

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

723



SUBMITTAL DATE:
August 10, 2011

FROM: Transportation and Land Management Agency

SUBJECT: Ordinance No. 909, an Urgency Ordinance, Granting to Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, a Franchise to Construct and Use an Electrical Transmission Line Under, Along, Across, or Upon the Kaiser Road Rights-Of-Way in Eastern Riverside County

RECOMMENDED MOTION: That the Board of Supervisors:

Adopt Ordinance No. 909, an urgency ordinance granting to Desert Sunlight 250, LLC, a Delaware Limited Liability Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company and Their Lawful Successors And Assigns, a franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County.

(Continued on Page 2)

George A. Johnson
George A. Johnson, Director
Transportation and Land Management Agency

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ (600,000)	For Fiscal Year:	N/A

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVED
BY: *Denise C. Harden*
County Executive Office Signature Denise C. Harden

Dept's Recomm.: Consent
Per Exec. Ofc.: Consent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended, and that the above Ordinance is adopted with waiver of the reading.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: August 16, 2011
xc: Planning, Co.Co., MC, COB(2)

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 7/12/11, 3.54 | **District:** 4th | **Agenda Number:**

16.6b

FORM APPROVED COUNTY COUNSEL
BY: *Tiffany N. North*
DATE: 8/15/11

Departmental Concurrence

RE: Ordinance No. 909, an Urgency Ordinance Granting To Desert Sunlight 250, LLC and Desert Sunlight 300, LLC, a Franchise to Construct and Use an Electrical Transmission Line, Under, Along, Across, or Upon the Kaiser Road Rights-Of-Way in Eastern Riverside County

August 10, 2011

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BACKGROUND:

On July 12, 2011, the Board adopted Resolution No. 2011-147, "Declaration of Intention to Grant an Electric Franchise to Desert Sunlight 250, LLC, a Delaware Limited Liability Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, and Their Lawful Successors and Assigns" and, directed the Clerk of the Board to publish notice for the public hearing on the franchise to be held at 1:30 p.m. on August 16, 2011.

The franchise would allow Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, ("Desert Sunlight") to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County. The electrical transmission line would interconnect Desert Sunlight's 550-megawatt solar photovoltaic energy generating project, known as the Desert Sunlight Solar Farm ("Project"), with Southern California Edison's proposed Red Bluff substation.

The County is authorized to grant a franchise pursuant to Article 11, Section 7, of the California Constitution and Government Code Section 26001. A franchise is to be granted by ordinance adopted in the manner prescribed by law for the enactment of ordinances.

The franchise proposed in Ordinance No. 909 has a 30-year term, requires annual payments of a franchise fee of \$600,000 adjusted for inflation, and requires the posting of a letter of credit equal to \$10,755,000.00 which is the County's estimate of the Bradley-Burns Uniform Local Sales and Use Tax attributable to construction of the Desert Sunlight Solar Farm Project projected to be allocated to the unincorporated area of Riverside County (including construction of the electrical transmission line, all solar power electrical generation facilities, and the Red Bluff Substation). The proposed franchise also requires Desert Sunlight to defend, indemnify and hold harmless the County and requires extensive insurance coverage.

Desert Sunlight applied for a Public Use Permit (PUP 909) pursuant to Ordinance No. 348, and an encroachment permit pursuant to Ordinance No. 499 for the parts of the Project within the County's jurisdiction. PUP 909 is a fast track case scheduled to be heard on August 16, 2011 with this agenda item. The Transportation Department is presently considering the encroachment permit application. Ordinance No. 499 provides that an encroachment permit may be issued if the applicant holds a current County franchise.

Ordinance No. 909 is an urgency ordinance and will become effective immediately upon adoption, provided that, on the date of adoption, Desert Sunlight files a written acceptance of the franchise. Such written acceptance shall require Desert Sunlight to agree to abide by the terms and conditions of the franchise set forth in Ordinance No. 909. In the event such written acceptance is not filed on the date of adoption, the ordinance shall not take effect.

1 generation facilities to Southern California Edison's Red Bluff Substation,
2 under, along, across, or upon the Kaiser Road rights-of-way.

3 f. Franchise Area. The precise location of the Electrical Transmission
4 Line to be Constructed and Used under, along, across, or upon the Kaiser
5 Road rights-of-way, as more fully described and depicted on Exhibit A,
6 attached hereto and incorporated herein by this reference. To the extent that
7 the Franchise Area includes any real property owned in fee by County, this
8 Franchise shall also remain valid and effective with respect to such real
9 property, regardless of whether or not the Kaiser Road rights-of-way may or
10 may not have merged into the underlying fee interest.

11 g. Government Agency. State, County, City or other political
12 subdivision or governmental agency or instrumentality of the State of
13 California, when acting in a governmental capacity.

14 h. Grantee. Desert Sunlight 250, LLC, a Delaware Limited Liability
15 Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability
16 Company, and their lawful successors and assigns, in whole or in part,
17 which jointly hold, and may use this Franchise and which are jointly and
18 severally responsible for all provisions, rights, obligations and duties of this
19 ordinance.

20 i. Project. The Desert Sunlight Solar Farm Project described in the
21 "Desert Sunlight Solar Farm Project/California Desert Conservation Area
22 Plan Amendment and Final Environmental Impact Statement," and
23 approved by the Bureau of Land Management in its Record of Decision
24 dated August 8, 2011, including the Electrical Transmission Line, all solar
25 power electrical generation facilities, and the Red Bluff substation.

26 Section 2. **AUTHORITY AND GRANT.** Pursuant to and in accordance with the
27 provisions of the California Constitution Article 11, Section 7 and Government Code Section 26001,
28 County hereby grants to Grantee, the Franchise described in this ordinance and all provisions, rights,

1 obligations and duties hereof shall extend and inure to and be binding on Grantee. The Franchise granted
2 herein is solely for the specified uses set forth in this ordinance.

3 Section 3. TERM. This Franchise shall be for a definite term of thirty (30) years from
4 the effective date of this ordinance and shall endure in full force and effect during such term unless this
5 Franchise shall be voluntarily surrendered or abandoned by Grantee; or unless the State or some
6 municipal or public corporation shall purchase by voluntary agreement, or shall condemn and take under
7 the power of eminent domain, all property actually used and useful in the exercise of this Franchise and
8 situated within the territorial limits of the State, municipal, or public corporation purchasing or
9 condemning such property; or unless this Franchise shall be forfeited for noncompliance with its terms by
10 Grantee.

11 Section 4. CONSIDERATION AND PAYMENTS.

12 a. Grantee shall annually pay to the Riverside County Treasurer, in lawful
13 money of the United States, the amount of six hundred thousand dollars
14 (\$600,000). Within five (5) business days of the close of Department of
15 Energy loan financing for the Project or the close of other financing for the
16 Project, if there is no Department of Energy loan financing, Grantee shall
17 provide written notice to County of such closing and shall make the initial
18 payment to County. Such written notice shall indicate the identity of any
19 and all lenders financing the Project, including the address, telephone and
20 facsimile numbers, contact person, and, for identification purposes, an
21 account or reference number. In no event, however, shall the initial
22 payment be made later than September 1, 2012. Grantee shall make
23 subsequent annual payments on February 1st of each year, which shall be
24 increased by the same percentage as the increase in the Consumer Price
25 Index, All Urban Consumers, (Los Angeles — Anaheim) for the twelve
26 (12) month period ending four (4) months prior to February 1st. In no
27 event, however, shall the Consumer Price Index adjustment be less than one
28 percent (1%) nor greater than four percent (4%).

- 1 b. Grantee shall pay any application fees, administrative fees, processing fees,
2 late charges, accrued interest, and penalties required in connection with this
3 Franchise. These fees may be charged at the rates applicable at the time of
4 payment.
- 5 c. Grantee shall pay all encroachment permit and inspection fees related
6 thereto in connection with any necessary encroachment permits to Construct
7 and Use the Electrical Transmission Line in the Franchise Area. These fees
8 may be charged at the rates applicable at the time of payment.
- 9 d. Grantee shall pay to County a sum of money sufficient to reimburse it for
10 all publication expenses incurred by it in connection with the granting of
11 this Franchise; such payment to be made within thirty (30) days after
12 County furnishes Grantee with a written statement of such expenses.
- 13 e. Grantee shall pay to County on demand the cost of all repairs to public
14 property made necessary by any of the operations of Grantee under this
15 Franchise; such payment to be made within thirty (30) days after County
16 furnishes Grantee with a written statement of such expenses.
- 17 f. Local Sales and Use Tax.
- 18 1. Within five (5) business days of the close of Department of Energy
19 loan financing for the Project or the close of other financing for the
20 Project, if there is no Department of Energy loan financing, Grantee
21 shall deliver to County Executive Officer a letter of credit, which
22 may be drawn upon as expressly set forth below. The amount of the
23 letter of credit shall be equal to ten million seven hundred fifty-five
24 thousand dollars (\$10,755,000), which is County's Estimate
25 ("Estimate") of the Bradley-Burns Uniform Local Sales and Use
26 Tax ("Local Sales and Use Tax") attributable to construction of the
27 Project and projected to be allocated by the Board of Equalization to
28 the unincorporated area of Riverside County.

- 1 2. County agrees the letter of credit may be reduced annually to an
2 amount equal to the amount of the Estimate minus the then
3 cumulative total amount of Local Sales and Use Tax attributable to
4 construction of the Project that the Board of Equalization records
5 indicate were allocated to County. County shall provide annually to
6 Grantee a summary of these records. However, in no event shall the
7 amount of the letter of credit be reduced sooner than one (1) year
8 from the effective date of this ordinance. To accomplish such
9 reduction, Grantee may replace the existing letter of credit with a
10 new letter of credit in an amount equal to the new amount required,
11 as determined using the calculation method described above.
- 12 3. Grantee shall notify County of the contract on-line date of the
13 Project, such date being the date of final completion under the
14 engineering, procurement, and construction agreement for the
15 Project.
- 16 4. If, on the 210th day following the contract on-line date of the Project,
17 the Board of Equalization records show the cumulative total Local
18 Sales and Use Tax attributable to construction of the Project and
19 allocated by the Board of Equalization to County is less than the
20 Estimate, Grantee shall pay such difference within sixty (60) days of
21 the date County notifies Grantee of the deficiency. If Grantee does
22 not pay such difference within such time period, County may draw
23 upon the letter of credit in an amount equal to such deficiency.
- 24 5. The foregoing obligation to pay such deficiency is subject to
25 Grantee's right to confirm, within such time period, the amount of
26 actual Local Sales and Use Tax attributable to construction of the
27 Project and allocated by the Board of Equalization to County.
28 Grantee has the right to provide County with copies of Grantee's

1 relevant Project records, including but not limited to any and all
2 relevant sales and use tax filings associated with the Project which
3 demonstrate that the actual amount of Local Sales and Use Tax paid
4 by Grantee which should have been allocated to County by the
5 Board of Equalization is greater than the amount shown by Board of
6 Equalization records.

- 7 6. If in County's reasonable judgment Grantee adequately documents
8 any such discrepancy (such discrepancy being the difference
9 between what was actually allocated by the Board of Equalization to
10 the County as opposed to what should have been allocated), Grantee
11 may request that County defer, up to one (1) year, any demand for
12 payment to County or any draw by County on the letter of credit to
13 satisfy the deficiency, and County shall not unreasonably withhold
14 consent to such deferral. If any such discrepancy is not resolved
15 within one (1) year from County's notice of such deficiency,
16 Grantee shall pay the amount of the deficiency to County, or County
17 may draw upon the letter of credit for the amount of such deficiency.
- 18 7. If County later determines it received (i) Local Sales and Use Tax
19 attributable to construction of the Project, (ii) direct payments under
20 this section, and/or (iii) draws on the letter of credit, the total
21 combined amount of which is in excess of the greater of the amount
22 of the Estimate or the actual amount of Local Sales and Use Tax
23 required to be paid in connection with construction of the Project,
24 County shall reimburse the amount of such overpayment to Grantee
25 within thirty (30) days of such determination.
- 26 8. Grantee and County shall meet and confer to attempt to resolve any
27 dispute with regard to subsections 6 and 7 of subsection f of section
28 4. Provided, however, that neither County nor Grantee shall by

1 meeting and conferring waive any and all legal rights and remedies
2 with respect to such dispute.

3 9. Upon payment in full of the amount of the Estimate (whether
4 through allocations from the Board of Equalization, direct payments
5 under this section, and/or draws upon the letter of credit), or upon a
6 termination of this Franchise in accordance with subsection f of
7 section 5 or otherwise, County shall return the letter of credit to
8 Grantee without any further draws therefrom. With respect to any
9 termination, however, County has the right to continue to hold a
10 letter of credit in an amount necessary to secure any unpaid Local
11 Sales and Use Tax required to be paid through the date of such
12 termination consistent with the provisions set forth below regarding
13 possible revision of the Estimate.

14 10. The letter of credit and the obligations under this subsection f are
15 intended to provide security to County with respect to Local Sales
16 and Use Tax. In the event the Project is not constructed, is only
17 partially constructed, or is reduced in size, the letter of credit
18 obligation and the obligation to pay County any deficiency with
19 respect to the Estimate shall be reduced accordingly through a
20 revised estimate. Grantee shall provide the information needed by
21 County to make this revised estimate.

22 g. In the event Grantee fails to make any of the payments provided for herein,
23 then, following notice of such failure from County and subsequent failure
24 by Grantee to cure within the applicable cure period, Grantee shall pay a
25 late charge of ten percent (10%) of the amount due, said ten percent (10%)
26 being due thirty (30) days after the expiration of the applicable cure period
27 specified in section 13. The ten percent (10%) has been set by both parties
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1 hereto in recognition of the difficulty in affixing actual damages from a
2 breach of said time of performance requirement.

3 h. In the event full payment of any rate, payment, or fee, including the ten
4 percent (10%) late charge, is not received within sixty (60) days after the
5 due date, an assessment of interest shall accrue on the unpaid balance at one
6 percent (1%) per month beginning on the sixty first (61st) day after the due
7 date, provided that County has notified Grantee in accordance with section
8 13 and Grantee has failed to pay within the required period.

9 i. Should the Board of Supervisors adopt any policy requiring the negotiation
10 of revenue generating agreements for solar power plants or requiring solar
11 power plant developers to pay a specified fee in connection with County's
12 conveyance of a real property interest or the issuance of a permit for a solar
13 power plant to ensure that County does not disproportionately bear the
14 burden of solar energy production, the Project shall be exempt from such
15 policy, it being acknowledged and agreed that Grantee is paying
16 consideration to County as specifically provided pursuant to the express
17 terms of this ordinance. Grantee's other projects, however, would not be
18 eligible to claim an exemption based on the foregoing exemption provided
19 to Grantee pursuant to this ordinance.

20 Section 5. CONSTRUCTION, USE AND MAINTENANCE

21 a. Grantee shall Construct and Use the Electrical Transmission Line in
22 accordance and in conformity with all of the ordinances and rules adopted
23 by the Board of Supervisors in the exercise of its police powers and not in
24 conflict with the paramount authority of the State, and, as to state highways,
25 subject to the laws relating to the location and maintenance of electrical
26 transmission lines therein.

27 b. Grantee shall Construct and Use the Electrical Transmission Line in the
28 Franchise Area described in Exhibit A and at the locations described in the

1 exhibits attached to the encroachment permit(s) to be issued by County
2 Transportation Director pursuant to this Franchise and Ordinance No. 499.
3 The Electrical Transmission Line shall be located so as not to interfere with
4 the use of the Franchise Area by the traveling public or with the use of
5 County property or County public works for their primary purposes.

6 c. Grantee shall undertake its work in such manner as to leave the Franchise
7 Area or other public property in as good condition as it was prior to said
8 work.

9 d. Grantee shall modify the Electrical Transmission Line, and the procedures
10 associated with its maintenance and testing, to comply with all future
11 statutes, laws, ordinances and rules, regulations, policies or standards
12 adopted pursuant thereto that are generally applicable to pre-existing
13 improvements, provided, however, that County, in its proprietary capacity,
14 shall not undertake actions that would serve to deprive Grantee of any
15 material benefit of this Franchise.

16 e. Prior to commencing construction of Project, Grantee shall create and
17 maintain an emergency response plan, and shall at all times maintain the
18 necessary trained personnel and equipment to respond timely to any damage
19 or destruction (e.g., fire) associated with this Franchise.

20 f. Grantee shall in good faith commence construction under this Franchise
21 within not more than three (3) years from the granting of this Franchise,
22 and, if not so commenced within said time, this Franchise shall be declared
23 forfeited, provided that Grantee's obligation to commence construction
24 shall be extended, day for day, for each day that any stay or injunction
25 imposed by a court of competent jurisdiction, delays the issuance of all final
26 permits for, or construction of, Grantee's solar power electrical generation
27 facilities and/or the Electrical Transmission Line. The completion of the
28 work shall be prosecuted diligently and in good faith by Grantee.

- 1 g. Grantee shall, upon demand by County, and at the expense of Grantee,
2 precisely identify the location, by land survey measurements or other
3 accurate means, of the Electrical Transmission Line under this Franchise,
4 for the purpose of the design or construction of public works projects on
5 County rights-of-way.
- 6 h. Grantee shall relocate without expense to County any portion of the
7 Electrical Transmission Line installed, used, and maintained under this
8 Franchise if and when made necessary by any lawful change of grade,
9 alignment, or width of any public street, way, alley, or place by County.
- 10 i. Before any excavation or other work requiring excavation in the Franchise
11 Area, Grantee shall notify County Transportation Director, no less than
12 thirty (30) days prior to commencement of such excavation or work.
13 Provided that, in cases of emergency requiring immediate action, Grantee
14 may make excavations and perform work in the Franchise Area to repair
15 and restore the Electrical Transmission Line without giving prior notice to
16 County Transportation Director of such excavation and work, but notice
17 thereof shall be given to said Director promptly after the commencement of
18 such excavation and work. In all cases, Grantee at its own cost and expense
19 shall without unnecessary delay replace and restore the excavated portion of
20 the Franchise Area to as good condition as it was prior to such excavation
21 and work.

22 Section 6. REMOVAL. Upon surrender, abandonment, termination, or forfeiture of
23 this Franchise, Grantee shall, upon written request of County and at its own expense, remove its Electrical
24 Transmission Line and all ancillary equipment from County roadways and rights of way, properly and
25 lawfully dispose of all such materials and ancillary equipment, and restore the Franchise Area to its
26 original condition.

1 Section 7. INDEMNIFICATION.

2 a. Grantee shall defend, indemnify and hold harmless County Parties from any
3 liability whatsoever, based or asserted upon any act or omission, including
4 but not limited to negligent acts or omissions, of Grantee, its officers,
5 agents, employees, subcontractors and independent contractors, for property
6 damage, bodily injury, or death or any other element of damage of any kind
7 or nature, relating to or, in any way connected with or arising from any
8 operations under this Franchise, specifically excluding therefrom the gross
9 negligence or willful misconduct of the County Parties. The obligation to
10 defend, indemnify and hold harmless expressed herein shall include,
11 without limitation, attorney fees, expert fees and investigation expenses and
12 shall survive until any and all claims, actions and causes of action with
13 respect to any and all such alleged acts or omissions are fully and finally
14 barred by the applicable statute of limitations, unless such statute of
15 limitations is overturned by any court of jurisdiction whereupon the
16 indemnification shall continue until all issues are fully resolved.

17 b. Grantee shall also defend, indemnify and hold harmless County Parties
18 from any action or claim brought by any person to attack, set aside, void or
19 annul County's approval of this Franchise, this ordinance or any
20 subsequently issued encroachment permit. The obligation to defend,
21 indemnify and hold harmless expressed herein shall include, without
22 limitation, attorney fees, expert fees and investigation expenses and shall
23 survive until any and all claims, actions and causes of action with respect to
24 any and all alleged acts or omissions are fully and finally barred by any
25 applicable statute of limitations, unless such statute of limitations is
26 overturned by any court of jurisdiction whereupon the indemnification shall
27 continue until all issues are fully resolved.

1 Section 8. INSURANCE. Without limiting or diminishing Grantee's obligation to
2 indemnify or hold County harmless, Grantee shall procure and maintain or cause to be maintained, at its
3 sole cost and expense, the following insurance coverages during the term of this ordinance.

4 a. Workers' Compensation:

5 Grantee shall maintain statutory Workers' Compensation Insurance
6 (Coverage A) as prescribed by the laws of the State of California. Policy
7 shall include Employer's Liability (Coverage B) including Occupational
8 Disease with limits not less than one million (\$1,000,000) per person per
9 accident. Policy shall be endorsed to waive subrogation in favor of County.

