

MASTER SOLAR POWER PURCHASE AND SALE AGREEMENT

This **MASTER SOLAR POWER PURCHASE AND SALE AGREEMENT** (this “Master Agreement”) is entered into as of _____, 2011, by and between the **LANCASTER POWER AUTHORITY**, a joint powers authority (“LPA”), and **MORGAN SOLAR USA INC.**, a Delaware Corporation (“MORGAN”). The LPA and MORGAN are sometimes referred to in this Master Agreement collectively as the “Parties” and sometimes individually as a “Party.”

RECITALS

A. The LPA is a joint powers authority created, existing, and operating pursuant to the Joint Exercise of Powers Act (Cal. Gov’t Code § 6500 *et seq.*). The purpose of the LPA is to establish, own, and operate a municipal gas and electric utility for the benefit of the residents of the City of Lancaster (the “City”), as well as for the customers, businesses and property owners within the City and/or to be served by the LPA.

B. MORGAN is in the business of developing renewable energy systems.

C. By this Master Agreement, the Parties desire to establish the terms and conditions upon which MORGAN will sell to the LPA and the LPA will purchase from MORGAN all electrical energy produced by a Renewable Generating Facility.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, the Parties hereto agree as follows:

100. DEFINITIONS.

“**CAISO Tariff**” means the California Independent System Operator Corporation Operating Agreement and Tariff, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time.

“**Commercial Operation**” means that a Renewable Generating Facility is ready for regular, daily operation, complies with all applicable laws (with all permits obtained), has been connected to the relevant meter, has undergone successful testing and is capable of producing Energy Output.

“**Commercial Operation Date**” means the first day on which a Renewable Generating Facility commences Commercial Operation as certified in writing by MORGAN to the LPA.

“**CREST Program**” means the California Renewable Energy Small Tariff, the SCE tariff schedule that expands tariff schedule WATER to certain eligible customers.

“**Default**” and “**Event of Default**” is defined in Section 401.

“**Effective Date**” means the date that this Master Agreement is approved by the LPA Board of Directors.

“Energy Output” means one hundred percent (100%) of the energy produced by each Renewable Generating Facility, net of Station Use, up to a maximum annual aggregate of 200 megawatts.

“Implementation Agreement” means an agreement entered into by and between the Parties in order to fully implement the purpose and intent of this Master Agreement and is further described in Section 514.

“Master Agreement” means this Master Solar Power Purchase and Sale Agreement between the LPA and MORGAN.

“Renewable Generating Facility” means an electric generating facility constructed and operated by MORGAN on a Renewable Generating Facility Sites pursuant and subject to the terms and conditions of this Master Agreement and the applicable Renewable Generating Facility Site Ground Lease.

“Renewable Generating Facility Site” means the real property upon which a Renewable Generating Facility is constructed.

“Renewable Generating Facility Site Ground Lease” means the ground lease entered into by and between the LPA and MORGAN pursuant to which MORGAN leases a Renewable Generating Facility Site from the LPA in order to construct and operate a Renewable Generating Facility.

“SCE” means Southern California Edison Company, a California corporation.

“SCE Power Purchase Agreement” means the power purchase agreement entered into by and between SCE and the LPA pursuant to the CREST Program, including all exhibits and attachments thereto.

“Schedule of Renewable Generating Facility Sites” means the schedule of renewable generating facility sites attached hereto as Attachment No. 1 and incorporated herein by reference.

“Station Use” means the electric energy produced by a Renewable Generating Facility that is (i) used within the respective Renewable Generating Facility to power lights, motors, control systems and other electrical loads that are necessary for normal operation, and (ii) consumed within the respective Renewable Generating Facility’s electric energy distribution systems as losses.

“Water” means Water/Watershed Agency Tariff for Eligible Renewables, the SCE tariff schedule that implements Assembly Bill 1969.

200. RENEWABLE GENERATING FACILITY.

201. Renewable Generating Facility Site. The Parties shall use commercially reasonable efforts to identify, locate and agree to sites within and/or without the City that are currently owned by the City or LPA and that may be suitable to be used as a Renewable

Generating Facility Site. Once the Parties have mutually identified, located and agreed to a potential Renewable Generating Facility Site, the parties shall enter into a Renewable Generating Facility Site Ground Lease. As of the date of this Master Agreement, the Parties have identified, located and agreed to the potential Renewable Generating Facility Site set forth in the Schedule of Renewable Generating Facility Sites, which site shall (subject to the terms and conditions of this Master Agreement and the applicable Renewable Generating Facility Site Ground Lease) each be improved by MORGAN with a Renewable Generating Facility that in the aggregate will have a Power Rating of approximately 6 megawatts AC. Subsequent to the date of this Master Agreement, the Schedule of Renewable Generating Facility Sites shall be deemed amended upon the effective date of any Renewable Generating Facility Site Ground Lease in order to include as a Renewable Generating Facility Site the site that is the subject of such Renewable Generating Facility Site Ground Lease.

