

By: _____
Cheryl Schuh
Secretary, Board of Directors

APPROVED AS TO FORM:

By: _____
John Bakker
District Counsel

PROJECT COMPANY

CIEL ET TERRE USA, INC.

a Delaware corporation

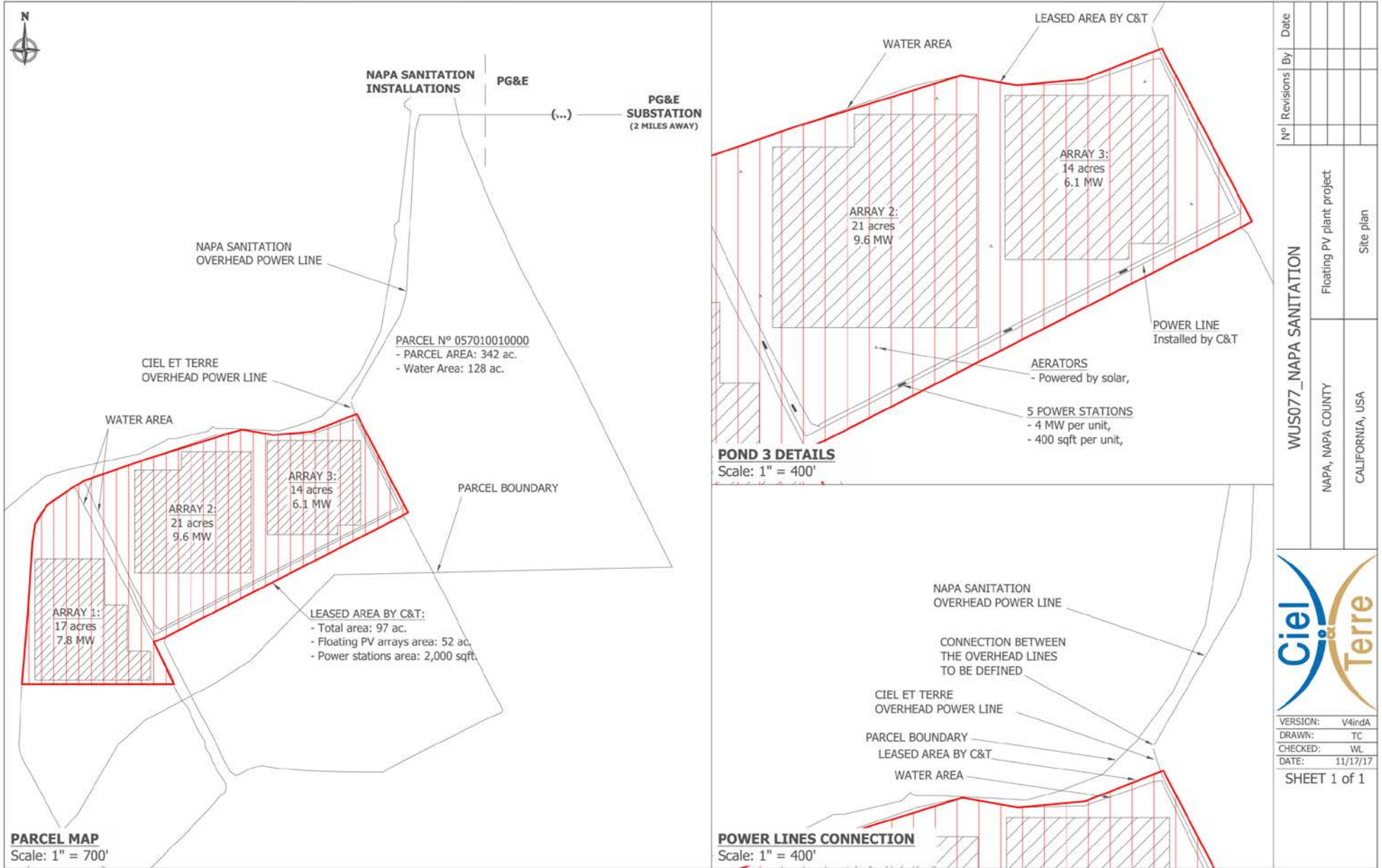
By: _____

Its: _____

2919129.2

EXHIBIT A

DEPICTION OF THE PREMISES



N°	Revisions	By	Date

WUS077_NAPA SANITATION		Floating PV plant project	Site plan
NAPA, NAPA COUNTY	CALIFORNIA, USA		



VERSION:	V4indA
DRAWN:	TC
CHECKED:	WL
DATE:	11/17/17

SHEET 1 of 1

EXHIBIT B

FORM OF EASEMENT AGREEMENT

This EASEMENT AGREEMENT (this “**Agreement**”) is made and entered into this _____ day of _____, ____ (the “**Effective Date**”), by and between (“**Grantor**”), and Ciel et Terre [*or LLC if designated at the time of the grant*] (“**Grantee**”).