10 b. Commercial General Liability:

11 Grantee shall maintain Commercial General Liability insurance coverage,
12 including but not limited to, premises liability, contractual liability,
13 completed operations, personal and advertising injury covering claims
14 which may arise from or out of Grantee's performance of its obligations
15 hereunder. Policy shall include County Parties as an Additional Insured
16 with respect to Grantee's performance hereunder. Policy's limit of liability
17 shall not be less than five million dollars (\$5,000,000) in the aggregate and
18 not less than three million dollars (\$3,000,000) per occurrence.

19 c. Vehicle Liability:

20 Grantee shall maintain liability insurance for all owned, non-owned or hired
21 vehicles in an amount not less than one million (\$1,000,000) per occurrence
22 combined single limit. If such insurance contains a general aggregate limit,
23 it shall apply separately to this Franchise or be no less than two (2) times
24 the occurrence limit. Policy shall name County Parties as an Additional
25 Insured.

26 d. General Insurance Provisions - All lines:

27 1. Any insurance carrier providing insurance coverage hereunder shall
28 be admitted to the State of California and have an A.M. BEST rating

1 of not less than an A: VII (A: 7) unless such requirements are
2 waived, in writing, by the County Risk Manager. If County's Risk
3 Manager waives a requirement for a particular insurer such waiver is
4 only valid for that specific insurer and only for one policy term.

5 2. Grantee's insurance carrier(s) must declare its insurance deductibles
6 or self-insured retentions. If such deductibles or self-insured
7 retentions exceed five hundred thousand dollars (\$500,000) per
8 occurrence such deductibles and/or retentions shall have the prior
9 written consent of County Risk Manager before commencement of
10 construction under this Franchise. Upon notification of deductibles
11 or self-insured retentions which are deemed unacceptable to County,
12 at the election of County's Risk Manager, Grantee's carriers shall
13 either: (i) reduce or eliminate such deductibles or self-insured
14 retentions as respects this Franchise with County, or (ii) procure a
15 bond which guarantees payment of losses and related investigations,
16 claims administration, defense costs and expenses.

17 3. Within five (5) business days of the close of Department of Energy
18 loan financing for the Project or the close of other financing for the
19 Project, if there is no Department of Energy loan financing and
20 annually thereafter, at the anniversary of the Grantee's insurance
21 renewals, Grantee shall cause its insurance carrier(s) to furnish
22 County with: (i) a properly executed original Certificate(s) of
23 Insurance and certified original copies of Endorsements effecting
24 coverage as required herein; or, (ii) if requested to do so orally or in
25 writing by County Risk Manager, allow County Risk Manager to
26 review a certified copy of the original policy and all endorsements
27 thereto at the offices of the Risk Manager or provide original
28 Certified copies of policies including all Endorsements and all

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attachments thereto, showing such insurance is in full force and effect. Further, to the extent available from the insurance company, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) providing that no less than thirty (30) days written notice be given to County prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, County may forfeit this Franchise as provided below if Grantee does not have such insurance reinstated or replaced within the cure period specified in section 13. Evidence of any such reinstatement or replacement shall include a properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages and the insurance herein is in full force and effect. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance. Grantee shall not commence construction under this Franchise until County has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this section.

- 4. It is understood and agreed by the parties hereto and Grantee's insurance company(s) that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory as respects all claims that arise from this Franchise.
- 5. Grantee shall pass down the insurance obligations contained herein

1 to all tiers of contractors and subcontractors working under this
2 Franchise.

- 3 e. Not more frequently than once every five (5) years, County reserves the
4 right to adjust the types of insurance required under this ordinance and the
5 monetary limits of liability for the insurance coverage required herein, if, in
6 County Risk Manager's reasonable judgment based on commercially
7 reasonable amounts of insurance coverage required to be carried for similar
8 operations, the amounts or types of insurance coverage specified herein
9 have become materially inadequate due to passage of time or changed
10 circumstances.

11 Section 9. ANNEXATION. Whenever any portion of the territory covered by this
12 Franchise shall be annexed to, or otherwise become a part of any municipal corporation, or of any other
13 county, the rights reserved under this ordinance to County, or County Parties, shall inure to the benefit of
14 such municipal corporation or county, and its appropriate officers and employees.

15 Section 10. TRANSFERS AND ASSIGNMENTS. Grantee shall have the right to
16 transfer this Franchise, in whole or in part, or assign all or part of its rights and interests hereunder,
17 including, without limitation, granting a security interest to any lender or any other investor. In such
18 event, Grantee shall provide County, within thirty (30) days of any sale, transfer, assignment or lease of
19 this Franchise or any part hereof, with written evidence of the transaction certified by Grantee or its duly
20 authorized officers. Grantee shall also provide written evidence, in a form reasonably acceptable to
21 County, establishing to County's satisfaction that any transferee or assignee (other than a lender that has
22 not foreclosed on its security interest) is in financially sound condition and able to comply with the
23 obligations of Grantee under this Franchise; County shall have the right to request additional information
24 to confirm the foregoing. Any such transferee or assignee shall remain subject to all the terms and
25 conditions in this ordinance including the obligation to maintain insurance coverage in the amounts
26 specified in this ordinance.

1 Section 11. GOVERNMENT AGENCY WORK.

- 2 a. A Government Agency may improve any highway or portion thereof in
3 which Grantee's Electrical Transmission Line has been constructed or
4 installed, and may construct, install, repair and maintain any such highway,
5 and may remove from any such highway any public improvement.
- 6 b. Provided a Government Agency gives written notice to Grantee thirty (30)
7 days in advance of the date work is to be done pursuant to any right
8 reserved in subdivision a of this section, specifying the general nature of the
9 work and area in which the work is to be performed, Grantee shall, upon
10 request of the Government Agency, disconnect and relocate the Electrical
11 Transmission Line in the Franchise Area to such extent and in such manner
12 as shall be necessary to permit the performance of such work, and to permit
13 the maintenance, operation and use of such public improvement or of the
14 highway as so improved. The Government Agency shall, to the extent
15 possible, minimize interference with Grantee's property and operations
16 pursuant to this Franchise. All of such things to be done and work to be
17 performed by Grantee shall be at the sole cost and expense of Grantee.
- 18 c. Grantee shall, upon written notice from a Government Agency to relocate a
19 portion of the Electrical Transmission Line that is in conflict with a public
20 works project on the public right of way, cause the conflicting portion of
21 said Electrical Transmission Line to be relocated in a diligent manner as to
22 avoid any unreasonable delays or costs to the public works project. Any
23 direct costs incurred by the Government Agency, resulting from a delay to a
24 public works project directly caused by the failure of Grantee to relocate the
25 conflicting portion of Grantee's Electrical Transmission Line in a diligent
26 manner as to avoid any unreasonable delay, shall be the responsibility of
27 Grantee, which shall reimburse said costs to the Government Agency upon
28 demand.

1 d. No provision of this Franchise shall be so construed as to impose upon a
2 Government Agency any duty or obligation to construct, repair or maintain
3 any highway included in the area in which Grantee's Electrical
4 Transmission Line is located in any particular manner or to any particular
5 standard.

6 e. In the event that a Government Agency, shall hereafter construct, install,
7 reconstruct or repair any bridge or artificial support in or underlying any
8 highway in which Grantee's Electrical Transmission Line is located or
9 which is prescribed as the location for any of Grantee's Electrical
10 Transmission Line, and in the event that the cost thereof be increased in
11 order to provide for the installation, maintenance or operation of Grantee's
12 Electrical Transmission Line in or on the highway area covered or underlain
13 by said bridge or other artificial support, then Grantee shall pay to such
14 Government Agency doing such work the full amount of such increase of
15 cost upon completion of such construction, installation or repair.

16 Section 12. ENCROACHMENT PERMIT. No encroachment permit shall be issued for
17 work to be undertaken in the Franchise Area, until Grantee has filed its written acceptance of the terms
18 and conditions of this Franchise as specified in section 21. Following Grantee's acceptance of this
19 Franchise, and provided that Grantee and its contractors have complied with all applicable permit
20 issuance requirements established by County under Ordinance No. 499, Grantee shall be entitled to, and
21 County shall issue, any requested encroachment permits consistent with this Franchise within sixty (60)
22 days of application.

23 Section 13. FORFEITURE.

24 a. Any neglect, failure or refusal of Grantee to comply with any provision of
25 this Franchise, following notice and opportunity to cure as provided below,
26 shall constitute cause for possible forfeiture of this Franchise at the
27 discretion of the Board of Supervisors. Following such an uncured default,
28 the Board of Supervisors may hold a hearing, at which Grantee and any

1 lender shall have the right to appear and be heard. Following such hearing,
2 the Board of Supervisors may determine whether the provision at issue is
3 material and essential to this Franchise, whether Grantee is in default with
4 respect thereto and may declare this Franchise forfeited. Notice of the
5 hearing shall be given to Grantee, and any lender previously identified to
6 County, in accordance with the notice provisions of this ordinance not less
7 than thirty (30) days before said hearing. If this Franchise is forfeited
8 pursuant to the foregoing, County may exclude Grantee from any further
9 use of the Franchise Area under this Franchise; and Grantee shall thereupon
10 surrender all rights in and to the same, and this Franchise shall be deemed
11 and shall remain null, void and of no effect. From time to time, upon
12 request of Grantee or any lender, County shall confirm in writing to Grantee
13 and any lender whether Grantee is in compliance with the terms and
14 conditions of this ordinance.

- 15 b. County may sue in its own name for the forfeiture of this Franchise, in the
16 event of noncompliance with any of the provisions or conditions hereof by
17 Grantee.
- 18 c. Grantee shall be liable to County for all damages proximately resulting
19 from the failure of Grantee to observe and perform any provision of this
20 Franchise.
- 21 d. Grantee shall have ten (10) business days (and any lender shall have thirty
22 (30) days) after written notice from County of a monetary default, or failure
23 to carry required insurance, to cure said default to the satisfaction of the
24 County. Grantee shall have thirty (30) days (and any lender shall have sixty
25 (60) days) after written notice from County of any non-monetary default to
26 cure said default to the satisfaction of the County or, if such default is not
27 capable of cure within such time period, Grantee shall commence to cure
28

1 such default within such time period and shall complete the cure of such
2 default within a reasonable time thereafter.

3 Section 14. SECURITY/FAITHFUL PERFORMANCE BOND

4 a. Within one (1) year following the effective date of this ordinance or prior to
5 construction of the Electrical Transmission Line within the Franchise Area,
6 whichever comes first, Grantee shall provide to County a faithful
7 performance bond in the sum of not less than seven hundred twenty
8 thousand dollars (\$720,000) payable to County and executed by a corporate
9 surety acceptable to County and licensed to transact business as a surety in
10 the State of California. Such bond shall be payable to the extent that
11 Grantee shall fail to faithfully perform any of its obligations under this
12 Franchise (specifically excluding, however, any and all consideration and
13 payment obligations pursuant to section 4 of this ordinance, other than the
14 repair obligations under subsection e of section 4, which repair obligations
15 shall be included in the obligations secured by the faithful performance
16 bond and specifically excluding any construction obligations secured by the
17 cash deposit required for any encroachment permit). In the event that
18 Grantee fails to so perform, County may elect to make a claim under the
19 bond equal to that amount necessary to undertake and complete such failed
20 performance.

21 b. Throughout the term of this Franchise, Grantee shall maintain the faithful
22 performance bond in the amount specified herein. Within thirty (30) days
23 after written notice from County that any amount has been paid on the bond
24 as provided in this section, Grantee shall restore the bond to the full amount
25 specified herein, reduced by the amount of those obligations that County, in
26 its reasonable discretion, determines have been fully satisfied.

27 c. The faithful performance bond shall continue to exist for one (1) year
28 following any sale, transfer, or assignment of this Franchise (unless

1 replaced by a satisfactory replacement bond from the successor Grantee), or
2 following the expiration or termination of this Franchise. County may
3 release said bond prior to the end of the one (1) year period upon its
4 determination that Grantee has satisfied all the obligations of this ordinance
5 that are to be secured by the bond.

6 d. County, in its reasonable discretion, may accept alternative security to meet
7 the above bonding requirements in the form of an irrevocable letter of
8 credit, certificate of deposit, or a cash deposit acceptable to County as an
9 alternative to the faithful performance bond as described above. Such
10 alternative security shall be made payable to County and shall be deposited
11 with County.

12 e. The types and amounts of the performance bond or alternative security
13 coverage shall be subject to review and adjustment at five (5) year intervals
14 during the term of this Franchise, to the extent that County or Grantee
15 demonstrates that the costs of the obligations to be secured by the bond
16 have materially increased or decreased. In the event of such adjustment,
17 Grantee agrees to provide the adjusted coverage within thirty (30) days after
18 written notice from County. Grantee and County shall meet and confer to
19 attempt to resolve any dispute with regard to this subsection. Provided,
20 however, that neither County nor Grantee shall by meeting and conferring
21 waive any and all legal rights and remedies with respect to such dispute.

22 f. No Franchise operations shall commence until Grantee has complied with
23 the requirements of this section.

24 Section 15. NOTICES. Any notice with respect to this Franchise shall be in writing and
25 shall be made to all parties (including any lender or other assignee) and will be effective (i) immediately
26 upon delivery in person, provided delivery is made during regular business hours or receipt is
27 acknowledged by a person reasonably believed by the delivering party to be employed by the recipient, or
28 (ii) 24 hours after deposit with a commercial courier or delivery service for overnight delivery, provided

1 delivery is made during regular business hours or receipt is acknowledged by a person reasonably
2 believed by the delivering party to be employed by the recipient, or (iii) three (3) days after deposit with
3 the United States Postal Service postage prepaid, certified mail, return receipt requested. All notices must
4 be properly addressed and delivered to the parties at the addresses set forth below, or at such other
5 addresses as any party may subsequently designate by written notice:

6 If to County: Clerk of the Board of Supervisors

7 4080 Lemon Street, 1st Floor

8 Riverside, CA 92501

9 (951) 955-1060

10 (951) 955-1071

11 If to Grantee: Desert Sunlight Holdings, LLC

12 c/o First Solar Development, Inc.

13 1111 Broadway, 4th Floor

14 Oakland, California 94607

15 Attn: Controller and General Counsel

16 Telephone No.: (510) 401-5800

17 Fax No.: (510) 401-5859

18 With a copy to: Farella, Braun + Martel LLP

19 235 Montgomery Street, 18th Floor

20 San Francisco, CA 94104

21 Telephone No.: (415) 954-4400

22 Fax No.: (415) 954-4480

23 Attn: Richard J. Rabbitt

24 Section 16. LENDER PROTECTION. In addition to the specific provisions set forth in
25 this ordinance, County agrees that any lender with a security interest in Grantee's interest in this
26 Franchise shall have customary and commercially reasonable mortgagee protection provisions to
27 preserve, protect, and acquire Grantee's interest in this Franchise, including, without limitation, the right
28 for any lender to a replacement Franchise if this Franchise is surrendered, abandoned or forfeited pursuant

1 to a Grantee bankruptcy. Upon request of Grantee's lender, County shall process an amendment to this
2 Franchise to add specific, customary and commercially reasonable mortgagee protection provisions as
3 may be reasonably requested by any such lender.

4 Section 17. POSSESSORY INTEREST. This Franchise may create a possessory
5 interest that may be subject to taxation, if created, and the party in whom the possessory interest is vested
6 may be subject to the payment of the property taxes levied on the interest.

7 Section 18. NON-EXCLUSIVE FRANCHISE. This Franchise shall not be exclusive.
8 The Board of Supervisors reserves and shall have the right and power to grant other and additional
9 franchises to persons, firms and corporations as authorized and provided by law, provided that any such
10 additional franchises do not unreasonably interfere with the Franchise granted hereunder.

11 Section 19. AMENDMENTS. This ordinance may be amended in whole or in part
12 only by written consent of the parties in the manner prescribed by law for the amendment of ordinances.
13 Any amendment to this ordinance shall also require the consent of any lender.

14 Section 20. SEVERABILITY. If any provision, clause, sentence or paragraph of this
15 ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity
16 shall not affect the other provisions of this ordinance which can be given effect without the invalid
17 provision or application, and to this end, the provisions of this ordinance are hereby declared to be
18 severable.

19 Section 21. EFFECTIVE DATE. This ordinance is hereby declared to be an urgency
20 measure and shall take effect immediately upon its adoption, provided that, on the date of adoption,
21 Grantee files a written acceptance hereof with the Clerk of the Board agreeing to abide by the terms and
22 conditions herein. In the event such written acceptance is not filed on the date of adoption, the ordinance
23 shall not take effect. In accordance with the requirements of Government Code section 25123,
24 subdivision (d), the Board of Supervisors hereby declares that the provisions contained herein are
25 necessary for the immediate preservation of the public peace, health or safety for the following reasons:

- 26 (i) this Franchise will improve the reliability of the transmission grid and minimize service interruptions;
27 (ii) this Franchise will further federal and state greenhouse gas reduction and renewable electricity goals;
28 (iii) the Project will lose its conditional loan guarantee from the Department of Energy (DOE) if Grantee

1 does not obtain all discretionary entitlements before September 30, 2011; and (iv) this Franchise must
2 take effect immediately in order for Grantee to obtain such discretionary entitlements before the specified
3 date.

4
5 BOARD OF SUPERVISORS OF THE COUNTY
6 OF RIVERSIDE, STATE OF CALIFORNIA

7
8 By: Bob Buster
9 Chairman Bob Buster

10
11 ATTEST: Kecia Harper-Ihem
12 CLERK OF THE BOARD

13 By: Kecia Harper-Ihem
14 Deputy

15 (SEAL)

16
17
18 APPROVED AS TO FORM

19 August 16, 2011

20
21 By: Tiffany N. North
22 TIFFANY N. NORTH
23 Deputy County Counsel

24 G:\Property\TNorth\Desert Sunlight First Solar\RCO No 909 final as rev at BOS hrg .docx

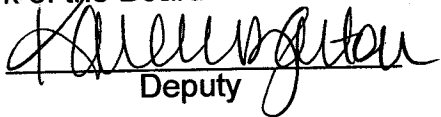
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STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE) ss

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said county held on August 16, 2011, the foregoing ordinance consisting of 21 Sections was adopted by the following vote:

AYES: Buster, Tavaglione, Stone, Benoit and Ashley
NAYS: None
ABSENT: None

DATE: August 16, 2011

KECIA HARPER-IHEM
Clerk of the Board
BY: 
Deputy

SEAL

EXHIBIT "A"

DESERT SUNLIGHT, DESERT CENTER, RIVERSIDE CO., CALIFORNIA

**LEGAL DESCRIPTION EXHIBIT FOR DESERT SUNLIGHT TRANSMISSION
CORRIDOR (ALIGNMENT A-1) TO BE LOCATED WITHIN RIVERSIDE
COUNTY'S KAISER ROAD RIGHT-OF-WAY AND ANY ASSOCIATED FEE
INTEREST OF RIVERSIDE COUNTY.**

EXHIBIT "A"
LEGAL DESCRIPTION

BEING A PORTION OF:

(A) THE RIGHT-OF-WAY OF KAISER ROAD, SAID ROAD BEING A PUBLIC ROAD EASEMENT PER THAT CERTAIN DOCUMENT RECORDED JUNE 20, 1962 AS DOCUMENT NO. 57641 OF OFFICIAL RIVERSIDE COUNTY, CALIFORNIA RECORDS, LYING WITHIN SECTION 22, SECTION 27 AND SECTION 34, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SECTION 3, SECTION 10, SECTION 15 AND SECTION 22, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA,

AND

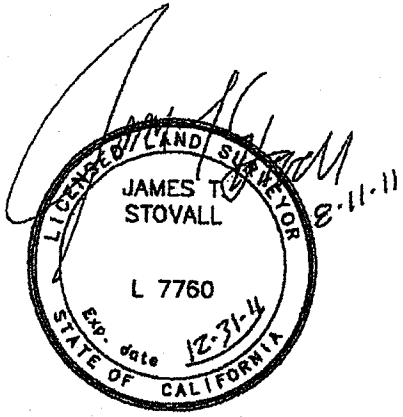
(B) RIVERSIDE COUNTY'S FEE INTEREST IN A PORTION OF KAISER ROAD PURSUANT TO THAT CERTAIN DOCUMENT RECORDED NOVEMBER 26, 1962 AS DOCUMENT NO. 108734 OF OFFICIAL RECORDS, RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN THE NORTH ONE-HALF OF SECTION 15, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA.

FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 22; THENCE ALONG THE SOUTH LINE THEREOF NORTH 89°24'08" EAST, 1565.22 FEET TO A POINT ON A NON TANGENT CURVE, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE WITH A RADIAL BEARING OF NORTH 71°22'10" EAST, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10,100.00 FEET, THROUGH A CENTRAL ANGLE OF 07°49'44", AN ARC DISTANCE OF 1380.05 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 47°49'32" WEST, 145.52 FEET TO A POINT ON A NON TANGENT CURVE, WITH A RADIAL BEARING OF NORTH 63°46'02" EAST; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 9960.00 FEET, THROUGH A CENTRAL ANGLE OF 25°30'06", AN ARC DISTANCE OF 4433.07 FEET; THENCE SOUTH 00°43'52" EAST, 25574.50 FEET; THENCE NORTH 88°50'11" EAST, 140.02 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE OF KAISER ROAD SOUTH 00°43'52" EAST, 160.00 FEET; THENCE SOUTH 88°50'11" WEST 300.01 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD NORTH 00°43'52" WEST, 25735.71 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 9800.00 FEET, THROUGH A CENTRAL ANGLE OF 26°12'22", AN ARC DISTANCE OF 4482.35 FEET; THENCE NORTH 47°49'32" EAST, 310.59 FEET TO A POINT ON A NON TANGENT CURVE WITH A RADIAL BEARING OF NORTH 62°35'59" EAST, SAID POINT BEING ON THE AFOREMENTIONED EAST RIGHT-OF-WAY LINE OF KAISER ROAD; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10,100.00 FEET, THROUGH A CENTRAL ANGLE OF 00°56'27", AN ARC DISTANCE OF 165.84 FEET TO THE POINT OF BEGINNING.

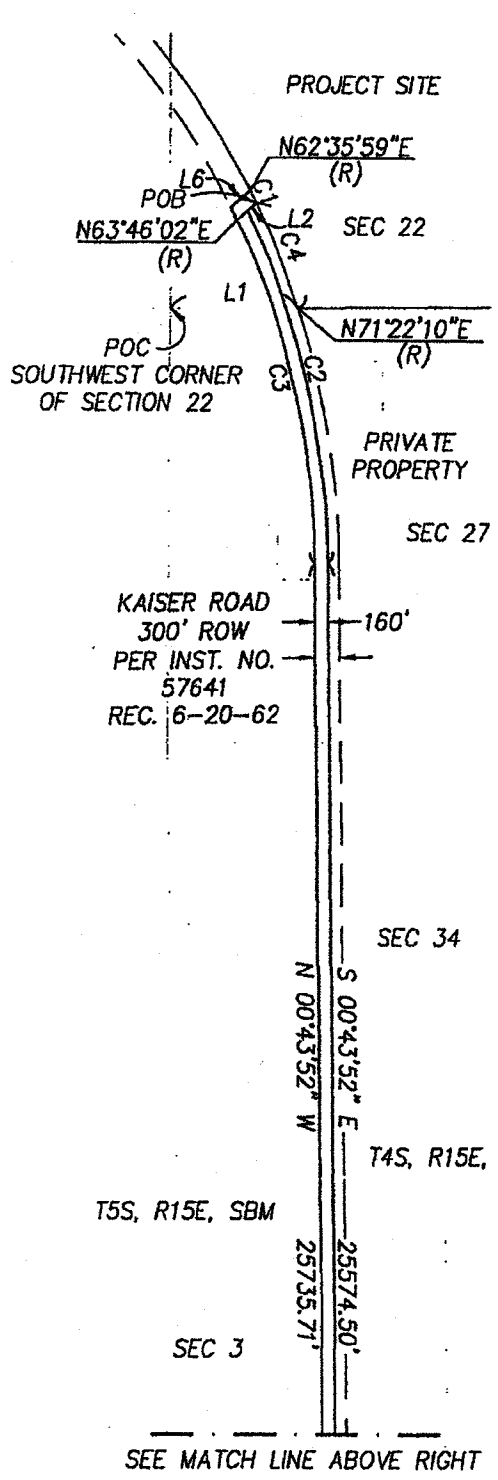
SAID PARCEL CONTAINS 112.25 ACRES, MORE OF LESS.

EXHIBIT PAGES 1-2 ATTACHED HERETO AND BY REFERENCE THEREBY MADE A PART OF THIS LEGAL DESCRIPTION.

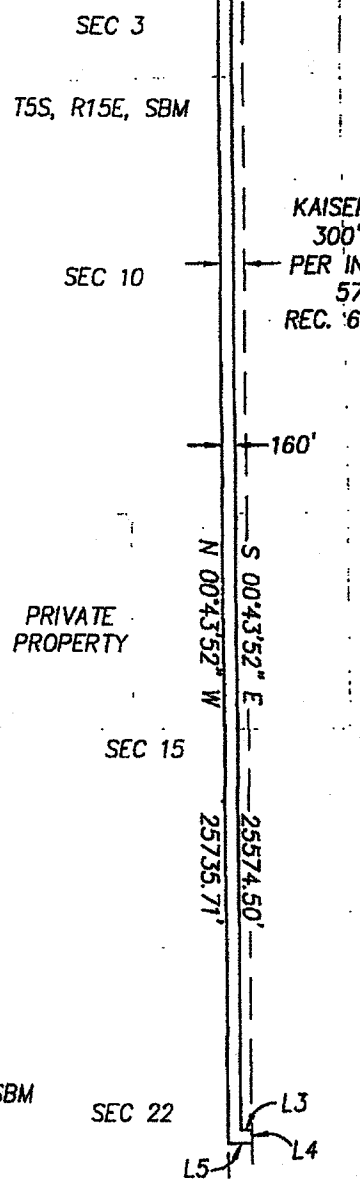


THIS DOCUMENT REVIEWED BY
RIVERSIDE COUNTY SURVEYOR.
BY: [Signature]
DATE: 8-15-11

EXHIBIT B
TRANSMISSION
CORRIDOR A-1
WITHIN COUNTY
RIGHT-OF-WAY



SEE MATCH LINE BELOW LEFT



SEE SHEET 2 FOR LINE TABLE & CURVE TABLE

SHT 1 OF 2

TANEY ENGINEERING
 6030 S. JONES BLVD., STE.100
 LAS VEGAS, NEVADA 89118
 (702) 362-8844 FAX:(702) 362-5233

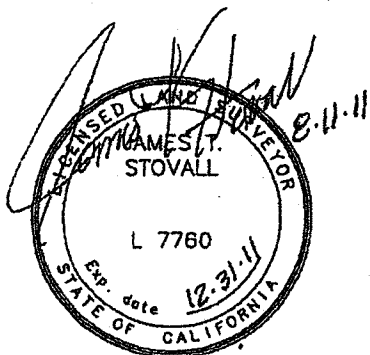
EXHIBIT B
TRANSMISSION
CORRIDOR A-1
WITHIN COUNTY
RIGHT-OF-WAY

LINE TABLE

LINE	BEARING	LENGTH
L1	N89°24'08"E	1565.22'
L2	S47°49'32"W	145.52'
L3	N88°50'11"E	140.02'
L4	S00°43'52"E	160.00'
L5	S88°50'11"W	300.01'
L6	N47°49'32"E	310.59'

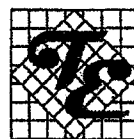
CURVE TABLE

CURVE	RADIUS	DELTA	LENGTH	TANGENT
C1	10100.00'	0°56'27"	165.84'	82.92'
C2	9960.00'	25°30'06"	4433.07'	2253.87'
C3	9800.00'	26°12'22"	4482.35'	2281.08'
C4	10100.00'	7°49'44"	1380.05'	691.10'



THIS DOCUMENT REVIEWED BY
 RIVERSIDE COUNTY SURVEYOR.
 BY: [Signature]
 DATE: 8-15-11

SHT 2 OF 2



TANEY ENGINEERING
 6030 S. JONES BLVD., STE.100
 LAS VEGAS, NEVADA 89118
 (702) 362-8844 FAX:(702) 362-5233

TO THE HONORABLE
BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

Delivered to:
Kecia Harper-Ihem,
Clerk of the Board of Supervisors
4080 Lemon Street, 1st Floor
Riverside, CA 92501

ACCEPTANCE OF FRANCHISE

Desert Sunlight 300, LLC, a Delaware Limited Liability Company, hereby accepts the franchise which was granted to it by Riverside County Ordinance No. 909, entitled, "AN URGENCY ORDINANCE OF THE COUNTY OF RIVERSIDE GRANTING TO DESERT SUNLIGHT 250, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND DESERT SUNLIGHT 300, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND THEIR LAWFUL SUCCESSORS AND ASSIGNS, IN WHOLE OR IN PART, A FRANCHISE TO CONSTRUCT AND USE AN ELECTRICAL TRANSMISSION LINE, UNDER, ALONG ACROSS, OR UPON THE KAISER ROAD RIGHTS-OF-WAY IN EASTERN RIVERSIDE COUNTY," as adopted by your Honorable Board of Supervisors on August 16, 2011, and hereby agrees to abide by the terms and conditions therein. Desert Sunlight 300, LLC, files this acceptance with the Clerk of the Board of Supervisors of Supervisors, pursuant to section 21 of said Ordinance.

DATED this 16th day of August, 2011.

DESERT SUNLIGHT 300, LLC

BY: Frank DeRosa
Frank DeRosa, President

TO THE HONORABLE
BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

Delivered to:
Kecia Harper-Ihem,
Clerk of the Board of Supervisors
4080 Lemon Street, 1st Floor
Riverside, CA 92501

ACCEPTANCE OF FRANCHISE

Desert Sunlight 250, LLC, a Delaware Limited Liability Company, hereby accepts the franchise which was granted to it by Riverside County Ordinance No. 909, entitled, "AN URGENCY ORDINANCE OF THE COUNTY OF RIVERSIDE GRANTING TO DESERT SUNLIGHT 250, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND DESERT SUNLIGHT 300, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND THEIR LAWFUL SUCCESSORS AND ASSIGNS, IN WHOLE OR IN PART, A FRANCHISE TO CONSTRUCT AND USE AN ELECTRICAL TRANSMISSION LINE, UNDER, ALONG ACROSS, OR UPON THE KAISER ROAD RIGHTS-OF-WAY IN EASTERN RIVERSIDE COUNTY," as adopted by your Honorable Board of Supervisors on August 16, 2011, and hereby agrees to abide by the terms and conditions therein. Desert Sunlight 250, LLC, files this acceptance with the Clerk of the Board of Supervisors of Supervisors, pursuant to section 21 of said Ordinance.

DATED this 16th day of August, 2011.

DESERT SUNLIGHT 250, LLC

BY: Frank DeRosa
Frank DeRosa, President

**RESOLUTIONS OF DESERT SUNLIGHT HOLDINGS, LLC;
DESERT SUNLIGHT 250, LLC; AND DESERT SUNLIGHT 300, LLC**

DESERT SUNLIGHT HOLDINGS, LLC, a Delaware limited liability company ("**DSH**"), which in turn is the sole member of both DESERT SUNLIGHT 250, LLC, a Delaware limited liability company ("**250**") and DESERT SUNLIGHT 300, LLC, a Delaware limited liability company ("**300**" and collectively with 250, "**Sunlight**"), hereby adopt the following resolutions by unanimous written consent without a meeting:

WHEREAS, Sunlight wishes to develop, construct and operate an approximately 550 MW solar energy facility and associated transmission facilities and the Red Bluff substation ("**Sunlight Project**") located primarily on Bureau of Land Management ("**BLM**") property in the Eagle Mountain area of the Chuckwalla Valley, Riverside County, California.

WHEREAS, in order to facilitate the development, construction and operation of the Sunlight Project, DSH believes that it is in the best interest of the DSH and Sunlight for Sunlight to (a) accept the terms and conditions of that certain Ordinance No. 909 ("**Franchise Ordinance**") by which the County of Riverside, State of California ("**County**") grants to Sunlight the authorization to construct and use the electrical transmission line to connect Sunlight's solar power electrical generation facilities to Southern California Edison's Red Bluff Substation, under, along, across, or upon the Kaiser Road rights-of-way; and (b) enter into that certain Memorandum of Understanding ("**MOU**") by and between the County and Sunlight for the purposes of establishing rights and responsibilities of the parties thereto in relation to the preparation of CEQA findings for approval of certain specified elements of the Sunlight Project that are subject to County jurisdiction; and (c) any other documents, instruments or certificates to be entered into or provided by Sunlight or DSH as contemplated or required by the Franchise Ordinance and/or MOU or as otherwise required by the County for such Franchise Ordinance and/or MOU (collectively, the "**County Documents**").

NOW, THEREFORE, BE IT RESOLVED, that DSH, on behalf of Sunlight, hereby consents to and approves of the terms and conditions set forth in the County Documents.

RESOLVED FURTHER, that DSH and Sunlight are hereby authorized to execute and deliver any and all County Documents and to perform Sunlight's obligations under any such County Documents.

RESOLVED FURTHER, that any one of those officers listed on the attached Exhibit A (in their capacities as officers of 250 and 300, the "**Officers**") is authorized and directed to take or cause to be taken any and all actions, including, without limitation, the execution, acknowledgment, filing and delivery of any and all papers, agreements, documents, instruments and certificates, including any of the above described County Documents, all other documents relating thereto, as such officer(s) may deem necessary or advisable to carry out the purposes and intent of the foregoing resolutions.

RESOLVED FURTHER, that any actions taken by the Officers prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed and approved as the acts and deeds of DSH or Sunlight. This written consent may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

RESOLVED FURTHER, that County may rely on the certifications set forth herein, which County may assume are continuing and in full force and effect.

[signature on following page]

DESERT SUNLIGHT HOLDINGS, LLC,
a Delaware limited liability company

BY: Frank DeRosa
Frank DeRosa, President

DATE: 8/16/11

Exhibit A
List of Authorized Officers

Frank DeRosa	President
Brian Kunz	Vice President, Project Development
Jim Brown	Senior Vice President, Project Finance
James Zhu	Vice President, Corporate Controller
David Brady	Vice President, Treasurer
Daniel Nelson	Vice President, Tax
Mary Beth Gustafsson	Vice President and Secretary
Lisa Bodensteiner	Vice President and Assistant Secretary
Michael Jaffe	Vice President and Assistant Secretary
Jim Lamon	Senior Vice President, EPC

Harper-Ihem, Kecia

From: North, Tiffany <TNorth@co.riverside.ca.us>
Sent: Tuesday, August 16, 2011 6:22 PM
To: Gil, Cecilia; Harper-Ihem, Kecia; Rector, Kimberly
Subject: RCO No. 909
Attachments: RCO No 909 final as rev at BOS hrg .docx; Exhibit A to RCO 909 final.pdf

Good evening-

Attached is the electronic version of RCO No. 909 as adopted by the Board of Supervisors this afternoon. The attached document includes the changes that were read into the record at the Board hearing. Also attached is the Exhibit A to RCO No. 909 which is a part of RCO No. 909. Under section 21 of this ordinance, the ordinance is effective immediately upon adoption so long as the Grantee has filed a written acceptance with the Clerk of the Board, on the date of adoption. I gave Kimberly the signed written acceptance documents after the hearing. Therefore, RCO No. 909 is now effective.

Please let me know if you have any questions or need anything further.

Thank you.

Tiffany N. North
Deputy County Counsel
Office of Riverside County Counsel
Telephone (951) 955-6300
Facsimile (951) 955-6363

Please note: Our office is closed every Friday thru fiscal year 2010/2011 per order of the Board of Supervisors on June 15, 2010.

NOTICE: This communication is intended for the use of the individual or entity to which it is addressed and may contain attorney/client information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this communication is not the intended recipient or the employee or agent responsible for delivering this communication to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by reply email or by telephone and immediately delete this communication and all its attachments.

TO THE HONORABLE
BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

Delivered to:
Kecia Harper-Ihem,
Clerk of the Board of Supervisors
4080 Lemon Street, 1st Floor
Riverside, CA 92501

ACCEPTANCE OF FRANCHISE

Desert Sunlight 250, LLC, a Delaware Limited Liability Company, hereby accepts the franchise which was granted to it by Riverside County Ordinance No. 909, entitled, "AN URGENCY ORDINANCE OF THE COUNTY OF RIVERSIDE GRANTING TO DESERT SUNLIGHT 250, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND DESERT SUNLIGHT 300, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND THEIR LAWFUL SUCCESSORS AND ASSIGNS, IN WHOLE OR IN PART, A FRANCHISE TO CONSTRUCT AND USE AN ELECTRICAL TRANSMISSION LINE, UNDER, ALONG ACROSS, OR UPON THE KAISER ROAD RIGHTS-OF-WAY IN EASTERN RIVERSIDE COUNTY," as adopted by your Honorable Board of Supervisors on August 16, 2011, and hereby agrees to abide by the terms and conditions therein. Desert Sunlight 250, LLC, files this acceptance with the Clerk of the Board of Supervisors of Supervisors, pursuant to section 21 of said Ordinance.

DATED this 16th day of August, 2011.

DESERT SUNLIGHT 250, LLC

BY: Frank DeRosa
Frank DeRosa, President

TO THE HONORABLE
BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

Delivered to:
Kecia Harper-Ihem,
Clerk of the Board of Supervisors
4080 Lemon Street, 1st Floor
Riverside, CA 92501

ACCEPTANCE OF FRANCHISE

Desert Sunlight 300, LLC, a Delaware Limited Liability Company, hereby accepts the franchise which was granted to it by Riverside County Ordinance No. 909, entitled, "AN URGENCY ORDINANCE OF THE COUNTY OF RIVERSIDE GRANTING TO DESERT SUNLIGHT 250, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND DESERT SUNLIGHT 300, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND THEIR LAWFUL SUCCESSORS AND ASSIGNS, IN WHOLE OR IN PART, A FRANCHISE TO CONSTRUCT AND USE AN ELECTRICAL TRANSMISSION LINE, UNDER, ALONG ACROSS, OR UPON THE KAISER ROAD RIGHTS-OF-WAY IN EASTERN RIVERSIDE COUNTY," as adopted by your Honorable Board of Supervisors on August 16, 2011, and hereby agrees to abide by the terms and conditions therein. Desert Sunlight 300, LLC, files this acceptance with the Clerk of the Board of Supervisors of Supervisors, pursuant to section 21 of said Ordinance.

DATED this 16th day of August, 2011.

DESERT SUNLIGHT 300, LLC

BY: Frank DeRosa
Frank DeRosa, President

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Transportation and Land Management Agency

SUBMITTAL DATE:
July 7, 2011

SUBJECT: Resolution No. 2011-147 Declaration of Intent to Grant an Electric Franchise to Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, and Their Lawful Successors and Assigns and Setting for Public Hearing Ordinance No. 909.

RECOMMENDED MOTION: That the Board of Supervisors adopt Resolution No. 2011-147, "Declaration of Intention to Grant an Electric Franchise to Desert Sunlight 250, LLC, a Delaware Limited Liability Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, and Their Lawful Successors and Assigns"; and, direct the Clerk of the Board to publish notice, in substantially the same form as specified in the resolution, for the public hearing to be held at 1:30 p.m. on August 16, 2011.

BACKGROUND: Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, ("Desert Sunlight"), requested the Board of Supervisors grant them a franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County. The franchise proposed in Ordinance No. 909 has a 30-year term; requires the payment of a franchise fee of \$600,000 adjusted annually for inflation; and requires the posting of a letter of credit to ensure that sales and use taxes generated are allocated to Riverside County. The payment term is unique to this franchise, in consideration of the Desert Sunlight Solar Farm Project's federal funding deadlines. The payment term shall not set a precedent for any other franchise, or for any other County approval needed for a solar power plant project.