202. Design, Construction and Operation of Renewable Generating Facility; Renewable Generating Facility Site Ground Lease. The Parties shall enter into a Renewable Generating Facility Site Ground Lease with respect to each Renewable Generating Facility Site. The terms, conditions and requirements that shall govern the design, construction and operation of each Renewable Generating Facility shall be set forth with specificity in the applicable Renewable Generating Facility Site Ground Lease. The form of each Renewable Generating Facility Site Ground Lease shall be as agreed to by the Parties, but shall at a minimum include the following: (i) the common and legal description of the applicable Renewable Generating Facility Site; (ii) the applicable Renewable Generating Facility's gross power rating; (iii) the applicable Renewable Generating Facility's net power rating (i.e., the gross power rating less Station Use); (iv) the applicable Renewable Generating Facility's annual energy production, net of Station Use, as measured by a meter approved by the California Independent System Operator Corporation; (v) the terms and conditions upon which MORGAN shall design, construct and operate the applicable Renewable Generating Facility; (vi) the applicable Renewable Generating Facility's delivery point (which shall be subject to prior approval and/or subsequent modification by SCE); (vii) a provision requiring MORGAN to conform to and comply with all applicable state, federal and local laws and regulations, any and all applicable requirements imposed by the SCE CREST Program, SCE tariffs, CAISO Tariff, SCE Power Purchase Agreement and any and all other applicable contractual, tariff, legal and/or regulatory requirements in effect at the time that the relevant obligations are performed by MORGAN; (viii) a provision indicating that (A) MORGAN shall pay or provide for the payment of all costs, taxes, charges, insurance and expenses of every kind and nature against the Renewable Generating Facility Site which may arise or become due during the term of the Renewable Generating Facility Site Ground Lease which arise as a result of the construction, ownership, operation and maintenance of the Renewable Generating Facility and (B) each Party shall remain responsible for all tax liability attributable to the income (as defined by the United States Internal Revenue Service) received by such Party pursuant to this Master Agreement or the Renewable Generating Facility Site Ground Lease; (ix) a provision establishing minimum insurance requirements; and (x) a provision incorporating by reference all of the terms, conditions and provisions of this Master Agreement. Each Renewable Generating Facility Site Ground Lease shall be subject to approval by the LPA's Board of Directors; provided that with respect to clauses (ii)-(iv), MORGAN shall have the right to amend the Renewable Generating Facility Ground Lease from time to time in order to update the information with respect to the power ratings and annual energy production in order to reflect the technical specifications and operating parameters of the actual equipment

comprising the Renewable Generating Facility; provided, further, that the LPA shall cooperate in the execution of any such amendments and such amendments shall not require the approval by the LPA's Board of Directors.

203. Cost of Construction and Operation; Interconnection with SCE's System. MORGAN shall be solely responsible for obtaining and maintaining all interconnection rights and interconnection agreements necessary in order to enable each Renewable Generating Facility to interconnect with SCE's system at the Point of Delivery. Except as and to the extent specifically set forth in this Master Agreement, MORGAN shall be solely responsible for all costs directly and/or indirectly related to the design, development, construction and operation of each Renewable Generating Facility, including, without limitation, costs related to the following: obtaining electrical service and meters; any and all applications, plan reviews and special studies; site development; the design, construction and operation of each Renewable Generating Facility; interconnection; telemetry; any and all SCE charges not offset by the Energy Output; any and all regulatory fines and/or penalties imposed or assessed with respect to the design, construction and/or operation of a Renewable Generating Facility.