Recitals

A. Grantor is the owner of those certain parcels or tracts of real property located in Napa County, California, known as Lot _____, Block _____, and more particularly described on **Attachment A** attached hereto and incorporated herein (all of which parcels or tracts of real property are referred to herein as the “**Premises**”).

B. Grantor and Grantee entered into a certain Land Lease and Solar Easement Agreement (the “**Lease**”), attached at **Attachment B**, by which the Grantee will design, construct, install, operate and maintain a certain solar photovoltaic system on the Premises (the “**Solar Facilities**”, as defined in the Lease).

C. Grantor desires to grant to Grantee the rights described herein for the purposes of designing, installing, operating, maintaining and removing the Solar Facilities on and from the Premises.

Agreement

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth below, and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged and confirmed by Grantor, Grantor and Grantee hereby agree as follows:

1. **Grant of Easement.** Grantor hereby grants and conveys unto Grantee, its successors and assigns, the following non-exclusive easements for the period of time set forth herein, across, over, under and above the Property in order to construct, install, alter, protect, repair, maintain, replace, operate, maintain and remove the Solar Facilities, including any related interconnection equipment and any facilities or equipment appurtenant thereto as Grantee may from time to time require:
 - a. **Access Easement:** Grantor hereby grants to Grantee, for the **Term** (defined below), a non-exclusive easement (the “**Access Easement**”) over, across and on the Property for ingress to and egress from the Solar Facilities by means of any existing roads and lanes, or, if no such roads exist or if it is otherwise commercially impracticable for Grantee to use existing roads, then by such route or routes as Grantee may construct from time to time as agreed to by Landlord in accordance with Section 1.1(l) of the Lease.

- b. Transmission Easement: Grantor hereby grants Grantee for the Term a non-exclusive easement (“**Transmission Easement**”), on, over and across the Property, including ingress to and egress from the Solar Facilities, on such portions of the Property as agreed to by Landlord in accordance with Section 1.1(l) of the Lease. The Transmission Easement will contain all of the rights, privileges, and obligations with respect to the Transmission Facilities as are set forth in the Lease.
- c. Solar Easement:
- i. *Open Access to Sun*. Grantor hereby grants and conveys to Grantee a non-exclusive easement (“**Solar Easement**”) on, over and across the Property for the open and unobstructed access to the sun to floating solar energy generating equipment and to ensure adequate exposure of the floating solar energy generating equipment to the sun. Such easement includes a prohibition of any obstruction to the open and unobstructed access of the floating solar energy generating equipment to the sun.
 - ii. *Grantor Improvements*. Trees, buildings and other improvements located adjacent to the Premises as of the date of this Solar Easement will be allowed to remain, provided that Grantor may within its discretion permit and condition removal of such trees, buildings and other improvements at Grantee’s expense upon written request of Grantee. Grantor may not place or plant any trees, buildings or improvements (an “**Improvement**”) on or adjacent to the Premises after the date of this Lease which may impede or materially interfere with the open and unobstructed access to the sun to the Solar Facilities, unless Grantor has received written approval from Grantee for any such trees, structure or improvement. Subject to the foregoing, Grantor may without Grantee approval construct an Improvement on or ancillary to the Premises if such Improvement meets all of the following requirements:
 1. Such Improvement poses no interference with any part of the Solar Facilities located on the Premises or elsewhere in the “**Project**” (as defined in the Lease); and
 2. Such Improvement is located at least fifty (50) feet from the location of any Solar Facility (whether such Solar Facility is located on the Premises or elsewhere in the Project).
 3. If Grantor constructs an Improvement that is determined by Grantee to violate or not be in compliance with any of the restrictions of this section, Grantee may provide notice to Grantor that said Improvement must be removed within thirty (30) days of Grantor’s receipt of Grantee’s notice. Should Grantor fail to remove the non-complying Improvement or otherwise invokes Dispute Resolution under Section 9.5 of the Lease within such thirty (30) day period, Grantee may cause the same to be removed and may off-set the cost of the removal against any lease payments due under the Lease to Grantor.

