

FIRST AMENDMENT TO
RENEWABLE GENERATING FACILITY SITE GROUND LEASE

This FIRST AMENDMENT TO RENEWABLE GENERATING FACILITY SITE GROUND LEASE (this “First Amendment”) is entered into as of July __, 2013, by and between the LANCASTER POWER AUTHORITY, a joint powers authority (“LPA”), and US TOPCO ENERGY, INC., a California corporation (“Developer”). LPA and Developer are sometimes individually referred to as a “Party” and collectively as the “Parties.”

R E C I T A L S

A. The LPA and Developer entered into that certain Renewable Generating Facility Site Ground Lease (the “Original Lease”), executed by the LPA on February 8, 2013, and by the Developer on November 8, 2012, which generally provides for the Developer’s lease of certain real property for the purpose of installing, operating and maintaining a Renewable Energy Facility (as defined in the Original Lease).

B. The Parties desire by this First Amendment to include within the scope of the Original Lease certain additional real property in which the LPA currently holds a leasehold interest.

NOW, THEREFORE, the LPA and Developer hereby agree as follows:

1. As of the effective date of this First Amendment, Exhibit A to the Original Lease is deleted and replaced in its entirety by the Property Schedule of Renewable Generating Facility Sites that is attached hereto as Exhibit A and incorporated herein.

2. As of the effective date of this First Amendment, Exhibit B to the Original Lease is deleted and replaced in its entirety by the Energy Production Analysis Table that is attached hereto as Exhibit B and incorporated herein.

3. Except as expressly provided to the contrary in this First Amendment, the terms of Original Lease shall remain in full force and effect as written. All terms used herein and not defined herein but defined in the Original Lease shall have the meaning given to such terms therein.

4. This First Amendment shall become effective immediately upon execution by the LPA and Developer.

[Signatures begin on next page.]

IN WITNESS WHEREOF, the LPA and Developer have executed this First Amendment as of the date set forth above.

LPA:

LANCASTER POWER AUTHORITY, a joint powers authority

By: _____
Its: _____

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

DEVELOPER:

US TOPCO ENERGY, INC., a California corporation

By: _____
Its: _____

EXHIBIT A

PROPERTY SCHEDULE OF RENEWABLE GENERATING FACILITY SITES

APN	Location	Area (acres)
3170-008-908	West of Future 25 th Street East and South of Future Avenue K-12	25
3170-008-907	West of Future 25 th Street East and North of Avenue L	13

EXHIBIT B

ENERGY PRODUCTION ANALYSIS TABLE

The following production analysis are estimates only (actual amounts may vary from estimates shown) and are subject to final design and inverter selection. These figures are subject to adjustments for weather and other conditions that are beyond the control of Developer and may impact production and/or net Station Use.

APN	Gross Power Rating	Net Power Rating	Annual Energy Production
3170-008-908	5,990 kW DC	4,916 kW AC	10,243,852 kWh Year 1
3170-008-907	3115 kW DC	2556 kW AC	5,326,116 kWh Year 1



Chris Ludlum
City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534
T: (661) 723-5958 Telephone

10 December, 2012

Re: Land Option on APN #3170-008-907

Dear Chris,

This letter is to request a modification to the "Revised Option Agreement Between the Lancaster Power Authority and Morgan Solar USA, Inc." dated 28 August, 2012.

MSI has been pursuing a 5MW Interconnection Application with Southern California Edison ("SCE") for the sites summarized in that agreement, APN #3170-008-907 and a portion of APN #3170-008-901. The size of the Interconnection Application has been deemed too large to be eligible for independent system. Therefore the application will need to be either re-submitted under the WDAT batch process, thereby forgoing its advanced queue position, or revised down to a size that will fit under the Revised Rule 21 independent study threshold. Given the substantial time delay, added cost and expected system and facility upgrade fees related to the former option, MSI will be pursuing the latter option.

As a result, the Interconnection Application size is likely to be revised down to between 1.5MW and 3MW. Given the inability to daisy-chain Rule 21 Projects under the CREST or ReMAT programs, MSI will require the additional 13 acres to develop the project. Pursuant to Section 4 of the aforementioned agreement, we hereby request in writing that the land option on APN #3170-008-907 be terminated with immediate effect. Please confirm your approval of this modification to the agreement in writing at your nearest request.

Kind regards,

Hugo Navarro
Vice President, Project Development & Applications
Morgan Solar USA, Inc.