204. The SCE CREST Program. The Parties mutually acknowledge and agree that the Energy Output produced by each Renewable Generating Facility and sold to the LPA pursuant to this Master Agreement is to be immediately resold by the LPA to SCE pursuant to SCE's CREST Program. The LPA shall be solely responsible for making the necessary application to SCE for each Renewable Generating Facility's participation in the CREST Program. MORGAN will be responsible for paying the application fee and any necessary supplemental costs related to obtaining SCE approval of each Renewable Generating Facility application; provided that in the event that the LPA receives refund(s) from any source, including SCE or the CREST Program, for such application fees and any necessary supplemental costs paid by MORGAN, then the LPA agrees to promptly pay directly to MORGAN all such amounts received as a refund(s) for such application fees and costs. Upon a Renewable Generating Facility's approval by SCE and acceptance into the CREST Program, the LPA shall execute all necessary documents related to the CREST Program, including, without limitation, a power purchase agreement between the LPA and SCE. Neither Party shall incur any obligation under this Master Agreement or under any Renewable Generating Facility Site Ground Lease with respect to any Renewable Generating Facility or any Renewable Generating Facility Site until and unless such Renewable Generating Facility and/or Renewable Generating Facility Site has been accepted by SCE into the CREST Program and all necessary documentation related thereto have been fully executed. MORGAN agrees to and shall use commercially reasonable efforts to assist the LPA in making application to SCE as provided in this Section 204. The LPA agrees not to take any actions with respect to the CREST Program or in the power purchase agreement between the LPA and SCE that would adversely affect MORGAN, the Renewable Generating Facility, this Master Agreement or the Renewable Generating Facility Site Ground Lease. Parties acknowledge that LPA is currently negotiating similar agreements on adjacent properties (i.e., APN 3170-008-909, 3170-008-910, and 3170-008-901) for the construction of renewable generation facilities under the CREST or other revenue producing programs, and the LPA covenants that such development shall not interfere with the use of the Renewable Generating Facility site or the production therefrom. If and to the extent there is any conflict between this Master Agreement and any applicable rule, regulation or contractual provision related to and imposed by the CREST Program, the rule, regulation or contractual provision

imposed by the CREST Program shall control and this Master Agreement and any applicable Renewable Generating Facility Site Ground Lease shall be deemed automatically amended to the extent necessary in order to conform to the controlling rule, regulation or contractual provision imposed by the CREST Program. Notwithstanding the foregoing, the Parties hereby acknowledge and agree that in the event that the Energy Output produced by each Renewable Generating Facility is not sold under the SCE CREST Program (and not due to a breach or default of a Party), then the Parties will agree in good faith on an alternate arrangement whereby the LPA or other offtaker or third party will purchase the Energy Output.

300. SALE OF SOLAR POWER TO LPA.

301. Agreement to Sell and Purchase Output of Each Renewable Generating Facility. Subject to the terms and conditions of this Master Agreement and each Renewable Generating Facility Site Ground Lease, MORGAN agrees to sell to the LPA and the LPA agrees to purchase from MORGAN the Energy Output.

302. Purchase Price. The total aggregate Purchase Price for the Energy Output shall be the amount equal to eighty-eight percent (88%) of the amount actually paid by SCE to the LPA for the Energy Output pursuant and subject to the terms and conditions of the CREST Program or other revenue generating Program. The Purchase Price shall be calculated and paid by the LPA to MORGAN on a periodic basis, within thirty (30) days of the LPA's receipt of any payment from SCE for the Energy Output. The LPA shall have an obligation to make a periodic payment of the Purchase Price as to the Energy Output only if and to the extent the LPA actually receives payment from SCE for such Energy Output.

303. Ownership of Green Attributes, Capacity Attributes and Resource Adequacy Benefits. During the term of this Master Agreement, any and all Green Attributes, Capacity Attributes and Resource Adequacy Benefits earned, acquired or accumulated as the result of operating a Renewable Generating Facility shall be and is the separate property of LPA.

400. DEFAULT AND REMEDIES.

401. Events of Default. An "Event of Default" or "Default" shall occur under this Master Agreement when there shall be a breach of any condition, covenant, warranty, promise or representation contained in this Master Agreement and the breach shall continue for a period of thirty (30) days after written notice thereof to the defaulting party without the defaulting party curing such breach, or if the breach cannot reasonably be cured within a thirty (30) day period, commencing the cure of the breach within the thirty (30) day period and thereafter diligently proceeding to cure the breach; provided that in no case shall the cure period be more than one hundred twenty (120) days in the aggregate; provided, further, that if a different period or notice requirement is specified for any particular breach under any other paragraph of this Master Agreement, the specific provision shall control.

402. Remedies. The occurrence of any Event of Default shall give the non-defaulting party the right to proceed with any and all remedies set forth in this Master Agreement, including an action for damages, an action or proceeding at law or in equity to require the defaulting party to perform its obligations and covenants under the documents executed pursuant hereto or to

enjoin acts or things which may be unlawful or in violation of the provisions of such documents, and the right to terminate this Master Agreement.