- iii. *No Interference.* Grantor will not materially interfere with the free, unobstructed and open and unobstructed access to the sun, solar speed or solar direction over and across the Premises.
2. **Term.** The term of this Agreement shall be for the term of the Lease, as such term may be extended or reduced in accordance with the Lease (the “**Term**”). No delay or interruption by Grantee in the use or enjoyment of any right or easement hereby granted shall result in the loss, limitation or abandonment of any of the right, title, interest, easement or estate granted hereby.
3. **Reservation of Rights.** Subject to the limitations set forth in the Lease, Grantor reserves the right to use or authorize others to use the Premises in any manner not inconsistent with or which will not unreasonably interfere with the rights granted herein.
4. **Title.** Grantor represents and warrants to Grantee that Grantor has the right to execute and deliver this Agreement and to grant to Grantee the easements and other rights hereunder, and that such grant does not, and will not, violate or breach Grantor’s organizational documents, any law, rule or regulation, or any contract, agreement or arrangement to which Grantor is a party or by or to which any of Grantor’s assets or properties, including the Premises, is bound or subject. In the event that, after the date of this Agreement, Grantor duly grants a mortgage for additional value (the “**Subsequent Mortgage**”), the Subsequent Mortgage shall subordinate to the grant of the easement pursuant to this Agreement.
5. **Recordation; Possession.** This Agreement may be recorded against the Property by Grantee at Grantee’s sole cost and expense.
6. **Governing Law.** This Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of California, without regard to conflicts of law principles.
7. **Severability.** All provisions of this Agreement are severable and the invalidity or unenforceability of any provision shall not affect or impair the validity or enforceability of the remaining provisions.
8. **Binding Effect; Successors and Assigns.** The Access Easement, Transmission Easement, and Solar Easement, will each run with and bind the Premises, and will inure to the benefit of and be binding upon Grantor and Grantee, and their respective heirs, personal representatives, transferees, successors and assigns, and all persons claiming under them. Grantee’s rights to assign, apportion, or otherwise transfer any or all of its rights, benefits, privileges, and interests arising under these Easements shall be incident to and limited to the same extent as set forth in the Lease. This Agreement may be amended, modified or terminated only by written instrument, executed and acknowledged by the Parties hereto.
9. **Headings.** The headings used herein are for convenience only and are not to be used in interpreting this Agreement.

10. **Entire Agreement.** This Agreement, together with the Lease and PPA, contains the entire agreement of the Parties with respect to the subject matter hereto and supersedes any prior written or oral agreements with respect to the matters described herein except that the Lease and PPA shall remain in full force in effect in accordance with their respective terms. This Agreement is subject to the terms of the Lease and PPA, as applicable, and in the event of any conflict between this Agreement and the terms of the Lease and/or PPA, respectively, the terms of the Lease and/or PPA, as applicable, shall apply.

11. **Amendments; Acknowledgments.** Grantor shall reasonably consider amendments to this Agreement from time to time that may be reasonably requested by Grantee's lender, any assignee of rights under this Agreement, or the lender of any assignee hereunder. Grantee shall reimburse Grantor for its reasonable and actual out-of-pocket costs in reviewing such proposed amendments, including without limitation attorney's and consultants' cost and fees.

12. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed the original, but which together shall constitute one and the same instrument.

[signature pages follow]

IN WITNESS WHEREOF, this Easement Agreement has been executed and delivered under seal on this _____ day of _____, 20__.

GRANTOR:

By: _____
Print Name: _____
Title: _____

GRANTEE:

By: _____
Print Name: _____
Title: _____

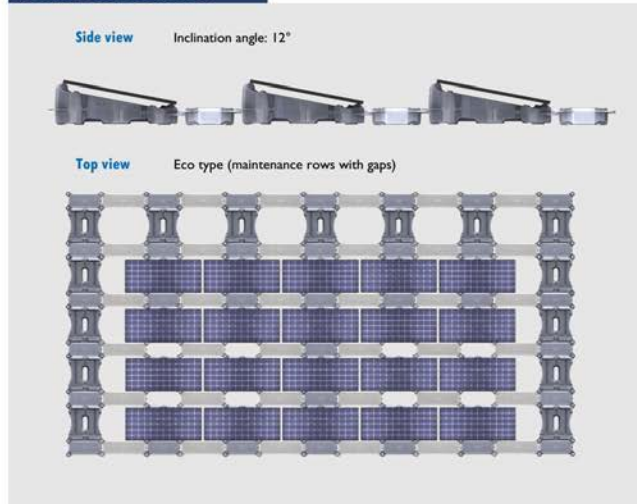
[FOR FORM PURPOSES ONLY - DO NOT EXECUTE]

EXHIBIT C

SPECIFICATIONS



HYDRELIO CONFIGURATION



	WUS077_PRO_Technical Pack		
	CONFIDENTIAL	Project Name: <i>NAPA SANITATION</i>	Project capacity: 23,520.00 kWp
	Date of update: 14/11/2017	Updated by: TC	Design version: V4indA

	Array n°1	Array n°2	Array n°3	Total
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SOLAR ARRAY