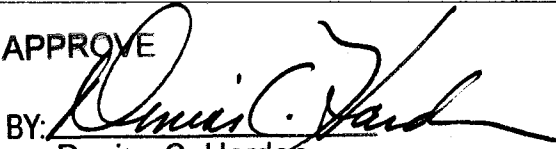

George Johnson, Director
Transportation and Land Management Agency

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$(600,000)	For Fiscal Year:

SOURCE OF FUNDS: Franchise Fees	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

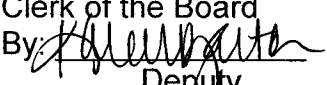
BY: 
Denise C. Harden

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended, and is set for public hearing on Tuesday, August 16, 2011, at 1:30 p.m.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
 Nays: None
 Absent: None
 Date: July 12, 2011
 xc: Transp. COB

Kecia Harper-Ihem
 Clerk of the Board
 By: 
 Deputy

BY: ~~DAVID A. LIND~~ KATHERINE A. LIND 07/07/11 /DATE
 Departmental Concurrence
 Dept Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

RE: Resolution No. 2011-147 Declaration of Intent to Grant an Electric Franchise to Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, and Their Lawful Successors and Assigns and Setting for Public Hearing Ordinance No. 909.

July 7, 2011

Page 2

Desert Sunlight proposes to construct and operate a 550-megawatt (MW) solar photovoltaic (PV) energy-generating project known as the Desert Sunlight Solar Farm ("Project"). The majority of the Project, including the solar farm itself, will be located on federal land managed by the Bureau of Land Management. The solar farm is not within the County's jurisdiction.

The Project includes construction of a 220-kilovolt transmission line connecting the electrical output of the solar farm to Southern California Edison's proposed Red Bluff Substation. A portion of the transmission line will run under, along, across or upon the Kaiser Road rights-of-way and other areas within the County's jurisdiction not within road rights-of-way. Specifically, the transmission line is proposed to exit the southwest portion of the solar farm site, run south along the west side of Kaiser Road, turn east just north of Desert Center, and then run south across I-10 to the substation.

Desert Sunlight applied for a Public Use Permit (PUP 909) pursuant to Ordinance No. 348 and an encroachment permit pursuant to Ordinance No. 499 for the parts of the Project within the County's jurisdiction. PUP 909 is a fast track case currently scheduled for Board hearing on August 16, 2011. The Transportation Department is considering the encroachment permit application. Ordinance No. 499 provides that an encroachment permit may be issued if the applicant holds a current County franchise. The County is authorized to grant a franchise pursuant to Article 11, Section 7, of the California Constitution and Government Code Section 26001.

The Clerk of the Board is required to publish notice of the public hearing in a newspaper of general circulation in the County at least once within fifteen (15) days after the adoption of Resolution No. 2011-147. The time fixed for hearing shall be August 16, 2011, a date not less than twenty (20) nor more than sixty (60) days after the date of adoption of the resolution.

2 RESOLUTION NO. 2011-147

3 **DECLARATION OF INTENT TO GRANT AN ELECTRIC FRANCHISE TO DESERT**
4 **SUNLIGHT 250, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND DESERT**
5 **SUNLIGHT 300, LLC, A DELAWARE LIMITED LIABILITY COMPANY,**
6 **AND THEIR LAWFUL SUCCESSORS AND ASSIGNS**

7 **WHEREAS**, Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, (hereinafter collectively
8 referred to as "Desert Sunlight") are limited liability companies, established under the laws of the State of
9 Delaware, and duly authorized to transact business in the State of California; and,

10 **WHEREAS**, Desert Sunlight has requested that the Board of Supervisors grant it a franchise for
11 the purpose specified in the form of the notice set forth below; and,

12 **WHEREAS**, the granting of a franchise by the County is authorized by the California
13 Constitution, Article 11, Section 7 and Government Code section 26001; and,

14 **WHEREAS**, the Board of Supervisors believes the public good requires that the franchise be
15 granted; now therefore,

16 **BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED** by the Board of Supervisors
17 of the County of Riverside, in regular session assembled on July 12, 2011, that it intends to grant a
18 franchise to Desert Sunlight on the terms specified in the form of the notice set forth below and the
19 additional terms specified in proposed Ordinance No. 909.

20 **BE IT FURTHER RESOLVED** by the Board that objections to the granting of the franchise
21 shall be heard at the time and place specified in the form of the notice set forth below, which the Clerk of
22 the Board is hereby directed to publish at least once in a newspaper of general circulation in the County
23 within fifteen (15) days after the adoption of this resolution. Said notice shall be in substantially the
24 following form:

25 "NOTICE OF INTENTION TO GRANT FRANCHISE

26 NOTICE IS HEREBY GIVEN that Desert Sunlight 250, LLC, a Delaware Limited Liability
27 Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, have requested that the
28 Board of Supervisors of the County of Riverside grant them a franchise to construct and use an electrical

BY: ~~KATHERINE A. LIND~~ A. Lind 07/07/11 DATE

1 transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside
2 County.

3 If granted, the franchise shall be for a period of 30 years. During the life of the franchise, Desert
4 Sunlight 250, LLC, and Desert Sunlight 300, LLC, their lawful successors and assigns, in whole or in part
5 (hereinafter referred to as "Grantee"), shall annually pay to the County Treasurer, in lawful money of the
6 United States, the amount of six hundred thousand dollars and no cents (\$600,000.00). Grantee shall
7 make the initial payment at the close of Department of Energy loan financing for the Desert Sunlight
8 Solar Farm Project ("Project") or at the close of other financing for the Project, if there is no Department
9 of Energy loan financing. In no event, however, shall the initial payment be made later than September 1,
10 2012. Grantee shall make subsequent annual payments on February 1st of each year, which shall be
11 increased by the same percentage as the increase in the Consumer Price Index, All Urban Consumers,
12 (Los Angeles — Anaheim) for the twelve (12) month period ending four (4) months prior to February 1st.
13 In no event, however, shall the Consumer Price Index Adjustment be less than 1 percent nor greater than 4
14 percent. In the event the payments specified herein are not made, the franchise shall be forfeited
15 following the applicable cure period.

16 Grantee shall also deliver a letter of credit to the County, in an amount to be determined by the
17 County, to secure the payment and proper allocation of sales and use taxes to the County.

18 NOTICE IS HEREBY FURTHER GIVEN that any person objecting to the granting of the
19 franchise may appear before the Board of Supervisors and be heard thereon at the hour of 1:30 p.m. on
20 Tuesday, the 16th day of August 2011 at the Board Chambers, First Floor, County Administrative Center,
21 4080 Lemon Street, Riverside, California.

22 NOTICE IS HEREBY FURTHER GIVEN that at any time not later than the hour set for the
23 hearing of objections, any person interested may make written protest stating objections against the
24 granting of the franchise; which protest must be signed by the protestant and be delivered to the Clerk of
25 the Board of the County. The Board of Supervisors at the time set for hearing objections shall proceed to
26 hear and pass upon all protests so made and its decision shall be final and conclusive, subject to the right
27 of referendum of the people. The Board of Supervisors may adjourn the hearing from time to time.

1 For further particulars, reference is hereby made to Resolution No. 2011-147 adopted by the Board
2 of Supervisors on the 12th day of July 2011, declaring its intention to grant the franchise and to proposed
3 Ordinance No. 909, an urgency ordinance of the County of Riverside granting to Desert Sunlight 250,
4 LLC, and Desert Sunlight 300, LLC, and their lawful successors and assigns, in whole or in part, a
5 franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road
6 rights-of-way in eastern Riverside County, both of which are on file in the office of the Clerk of the
7 Board.

8 DATED THIS 12th day of July, 2011.

9 By order of the Board of Supervisors of the County of Riverside, California.”

10
11
12
13 ROLL CALL:

14 Ayes: Buster, Tavaglione, Stone, Benoit, and Ashley
15 Nays: None
16 Absent: None
17

18 G:\PROPERTY\NORTH\DESERT SUNLIGHT FIRST SOLAR\2011 147 RESOLUTION OF INTENTION FINAL1.DOC

19 The foregoing is certified to be a true copy of a resolution duly
20 adopted by said Board of Supervisors on the date therein set forth.

21 KECIA HARPER-IHEM, Clerk of said Board

22 By: 

23 Deputy
24
25
26
27
28



OFFICE OF
CLERK OF THE BOARD OF SUPERVISORS
1st FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (951) 955-1060
FAX: (951) 955-1071

KECIA HARPER-IHEM
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

July 21, 2011

PRESS ENTERPRISE
P.O. BOX 792
RIVERSIDE, CA 92501

PH: (951) 955-8464
E-MAIL: legals@pe.com

RE: NOTICE OF PUBLIC HEARING: RESOLUTION NO. 2011-147 DECLARATION OF INTENT TO GRANT AN ELECTRIC FRANCHISE

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME** on **Tuesday, July 26, 2011.**

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office in duplicate, WITH TWO CLIPPINGS OF THE PUBLICATION.

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Mcgil

Cecilia Gil, Board Assistant to
KECIA HARPER-IHEM, CLERK OF THE BOARD

Gil, Cecilia

From: PE Legals <legals@pe.com>
Sent: Thursday, July 21, 2011 8:28 AM
To: Gil, Cecilia
Subject: RE: FOR PUBLICATION: RES. NO. 2011-147

Received for publication on July 26

Thank You!

enterprisemedia

Publisher of the Press-Enterprise

Maria G. Tinajero · Legal Advertising Department

1-800-880-0345 · Fax: 951-368-9018 · email: legals@pe.com

Please Note: Deadline is 10:30 AM two (2) business days prior to the date you would like to publish.
Additional days required for larger ad sizes

From: Gil, Cecilia [<mailto:CCGIL@rcbos.org>]
Sent: Thursday, July 21, 2011 8:25 AM
To: PE Legals
Subject: FOR PUBLICATION: RES. NO. 2011-147

Good Morning! Attached is a Notice of Public Hearing, for publication on Tuesday, July 26, 2011. Please confirm. THANK YOU!

Cecilia Gil

Board Assistant to the
Clerk of the Board of Supervisors
951-955-8464

THE COUNTY ADMINISTRATIVE CENTER IS CLOSED EVERY FRIDAY UNTIL FURTHER NOTICE.

PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING.



OFFICE OF
CLERK OF THE BOARD OF SUPERVISORS
1st FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (951) 955-1060
FAX: (951) 955-1071

KECIA HARPER-IHEM
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

July 21, 2011

DESERT SUN
P.O. BOX 2734
PALM SPRINGS, CA 92263

PH: (760) 778-4731
E-MAIL: legals@thedesertsun.com

**RE: NOTICE OF PUBLIC HEARING: RESOLUTION NO. 2011-147 DECLARATION OF INTENT
TO GRANT AN ELECTRIC FRANCHISE**

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME** on **Sunday, July 24, 2011.**

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office in duplicate, WITH TWO CLIPPINGS OF THE PUBLICATION.

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Mcgil

Cecilia Gil, Board Assistant to
KECIA HARPER-IHEM, CLERK OF THE BOARD

Gil, Cecilia

From: Moeller, Charlene <CMOELLER@palmspri.gannett.com>
Sent: Thursday, July 21, 2011 8:56 AM
To: Gil, Cecilia
Subject: RE: FOR PUBLICATION: RES. NO. 2011-147

Ad received and will publish on date(s) requested.

Charlene Moeller | Media Sales Legal Notice Coordinator
The Desert Sun Media Group
750 N. Gene Autry Trail, Palm Springs, CA 92262
t 760.778.4578 | f 760.778.4731
legals@thedesertsun.com | dpwlegals@thedesertsun.com
The Coachella Valley's #1 Source in News & Advertising!
www.mydesert.com | twitter [@MyDesert](#) facebook [MyDesert.com](#)

From: Gil, Cecilia [<mailto:CCGIL@rcbos.org>]
Sent: Thursday, July 21, 2011 8:26 AM
To: tds-legals
Subject: FOR PUBLICATION: RES. NO. 2011-147

Good Morning! Attached is a Notice of Public Hearing, for publication on Sunday, July 24, 2011. Please confirm. THANK YOU!

Cecilia Gil

Board Assistant to the
Clerk of the Board of Supervisors
951-955-8464

THE COUNTY ADMINISTRATIVE CENTER IS CLOSED EVERY FRIDAY UNTIL FURTHER NOTICE.
PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING.

NOTICE OF PUBLIC HEARING BEFORE THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE

**RESOLUTION NO. 2011-147
NOTICE OF INTENTION TO GRANT FRANCHISE**

NOTICE IS HEREBY GIVEN that Desert Sunlight 250, LLC, a Delaware Limited Liability Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, have requested that the Board of Supervisors of the County of Riverside grant them a franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County.

If granted, the franchise shall be for a period of 30 years. During the life of the franchise, Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, their lawful successors and assigns, in whole or in part (hereinafter referred to as "Grantee"), shall annually pay to the County Treasurer, in lawful money of the United States, the amount of six hundred thousand dollars and no cents (\$600,000.00). Grantee shall make the initial payment at the close of Department of Energy loan financing for the Desert Sunlight Solar Farm Project ("Project") or at the close of other financing for the Project, if there is no Department of Energy loan financing. In no event, however, shall the initial payment be made later than September 1, 2012. Grantee shall make subsequent annual payments on February 1st of each year, which shall be increased by the same percentage as the increase in the Consumer Price Index, All Urban Consumers, (Los Angeles — Anaheim) for the twelve (12) month period ending four (4) months prior to February 1st. In no event, however, shall the Consumer Price Index Adjustment be less than 1 percent nor greater than 4 percent. In the event the payments specified herein are not made, the franchise shall be forfeited following the applicable cure period.

Grantee shall also deliver a letter of credit to the County, in an amount to be determined by the County, to secure the payment and proper allocation of sales and use taxes to the County.

NOTICE IS HEREBY FURTHER GIVEN that any person objecting to the granting of the franchise may appear before the Board of Supervisors and be heard thereon at the hour of **1:30 p.m. on Tuesday, the 16th day of August 2011** at the Board Chambers, First Floor, County Administrative Center, 4080 Lemon Street, Riverside, California.

NOTICE IS HEREBY FURTHER GIVEN that at any time not later than the hour set for the hearing of objections, any person interested may make written protest stating objections against the granting of the franchise; which protest must be signed by the protestant and be delivered to the Clerk of the Board of the County. The Board of Supervisors at the time set for hearing objections shall proceed to hear and pass upon all protests so made and its decision shall be final and conclusive, subject to the right of referendum of the people. The Board of Supervisors may adjourn the hearing from time to time.

For further particulars, reference is hereby made to Resolution No. 2011-147 adopted by the Board of Supervisors on the 12th day of July 2011, declaring its intention to grant the franchise and to proposed Ordinance No. 909, an urgency ordinance of the County of Riverside granting to Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, and their lawful successors and assigns, in whole or in part, a franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County, both of which are on file in the office of the Clerk of the Board.

Any person affected by the above matter(s) may submit written comments to the Clerk of the Board before the public hearing or may appear and be heard in support of or opposition to the project at the time of the hearing. If you challenge the above item(s) in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence, to the Board of Supervisors at, or prior to, the public hearing.

Please send all written correspondence to: Clerk of the Board, 4080 Lemon Street, 1st Floor, Post Office Box 1147, Riverside, CA 92502-1147.

Dated: July 21, 2011

Kecia Harper-Ihem, Clerk of the Board
By: Cecilia Gil, Board Assistant

Bos Date

Harper-Ihem, Kecia

From: North, Tiffany [TNorth@co.riverside.ca.us]
Sent: Thursday, July 14, 2011 2:50 PM
To: Gil, Cecilia; Harper-Ihem, Kecia; Rector, Kimberly
Cc: Lind, Katherine
Subject: Resolution No. 2011-147 (Desert Sunlight)
Attachments: First Solar Resolution of Intention Final.doc

08-16-2011

Importance: High

Good afternoon Cecilia-

As we discussed in our telephone call earlier today, attached is the electronic version of Resolution No. 2011-147 containing the language that needs to be published. The language for the notice begins at page 1, line 24 of the attached resolution and ends at page 3, line 9. As discussed, please see that the notice is published in the Desert Sun on Sunday, July 24, 2011 and in the Press Enterprise on Tuesday, July 26, 2011. It is important that the notice be published on these exact dates.

Please let me know if you have any questions. If you would like me to review the notice language prior to it being submitted to the newspapers, I would be happy to do so.

Thank you for your assistance.

Tiffany N. North
Deputy County Counsel
Office of Riverside County Counsel
Telephone (951) 955-6300
Facsimile (951) 955-6363

Please note: Our office is closed every Friday thru fiscal year 2010/2011 per order of the Board of Supervisors on June 15, 2010.

NOTICE: This communication is intended for the use of the individual or entity to which it is addressed and may contain attorney/client information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this communication is not the intended recipient or the employee or agent responsible for delivering this communication to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by reply email or by telephone and immediately delete this communication and all its attachments.

2 **RESOLUTION NO. 2011-147**

3 **DECLARATION OF INTENT TO GRANT AN ELECTRIC FRANCHISE TO DESERT**
4 **SUNLIGHT 250, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND DESERT**
5 **SUNLIGHT 300, LLC, A DELAWARE LIMITED LIABILITY COMPANY,**
6 **AND THEIR LAWFUL SUCCESSORS AND ASSIGNS**

7 **WHEREAS**, Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, (hereinafter collectively
8 referred to as "Desert Sunlight") are limited liability companies, established under the laws of the State of
9 Delaware, and duly authorized to transact business in the State of California; and,

10 **WHEREAS**, Desert Sunlight has requested that the Board of Supervisors grant it a franchise for
11 the purpose specified in the form of the notice set forth below; and,

12 **WHEREAS**, the granting of a franchise by the County is authorized by the California
13 Constitution, Article 11, Section 7 and Government Code section 26001; and,

14 **WHEREAS**, the Board of Supervisors believes the public good requires that the franchise be
15 granted; now therefore,

16 **BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED** by the Board of Supervisors
17 of the County of Riverside, in regular session assembled on July 12, 2011, that it intends to grant a
18 franchise to Desert Sunlight on the terms specified in the form of the notice set forth below and the
19 additional terms specified in proposed Ordinance No. 909.

20 **BE IT FURTHER RESOLVED** by the Board that objections to the granting of the franchise
21 shall be heard at the time and place specified in the form of the notice set forth below, which the Clerk of
22 the Board is hereby directed to publish at least once in a newspaper of general circulation in the County
23 within fifteen (15) days after the adoption of this resolution. Said notice shall be in substantially the
24 following form:

25 **"NOTICE OF INTENTION TO GRANT FRANCHISE**

26 NOTICE IS HEREBY GIVEN that Desert Sunlight 250, LLC, a Delaware Limited Liability
27 Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, have requested that the
28 Board of Supervisors of the County of Riverside grant them a franchise to construct and use an electrical

1 transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside
2 County.

3 If granted, the franchise shall be for a period of 30 years. During the life of the franchise, Desert
4 Sunlight 250, LLC, and Desert Sunlight 300, LLC, their lawful successors and assigns, in whole or in part
5 (hereinafter referred to as "Grantee"), shall annually pay to the County Treasurer, in lawful money of the
6 United States, the amount of six hundred thousand dollars and no cents (\$600,000.00). Grantee shall
7 make the initial payment at the close of Department of Energy loan financing for the Desert Sunlight
8 Solar Farm Project ("Project") or at the close of other financing for the Project, if there is no Department
9 of Energy loan financing. In no event, however, shall the initial payment be made later than September 1,
10 2012. Grantee shall make subsequent annual payments on February 1st of each year, which shall be
11 increased by the same percentage as the increase in the Consumer Price Index, All Urban Consumers,
12 (Los Angeles — Anaheim) for the twelve (12) month period ending four (4) months prior to February 1st.
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14 percent. In the event the payments specified herein are not made, the franchise shall be forfeited
15 following the applicable cure period.

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17 County, to secure the payment and proper allocation of sales and use taxes to the County.

18 NOTICE IS HEREBY FURTHER GIVEN that any person objecting to the granting of the
19 franchise may appear before the Board of Supervisors and be heard thereon at the hour of 1:30 p.m. on
20 Tuesday, the 16th day of August 2011 at the Board Chambers, First Floor, County Administrative Center,
21 4080 Lemon Street, Riverside, California.

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26 hear and pass upon all protests so made and its decision shall be final and conclusive, subject to the right
27 of referendum of the people. The Board of Supervisors may adjourn the hearing from time to time.

1 For further particulars, reference is hereby made to Resolution No. 2011-147 adopted by the Board
2 of Supervisors on the 12th day of July 2011, declaring its intention to grant the franchise and to proposed
3 Ordinance No. 909, an urgency ordinance of the County of Riverside granting to Desert Sunlight 250,
4 LLC, and Desert Sunlight 300, LLC, and their lawful successors and assigns, in whole or in part, a
5 franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road
6 rights-of-way in eastern Riverside County, both of which are on file in the office of the Clerk of the
7 Board.