403. Force Majeure. Subject to compliance with the notice requirements as set forth below, performance by a Party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Master Agreement shall be extended, where delays or defaults are due to causes beyond the control and without the fault of the party claiming an extension of time to perform, which may include, without limitation, the following: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, assaults, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, acts or omissions of the other party, or acts or failures to act of any public or governmental entity (except that the LPA's or City's acts or failure to act shall not excuse performance of the LPA hereunder). Subject to the timing and provisions of Section 401, in no event shall MORGAN' difficulty or inability to obtain and secure financing become an event of force majeure. An extension of the time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause.

404. Term. This Master Agreement shall become effective on the Effective Date. Each Renewable Generating Facility constructed under this Master Agreement shall have a term equal to the term specified in the relevant agreement with SCE (or other offtaker) commencing on the Commercial Operation Date of each Renewable Generating Facility and continuing in full force and effect for such term unless otherwise agreed to in writing by the Parties. Each Project listed in Attachment No. 1 shall be subject to this Master Agreement, notwithstanding provisions of this Section 404.

405. Termination by LPA. Subject to the cure periods set forth in Section 401, the LPA may elect to terminate this Master Agreement or a Renewable Generating Facility Site Ground Lease upon giving written notice to MORGAN of the LPA's intent to terminate based on one or more of the following reasons:

(a) MORGAN fails to comply with the terms and conditions of this Master Agreement or the applicable Renewable Generating Facility Site Ground Lease and upon notice by the LPA, fails to take all corrective actions specified within the timeframe set forth in this Master Agreement;

(b) MORGAN fails to take all corrective actions specified in any notice or demand received from any public or private utility, or local, state or federal government or regulatory agency; or

(c) MORGAN fails to interconnect and operate any Renewable Generating Facility, pursuant to the terms and conditions of this Master Agreement and the applicable Renewable Generating Facility Site Ground Lease, within two hundred forty (240) days of the execution of the power purchase power agreement or other agreement between the LPA and SCE under the CREST program (or an alternative arrangement reasonably acceptable to MORGAN

between the LPA and the offtaker or utility to purchase the Energy Output from the Renewable Generating Facility), as such date may be extended to the extent of any force majeure events that occur as set forth in Section 403.

406. Termination by MORGAN. Subject to the cure periods set forth in Section 401 (provided that no cure period shall apply with respect to Section 406(d) or (e)), MORGAN may elect to terminate this Master Agreement or a Renewable Generating Facility Site Ground Lease upon giving written notice to the LPA of MORGAN' intent to terminate based on one or more of the following reasons:

(a) The LPA fails to comply with the terms and conditions of this Master Agreement or the applicable Renewable Generating Facility Site Ground Lease and upon notice by MORGAN, fails to take all corrective actions specified within the timeframe set forth in the Master Agreement;

(b) As to a particular Renewable Generating Facility, the LPA fails to continuously maintain SCE CREST Program membership with respect to the applicable Renewable Generating Facility;

(c) The LPA files for relief under any Chapter of the United States Bankruptcy Code;

(d) MORGAN reasonably determines that the power purchase agreement or other agreement between the LPA and SCE under the CREST Program (or an alternate arrangement reasonably acceptable to MORGAN between the LPA and the offtaker or utility to purchase the Energy Output from the Renewable Generating Facility) is not capable of being financed pursuant to a project financing customary for projects similar to the Renewable Generating Facility; or

(e) The power purchase agreement or other agreement between the LPA and SCE under the CREST Program (or an alternate arrangement between the LPA and an offtaker or utility to purchase the Energy Output from the Renewable Generating Facility) is not executed on or before September 30, 2013.

407. Attorneys' Fees. In addition to any other remedies provided hereunder or available pursuant to law, if any party brings an action or proceeding to enforce, protect or establish any right or remedy hereunder or under any of the documents executed pursuant hereto, the prevailing party shall be entitled to recover from the other party its costs of suit, including without limitation expert witness fees, and reasonable attorneys' fees.

408. Remedies Cumulative. No right, power, or remedy given by the terms of this Master Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative.

500. GENERAL PROVISIONS.

501. Time is of the Essence. Time is expressly made of the essence with respect to the performance of each and every obligation and condition of this Master Agreement.