Solar Array characteristics

Solar Array capacity	7,840.00 kWp	9,564.80 kWp	6,115.20 kWp	23,520.00 kWp
Solar Array area	17 acres	21 acres	14 acres	52 acres
Effective Capacity ratio	451 kWp/acres	449 kWp/acres	448 kWp/acres	450 kWp/acres
Water Area	76 acres		60 acres	136 acres
Usable Area	70 acres		55 acres	125 acres
Coverage Ratio	23.00%		58.10%	38.56%

Hydrelío substructure

Main floats	23,360	28,594	18,345	70,299
Small Secondary floats	11,998	14,606	9,507	36,111
Long Secondary floats	23,293	28,528	18,299	70,120
Configuration*	Classic Eco	Classic Eco	Classic Eco	

* See Hydrelío configuration on the bottom-left corner

ELECTRICAL CONFIGURATION

Solar Panel specifications

Manufacturer		Jinko		
Reference		JKM350M-72 PERC		
Number (per island)	22,400	27,328	17,472	67,200
Capacity		350 Wp		
60 or 72 cells		72 cells		

Inverter specifications

Manufacturer		Power Electronics		
Reference		HEC 1500V		
Number (per island)	3	4	3	10
Capacity		2,000 kVA		
DC/AC ratio		1.18		

Junction box configuration

Number of panels per string		28		28
Number of strings per junction box		16		16
Number of junction boxes	50	61	39	150

YIELD ESTIMATION


Meteo Database	TMY 2 or TMY 3	TMY 2 or TMY 3	TMY 2 or TMY 3
Azimuth*	0°	0°	0°
Tilt	12°	12°	12°

* - azimuth 0° = SOUTH when the project is located on the north hemisphere
 - azimuth 0° = NORTH when the project is located on the south hemisphere
 - clockwise

Produced Energy	12,385 MWh/year	15,273 MWh/year	9,803 MWh/year	37,461 MWh/year
Specific Production	1,597 kWh/kWp/year	1,597 kWh/kWp/year	1,597 kWh/kWp/year	
Performance Ratio (PR)	81.1%	82.1%	82.1%	

* If required, Ciel et Terre can provide a preliminary simulation of the PV plant production over the next 20 years.


EXHIBIT D
COST CALCULATION FORMULA

 CONFIDENTIAL	WUS077_ARRAY 1 MOVING SPREADSHEET					
	Project Name	NAPA SANITATION	Power of project	7,840.00 kWdc	Date of Update	1/3/2017
	Type of project	FLOATING	Version	V4indA	Updated by	LW

Variables	Units
Number of anchors	235
Number of spreader bars (connection points between the floating array and the mooring lines)	470
Does the floating array has to be electrically disconnected from the inverters (?)	YES
If the electrical disconnection is required, type the quantity of combiner boxes on the floating array	50
For structural reasons, if the floating array needs to be divided in several units. Type the effective quantity	1

Description	Quantity	Units	Unit price*	Total price	Comments
LABOR - LABORERS	1518	hours	65	98,670	- Disconnect DC cables - Remove Anchoring system - Move the array to its temporary location - Temporary anchoring system installation - Temporary anchoring system removal - Move back the array to the original position - Reinstall Anchoring system - Reconnect DC cables
LABOR - ELECTRICIANS	108	hours	90	9,720	- Electrical disconnection - Electrical reconnection
LABOR - ENGINEERS	40	hours	150	6,000	- Job preparation
LABOR - FOREMAN	22	days	800	17,600	- Site supervision
LABOR - SUBTOTAL				131,990	
RENTAL - EQUIPMENTS	11	days	1000	11,000	- Anchor installation equipment - Winches
RENTAL - BOAT RENTAL	22	days	200	4,400	
RENTAL - SUBTOTAL				15,400	
SUPPLY - ROPES	118	units	100	11,800	To move and temporary anchor the array
SUPPLY - ANCHORS	59	units	160	9,440	To temporary anchor the array
SUPPLY - OTHERS					
SUPPLY - SUBTOTAL				21,240	
CONTINGENCY MARGIN				\$ 25,295	
TOTAL				\$ 193,925	

* Unit prices are estimates only. Prevailing wages will be used when required. To lower costs for the Town, Ciel et Terre will make every effort to use the lowest cost, applicable, and available prevailing wage labor categories at that time. Responsible Contractors will be used. Prevailing wages and material costs are subject to change and will be updated at the time of construction.