8 DATED THIS _____ day of _____, 2011.

9 By order of the Board of Supervisors of the County of Riverside, California.”

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18 G:\PROPERTY\TNORTH\DESERT SUNLIGHT FIRST SOLAR\2011 147 RESOLUTION OF INTENTION FINAL1.DOC
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MORRISON | FOERSTER

425 MARKET STREET
SAN FRANCISCO
CALIFORNIA 94105-2482
TELEPHONE: 415.268.7000
FACSIMILE: 415.268.7522
WWW.MOFO.COM

MORRISON & FOERSTER LLP
NEW YORK, SAN FRANCISCO,
LOS ANGELES, PALO ALTO,
SACRAMENTO, SAN DIEGO,
DENVER, NORTHERN VIRGINIA,
WASHINGTON, D.C.
TOKYO, LONDON, BRUSSELS,
BEIJING, SHANGHAI, HONG KONG

July 5, 2011

Writer's Direct Contact
415.268.7205
DGGold@mofocom

Bill Luna, County Executive Officer
Riverside County
4080 Lemon Street
Riverside, California 92501

Re: First Solar Desert Sunlight Project

Dear Mr. Luna:

First Solar has retained Morrison & Foerster in connection with Riverside County's withholding of an approval (in the form of an encroachment permit and what the County's staff has described as a "franchise fee") needed by First Solar's Desert Sunlight project ("Project") for a right of way in order to interconnect the Project to the transmission grid at Southern California Edison Company's planned Red Bluff substation. As you are aware, the right of way sought by the Project would run approximately 6 miles from the Project over a County easement on BLM land adjacent to the Kaiser Road in the Desert Center area.

Neither the proposed levy of 2% of gross receipts demanded by the County prior to June 28, nor the 1% of gross receipts approach presented at the end of last week to First Solar as a "take it or leave it" proposition bear any rational relationship to the value of the County land over which First Solar seeks a right-of-way, or to the Project's alleged impacts. Indeed, the Board established a very clear record at its June 28, 2011 hearing that the County lacks sufficient information or analysis need to establish a lawful fee. Moreover, the County has been unwilling to take into account data provided by First Solar regarding the fair market value of the land or the impacts of the Project on the County. The County only recently made vague comments regarding the Project's supposed impacts and did not make any such comments during the environmental review process over the past 4 years. The County's eleventh-hour vague assertions regarding the Project's impacts are not sufficient to justify the charge the County seeks to impose.

For the multiple reasons set forth in our letter to the County dated June 28, 2011, a copy of which is attached, the County's arbitrary "gross receipts" formula runs directly counter to federal and state laws and renewable energy policies. The gross receipts formula would also have the perverse, unfair, and unlawful effect of imposing a substantially higher fee on First Solar's Project than was imposed on the Blythe Solar Power Project, despite the significantly

sf-3015836

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greater impacts the latter project will have on the County's fiscal resources due to its size, location and technology.

As you are probably aware, last week the Department of Energy announced a conditional commitment of \$1.88 billion in federal loan guaranty authority for the Project. This guaranty authority has significant value for First Solar. However, the County's continued withholding of approvals from the Project places the Project's eligibility for this funding in jeopardy. As First Solar has repeatedly advised the County, time is of the essence.

You should be aware that continued delay by the County in bringing this matter to a conclusion is exposing First Solar to significant risk. Therefore, please be advised that First Solar will hold the County accountable for any and all damages arising from the County's refusal to issue approvals for the Project, including, but not limited to, the loss of the federal loan guaranty. Unless this matter can be resolved expeditiously, First Solar will pursue all legal remedies to ensure that its interests are protected.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Gold". The signature is stylized with a large, sweeping initial "D" and a long horizontal stroke extending to the right.

David A. Gold

Enclosure

cc: Pamela Walls, County Counsel
Kecia Harper-Ihem, Clerk to the Board of Supervisors
Lisa Bodensteiner, First Solar
Jim Woodruff, First Solar

June 28, 2011

Writer's Direct Contact
415.268.6005
PKanter@mofocom

By Electronic Mail

Riverside County Board of Supervisors
4080 Lemon Street
Riverside, CA 92501

Re: *Agenda Item 3.112*
Proposed Board Policy B-29 Pertaining to Solar Energy Projects

Dear Chairman Buster and Members of the Board of Supervisors:

This letter is submitted on behalf of my client First Solar Inc. in regards to the proposed Board Policy B-29 that would impermissibly impose a 2% levy on solar projects (the "Policy"). The proposed Policy is unlawful for a host of reasons, as set forth further below, and would impose a significant financial burden on solar development, likely limiting the growth of solar development in the County in conflict with state and federal mandates and policies. For the reasons set forth below, First Solar respectfully requests that the Board decline to adopt the proposed Policy.

If the Board wishes to tax solar development or impose development impact fees, it must do so through the proper channels and procedures, which would allow for a full and complete discussion of the merits and an opportunity to hear from all stakeholders. However, proceeding with an informal policy that is not adopted by Ordinance or put to the voters is improper and should be rejected.

1. *The Proposed Levy Is Unconstitutionally Vague.* The proposed Policy provides no guidance as to how solar project developers are to determine the amount of their gross receipts that arise from the use, operation, or possession of "the franchise," the "real property interest," or the "approval." Moreover, the proposed Policy does not clearly delineate which of the three tax bases should be applied in a particular circumstance. The proposed Policy notes that "[w]hen a solar power plant requires both an encroachment permit and one of the above-referenced approvals, only an electricity franchise shall be required." However, it also states that "[w]hen a solar power plant developer requires any combination of the above-referenced agreements in conjunction with a particular solar power plant, only one agreement

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shall include the term requiring the solar power plant to pay the County annually 2 percent of gross annual receipts arising from the use, operation or possession of the franchise, real property interest, or approval required." The levy is therefore void for vagueness under the Due Process Clauses of the United States and California Constitutions because people of common intelligence must necessarily guess at its meaning and differ as to its application. U.S. Const. amend. XIV, § 1; Cal. Const. art. I, sec. 7; *Big Mama Rag, Inc. v. United States*, 631 F.2d 1030, 1035 (D.C. Cir. 1980) (holding that the definition of "educational" in Treasury Regulation § 1.501(c)(3)-1(d)(3) was unconstitutionally vague); *Britt v. City of Pomona*, 223 Cal. App. 3d 265 (1990) (finding local transient occupancy tax unconstitutionally vague); *City of San Bernardino Hotel/Motel Assoc. v. City of San Bernardino*, 59 Cal. App. 4th 237 (1997) (same)

2. ***Unless Passed by the Electorate, the Proposed Levy is an Unconstitutional Tax Under Proposition 218 as Amended by Proposition 26 (Cal. Const. art. XIII C).*** Article XIII C of the California Constitution (commonly referred to as Proposition 218) provides that a local government may not "impose, extend, or increase any general tax" as defined therein without a majority vote of the electorate. It also provides that a local government may not "impose, extend, or increase any special tax," as defined therein, without a vote of two-thirds of the electorate. Cal. Const. art. XIII C sec. 2(b), (d). Proposition 26 amended article XIII C to define "tax" to mean "any levy, charge, or exaction of any kind imposed by a local government," with only seven enumerated exceptions. Cal. Const. art. XIII C sec. 1(e). The proposed levy does not fall within any of the seven exceptions to the definition of "tax" in section 1(e) of Article XIII C of the California Constitution because the levy bears no relationship to any costs incurred by the County and any amounts imposed on individual solar project developers are not reasonably related to any specific benefits received from the County or burdens placed on the County. Indeed, in many cases solar project developers may not be receiving any service or property from the county in return for the payment of this levy. The proposed levy is therefore a tax, and is unconstitutional unless passed by a vote of the electorate.

3. ***The County Cannot Impose the Levy on Gross Receipts Arising From the Use, Operation, and Possession of Property Beyond that Provided by the County.*** To the extent that the levy is based on gross receipts arising from the use, operation, and possession of property beyond that which is provided by the County (e.g., if the levy is deemed to be a "franchise fee" and is imposed on gross receipts from the use, operation, and possession of property that is not the subject of a county provided franchise), the levy exceeds the County's authority. See *County of Tulare v. City of Dinuba*, 188 Cal. 664 (1922) (holding that a county cannot impose franchise fee based on gross receipts generated by property beyond that which is the subject of the franchise).

4. ***The County Cannot Grant an Electricity Franchise to a Solar Facility Owner that Sells Power at Wholesale.*** As a General Law county, the County's authority to grant an

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“electricity franchise” is governed by the Broughton Act (Cal. Pub. Util. Code §§ 6601-6092), or the Franchise Act of 1937 (Cal. Pub. Util. Code §§ 6201-6302). The use of County property for gen-tie lines or other solar facilities does not constitute a franchise under either the Broughton Act or the Franchise Act of 1937. Franchises and franchise fees may be required for *utilities* that provide services to the *general public* similar to the services and function of government itself. *Copt-Air v. City of San Diego*, 15 Cal. App. 3d 984, 987-989 (1971). Here, none of the elements of a franchise are met. Wholesale power sales are private business transactions between two entities in which the solar facility owner has no obligation or relationship to the public at large. Indeed, a solar facility owner is *legally prohibited* from selling power in a retail transaction. Further, the sale of power at wholesale is not a function in which local governments typically engage, nor do local governments have legal jurisdiction over such transactions. In contrast, public utilities provide an essential service to the public and all of their facilities are dedicated for public use. By seeking to require that solar projects obtain a franchise from the County, such requirement exceeds the scope of the authority under the Broughton Act or Franchise Act of 1937.

5. *The Proposed Policy is a Disguised Development Impact Fee and Must Meet Constitutional Standards and Follow Procedures for Adopting an Impact Fee.* While the County characterizes the proposed Policy as requiring solar developers to enter into so-called “agreements,” it appears to be a disguised development impact fee. However, it lacks any of the requisite constitutional or statutory support required by established United States Supreme Court decisions (the *Nollan/Dolan* “nexus” and “rough proportionality” requirements) and by the State of California’s Mitigation Fee Act. *See also San Remo Hotel v. City & County of San Francisco*, 27 Cal. 4th 643 (2002) (observing that “arbitrary and extortionate use of purported mitigation fees, even where legislatively mandated, will not pass constitutional muster”). While the County asserts that the fees are necessary to make sure that the County does not “bear the burden” of solar development, the County has failed to show what those impacts are, how this fee relates to those impacts, or even how the estimated \$30 – \$38 million per year will be spent.

6. *The Use of the “Common Sense” Exemption is Improper Under CEQA.* The County asserts that adoption of the Policy is exempt from environmental review under the California Environmental Quality Act (“CEQA”) based on the unsupported assertion that “it can be seen with certainty there is no possibility of a significant impact.” Use of this “common sense” exemption to support this hastily conceived action is legally indefensible. To the contrary, the proposed Policy will greatly increase the cost of solar development and may cause some projects to not go forward or, alternatively, move out of the County or state. Any of these results will have significant environmental effects, yet the County has provided no evidence to support the CEQA exemption.

7. *The County Cannot Require Project Proponents to Enter Into Development Agreements.* The proposed Policy would condition required land use approvals for solar

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projects on the project proponent entering into a development agreement. To mandate that a party enter into a statutory bilateral contract is completely inconsistent with State law. The purpose of the development agreement statute is to protect a project proponent's vested development rights. To that end, project proponents may *seek* development agreements, but they cannot be mandated by law, particularly if they result in a non-nexus exaction.

8. The Proposed Policy is Preempted by Federal Law to the Extent FERC has Exclusive Jurisdiction Over Wholesale Prices. The Federal Power Act gives FERC jurisdiction over the wholesale transmission and sale of electricity. 16 USC § 824 et seq.; *Federal Power Commission v. Southern California Edison*, 376 U.S. 205 (1964) (Congress displaced prior state regulation with comprehensive federal regulation of wholesale electric rates). In the similar context of FERC's jurisdiction over natural gas transactions, several cases have invalidated state laws that impose costs on wholesale purchasers of natural gas. See *Northern Gas Co. v. Kansas Comm'n.*, 372 U.S. 84 (1963); *Maryland v. Louisiana*, 451 U.S. 725 (1981); *ANR Pipeline Co. v. Schneidewind*, 801 F.2d 228 (6th Cir. 1986). As the U.S. Supreme Court stated in *Northern Gas*, "The federal regulatory scheme leaves no room either for direct state regulation of the prices of interstate wholesales of natural gas, *Natural Gas Pipeline Co. v. Panoma Corp.*, 349 U. S. 44, or for state regulations which would indirectly achieve the same result." *Northern Gas Co.*, 372 U.S. at 92. Indeed, the mere possibility of conflict with FERC regulation is impermissible: "There lurks such [an] imminent possibility of collision in orders purposely directed at interstate wholesale purchasers that the orders must be declared a nullity in order to assure the effectuation of the comprehensive federal regulation ordained by Congress." *Id.* The County's Proposal presents an even stronger case for preemption than the state laws impacting the wholesale sale of natural gas that were invalidated by these court cases. The County's proposed levy is neither an allocation of the actual costs of the transmission of electricity nor a law that imposes an indirect impact on such transmission. Rather, it is a cost imposed directly on the wholesale generation of electricity that bears no relationship to the actual costs to the County. The County's proposed levy is purposely directed at wholesale generators and will directly impact the price of wholesale power. For these reasons, it is preempted by federal law.

Conclusion

For the foregoing reasons, we respectfully request that the Board of Supervisors reject the proposed Policy.

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Respectfully submitted,



Peter B. Kanter

Cc: Bill Luna, County Executive Officer
Pamela Walls, County Counsel
Kecia Harper-Ihem, Clerk to the Board of Supervisors

From: Gold, David A. [mailto:DGold@mofo.com]

Sent: Tuesday, July 05, 2011 3:43 PM

To: Executive CEO

Cc: COB; Counsel, County; James.Woodruff@FirstSolar.com; lbodensteiner@firstsolar.com; Kanter, Peter B.

Subject: First Solar Desert Sunlight project

<<Document.pdf>>

Dear County Executive Officer Luna,

On behalf of our client, First Solar, attached is a supplemental letter concerning the Desert Sunlight project.

Regards,

David

David A. Gold
Partner | Morrison & Foerster LLP
425 Market Street | San Francisco, CA 94105
T: 415 268-7205 | F: 415-276-7361 (Direct)
Walnut Creek Office: 925 295-3310 | C: 925 998-3991
email: dgold@mofo.com

To ensure compliance with requirements imposed by the IRS, Morrison & Foerster LLP informs you that, if any advice concerning one or more U.S. Federal tax issues is contained in this communication (including any attachments), such advice is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

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OFFICE OF
CLERK OF THE BOARD OF SUPERVISORS
1st FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (951) 955-1060
FAX: (951) 955-1071

KECIA HARPER-IHEM
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

August 22, 2011

THE DESERT SUN
ATTN: LEGALS
P.O. BOX 2734
PALM SPRINGS, CA 92263

FAX: (760) 778-4731
E-MAIL: legals@thedesertsun.com

RE: ADOPTION OF ORDINANCE NO. 909

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME** on **Wednesday, August 24, 2011**.

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office in duplicate, **WITH TWO CLIPPINGS OF THE PUBLICATION**.

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Mcgil

Cecilia Gil, Board Assistant to
KECIA HARPER-IHEM, CLERK OF THE BOARD

Gil, Cecilia

From: Moeller, Charlene <CMOELLER@palmspri.gannett.com>
Sent: Tuesday, August 23, 2011 8:43 AM
To: Gil, Cecilia
Subject: RE: FOR PUBLICATION: ADOPTION OF ORD. NO. 909

Ad received and will publish on date(s) requested.

Charlene Moeller | Media Sales Legal Notice Coordinator

The Desert Sun Media Group
750 N. Gene Autry Trail, Palm Springs, CA 92262
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From: Gil, Cecilia [<mailto:CCGIL@rcbos.org>]
Sent: Monday, August 22, 2011 7:36 AM
To: tds-legals
Subject: FOR PUBLICATION: ADOPTION OF ORD. NO. 909

Good Morning! Attached is an Adoption of Ordinance, for publication on Wednesday, Aug. 24, 2011. Please confirm. THANK YOU!

Cecilia Gil
Board Assistant to the
Clerk of the Board of Supervisors
951-955-8464

**THE COUNTY ADMINISTRATIVE CENTER IS CLOSED EVERY FRIDAY UNTIL FURTHER NOTICE.
PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING.**

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ORDINANCE NO. 909

**AN URGENCY ORDINANCE OF THE COUNTY OF RIVERSIDE GRANTING TO
DESERT SUNLIGHT 250, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND
DESERT SUNLIGHT 300, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND THEIR LAWFUL
SUCCESSORS AND ASSIGNS, IN WHOLE OR IN PART,
A FRANCHISE TO CONSTRUCT AND USE AN ELECTRICAL TRANSMISSION LINE, UNDER,
ALONG, ACROSS, OR UPON THE KAISER ROAD RIGHTS-OF-WAY
IN EASTERN RIVERSIDE COUNTY**

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. DEFINITIONS. As used in this ordinance, the following words and phrases shall have the following meanings:

- a. **Construct and Use.** To lay, construct, excavate, erect, install, operate, maintain, use, repair, replace, relocate, and/or remove.
- b. **County.** The County of Riverside of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged or reincorporated form.
- c. **County Parties.** County, County Special Districts, their respective directors, officers, Board of Supervisors, elected officials, agents and employees.
- d. **Electrical Transmission Line.** Poles, towers, supports, wires, conductors, cables, guys, stubs, platforms, cross-arms, braces transformers, insulators, conduits, ducts, vaults, manholes, meters, cut-outs, switches, communication circuits, appliances, attachments, appurtenances, and any other property located or to be located under, along, across, or upon the Franchise Area for the purpose described in subsection e of section 1.
- e. **Franchise.** The authorization granted hereunder to Construct and Use the Electrical Transmission Line to connect Grantee's solar power electrical generation facilities to Southern California Edison's Red Bluff Substation, under, along, across, or upon the Kaiser Road rights-of-way.
- f. **Franchise Area.** The precise location of the Electrical Transmission Line to be Constructed and Used under, along, across, or upon the Kaiser Road rights-of-way, as more fully described and depicted on Exhibit A, attached hereto and incorporated herein by this reference. To the extent that the Franchise Area includes any real property owned in fee by County, this Franchise shall also remain valid and effective with respect to such real property, regardless of whether or not the Kaiser Road rights-of-way may or may not have merged into the underlying fee interest.
- g. **Government Agency.** State, County, City or other political subdivision or governmental agency or instrumentality of the State of California, when acting in a governmental capacity.
- h. **Grantee.** Desert Sunlight 250, LLC, a Delaware Limited Liability Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, and their lawful successors and assigns, in whole or in part, which jointly hold, and may use this Franchise and which are jointly and severally responsible for all provisions, rights, obligations and duties of this ordinance.
- i. **Project.** The Desert Sunlight Solar Farm Project described in the "Desert Sunlight Solar Farm Project/California Desert Conservation Area Plan Amendment and Final Environmental Impact Statement," and approved by the Bureau of Land Management in its Record of Decision dated August 8, 2011, including the Electrical Transmission Line, all solar power electrical generation facilities, and the Red Bluff substation.

Section 2. AUTHORITY AND GRANT. Pursuant to and in accordance with the provisions of the California Constitution Article 11, Section 7 and Government Code Section 26001, County hereby grants to Grantee, the Franchise described in this ordinance and all provisions, rights, obligations and duties hereof shall

extend and inure to and be binding on Grantee. The Franchise granted herein is solely for the specified uses set forth in this ordinance.

Section 3. TERM. This Franchise shall be for a definite term of thirty (30) years from the effective date of this ordinance and shall endure in full force and effect during such term unless this Franchise shall be voluntarily surrendered or abandoned by Grantee; or unless the State or some municipal or public corporation shall purchase by voluntary agreement, or shall condemn and take under the power of eminent domain, all property actually used and useful in the exercise of this Franchise and situated within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property; or unless this Franchise shall be forfeited for noncompliance with its terms by Grantee.

Section 4. CONSIDERATION AND PAYMENTS.