502. Indemnification. MORGAN agrees to defend with counsel acceptable to the LPA, and indemnify the LPA, the City and their respective officers, employees, agents attorneys and representatives from any and all claims, liabilities, expenses, or damages of any nature, including attorney's and expert witness fees, for injury or death of any person, or damage to property, arising out of, or in any way connected with performance of this Master Agreement or any Renewable Generating Facility Site Ground Lease by MORGAN, MORGAN's agents, officers, employees, subcontractors, customers, invitees, or independent contractors hired by MORGAN, except for claims, liabilities, expenses, or damages to the extent to due to the negligence or fault of the LPA, or any of its officers, employees, agents and representatives.

The LPA agrees to defend with counsel acceptable to MORGAN, and indemnify MORGAN and its officers, employees, agents and representatives from any and all claims, liabilities, expenses, or damages of any nature, including attorney's and expert witness fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of this Master Agreement or any Renewable Generating Facility Site Ground Lease by the LPA, the LPA's agents, officers, employees, subcontractors, customers, invitees, or independent contractors hired by the LPA, except for claims, liabilities, expenses, or damages to the extent due to the negligence or fault of MORGAN, or any of its officers, employees, agents and representatives.

503. Notices. Any approval, disapproval, demand, document or other notice ("Notice") which any party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (iii) facsimile transmission, or (vi) mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below, or at any other address as that party may later designate by Notice. Service shall be deemed conclusively made at the time of service if personally served; upon confirmation of receipt if sent by facsimile transmission; the next business day if sent by overnight courier and receipt is confirmed by the signature of an agent or employee of the party served; the next business day after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by express mail; and three (3) days after deposit thereof in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail.

LPA: Lancaster Power Authority
44933 Fern Avenue
Lancaster, California 93534
Attn: Mark Bozigian
Fax No.: (661) 723-6141

MORGAN: Morgan Solar USA, Inc.
c/o Morgan Solar Inc.
30 Ordinance Street Toronto
Ontario Canada M6K 1A2
Attn: Hugo Navarro
Fax No.: (416) 203-2805

Such addresses may be changed by Notice to the other party(ies) given in the same manner as provided above.

504. Transfers and Assignments. The qualifications and identity of MORGAN are of particular concern to the LPA. It is because of those qualifications and identity that the LPA has entered into this Master Agreement with MORGAN. Therefore, MORGAN shall not make any total or partial sale, grant, transfer, conveyance or assignment of the whole or any part of this Master Agreement without prior written approval of LPA, except as expressly set forth herein. Notwithstanding the foregoing, LPA approval of an assignment of this Master Agreement, or any part thereof, shall not be required in connection with: (a) any assignment or other transfer of this Master Agreement to any affiliate of MORGAN; (b) any transfer to an entity or entities in which MORGAN retains day-to-day management and control of the transferee entity or entities; (c) any collateral assignment of this Master Agreement to a lender providing construction or long-term debt or equity financing of any Renewable Generating Facility; or (d) any assignment of this Master Agreement (and granting of use rights hereunder) in connection with a sale-leaseback financing of any Renewable Generating Facility. If requested by MORGAN in order to facilitate the financing of the Renewable Generating Facilities, the LPA shall use its best efforts to obtain the City's cooperation with the reasonable requests of MORGAN in connection with such financing.

505. Successors and Assigns. Whenever the term "MORGAN" is used in this Master Agreement, such term shall include any of MORGAN' approved assignee(s) or transferee(s), or any other permitted successors and assigns as herein provided.

506. Non-Liability of Officials and Employees. No member, elected or appointed official, or employee of the LPA shall be personally liable to MORGAN or any successor in interest in the Event of Default or other breach or for any amount which may become due to MORGAN or its successors, or for performance of any obligations under the terms of this Master Agreement. No member or employee of MORGAN shall be personally liable to the LPA or any successor in interest in the Event of Default or other breach or for any amount which may become due to the LPA or its successors, or for performance of any obligations under the terms of this Master Agreement.

507. Relationship between LPA and MORGAN. It is hereby acknowledged and agreed that the relationship between the LPA and MORGAN is not that of a partnership or joint venture or other investor partner and that neither shall be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided in this Master Agreement, the LPA shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of any Renewable Generating Facility.