	WUS077_ARRAY 1 DISMANTLEMENT SPREADSHEET					
	Project Name	NAPA SANITATION	Power of project	7,840.00 kWdc	Date of Update	1/3/2017
	Type of project	FLOATING	Version	V4indA	Updated by	LW

Variables	Units
Quantity of combiner boxes on the floating array	50
Number of spreader bars (connection points between the floating array and the mooring lines)	470
Quantity of PV panels installed on the floating array	22400
Is external (to the facility) storage required between the dismantlement and the reinstallation? **	NO

Description	Quantity	Units	Unit price*	Total price	Comments
LABOR - LABORERS	9974	hours	65	648,331	- Electrical disconnection - Array Dismantlemen
LABOR - ELECTRICIANS	1493	hours	90	134,400	- Electrical disconnection - Array Dismantlement
LABOR - ENGINEERS	120	hours	150	18,000	- Site preparation
LABOR - FOREMAN	55	days	800	44,000	- Electrical disconnection - Array Dismantlement
LABOR - SUBTOTAL				844,731	
RENTAL - STORAGE**	0	days		0	
RENTAL - TRUCKS**	190	units		0	
RENTAL - SITE EQUIPMENT	55	days	500	27,500	- Forklift - Boat - Other
RENTAL - SUBTOTAL				27,500	
SUPPLY - MOUNTING PLATFORM	1	units	10000	10,000	
SUPPLY - OTHERS	1	units	10000	10,000	
SUPPLY - SUBTOTAL				20,000	
CONTINGENCY MARGIN				\$ 133,835	
TOTAL				\$ 1,026,066	

* Unit prices are estimates only. Prevailing wages will be used when required. To lower costs for the Town, Ciel et Terre will make every effort to use the lowest cost, applicable, and available prevailing wage labor categories at that time. Responsible Contractors will be used. Prevailing wages and material costs are subject to change and will be updated at the time of construction.

** Onsite storage, at no cost, is assumed for this scenario. If offsite storage is required, storage rental will be charged, at cost, by Ciel et Terre. The Town may seek alternate storage. The Town will be charged hauling fees.

 CONFIDENTIAL	WUS077_ARRAY 2 DISMANTLEMENT SPREADSHEET					
	Project Name	NAPA SANITATION	Power of project	9,564.80 kWdc	Date of Update	1/3/2017
	Type of project	FLOATING	Version	V4indA	Updated by	LW

Variables	Units
Quantity of combiner boxes on the floating array	61
Number of spreader bars (connection points between the floating array and the mooring lines)	574
Quantity of PV panels installed on the floating array	27328
Is external (to the facility) storage required between the dismantlement and the reinstallation?*	NO

Description	Quantity	Units	Unit price*	Total price	Comments
LABOR - LABORERS	12169	hours	65	790,968	- Electrical disconnection - Array Dismantlemen
LABOR - ELECTRICIANS	1822	hours	90	163,968	- Electrical disconnection - Array Dismantlement
LABOR - ENGINEERS	120	hours	150	18,000	- Site preparation
LABOR - FOREMAN	67	days	800	53,600	- Electrical disconnection - Array Dismantlement
LABOR - SUBTOTAL				1,026,536	
RENTAL - STORAGE**	0	days		0	
RENTAL - TRUCKS**	190	units		0	
RENTAL - SITE EQUIPMENT	67	days	500	33,500	- Forklift - Boat - Other
RENTAL - SUBTOTAL				33,500	
SUPPLY - MOUNTING PLATFORM	1	units	10000	10,000	
SUPPLY - OTHERS	1	units	10000	10,000	
SUPPLY - SUBTOTAL				20,000	
CONTINGENCY MARGIN				\$ 162,005	
TOTAL				\$ 1,242,041	

* Unit prices are estimates only. Prevailing wages will be used when required. To lower costs for the Town, Ciel et Terre will make every effort to use the lowest cost, applicable, and available prevailing wage labor categories at that time. Responsible Contractors will be used. Prevailing wages and material costs are subject to change and will be updated at the time of construction.

** Onsite storage, at no cost, is assumed for this scenario. If offsite storage is required, storage rental will be charged, at cost, by Ciel et Terre. The Town may seek alternate storage. The Town will be charged hauling fees.



WUS077_ARRAY 3 DISMANTLEMENT SPREADSHEET

Project Name	NAPA SANITATION	Power of project	6,115.20 kWdc	Date of Update	1/3/2017
Type of project	FLOATING	Version	V4indA	Updated by	LW

Variables	Units
Quantity of combiner boxes on the floating array	39
Number of spreader bars (connection points between the floating array and the mooring lines)	367
Quantity of PV panels installed on the floating array	17472
Is external (to the facility) storage required between the dismantlement and the reinstallation?*	NO