- a. Grantee shall annually pay to the Riverside County Treasurer, in lawful money of the United States, the amount of six hundred thousand dollars (\$600,000). Within five (5) business days of the close of Department of Energy loan financing for the Project or the close of other financing for the Project, if there is no Department of Energy loan financing, Grantee shall provide written notice to County of such closing and shall make the initial payment to County. Such written notice shall indicate the identity of any and all lenders financing the Project, including the address, telephone and facsimile numbers, contact person, and, for identification purposes, an account or reference number. In no event, however, shall the initial payment be made later than September 1, 2012. Grantee shall make subsequent annual payments on February 1st of each year, which shall be increased by the same percentage as the increase in the Consumer Price Index, All Urban Consumers, (Los Angeles — Anaheim) for the twelve (12) month period ending four (4) months prior to February 1st. In no event, however, shall the Consumer Price Index adjustment be less than one percent (1%) nor greater than four percent (4%).
- b. Grantee shall pay any application fees, administrative fees, processing fees, late charges, accrued interest, and penalties required in connection with this Franchise. These fees may be charged at the rates applicable at the time of payment.
- c. Grantee shall pay all encroachment permit and inspection fees related thereto in connection with any necessary encroachment permits to Construct and Use the Electrical Transmission Line in the Franchise Area. These fees may be charged at the rates applicable at the time of payment.
- d. Grantee shall pay to County a sum of money sufficient to reimburse it for all publication expenses incurred by it in connection with the granting of this Franchise; such payment to be made within thirty (30) days after County furnishes Grantee with a written statement of such expenses.
- e. Grantee shall pay to County on demand the cost of all repairs to public property made necessary by any of the operations of Grantee under this Franchise; such payment to be made within thirty (30) days after County furnishes Grantee with a written statement of such expenses.
- f. Local Sales and Use Tax.
 1. Within five (5) business days of the close of Department of Energy loan financing for the Project or the close of other financing for the Project, if there is no Department of Energy loan financing, Grantee shall deliver to County Executive Officer a letter of credit, which may be drawn upon as expressly set forth below. The amount of the letter of credit shall be equal to ten million seven hundred fifty-five thousand dollars (\$10,755,000), which is County's Estimate ("Estimate") of the Bradley-Burns Uniform Local Sales and Use Tax ("Local Sales and Use Tax") attributable to construction of the Project and projected to be allocated by the Board of Equalization to the unincorporated area of Riverside County.
 2. County agrees the letter of credit may be reduced annually to an amount equal to the amount of the Estimate minus the then cumulative total amount of Local Sales and Use Tax attributable to construction of the Project that the Board of Equalization records indicate were

allocated to County. County shall provide annually to Grantee a summary of these records. However, in no event shall the amount of the letter of credit be reduced sooner than one (1) year from the effective date of this ordinance. To accomplish such reduction, Grantee may replace the existing letter of credit with a new letter of credit in an amount equal to the new amount required, as determined using the calculation method described above.

3. Grantee shall notify County of the contract on-line date of the Project, such date being the date of final completion under the engineering, procurement, and construction agreement for the Project.
4. If, on the 210th day following the contract on-line date of the Project, the Board of Equalization records show the cumulative total Local Sales and Use Tax attributable to construction of the Project and allocated by the Board of Equalization to County is less than the Estimate, Grantee shall pay such difference within sixty (60) days of the date County notifies Grantee of the deficiency. If Grantee does not pay such difference within such time period, County may draw upon the letter of credit in an amount equal to such deficiency.
5. The foregoing obligation to pay such deficiency is subject to Grantee's right to confirm, within such time period, the amount of actual Local Sales and Use Tax attributable to construction of the Project and allocated by the Board of Equalization to County. Grantee has the right to provide County with copies of Grantee's relevant Project records, including but not limited to any and all relevant sales and use tax filings associated with the Project which demonstrate that the actual amount of Local Sales and Use Tax paid by Grantee which should have been allocated to County by the Board of Equalization is greater than the amount shown by Board of Equalization records.
6. If in County's reasonable judgment Grantee adequately documents any such discrepancy (such discrepancy being the difference between what was actually allocated by the Board of Equalization to the County as opposed to what should have been allocated), Grantee may request that County defer, up to one (1) year, any demand for payment to County or any draw by County on the letter of credit to satisfy the deficiency, and County shall not unreasonably withhold consent to such deferral. If any such discrepancy is not resolved within one (1) year from County's notice of such deficiency, Grantee shall pay the amount of the deficiency to County, or County may draw upon the letter of credit for the amount of such deficiency.
7. If County later determines it received (i) Local Sales and Use Tax attributable to construction of the Project, (ii) direct payments under this section, and/or (iii) draws on the letter of credit, the total combined amount of which is in excess of the greater of the amount of the Estimate or the actual amount of Local Sales and Use Tax required to be paid in connection with construction of the Project, County shall reimburse the amount of such overpayment to Grantee within thirty (30) days of such determination.
8. Grantee and County shall meet and confer to attempt to resolve any dispute with regard to subsections 6 and 7 of subsection f of section 4. Provided, however, that neither County nor Grantee shall by meeting and conferring waive any and all legal rights and remedies with respect to such dispute.
9. Upon payment in full of the amount of the Estimate (whether through allocations from the Board of Equalization, direct payments under this section, and/or draws upon the letter of credit), or upon a termination of this Franchise in accordance with subsection f of section 5 or otherwise, County shall return the letter of credit to Grantee without any further draws therefrom. With respect to any termination, however, County has

the right to continue to hold a letter of credit in an amount necessary to secure any unpaid Local Sales and Use Tax required to be paid through the date of such termination consistent with the provisions set forth below regarding possible revision of the Estimate.

10. The letter of credit and the obligations under this subsection f are intended to provide security to County with respect to Local Sales and Use Tax. In the event the Project is not constructed, is only partially constructed, or is reduced in size, the letter of credit obligation and the obligation to pay County any deficiency with respect to the Estimate shall be reduced accordingly through a revised estimate. Grantee shall provide the information needed by County to make this revised estimate.
- g. In the event Grantee fails to make any of the payments provided for herein, then, following notice of such failure from County and subsequent failure by Grantee to cure within the applicable cure period, Grantee shall pay a late charge of ten percent (10%) of the amount due, said ten percent (10%) being due thirty (30) days after the expiration of the applicable cure period specified in section 13. The ten percent (10%) has been set by both parties hereto in recognition of the difficulty in affixing actual damages from a breach of said time of performance requirement.
- h. In the event full payment of any rate, payment, or fee, including the ten percent (10%) late charge, is not received within sixty (60) days after the due date, an assessment of interest shall accrue on the unpaid balance at one percent (1%) per month beginning on the sixty first (61st) day after the due date, provided that County has notified Grantee in accordance with section 13 and Grantee has failed to pay within the required period.
- i. Should the Board of Supervisors adopt any policy requiring the negotiation of revenue generating agreements for solar power plants or requiring solar power plant developers to pay a specified fee in connection with County's conveyance of a real property interest or the issuance of a permit for a solar power plant to ensure that County does not disproportionately bear the burden of solar energy production, the Project shall be exempt from such policy, it being acknowledged and agreed that Grantee is paying consideration to County as specifically provided pursuant to the express terms of this ordinance. Grantee's other projects, however, would not be eligible to claim an exemption based on the foregoing exemption provided to Grantee pursuant to this ordinance.

Section 5.

CONSTRUCTION, USE AND MAINTENANCE

- a. Grantee shall Construct and Use the Electrical Transmission Line in accordance and in conformity with all of the ordinances and rules adopted by the Board of Supervisors in the exercise of its police powers and not in conflict with the paramount authority of the State, and, as to state highways, subject to the laws relating to the location and maintenance of electrical transmission lines therein.
- b. Grantee shall Construct and Use the Electrical Transmission Line in the Franchise Area described in Exhibit A and at the locations described in the exhibits attached to the encroachment permit(s) to be issued by County Transportation Director pursuant to this Franchise and Ordinance No. 499. The Electrical Transmission Line shall be located so as not to interfere with the use of the Franchise Area by the traveling public or with the use of County property or County public works for their primary purposes.
- c. Grantee shall undertake its work in such manner as to leave the Franchise Area or other public property in as good condition as it was prior to said work.
- d. Grantee shall modify the Electrical Transmission Line, and the procedures associated with its maintenance and testing, to comply with all future statutes, laws, ordinances and rules, regulations, policies or standards adopted pursuant thereto that are generally applicable to pre-existing improvements, provided, however, that County, in its proprietary capacity, shall not undertake actions that would serve to deprive Grantee of any material benefit of this Franchise.

- e. Prior to commencing construction of Project, Grantee shall create and maintain an emergency response plan, and shall at all times maintain the necessary trained personnel and equipment to respond timely to any damage or destruction (e.g., fire) associated with this Franchise.
- f. Grantee shall in good faith commence construction under this Franchise within not more than three (3) years from the granting of this Franchise, and, if not so commenced within said time, this Franchise shall be declared forfeited, provided that Grantee's obligation to commence construction shall be extended, day for day, for each day that any stay or injunction imposed by a court of competent jurisdiction, delays the issuance of all final permits for, or construction of, Grantee's solar power electrical generation facilities and/or the Electrical Transmission Line. The completion of the work shall be prosecuted diligently and in good faith by Grantee.
- g. Grantee shall, upon demand by County, and at the expense of Grantee, precisely identify the location, by land survey measurements or other accurate means, of the Electrical Transmission Line under this Franchise, for the purpose of the design or construction of public works projects on County rights-of-way.
- h. Grantee shall relocate without expense to County any portion of the Electrical Transmission Line installed, used, and maintained under this Franchise if and when made necessary by any lawful change of grade, alignment, or width of any public street, way, alley, or place by County.
- i. Before any excavation or other work requiring excavation in the Franchise Area, Grantee shall notify County Transportation Director, no less than thirty (30) days prior to commencement of such excavation or work. Provided that, in cases of emergency requiring immediate action, Grantee may make excavations and perform work in the Franchise Area to repair and restore the Electrical Transmission Line without giving prior notice to County Transportation Director of such excavation and work, but notice thereof shall be given to said Director promptly after the commencement of such excavation and work. In all cases, Grantee at its own cost and expense shall without unnecessary delay replace and restore the excavated portion of the Franchise Area to as good condition as it was prior to such excavation and work.

Section 6.

REMOVAL. Upon surrender, abandonment, termination, or forfeiture of this Franchise, Grantee shall, upon written request of County and at its own expense, remove its Electrical Transmission Line and all ancillary equipment from County roadways and rights of way, properly and lawfully dispose of all such materials and ancillary equipment, and restore the Franchise Area to its original condition.

Section 7.

INDEMNIFICATION.

- a. Grantee shall defend, indemnify and hold harmless County Parties from any liability whatsoever, based or asserted upon any act or omission, including but not limited to negligent acts or omissions, of Grantee, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death or any other element of damage of any kind or nature, relating to or, in any way connected with or arising from any operations under this Franchise, specifically excluding therefrom the gross negligence or willful misconduct of the County Parties. The obligation to defend, indemnify and hold harmless expressed herein shall include, without limitation, attorney fees, expert fees and investigation expenses and shall survive until any and all claims, actions and causes of action with respect to any and all such alleged acts or omissions are fully and finally barred by the applicable statute of limitations, unless such statute of limitations is overturned by any court of jurisdiction whereupon the indemnification shall continue until all issues are fully resolved.
- b. Grantee shall also defend, indemnify and hold harmless County Parties from any action or claim brought by any person to attack, set aside, void or annul County's approval of this Franchise, this ordinance or any subsequently issued encroachment permit. The obligation to defend, indemnify and hold harmless expressed herein shall include, without limitation, attorney fees, expert fees and investigation expenses and shall survive until any and all claims, actions and causes of action with respect to any and all alleged acts or omissions are fully

and finally barred by any applicable statute of limitations, unless such statute of limitations is overturned by any court of jurisdiction whereupon the indemnification shall continue until all issues are fully resolved.

Section 8. INSURANCE. Without limiting or diminishing Grantee's obligation to indemnify or hold County harmless, Grantee shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this ordinance.

a. Workers' Compensation:

Grantee shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employer's Liability (Coverage B) including Occupational Disease with limits not less than one million (\$1,000,000) per person per accident. Policy shall be endorsed to waive subrogation in favor of County.

b. Commercial General Liability:

Grantee shall maintain Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, completed operations, personal and advertising injury covering claims which may arise from or out of Grantee's performance of its obligations hereunder. Policy shall include County Parties as an Additional Insured with respect to Grantee's performance hereunder. Policy's limit of liability shall not be less than five million dollars (\$5,000,000) in the aggregate and not less than three million dollars (\$3,000,000) per occurrence.

c. Vehicle Liability:

Grantee shall maintain liability insurance for all owned, non-owned or hired vehicles in an amount not less than one million (\$1,000,000) per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Franchise or be no less than two (2) times the occurrence limit. Policy shall name County Parties as an Additional Insured.

d. General Insurance Provisions - All lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A: VII (A: 7) unless such requirements are waived, in writing, by the County Risk Manager. If County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
2. Grantee's insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed five hundred thousand dollars (\$500,000) per occurrence such deductibles and/or retentions shall have the prior written consent of County Risk Manager before commencement of construction under this Franchise. Upon notification of deductibles or self-insured retentions which are deemed unacceptable to County, at the election of County's Risk Manager, Grantee's carriers shall either: (i) reduce or eliminate such deductibles or self-insured retentions as respects this Franchise with County, or (ii) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.
3. Within five (5) business days of the close of Department of Energy loan financing for the Project or the close of other financing for the Project, if there is no Department of Energy loan financing and annually thereafter, at the anniversary of the Grantee's insurance renewals, Grantee shall cause its insurance carrier(s) to furnish County with: (i) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein; or, (ii) if requested to do so orally or in writing by County Risk Manager, allow County Risk Manager to review a certified copy of the original policy and all endorsements thereto at the offices of the Risk Manager or provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect.

Further, to the extent available from the insurance company, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) providing that no less than thirty (30) days written notice be given to County prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, County may forfeit this Franchise as provided below if Grantee does not have such insurance reinstated or replaced within the cure period specified in section 13. Evidence of any such reinstatement or replacement shall include a properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages and the insurance herein is in full force and effect. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance. Grantee shall not commence construction under this Franchise until County has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this section.

4. It is understood and agreed by the parties hereto and Grantee's insurance company(s) that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory as respects all claims that arise from this Franchise.
 5. Grantee shall pass down the insurance obligations contained herein to all tiers of contractors and subcontractors working under this Franchise.
- e. Not more frequently than once every five (5) years, County reserves the right to adjust the types of insurance required under this ordinance and the monetary limits of liability for the insurance coverage required herein, if, in County Risk Manager's reasonable judgment based on commercially reasonable amounts of insurance coverage required to be carried for similar operations, the amounts or types of insurance coverage specified herein have become materially inadequate due to passage of time or changed circumstances.

Section 9. ANNEXATION. Whenever any portion of the territory covered by this Franchise shall be annexed to, or otherwise become a part of any municipal corporation, or of any other county, the rights reserved under this ordinance to County, or County Parties, shall inure to the benefit of such municipal corporation or county, and its appropriate officers and employees.

Section 10. TRANSFERS AND ASSIGNMENTS. Grantee shall have the right to transfer this Franchise, in whole or in part, or assign all or part of its rights and interests hereunder, including, without limitation, granting a security interest to any lender or any other investor. In such event, Grantee shall provide County, within thirty (30) days of any sale, transfer, assignment or lease of this Franchise or any part hereof, with written evidence of the transaction certified by Grantee or its duly authorized officers. Grantee shall also provide written evidence, in a form reasonably acceptable to County, establishing to County's satisfaction that any transferee or assignee (other than a lender that has not foreclosed on its security interest) is in financially sound condition and able to comply with the obligations of Grantee under this Franchise; County shall have the right to request additional information to confirm the foregoing. Any such transferee or assignee shall remain subject to all the terms and conditions in this ordinance including the obligation to maintain insurance coverage in the amounts specified in this ordinance.

Section 11. GOVERNMENT AGENCY WORK.

- a. A Government Agency may improve any highway or portion thereof in which Grantee's Electrical Transmission Line has been constructed or installed, and may construct, install, repair and maintain any such highway, and may remove from any such highway any public improvement.
- b. Provided a Government Agency gives written notice to Grantee thirty (30) days in advance of the date work is to be done pursuant to any right reserved in subdivision a of this section, specifying the general nature of the work and area in which the work is to be performed, Grantee shall, upon request of the

Government Agency, disconnect and relocate the Electrical Transmission Line in the Franchise Area to such extent and in such manner as shall be necessary to permit the performance of such work, and to permit the maintenance, operation and use of such public improvement or of the highway as so improved. The Government Agency shall, to the extent possible, minimize interference with Grantee's property and operations pursuant to this Franchise. All of such things to be done and work to be performed by Grantee shall be at the sole cost and expense of Grantee.

- c. Grantee shall, upon written notice from a Government Agency to relocate a portion of the Electrical Transmission Line that is in conflict with a public works project on the public right of way, cause the conflicting portion of said Electrical Transmission Line to be relocated in a diligent manner as to avoid any unreasonable delays or costs to the public works project. Any direct costs incurred by the Government Agency, resulting from a delay to a public works project directly caused by the failure of Grantee to relocate the conflicting portion of Grantee's Electrical Transmission Line in a diligent manner as to avoid any unreasonable delay, shall be the responsibility of Grantee, which shall reimburse said costs to the Government Agency upon demand.
- d. No provision of this Franchise shall be so construed as to impose upon a Government Agency any duty or obligation to construct, repair or maintain any highway included in the area in which Grantee's Electrical Transmission Line is located in any particular manner or to any particular standard.
- e. In the event that a Government Agency, shall hereafter construct, install, reconstruct or repair any bridge or artificial support in or underlying any highway in which Grantee's Electrical Transmission Line is located or which is prescribed as the location for any of Grantee's Electrical Transmission Line, and in the event that the cost thereof be increased in order to provide for the installation, maintenance or operation of Grantee's Electrical Transmission Line in or on the highway area covered or underlain by said bridge or other artificial support, then Grantee shall pay to such Government Agency doing such work the full amount of such increase of cost upon completion of such construction, installation or repair.

Section 12. ENCROACHMENT PERMIT. No encroachment permit shall be issued for work to be undertaken in the Franchise Area, until Grantee has filed its written acceptance of the terms and conditions of this Franchise as specified in section 21. Following Grantee's acceptance of this Franchise, and provided that Grantee and its contractors have complied with all applicable permit issuance requirements established by County under Ordinance No. 499, Grantee shall be entitled to, and County shall issue, any requested encroachment permits consistent with this Franchise within sixty (60) days of application.

Section 13. FORFEITURE.

- a. Any neglect, failure or refusal of Grantee to comply with any provision of this Franchise, following notice and opportunity to cure as provided below, shall constitute cause for possible forfeiture of this Franchise at the discretion of the Board of Supervisors. Following such an uncured default, the Board of Supervisors may hold a hearing, at which Grantee and any lender shall have the right to appear and be heard. Following such hearing, the Board of Supervisors may determine whether the provision at issue is material and essential to this Franchise, whether Grantee is in default with respect thereto and may declare this Franchise forfeited. Notice of the hearing shall be given to Grantee, and any lender previously identified to County, in accordance with the notice provisions of this ordinance not less than thirty (30) days before said hearing. If this Franchise is forfeited pursuant to the foregoing, County may exclude Grantee from any further use of the Franchise Area under this Franchise; and Grantee shall thereupon surrender all rights in and to the same, and this Franchise shall be deemed and shall remain null, void and of no effect. From time to time, upon request of Grantee or any lender, County shall confirm in writing to Grantee and any lender whether Grantee is in compliance with the terms and conditions of this ordinance.

- b. County may sue in its own name for the forfeiture of this Franchise, in the event of noncompliance with any of the provisions or conditions hereof by Grantee.
- c. Grantee shall be liable to County for all damages proximately resulting from the failure of Grantee to observe and perform any provision of this Franchise.
- d. Grantee shall have ten (10) business days (and any lender shall have thirty (30) days) after written notice from County of a monetary default, or failure to carry required insurance, to cure said default to the satisfaction of the County. Grantee shall have thirty (30) days (and any lender shall have sixty (60) days) after written notice from County of any non-monetary default to cure said default to the satisfaction of the County or, if such default is not capable of cure within such time period, Grantee shall commence to cure such default within such time period and shall complete the cure of such default within a reasonable time thereafter.

Section 14.