508. LPA Approvals and Actions. The LPA shall maintain authority of this Master Agreement and the authority to implement this Agreement through the LPA's Executive Director (or his or her duly authorized representative). The Executive Director and his or her duly authorized representative(s) shall have the authority to make approvals, issue interpretations, waive provisions, request issuance of warrants and make payments authorized hereunder, make and execute further agreements (including agreements necessary in order to fully implement this Master Agreement) and/or enter into amendments of this Agreement on behalf of the LPA so

long as such actions do not materially or substantially add to the costs, responsibilities, or liabilities incurred or to be incurred by the LPA as specified herein, and such interpretations, waivers and/or amendments may include extensions of time to perform. All material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the LPA Board of Directors. Further, the Executive Director shall maintain the right to submit to the LPA Board of Directors for consideration and action any non-material or non-substantive interpretation, waiver or amendment, if in his or her reasonable judgment he or she desires to do so. Notwithstanding the foregoing, each Renewable Generating Facility Site Ground Lease shall be submitted to the LPA Board of Directors for consideration and action.

509. Counterparts. This Master Agreement may be signed in multiple counterparts all of which together shall constitute an original binding agreement. This Master Agreement is executed in three (3) originals, each of which is deemed to be an original.

510. Integration. This Master Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Master Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Master Agreement and shall be of no further force or effect. Each party is entering this Master Agreement based solely upon the representations set forth herein and upon each Party's own independent investigation of any and all facts such party deems material.

511. Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Master Agreement or of any of its terms. References to Section and Paragraph numbers are to sections and paragraphs in this master Agreement, unless expressly stated otherwise.

512. Interpretation. As used in this Master Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Master Agreement shall be interpreted as though prepared jointly by both Parties.

513. No Waiver. A waiver by any party of a breach of any of the covenants, conditions or agreements under this Master Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Master Agreement.

514. Implementation of Master Agreement. The Parties acknowledge that, due to the long term nature of this Master Agreement, it may be necessary and/or appropriate at some time in the future, or from time to time, for the Parties to enter into various "Implementation Agreements" or to otherwise execute additional documentation to clarify and implement the provisions of this Master Agreement. Each Party agrees to cooperate in good faith to negotiate and enter into such various Implementation Agreements as may be determined to be reasonably necessary and/or appropriate by either Party in its reasonable discretion.

515. Modifications. Any alteration, change or modification of or to this Master Agreement, in order to become effective, shall be made in writing and in each instance signed by a duly authorized representative on behalf of each party.

516. Severability. If any term, provision, condition or covenant of this Master Agreement shall be held, to any extent, invalid or unenforceable, the remainder of this Master Agreement shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

517. Computation of Time. The time in which any act is to be done under this Master Agreement is computed by excluding the first day and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

518. Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Master Agreement, and in signing this Master Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Master Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Master Agreement; and, they have freely signed this Master Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees or attorneys, except as specifically set forth in this Master Agreement, and without duress or coercion, whether economic or otherwise.

519. Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of this Master Agreement including, but not limited to, Implementation Agreements, releases or other agreements.

520. Conflicts of Interest. No member, elected or appointed public official or employee of the LPA shall have any personal interest, direct or indirect, in this Master Agreement, nor shall any such member, elected or appointed public official or employee participate in any decision relating to this Master Agreement which affects his personal interests, his economic interests, or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

521. Non-Exclusive Relationship. The relationship established by this Master Agreement is non-exclusive. Each Party expressly reserves the right to contract for the service(s) and/or product(s) that is/are within the scope of this Master Agreement with as many additional clients, persons or other entities as that Party, in its sole discretion, sees fit.

522. Survival. In the event that the Parties agree to an alternative arrangement for the sale of the Energy Output from the Renewable Generating Facilities, the Parties agree to make the required amendments and modifications to this Master Agreement and each Renewable Generating Facility Site Ground Lease, including pursuant to Section 504, in order to modify and

delete any obligations of the Parties hereunder that no longer apply or are relevant with respect to such alternative arrangement.

IN WITNESS WHEREOF, the LPA and MORGAN have executed this Master Agreement as of the date and year first set forth above.

LANCASTER POWER AUTHORITY, a joint powers authority

By: _____
Mark V. Bozigian, Executive Director

ATTEST:

Geri K. Bryan, Secretary

APPROVED AS TO FORM:

David R. McEwen, Legal Counsel

MORGAN SOLAR USA INC., a Delaware Corporation

By: _____

Its: _____

ATTACHMENT NO. 1

SCHEDULE OF RENEWABLE GENERATING FACILITY SITES

Initial Generation Site

APN	Location	Area (acres)
3170-008-908	Future 25 th Street East and Future Avenue K12	25
3170-008-907	Future 25 th Street East and Future Avenue K12	13