Description	Quantity	Units	Unit price*	Total price	Comments
LABOR - LABORERS	7780	hours	65	505,701	- Electrical disconnection - Array Dismantlemen
LABOR - ELECTRICIANS	1165	hours	90	104,832	- Electrical disconnection - Array Dismantlement
LABOR - ENGINEERS	120	hours	150	18,000	- Site preparation
LABOR - FOREMAN	43	days	800	34,400	- Electrical disconnection - Array Dismantlement
LABOR - SUBTOTAL				662,933	
RENTAL - STORAGE**	0	days		0	
RENTAL - TRUCKS**	190	units		0	
RENTAL - SITE EQUIPMENT	43	days	500	21,500	- Forklift - Boat - Other
RENTAL - SUBTOTAL				21,500	
SUPPLY - MOUNTING PLATFORM	1	units	10000	10,000	
SUPPLY - OTHERS	1	units	10000	10,000	
SUPPLY - SUBTOTAL				20,000	
CONTINGENCY MARGIN				\$ 105,665	
TOTAL				\$ 810,098	

* Unit prices are estimates only. Prevailing wages will be used when required. To lower costs for the Town, Ciel et Terre will make every effort to use the lowest cost, applicable, and available prevailing wage labor categories at that time. Responsible Contractors will be used. Prevailing wages and material costs are subject to change and will be updated at the time of construction.

** Onsite storage, at no cost, is assumed for this scenario. If offsite storage is required, storage rental will be charged, at cost, by Ciel et Terre. The Town may seek alternate storage. The Town will be charged hauling fees.



WUS077_ARRAY 1 REINSTALLATION SPREADSHEET

Project Name	NAPA SANITATION	Power of project	7,840.00 kWdc	Date of Update	1/3/2017
Type of project	FLOATING	Version	V4indA	Updated by	LW

Variables	Units
Quantity of combiner boxes on the floating array	50
Number of spreader bars (connection points between the floating array and the mooring lines)	470
Quantity of PV panels installed on the floating array	22400
Is external (to the facility) storage required between the dismantlement and the reinstallation?***	NO

Description	Quantity	Units	Unit price*	Total price	Comments
LABOR - LABORERS	9974	hours	65	648,331	- Electrical disconnection - Array Dismantlemen
LABOR - ELECTRICIANS	1493	hours	90	134,400	- Electrical disconnection - Array Dismantlement
LABOR - ENGINEERS	120	hours	150	18,000	- Site preparation
LABOR - FOREMAN	55	days	800	44,000	- Electrical disconnection - Array Dismantlement
LABOR - SUBTOTAL				844,731	
RENTAL - STORAGE**	0	days		0	
RENTAL - TRUCKS**	190	units		0	
RENTAL - SITE EQUIPMENT	55	days	500	27,500	- Forklift - Boat - Other
RENTAL - SUBTOTAL				27,500	
SUPPLY - MOUNTING PLATFORM	1	units	10000	10,000	
SUPPLY - SPARE PARTS	7840	KWp	20.0	156,800	Hydrelio floats and accessories, panels, cables
SUPPLY - OTHERS	1	units	10000	10,000	
SUPPLY - SUBTOTAL				176,800	
CONTINGENCY MARGIN				\$ 157,355	
TOTAL				\$ 1,206,386	

* Unit prices are estimates only. Prevailing wages will be used when required. To lower costs for the Town, Ciel et Terre will make every effort to use the lowest cost, applicable, and available prevailing wage labor categories at that time. Responsible Contractors will be used. Prevailing wages and material costs are subject to change and will be updated at the time of construction.

** Onsite storage, at no cost, is assumed for this scenario. If offsite storage is required, storage rental will be charged, at cost, by Ciel et Terre. The Town may seek alternate storage. The Town will be charged hauling fees.



WUS077_ARRAY 2 REINSTALLATION SPREADSHEET


Project Name	NAPA SANITATION	Power of project	9,564.80 kWdc	Date of Update	1/3/2017
Type of project	FLOATING	Version	V4indA	Updated by	LW

Variables	Units
Quantity of combiner boxes on the floating array	61
Number of spreader bars (connection points between the floating array and the mooring lines)	574
Quantity of PV panels installed on the floating array	27328
Is external (to the facility) storage required between the dismantlement and the reinstallation? **	NO

Description	Quantity	Units	Unit price*	Total price	Comments
LABOR - LABORERS	12169	hours	65	790,968	- Electrical disconnection - Array Dismantlemen
LABOR - ELECTRICIANS	1822	hours	90	163,968	- Electrical disconnection - Array Dismantlement
LABOR - ENGINEERS	120	hours	150	18,000	- Site preparation
LABOR - FOREMAN	67	days	800	53,600	- Electrical disconnection - Array Dismantlement
LABOR - SUBTOTAL				1,026,536	
RENTAL - STORAGE**	0	days		0	
RENTAL - TRUCKS**	190	units		0	
RENTAL - SITE EQUIPMENT	67	days	500	33,500	- Forklift - Boat - Other
RENTAL - SUBTOTAL				33,500	
SUPPLY - MOUNTING PLATFORM	1	units	10000	10,000	
SUPPLY - SPARE PARTS	9564.8	KWp	20.0	191,296	Hydrelio floats and accessories, panels, cables
SUPPLY - OTHERS	1	units	10000	10,000	
SUPPLY - SUBTOTAL				211,296	
CONTINGENCY MARGIN				\$ 190,700	
TOTAL				\$ 1,462,032	