SECURITY/FAITHFUL PERFORMANCE BOND

- a. Within one (1) year following the effective date of this ordinance or prior to construction of the Electrical Transmission Line within the Franchise Area, whichever comes first, Grantee shall provide to County a faithful performance bond in the sum of not less than seven hundred twenty thousand dollars (\$720,000) payable to County and executed by a corporate surety acceptable to County and licensed to transact business as a surety in the State of California. Such bond shall be payable to the extent that Grantee shall fail to faithfully perform any of its obligations under this Franchise (specifically excluding, however, any and all consideration and payment obligations pursuant to section 4 of this ordinance, other than the repair obligations under subsection e of section 4, which repair obligations shall be included in the obligations secured by the faithful performance bond and specifically excluding any construction obligations secured by the cash deposit required for any encroachment permit). In the event that Grantee fails to so perform, County may elect to make a claim under the bond equal to that amount necessary to undertake and complete such failed performance.
- b. Throughout the term of this Franchise, Grantee shall maintain the faithful performance bond in the amount specified herein. Within thirty (30) days after written notice from County that any amount has been paid on the bond as provided in this section, Grantee shall restore the bond to the full amount specified herein, reduced by the amount of those obligations that County, in its reasonable discretion, determines have been fully satisfied.
- c. The faithful performance bond shall continue to exist for one (1) year following any sale, transfer, or assignment of this Franchise (unless replaced by a satisfactory replacement bond from the successor Grantee), or following the expiration or termination of this Franchise. County may release said bond prior to the end of the one (1) year period upon its determination that Grantee has satisfied all the obligations of this ordinance that are to be secured by the bond.
- d. County, in its reasonable discretion, may accept alternative security to meet the above bonding requirements in the form of an irrevocable letter of credit, certificate of deposit, or a cash deposit acceptable to County as an alternative to the faithful performance bond as described above. Such alternative security shall be made payable to County and shall be deposited with County.
- e. The types and amounts of the performance bond or alternative security coverage shall be subject to review and adjustment at five (5) year intervals during the term of this Franchise, to the extent that County or Grantee demonstrates that the costs of the obligations to be secured by the bond have materially increased or decreased. In the event of such adjustment, Grantee agrees to provide the adjusted coverage within thirty (30) days after written notice from County. Grantee and County shall meet and confer to attempt to resolve any dispute with regard to this subsection. Provided, however, that neither County nor Grantee shall by meeting and conferring waive any and all legal rights and remedies with respect to such dispute.

- f. No Franchise operations shall commence until Grantee has complied with the requirements of this section.

Section 15. NOTICES. Any notice with respect to this Franchise shall be in writing and shall be made to all parties (including any lender or other assignee) and will be effective (i) immediately upon delivery in person, provided delivery is made during regular business hours or receipt is acknowledged by a person reasonably believed by the delivering party to be employed by the recipient, or (ii) 24 hours after deposit with a commercial courier or delivery service for overnight delivery, provided delivery is made during regular business hours or receipt is acknowledged by a person reasonably believed by the delivering party to be employed by the recipient, or (iii) three (3) days after deposit with the United States Postal Service postage prepaid, certified mail, return receipt requested. All notices must be properly addressed and delivered to the parties at the addresses set forth below, or at such other addresses as any party may subsequently designate by written notice:

If to County: Clerk of the Board of Supervisors
4080 Lemon Street, 1st Floor
Riverside, CA 92501
(951) 955-1060
(951) 955-1071 Fax No.

If to Grantee: Desert Sunlight Holdings, LLC
c/o First Solar Development, Inc.
1111 Broadway, 4th Floor
Oakland, California 94607
Attn: Controller and General Counsel
Telephone No.: (510) 401-5800
Fax No.: (510) 401-5859

With a copy to: Farella, Braun + Martel LLP
235 Montgomery Street, 18th Floor
San Francisco, CA 94104
Telephone No.: (415) 954-4400
Fax No.: (415) 954-4480
Attn: Richard J. Rabbitt

Section 16. LENDER PROTECTION. In addition to the specific provisions set forth in this ordinance, County agrees that any lender with a security interest in Grantee's interest in this Franchise shall have customary and commercially reasonable mortgagee protection provisions to preserve, protect, and acquire Grantee's interest in this Franchise, including, without limitation, the right for any lender to a replacement Franchise if this Franchise is surrendered, abandoned or forfeited pursuant to a Grantee bankruptcy. Upon request of Grantee's lender, County shall process an amendment to this Franchise to add specific, customary and commercially reasonable mortgagee protection provisions as may be reasonably requested by any such lender.

Section 17. POSSESSORY INTEREST. This Franchise may create a possessory interest that may be subject to taxation, if created, and the party in whom the possessory interest is vested may be subject to the payment of the property taxes levied on the interest.

Section 18. NON-EXCLUSIVE FRANCHISE. This Franchise shall not be exclusive. The Board of Supervisors reserves and shall have the right and power to grant other and additional franchises to persons, firms and corporations as authorized and provided by law, provided that any such additional franchises do not unreasonably interfere with the Franchise granted hereunder.

Section 19. AMENDMENTS. This ordinance may be amended in whole or in part only by written consent of the parties in the manner prescribed by law for the amendment of ordinances. Any amendment to this ordinance shall also require the consent of any lender.

Section 20. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

Section 21. EFFECTIVE DATE. This ordinance is hereby declared to be an urgency measure and shall take effect immediately upon its adoption, provided that, on the date of adoption, Grantee files a written acceptance hereof with the Clerk of the Board agreeing to abide by the terms and conditions herein. In the event such written acceptance is not filed on the date of adoption, the ordinance shall not take effect. In accordance with the requirements of Government Code section 25123, subdivision (d), the Board of Supervisors hereby declares that the provisions contained herein are necessary for the immediate preservation of the public peace, health or safety for the following reasons: (i) this Franchise will improve the reliability of the transmission

grid and minimize service interruptions; (ii) this Franchise will further federal and state greenhouse gas reduction and renewable electricity goals; (iii) the Project will lose its conditional loan guarantee from the Department of Energy (DOE) if Grantee does not obtain all discretionary entitlements before September 30, 2011; and (iv) this Franchise must take effect immediately in order for Grantee to obtain such discretionary entitlements before the specified date.

Bob Buster, Chairman of the Board

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said County, held on **August 16, 2011** the foregoing Ordinance consisting of twenty-one (21) sections was adopted by said Board by the following vote:

AYES: Buster, Tavaglione, Stone, Benoit and Ashley
NAYS: None
ABSENT: None

Kecia Harper-Ihem, Clerk of the Board
By: Cecilia Gil, Board Assistant

Ordinance No. 909 includes Exhibits A and B that are attached thereto and incorporated therein by reference. Exhibits A and B to Ordinance No. 909 are the legal description and site plan for the transmission corridor A-1 within the Kaiser Road rights-of-way. A complete copy of each exhibit is on file with the office of the Clerk of the Board of Supervisors and is available for public inspection and copying in that office, in accordance with the California Public Records Act, Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1.

August 22, 2011 By: Cecilia Gil, Board Assistant

The Desert Sun

mydesert.com

750 N. Gene Autry Trail
 Palm Springs, CA 92262
 Billing Inquiries: (866) 875-0854
 Main Office: (760) 322-8889

ADVERTISING INVOICE/STATEMENT

Make Checks payable to DESERT SUN PUBLISHING CO.
 P.O. Box 677368 Dallas, TX 75267-7368
 A finance charge of 1.5% per month (18% Annually) will be added to balances not paid by the 20th.

RIV06900000000000000000000041239910104075610825

85

RIVERSIDE COUNTY-BOARD OF SUP.
 PO BOX 1147
 RIVERSIDE CA 92502-1147

Customer No.	Invoice No.
RIV069	0004123991
For the Period	Thru
08/01/11	08/28/11
Due Date	Amount Due
09/15/11	10,407.56
AMOUNT PAID	

PLEASE RETURN THIS TOP SECTION WITH PAYMENT IN THE ENCLOSED ENVELOPE AND INCLUDE YOUR CUSTOMER NUMBER ON REMITTANCE.

Date	EDT	Class	Description	Times Run	Col	Depth	Total Size	Rate	Amount
0801			BALANCE FORWARD						6,339.88
0728	CLS	0001	CECILIA NO 2558 NOTICE I	4	2	79.00	632.00		278.28
0805	CLS	0001	CECILIA NO 2648 NOTICE O	2	2	127.00	508.00		226.82
0805	CLS	0001	CECILIA NO 2649 BOARD OF	2	2	173.00	692.00		303.18
0805	CLS	0001	CECILIA NO 2650 BOARD OF	2	2	52.00	208.00		102.32
0805	CLS	0001	CECILIA NO 2667 /DBF FY	1	5	8.00	40.00		474.80
0806	CLS	0001	CECILIA NO 2668 NOTICE O	2	2	109.00	436.00		196.94
0811	CLS	0001	CECILIA NO 2710 NOTICE O	2	2	105.00	420.00		190.30
0824	CLS	0001	CECILIA NO 2846 BOARD OF	2	2	944.00	3776.00		1,583.04
0824	CLS	0001	CECILIA NO 2847 BOARD OF	2	2	90.00	360.00		165.40
0824	CLS	0001	CECILIA NO 2848 NOTICE I	10	2	47.00	940.00		406.10
0828	CLS	0001	CECILIA NO 2892 NOTICE O	2	2	75.00	300.00		140.50
Current		Over 30 Days	Over 60 Days	Over 90 Days	Over 120 Days	Total Due			
4,067.68		3,240.40	3,099.48	.00	.00	10,407.56			
Contract Type	Contract Qnty.	Expiration Date	Current Usage	Total Used	Quantity Remaining	Salesperson			
						MOELLER			

2011 SEP - 7 PM 3:45

RECEIVED RIVERSIDE COUNTY
 CLERK/BOARD OF SUPERVISORS

The Advertiser shall make payment within 15 days of the billing date indicated on Company's statement, and, in the event that it fails to make payment within such time, Company may reject advertising copy and / or immediately cancel this contract and Advertiser agrees to indemnify Company for all expenses incurred in connection with the collection of amounts payable under this contract, including but not limited to collection fees, attorney's fees and court costs. If this agreement is cancelled due to Advertiser's failure to make timely payment, Company may rebill the Advertiser for the outstanding balance due at the open or earned contract rate, whichever is applicable.

TO ENSURE PROPER CREDIT, PLEASE RETURN THE TOP SECTION AND INCLUDE YOUR CUSTOMER NUMBER ON REMITTANCE.

Customer Number	Name	Invoice Number	Amount Paid
RIV069	RIVERSIDE COUNTY-BOARD OF SUP.		

THE DESERT SUN PUBLISHING CO.
 ADVERTISING INVOICE/STATEMENT

16.6 B of 08/16/11

2846

The Desert Sun
750 N Gene Autry Trail
Palm Springs, CA 92262
760-778-4578 / Fax 760-778-4731

Certificate of Publication

No 2846
BOARD OF SUPERVISORS OF THE COUNTY
OF RIVERSIDE, STATE OF CALIFORNIA

ORDINANCE NO. 909
AN URGENCY ORDINANCE OF THE COUNTY OF RIVERSIDE GRANTING TO DESERT SUNLIGHT 250, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND DESERT SUNLIGHT 300, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND THEIR LAWFUL SUCCESSORS AND ASSIGNS, IN WHOLE OR IN PART, A FRANCHISE TO CONSTRUCT AND USE AN ELECTRICAL TRANSMISSION LINE, UNDER, ALONG, ACROSS, OR UPON, THE KAISER ROAD RIGHTS-OF-WAY IN EASTERN RIVERSIDE COUNTY

State Of California ss:
County of Riverside

Advertiser:

RIVERSIDE COUNTY-BOARD OF SUP.
4080 LEMON ST
RIVERSIDE CA 925013

2000275479

I am over the age of 18 years old, a citizen of the United States and not a party to, or have interest in this matter, I hereby certify that the attached advertisement appeared in said newspaper (set in type not smaller than non pariel) in each and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

Newspaper: The Desert Sun

8/24/2011

I acknowledge that I am a principal clerk of the printer of The Desert Sun, printed and published weekly in the City of Palm Springs, County of Riverside, State of California. The Desert Sun was adjudicated a newspaper of general circulation on March 24, 1988 by the Superior Court of the County of Riverside, State of California Case No. 191236.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 24th day of August, 2011 in Palm Springs, California.

Declarant's Signature

The Board of Supervisors of the County of Riverside ordains as follows:
Section 1. DEFINITIONS. As used in this ordinance, the following words and phrases shall have the following meanings:
a. Construct and Use. To lay, construct, excavate, erect, install, operate, maintain, use, repair, replace, relocate, and/or remove.
b. County. The County of Riverside of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged or reincorporated form.
c. County Parties. County, County Special Districts, their respective directors, officers, Board of Supervisors, elected officials, agents and employees.
d. Electrical Transmission Line. Poles, towers, supports, wires, conductors, cables, guys, stubs, platforms, cross-arms, braces transformers, insulators, conduits, ducts, vaults, manholes, meters, cut-outs, switches, communication circuits, appliances, attachments, appurtenances, and any other property located or to be located under, along, across, or upon the Franchise Area for the purpose described in subsection a of section 1.
e. Franchise. The authorization granted hereunder to Construct and Use the Electrical Transmission Line to connect Grantee's solar power electrical generation facilities to Southern California Edison's Red Bluff Substation, under, along, across, or upon the Kaiser Road rights-of-way.
f. Franchise Area. The precise location of the Electrical Transmission Line to be Constructed and Used under, along, across, or upon the Kaiser Road rights-of-way, as more fully described and depicted on Exhibit A, attached hereto and incorporated herein by this reference. To the extent that the Franchise Area includes any real property owned in fee by County, this Franchise shall also remain valid and effective with respect to such real property, regardless of whether or not the Kaiser Road rights-of-way may or may not have merged into the underlying fee interest.
g. Government Agency. State, County, City or other political subdivision or governmental agency or instrumentality of the State of California, when acting in a governmental capacity.
h. Grantee. Desert Sunlight 250, LLC, a Delaware Limited Liability Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, and their lawful successors and assigns, in whole or in part, which jointly hold, and may use this Franchise and which are jointly and severally responsible for all provisions, rights, obligations and duties of this ordinance.
i. Project. The Desert Sunlight Solar Farm Project described in the "Desert Sunlight Solar Farm Project/California Desert Conservation Area Plan Amendment and Final Environmental Impact Statement", and approved by the Bureau of Land Management in its Record of Decision dated August 8, 2011, including the Electrical Transmission Line, all solar power electrical generation facilities, and the Red Bluff substation.
Section 2. AUTHORITY AND GRANT. Pursuant to and in accordance with the provisions of the California Constitution Article 11, Section 7 and Government Code Section 26001, County hereby grants to Grantee, the Franchise described in this ordinance and all provisions, rights, obligations and duties hereof shall extend and inure to and be binding on Grantee. The Franchise granted herein is solely for the specified uses set forth in this ordinance.
Section 3. TERM. This Franchise shall be for a definite term of thirty (30) years from the effective date of this ordinance and shall endure in full force and effect during such term unless this Franchise shall be voluntarily surrendered or abandoned by Grantee, or unless the State or some municipal or public corporation shall purchase by voluntary agreement, or shall condemn and take under the power of eminent domain, all property actually used and useful in the exercise of this Franchise and situated within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property, or unless this Franchise shall be forfeited for noncompliance with its terms by Grantee.
Section 4. CONSIDERATION AND PAYMENTS. a. Grantee shall annually pay to the Riverside County Treasurer, in lawful money of the United States, the amount of six hundred thousand dollars (\$600,000). Within five (5) business days of the close of Department of Energy loan financing for the Project or the close of other financing for the Project, if there is no Department of Energy loan financing, Grantee shall provide written notice to County of such closing and shall make the initial payment to County. Such written notice shall indicate the identity of any and all lenders financing the Project, including the address, telephone and facsimile numbers, contact person, and, for identification purposes, an account or reference num-

8. Grantee and County shall meet and confer to attempt to resolve any dispute with regard to subsections 6 and 7 of subsection f of section 4. Provided, however, that neither County nor Grantee shall by meeting and conferring waive any and all legal rights and remedies with respect to such dispute.
9. Upon payment in full of the amount of the Estimate (whether through allocations from the Board of Equalization, direct payments under this section, and/or draws upon the letter of credit), or upon a termination of this Franchise in accordance with subsection f of section 5 or otherwise, County shall return the letter of credit to Grantee without any further draws therefrom. With respect to any termination, however, County has the right to continue to hold a letter of credit in an amount necessary to secure any unpaid Local Sales and Use Tax required to be paid through the date of such termination consistent with the provisions set forth below regarding possible revision of the Estimate.
10. The letter of credit and the obligations under this subsection f are intended to provide security to County with respect to Local Sales and Use Tax. In the event the Project is not constructed, is only partially constructed, or is reduced in size, the letter of credit obligation and the obligation to pay County any delinquency with respect to the Estimate shall be reduced accordingly through a revised estimate. Grantee shall provide the information needed by County to make this revised estimate.
g. In the event Grantee fails to make any of the payments provided for herein, then, following notice of such failure from County and subsequent failure by Grantee to cure within the applicable cure period, Grantee shall pay a late charge of ten percent (10%) of the amount due, said ten percent (10%) being due thirty (30) days after the expiration of the applicable cure period specified in section 13. The ten percent (10%) has been set by both parties hereto in recognition of the difficulty in affixing actual damages from a breach of said time of performance requirement.
h. In the event full payment of any rate, payment, or fee including the ten percent (10%) late charge, is not received within sixty (60) days after the due date, an assessment of interest shall accrue on the unpaid balance at one percent (1%) per month beginning on the sixty first (61st) day after the due date, provided that County has notified Grantee in accordance with section 13 and Grantee has failed to pay within the required period.
i. Should the Board of Supervisors adopt any policy requiring the negotiation of revenue generating agreements for solar power plants or requiring solar power plant developers to pay a specified fee in connection with County's conveyance of a real property interest or the issuance of a permit for a solar power plant to ensure that County does not disproportionately bear the burden of solar energy production, the Project shall be exempt from such policy, it being acknowledged and agreed that Grantee is paying consideration to County as specifically provided pursuant to the express terms of this ordinance. Grantee's other projects, however, would not be eligible to claim an exemption based on the foregoing exemption provided to Grantee pursuant to this ordinance.
Section 5. CONSTRUCTION, USE AND MAINTENANCE
a. Grantee shall Construct and Use the Electrical Transmission Line in accordance and in conformity with all of the ordinances and rules adopted by the Board of Supervisors in the exercise of its police powers and not in conflict with the paramount authority of the State, and, as to state highways, subject to the laws relating to the location and maintenance of electrical transmission lines thereon.
b. Grantee shall Construct and Use the Electrical Transmission Line in the Franchise Area described in Exhibit A and at the locations described in the exhibits attached to the encroachment permit(s) to be issued by County Transportation Director pursuant to this Franchise and Ordinance No. 499. The Electrical Transmission Line shall be located so as not to interfere with the use of the Franchise Area by the traveling public or with the use of County property or County public works for their primary purposes.
c. Grantee shall undertake its work in such manner as to leave the Franchise Area or other public property in as good condition as it was prior to said work.
d. Grantee shall modify the Electrical Transmission Line, and the procedures associated with its maintenance and testing, to comply with all future statutes, laws, ordinances and rules, regulations, policies or standards adopted pursuant thereto that are generally applicable to pre-existing improvements, provided, however, that County, in its proprietary capacity, shall not undertake actions that would serve to deprive Grantee of any material benefit of this Franchise.
e. Prior to commencing construction of Project, Grantee shall create and maintain an emergency response plan, and shall at all times maintain the necessary trained personnel and equipment to respond timely to any damage or destruction (e.g., fire) associated with this Franchise.
f. Grantee shall in good faith commence construction under this Franchise within not more than three (3) years from the granting of this Franchise, and, if not so commenced within said time, this Franchise shall be declared forfeited, provided that Grantee's obligation to commence construction shall be extended, day for day, for each day that any stay or injunction imposed by a court of competent jurisdiction, delays the issuance of all final permits for, or construction of, Grantee's solar power electrical generation facilities, under the

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The Desert Sun

mydesert.com

750 N. Gene Autry Trail
Palm Springs, CA 92262
Billing Inquiries: (866) 875-0854
Main Office: (760) 322-8889

ADVERTISING INVOICE/STATEMENT

Make Checks payable to DESERT SUN PUBLISHING CO.
P.O. Box 677368 Dallas, TX 75267-7368
A finance charge of 1.5% per month (18% Annually) will be added to balances not paid by the 20th.

