

AMENDMENT NO.1 TO THE MASTER
SOLAR POWER PURCHASE AND SALE AGREEMENT

This Amendment No. 1 to the Master Solar Power Purchase and Sale Agreement ("Amendment") is entered into this ___ day of _____, 2012, by and between the Lancaster Power Authority, a joint powers authority ("LPA"), and BEAUTIFUL ENERGY, LLC., a New York Corporation ("BE").

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. BE is in the business of developing, owning and operating utility scale renewable energy generating facilities and related infrastructure, projects and technology.

C. By the Master Solar Power Purchase Agreement executed by the LPA and BE on December 13, 2011 ("The Master Agreement"), the Parties established the terms and conditions upon which BE will sell to the LPA and the LPA will purchase from BE all electrical energy produced by a Renewable Generating Facility, whereby they agreed to work together in order to develop one (1) or more photovoltaic solar power plant(s) ("Projects") in the City that is/are capable of generating a total aggregate amount of up to 50-megawatts of electrical power (collectively, the "Renewable Generating Facilities").

D. Pursuant to Section 521 of The Master Agreement, "Exclusive Relationship," the relationship established by The Master Agreement is exclusive for a period of one hundred eighty (180) days from the Effective Date, during which time LPA shall not enter into a prepaid power purchase agreement under similar terms to this Master Agreement for Renewable Generating Facilities greater than one (1) megawatt in capacity.

E. Subject to the terms and conditions of the Master Agreement, the LPA has agreed to work cooperatively with BE in securing a Power Purchase Agreement (PPA) from a creditworthy Offtaker such as, but not limited to, Southern California Edison (SCE), another California IOU, or a California municipal utility seeking to meet its State alternative energy mandate. The Parties recognize that a PPA must be secured by one of the Parties and mutually agreed upon prior to BE constructing an electrical generation facility, and that this process is typically lengthy.

F. The Parties have concluded initial marketing of the Project output, and are in discussions with Offtakers at this time. In order to conclude the PPA's, the Parties require further time for additional marketing, provision of information to potential Offtakers, PPA negotiations and documentation, all of which is taking place and highly likely to be successful for the Parties.

NOW, THEREFORE, LPA and BE hereby agree to amend the Master Solar Power Purchase

Agreement to extend the Exclusive Relationship described in Section 521 through May 31, 2013.

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

LPA:

LANCASTER POWER AUTHORITY,
a joint powers authority

By: Mark Bozigian

Its: Executive Director

ATTEST:

Secretary

APPROVED AS TO FORM:

Legal Counsel

BE:

BEAUTIFUL ENERGY, LLC
A New York corporation

By: Joseph Alexander Heslin III

Its: President and CEO