* Unit prices are estimates only. Prevailing wages will be used when required. To lower costs for the Town, Ciel et Terre will make every effort to use the lowest cost, applicable, and available prevailing wage labor categories at that time. Responsible Contractors will be used. Prevailing wages and material costs are subject to change and will be updated at the time of construction.

** Onsite storage, at no cost, is assumed for this scenario. If offsite storage is required, storage rental will be charged, at cost, by Ciel et Terre. The Town may seek alternate storage. The Town will be charged hauling fees.


 CONFIDENTIAL	WUS077_ARRAY 3 REINSTALLATION SPREADSHEET					
	Project Name	NAPA SANITATION	Power of project	6,115.20 kWdc	Date of Update	1/3/2017
	Type of project	FLOATING	Version	V4indA	Updated by	LW

Variables	Units
Quantity of combiner boxes on the floating array	39
Number of spreader bars (connection points between the floating array and the mooring lines)	367
Quantity of PV panels installed on the floating array	17472
Is external (to the facility) storage required between the dismantlement and the reinstallation? **	NO

Description	Quantity	Units	Unit price*	Total price	Comments
LABOR - LABORERS	7780	hours	65	505,701	- Electrical disconnection - Array Dismantlemen
LABOR - ELECTRICIANS	1165	hours	90	104,832	- Electrical disconnection - Array Dismantlement
LABOR - ENGINEERS	120	hours	150	18,000	- Site preparation
LABOR - FOREMAN	43	days	800	34,400	- Electrical disconnection - Array Dismantlement
LABOR - SUBTOTAL				662,933	
RENTAL - STORAGE**	0	days		0	
RENTAL - TRUCKS**	190	units		0	
RENTAL - SITE EQUIPMENT	43	days	500	21,500	- Forklift - Boat - Other
RENTAL - SUBTOTAL				21,500	
SUPPLY - MOUNTING PLATFORM	1	units	10000	10,000	
SUPPLY - SPARE PARTS	6115.2	KWp	20.0	122,304	Hydrello floats and accessories, panels, cables
SUPPLY - OTHERS	1	units	10000	10,000	
SUPPLY - SUBTOTAL				142,304	
CONTINGENCY MARGIN				\$ 124,011	
TOTAL				\$ 950,748	

* Unit prices are estimates only. Prevailing wages will be used when required. To lower costs for the Town, Ciel et Terre will make every effort to use the lowest cost, applicable, and available prevailing wage labor categories at that time. Responsible Contractors will be used. Prevailing wages and material costs are subject to change and will be updated at the time of construction.

** Onsite storage, at no cost, is assumed for this scenario. If offsite storage is required, storage rental will be charged, at cost, by Ciel et Terre. The Town may seek alternate storage. The Town will be charged hauling fees.

 CONFIDENTIAL	WUS077_PRODUCTION LOSSES SPREADSHEET					
	Project Name	NAPA SANITATION	Power of project	23,520.00 kWdc	Date of Update	1/3/2017
	Type of project	FLOATING	Version	V4indA	Updated by	LW

Powerplant specific production (KWh/KWp/year)*	1597
ANNUAL PPA RATE (\$/kWh)	0.070

PRODUCTION LOSSES - ARRAY 1 MOVING				
Duration (days)**	Array capacity (KWp)	Specific production (KWh/KWp/day)	Estimated production (in kWh)	Estimated losses (\$)
22	7840	4.375	754,659	\$ 52,826.13

PRODUCTION LOSSES - ARRAY 1 DISMANTELEMENT AND REINSTALLATION				
Duration (days)**	Array capacity (KWp)	Specific production (KWh/KWp/day)	Estimated production (in kWh)	Estimated losses (\$)
110	7840	4.375	3,773,295	\$ 264,130.67

PRODUCTION LOSSES - ARRAY 2 DISMANTELEMENT AND REINSTALLATION				
Duration (days)**	Array capacity (KWp)	Specific production (KWh/KWp/day)	Estimated production (in kWh)	Estimated losses (\$)
134	9564.8	4.375	5,607,803	\$ 392,546.21

PRODUCTION LOSSES - ARRAY 3 DISMANTELEMENT AND REINSTALLATION				
Duration (days)**	Array capacity (KWp)	Specific production (KWh/KWp/day)	Estimated production (in kWh)	Estimated losses (\$)
86	6115.2	4.375	2,301,024	\$ 161,071.69

* This specific production is a yearly average, the array production will vary depending on the real irradiance and powerplant performance

** Only moving, dismantlement and reinstallation time were considered.

EXHIBIT E

HAZARDOUS MATERIALS DEFINITIONS

“Hazardous Material” means any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a “hazardous substance”, “hazardous material”, “hazardous waste”, “extremely hazardous waste”, “infectious waste”, “toxic substance”, “toxic pollutant”, or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term “hazardous material” shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable as fuel, perchlorate, and methy tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Environmental Laws.

"Hazardous Materials Laws" means any and all federal, state and local statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations or directives, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.), the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100 et seq.), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 et seq.), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health and Safety Code, Section 25300 et seq.).

EXHIBIT F
ENCUMBRANCES

EXHIBIT G

FORM OF MEMORANDUM OF LEASE

MEMORANDUM OF LAND LEASE AND SOLAR EASEMENT

THIS MEMORANDUM OF LAND LEASE AND SOLAR EASEMENT (“Memorandum of Lease”) is entered into this __ day of _____, 20__ by and between Napa Sanitation District, a California special district, with its principal address at 1515 Soscol Ferry Road, Napa, CA 94558 (hereinafter “**Landlord**”), and Ciel et Terre USA, Inc., a Delaware limited liability company with its principal place of business at 755 Baywood Drive, 2nd Floor, Petaluma, CA 94954, and its successors and assigns (hereinafter “**Project Company**”).

RECITALS

A. Landlord and Project Company have entered into a certain Land Lease and Solar Easement dated _____, 20__ (the “**Lease Agreement**”), whereby Landlord has agreed to lease to Project Company certain real property, together with non-exclusive access easement rights and a Solar Easement across Landlord’s Property, in the County of Napa, State of California, and being more particularly described in Exhibit A attached hereto and made a part hereof (the “**Premises**”).

B. The parties wish to give notice of the existence of such Lease Agreement.

IN CONSIDERATION of the sum of One and 00/100 Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Landlord and Project Company have entered into the Lease Agreement dated ____, 20__ (the “**Effective Date**”), to lease and demise the Premises for solar energy purposes and to grant access and Solar Easements. Pursuant to the Lease Agreement, Project Company has the exclusive right to use the Premises for solar energy purposes, together with certain related solar facilities, access and other easement rights and other rights related to the Premises, all as more fully described in the Lease Agreement. Solar energy purposes means converting solar energy into electrical energy and collecting and transmitting the electrical energy so converted, together with any and all activities related thereto.

2. The term of the Lease is for twenty-five (25) years, unless earlier terminated in accordance with the terms of this Agreement, which Term shall be comprised of the sum of the Procurement and Construction Period and Operating Term as follows:

a. Procurement and Construction Period. Project Company’s rights under this Lease will be in effect throughout the Procurement and Construction Period. The “**Procurement and Construction Period**” commences on the Effective Date of this Lease and expires on that date which is eighteen (18) months after the Effective Date; provided, however, that the Procurement and Construction Period may end earlier subject to the provisions of Section 2.1.2 of the Lease. During the Procurement and Construction Period, the Project Company shall develop, construct, and install the Solar Facilities on the Premises.

EXHIBIT H

RENT

The Rent payment starts at Eighty Thousand Dollars (\$80,000) for the first year of the Lease Term and will increase every year of the Lease Term, as reflected below, on the anniversary date of the first Rent payment.

	Rent Payments
Year 1	\$ 80,000.00
Year 2	\$ 82,000.00
Year 3	\$ 84,050.00
Year 4	\$ 86,151.25
Year 5	\$ 88,305.03
Year 6	\$ 90,512.66
Year 7	\$ 92,775.47
Year 8	\$ 95,094.86
Year 9	\$ 97,472.23
Year 10	\$ 99,909.04
Year 11	\$ 102,406.76
Year 12	\$ 104,966.93
Year 13	\$ 107,591.11
Year 14	\$ 110,280.88
Year 15	\$ 113,037.91
Year 16	\$ 115,863.85
Year 17	\$ 118,760.45
Year 18	\$ 121,729.46
Year 19	\$ 124,772.70
Year 20	\$ 127,892.01
Year 21	\$ 131,089.32
Year 22	\$ 134,366.55
Year 23	\$ 137,725.71
Year 24	\$ 141,168.85
Year 25	\$ 144,698.08
Total:	\$ 2,732,621.11

EXHIBIT 3

PRELIMINARY TIMETABLE & MILESTONES