RIV06900000000000000000000040993640063398810829

89

RIVERSIDE COUNTY-BOARD OF SUP.
PO BOX 1147
RIVERSIDE CA 92502-1147

Customer No.	Invoice No.
RIV069	0004099364
For the Period	Thru
06/27/11	07/31/11
Due Date	Amount Due
08/15/11	6,339.88
AMOUNT PAID	

PLEASE RETURN THIS TOP SECTION WITH PAYMENT IN THE ENCLOSED ENVELOPE AND INCLUDE YOUR CUSTOMER NUMBER ON REMITTANCE.

Date	EDT	Class	Description	Times Run	Col	Depth	Total Size	Rate	Amount
0627			BALANCE FORWARD						7,014.48
0705			PAYMENT - THANK YOU						3,915.00-
0623	CLS	0001	CECILIA NO 2138 NOTICE T	2	2	59.00	236.00		205.88
0701	CLS	0001	CECILIA NO 2243 NOTICE O	2	2	694.00	2776.00		1,168.04
0706	CLS	0001	CECILIA NO 2284 NOTICE O	4	2	77.00	616.00		271.64
0715	CLS	0001	CECILIA NO 2409 NOTICE O	2	2	129.00	516.00		230.14
0716	CLS	0001	CECILIA NO 2430 NOTICE O	2	2	62.00	248.00		118.92
0720	CLS	0001	CECILIA NO 2462 BOARD OF	2	2	83.00	332.00		153.78
0724	CLS	0001	CECILIA NO 2522 NOTICE O	2	2	104.00	416.00		188.64
0724	CLS	0001	CECILIA NO 2523 BOARD OF	2	2	124.00	496.00		221.84
0727	CLS	0001	CECILIA NO 2532 NOTICE O	2	2	102.00	408.00		185.32
0727	CLS	0001	CECILIA NO 2533 NOTICE O	2	2	95.00	380.00		173.70
0731	CLS	0001	CECILIA NO 2603 NOTICE O	2	2	60.00	240.00		115.60
0731	CLS	0001	CECILIA NO 2604 NOTICE O	2	2	115.00	460.00		206.90
									2011 AUG - 8 PM 1:00
									3.54 of 07/12/11
Current		Over 30 Days	Over 60 Days	Over 90 Days	Over 120 Days	Total Due			
3,240.40		3,099.48	.00	.00	.00	6,339.88			
Contract Type	Contract Qnty.	Expiration Date	Current Usage	Total Used	Quantity Remaining	Salesperson			
						MOELLER			

RECEIVED RIVERSIDE COUNTY CLERK / BOARD OF SUPERVISORS

The Advertiser shall make payment within 15 days of the billing date indicated on Company's statement, and, in the event that it fails to make payment within such time, Company may reject advertising copy and / or immediately cancel this contract and Advertiser agrees to indemnify Company for all expenses incurred in connection with the collection of amounts payable under this contract, including but not limited to collection fees, attorney's fees and court costs. If this agreement is cancelled due to Advertiser's failure to make timely payment, Company may rebill the Advertiser for the outstanding balance due at the open or earned contract rate, whichever is applicable.

TO ENSURE PROPER CREDIT, PLEASE RETURN THE TOP SECTION AND INCLUDE YOUR CUSTOMER NUMBER ON REMITTANCE.

Customer Number	Name	Invoice Number	Amount Paid
RIV069	RIVERSIDE COUNTY-BOARD OF SUP.		

8-16
7/26/2011 3:54

The Desert Sun
750 N Gene Autry Trail
Palm Springs, CA 92262
760-778-4578 / Fax 760-778-4731

Certificate of Publication

State Of California ss:
County of Riverside

Advertiser:

RIVERSIDE COUNTY-BOARD OF SUP.
4080 LEMON ST
RIVERSIDE CA 925013

2000271999

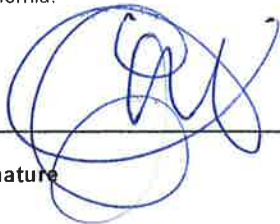
I am over the age of 18 years old, a citizen of the United States and not a party to, or have interest in this matter. I hereby certify that the attached advertisement appeared in said newspaper (set in type not smaller than non paniel) in each and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

Newspaper: The Desert Sun

7/24/2011

I acknowledge that I am a principal clerk of the printer of The Desert Sun, printed and published weekly in the City of Palm Springs, County of Riverside, State of California. The Desert Sun was adjudicated a newspaper of general circulation on March 24, 1988 by the Superior Court of the County of Riverside, State of California Case No. 191236.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 24th day of July, 2011 in Palm Springs, California.



Declarant's Signature

2011 07 24 11:51
CLERK BOARD OF SUPERVISORS
OFFICE OF PUBLIC AFFAIRS

No 2522
NOTICE OF PUBLIC HEARING BEFORE
THE BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE

**RESOLUTION NO. 2011-147
NOTICE OF INTENTION TO GRANT
FRANCHISE**

NOTICE IS HEREBY GIVEN that Desert Sunlight 250, LLC, a Delaware Limited Liability Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, have requested that the Board of Supervisors of the County of Riverside grant them a franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County.

If granted, the franchise shall be for a period of 30 years. During the life of the franchise, Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, their lawful successors and assigns, in whole or in part (hereinafter referred to as "Grantee"), shall annually pay to the County Treasurer, in lawful money of the United States, the amount of six hundred thousand dollars and no cents (\$600,000.00). Grantee shall make the initial payment at the close of Department of Energy loan financing for the Desert Sunlight Solar Farm Project ("Project") or at the close of other financing for the Project, if there is no Department of Energy loan financing. In no event, however, shall the initial payment be made later than September 1, 2012. Grantee shall make subsequent annual payments on February 1st of each year, which shall be increased by the same percentage as the increase in the Consumer Price Index, All Urban Consumers, (Los Angeles - Anaheim) for the twelve (12) month period ending four (4) months prior to February 1st. In no event, however, shall the Consumer Price Index Adjustment be less than 1 percent nor greater than 4 percent. In the event the payments specified herein are not made, the franchise shall be forfeited following the applicable cure period.

Grantee shall also deliver a letter of credit to the County, in an amount to be determined by the County, to secure the payment and proper allocation of sales and use taxes to the County.

NOTICE IS HEREBY FURTHER GIVEN that any person objecting to the granting of the franchise may appear before the Board of Supervisors and be heard thereon at the hour of 1:30 p.m. on Tuesday, the 16th day of August 2011 at the Board Chambers, First Floor, County Administrative Center, 4080 Lemon Street, Riverside, California.

NOTICE IS HEREBY FURTHER GIVEN that at any time not later than the hour set for the hearing of objections, any person interested may make written protest stating objections against the granting of the franchise; which protest must be signed by the protestant and be delivered to the Clerk of the Board of the County. The Board of Supervisors at the time set for hearing objections shall proceed to hear and pass upon all protests so made and its decision shall be final and conclusive, subject to the right of referendum of the people. The Board of Supervisors may adjourn the hearing from time to time.

For further particulars, reference is hereby made to Resolution No. 2011-147 adopted by the Board of Supervisors on the 12th day of July 2011, declaring its intention to grant the franchise and to proposed Ordinance No. 909, an urgency ordinance of the County of Riverside granting to Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, and their lawful successors and assigns, in whole or in part, a franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County, both of which are on file in the office of the Clerk of the Board.

Any person affected by the above matter(s) may submit written comments to the Clerk of the Board before the public hearing or may appear and be heard in support of or opposition to the project at the time of the hearing. If you challenge the above item(s) in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence, to the Board of Supervisors at, or prior to, the public hearing.

Please send all written correspondence to: Clerk of the Board, 4080 Lemon Street, 1st Floor, Post Office Box 1147, Riverside, CA 92502-1147.

Dated: July 21, 2011
Kecia Harper-Ihem, Clerk of the Board
By: Cecilia Gil, Board Assistant

Published: 7/24/11



Legal Advertising Invoice

THE PRESS-ENTERPRISE PE.com

THE BUSINESS PRESS Socal

LA PRENSA WEEKLY



① BILLING PERIOD

07/26/11 - 07/26/11

② ADVERTISING/CLIENT NAME

BOARD OF SUPERVISORS

⑤ BILLING DATE

07/26/11

FOR BILLING INFORMATION CALL

(951) 368-9713

④ PAGE NO

1

③ TOTAL AMOUNT DUE

271.70

⑦ * UNAPPLIED AMOUNT

⑧ TERMS OF PAYMENT

Due Upon Receipt

⑨ REMITTANCE ADDRESS

POST OFFICE BOX 12009
RIVERSIDE, CA 92502-2209

⑩ BILLED ACCOUNT NAME AND ADDRESS

BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE
P.O. BOX 1147
RIVERSIDE CA 92502

⑪ BILLED ACCOUNT NUMBER | REP NO

045202

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Statement #: 56605031 Amount Paid \$ _____ Your Check # _____

PLEASE DETACH AND RETURN UPPER PORTION WITH YOUR REMITTANCE

⑩ DATE	⑪ REFERENCE	⑫ ⑬ ⑭ DESCRIPTION-OTHER COMMENTS/CHARGES	⑮ SAU SIZE ⑯ BILLED UNITS	⑰ RATE	⑱ GROSS AMOUNT	⑳ NET AMOUNT
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RECEIVED RIVERSIDE COUNTY
CLERK / BOARD OF SUPERVISORS
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②① *CURRENT NET AMOUNT DUE	②② 30 DAYS	60 DAYS	OVER 90 DAYS	* UNAPPLIED AMOUNT	②③ PLEASE PAY THIS AMOUNT
					271.70



P.O. BOX 12009
RIVERSIDE, CA 92502-2209
FAX (951) 368-9026

ADVERTISING STATEMENT/INVOICE

* UNAPPLIED AMOUNTS ARE INCLUDED IN TOTAL AMOUNT DUE



②④ STATEMENT NUMBER	②⑤ BILLING PERIOD	②⑥ BILLED ACCOUNT NUMBER	②⑦ ADVERTISER/CLIENT NUMBER	②⑧ ADVERTISER/CLIENT NAME
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THE PRESS-ENTERPRISE

3450 Fourteenth Street
Riverside CA 92501-3878
951-684-1200
951-368-9018 FAX

**PROOF OF PUBLICATION
(2010, 2015.5 C.C.P.)**

Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: PH Res. No. 2011-147

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper of general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673 and under date of August 25, 1995, Case Number 267864; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

07-26-11

I Certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: Jul. 26, 2011

At: Riverside, California



BOARD OF SUPERVISORS

P.O. BOX 1147
COUNTY OF RIVERSIDE
RIVERSIDE CA 92502

Ad #: 10738239

PO #:

Agency #: _____

Ad Copy:

NOTICE OF PUBLIC HEARING BEFORE THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE

RESOLUTION NO. 2011-147

NOTICE OF INTENTION TO GRANT FRANCHISE

NOTICE IS HEREBY GIVEN that Desert Sunlight 250, LLC, a Delaware Limited Liability Company, and Desert Sunlight 300, LLC, a Delaware Limited Liability Company, have requested that the Board of Supervisors of the County of Riverside grant them a franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County.

If granted, the franchise shall be for a period of 30 years. During the life of the franchise, Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, their lawful successors and assigns, in whole or in part (hereinafter referred to as "Grantee"), shall annually pay to the County Treasurer, in lawful money of the United States, the amount of six hundred thousand dollars and no cents (\$600,000.00).

Grantee shall make the initial payment at the close of Department of Energy loan financing for the Desert Sunlight Solar Farm Project ("Project") or at the close of other financing for the Project, if there is no Department of Energy loan financing. In no event, however, shall the initial payment be made later than September 1, 2012. Grantee shall make subsequent annual payments on February 1st of each year, which shall be increased by the same percentage as the increase in the Consumer Price Index. All Urban Consumers, (Los Angeles - Anaheim) for the twelve (12) month period ending four (4) months prior to February 1st. In no event, however, shall the Consumer Price Index Adjustment be less than 1 percent nor greater than 4 percent. In the event the payments specified herein are not made, the franchise shall be forfeited following the applicable cure period.

Grantee shall also deliver a letter of credit to the County, in an amount to be determined by the County, to secure the payment and proper allocation of sales and use taxes to the County.

NOTICE IS HEREBY FURTHER GIVEN that any person objecting to the granting of the franchise may appear before the Board of Supervisors and be heard thereon at the hour of 1:30 p.m. on Tuesday, the 16th day of August 2011 at the Board Chambers, First Floor, County Administrative Center, 4080 Lemon Street, Riverside, California.

NOTICE IS HEREBY FURTHER GIVEN that at any time not later than the hour set for the hearing of objections, any person interested may make written protest stating objections against the granting of the franchise; which protest must be signed by the protestant and be delivered to the Clerk of the Board of the County. The Board of Supervisors at the time set for hearing objections shall proceed to hear

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COUNTY OF RIVERSIDE

and pass upon all protests so made and its decision shall be final and conclusive, subject to the right of referendum of the people. The Board of Supervisors may adjourn the hearing from time to time.

For further particulars, reference is hereby made to Resolution No. 2011-147 adopted by the Board of Supervisors on the 12th day of July 2011, declaring its intention to grant the franchise and to proposed Ordinance No. 909, an urgency ordinance of the County of Riverside granting to Desert Sunlight 250, LLC, and Desert Sunlight 300, LLC, and their lawful successors and assigns, in whole or in part, a franchise to construct and use an electrical transmission line under, along, across, or upon the Kaiser Road rights-of-way in eastern Riverside County, both of which are on file in the office of the Clerk of the Board.

Any person affected by the above matter(s) may submit written comments to the Clerk of the Board before the public hearing or may appear and be heard in support of or opposition to the project at the time of the hearing. If you challenge the above item(s) in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence, to the Board of Supervisors at, or prior to, the public hearing.

Please send all written correspondence to: Clerk of the Board, 4080 Lemon Street, 1st Floor, Post Office Box 1147, Riverside, CA 92502-1147.

Dated: July 21, 2011
Kecia Harper-Ihem, Clerk of the Board
By: Cecilia Gil, Board Assistant 7/26

2011 JUL 21 PM 3:12

CLERK OF BOARD OF SUPERVISORS
REGARDING STAFF OF COUNTY

**DESERT SUNLIGHT 250, LLC
DESERT SUNLIGHT 300, LLC**

Each c/o NextEra Energy Resources
Vice President, Business Management West Region
700 Universe Boulevard
Juno Beach, FL 33408
Phone: 561-304-5109
Fax: 561-691-7309

October 6, 2011

VIA OVERNIGHT COURIER AND FACSIMILE

County of Riverside
Clerk of the Board of Supervisors
4080 Lemon Street, 1st Floor
Riverside, CA 92501
951-955-1060
Fax: 951-955-1071

Deputy County Counsel
Office of Riverside County Counsel
3960 Orange St., Ste. 500.
Riverside, CA 92501.
Telephone (951) 955-6300
Fax: (951) 955-6363

Attn: Tiffany N. North

RE: Notices to Riverside County (the "County") pursuant to Ordinance No. 909, an urgency ordinance granting a franchise to construct and use an electrical transmission line under, along across, or upon the Kaiser Road rights-of way in eastern Riverside County, in connection with that certain Desert Sunlight Solar Farm Project (the "Project"), as approved on August 16, 2011 (the "Franchise Agreement")

Ladies and Gentlemen:

Desert Sunlight 250, LLC, a Delaware limited liability company ("Desert Sunlight 250") and Desert Sunlight 300, LLC, a Delaware limited liability company ("Desert Sunlight 300") (Desert Sunlight 250 and Desert Sunlight 300 being collectively referred to as the "Grantee") are providing the notices set forth below in accordance with the Franchise Agreement.

Grantee hereby provides notice of the following:

1. Change of Notice Address for Grantee under Franchise Agreement (Section 15):

The address for Desert Sunlight 250 and for Desert Sunlight 300 under the Franchise Agreement for notices is hereby changed to the following:

Desert Sunlight 250, LLC and/or Desert Sunlight 300, LLC
c/o NextEra Energy Energy Resources
Attn: Vice President, Business Management West Region
700 Universe Boulevard
Juno Beach, FL 33408
Phone: 561-304-5109
Fax: 561-691-7309

The address for copies of notices to Grantee's counsel is hereby changed to the following:

NextEra Energy Resources, LLC
700 Universe Boulevard
Juno Beach, Florida 33408
Attention: Vice President and General Counsel
Telephone: (561) 691-7151
Facsimile: (561) 691-2988

2. Notice of Closing of Department of Energy Loan Financing (Section 4(a)):

Pursuant to Section 4(a) of the Franchise Agreement, Grantee hereby notifies County that the financing involving the Department of Energy as loan guarantor closed on September 29, 2011. Such financing consisted of a loan agreement made by Desert Sunlight 250 as borrower and a loan agreement made by Desert Sunlight 300 as borrower, both with Deutsche Bank Trust Company Americas, as the collateral agent for the lenders and secured parties thereto, all as more fully described below.

The Desert Sunlight 250 loan is more particularly described as follows: Desert Sunlight 250, together with Desert Sunlight Holdings, LLC, entered into that certain Master Agreement, dated September 29, 2011, with Deutsche Bank Trust Company Americas, as Master Administrative Agent, Collateral Agent, Intercreditor Agent, A-1 Administrative Agent, A-2 Administrative Agent, A-3 Administrative Agent and SPV Trustee, and with the U.S. Department of Energy (as guarantor), Citibank, N.A., as LC Facility Administrative Agent, the Lenders and LC Issuing Banks party thereto from time to time (as of the closing date, as set forth on Exhibit A hereto), Goldman Sachs Lending Partners LLC and Citigroup Global Markets Inc., as Joint Syndication Agents and the other Agents party thereto.

The Desert Sunlight 300 loan is more particularly described as follows: Desert Sunlight 300, together with Desert Sunlight Holdings, LLC, entered into that certain Master Agreement, dated September 29, 2011, with Deutsche Bank Trust Company Americas, as Master Administrative Agent, Collateral Agent, Intercreditor Agent, A-1 Administrative Agent, A-2 Administrative Agent, A-3 Administrative Agent and SPV Trustee, and with the U.S. Department of Energy (as

guarantor), Citibank, N.A., as LC Facility Administrative Agent, the Lenders and LC Issuing Banks party thereto from time to time (as of the closing date, as set forth on Exhibit A hereto), Goldman Sachs Lending Partners LLC and Citigroup Global Markets Inc., as Joint Syndication Agents and the other Agents party thereto.

Initial funding under both loans also occurred.

ACCORDINGLY, THE NAME AND ADDRESS OF THE COLLATERAL AGENT ACTING ON BEHALF OF THE LENDERS UNDER THE LOANS REFERENCED BELOW AND TO WHOM COMMUNICATIONS REGARDING THE LOAN SHOULD BE DIRECTED IS AS FOLLOWS:

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor,
MS NYC60-2710
New York, NY 10005

Attn: Project Finance, Project Desert Sunlight Reference Number S 70897

If you would like further information regarding these matters, please contact us.

3. Notice of Collateral Assignment (Section 10):

Pursuant to Section 10 of the Franchise Agreement, Grantee hereby certifies that, in connection with the loans referenced above, the interests of the Grantee in the Franchise Agreement have been collaterally assigned to Deutsche Bank Trust Company Americas, as the collateral agent for the lenders and secured parties referenced in this notice and on Exhibit A attached hereto, pursuant to those certain Deeds of Trust, attached hereto as Exhibit B.

Very truly yours,

DESERT SUNLIGHT 250, LLC,
a Delaware limited liability company

By: 

Name:

Its:

Gregory Schneck
Vice President

DESERT SUNLIGHT 300, LLC,
a Delaware limited liability company

By: 

Name:

Its:

Gregory Schneck
Vice President

Exhibit A
List of Lenders (including guarantor and agents)

U.S. DEPARTMENT OF ENERGY

United States Department of Energy
Loan Guarantee Program
1000 Independence Avenue, S.W.
Washington, DC 20585
Attention: Director, Portfolio Management
Email: lpo.portfolio@hq.doe.gov
Telephone: (202) 287-6738
Facsimile: (202) 287-5816

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Master Administrative Agent, Intercreditor Agent, Collateral Agent, Holdings Collateral Agent, A-1 Administrative Agent, A-2 Administrative Agent, A-3 Administrative Agent, SPV Trustee
Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor, MS NYC60-2710
New York, NY 10005
Attn: Administration Agency, Project Desert Sunlight
Fax: 646-961-3317

DEUTSCHE BANK TRUST COMPANY DELAWARE,

as Delaware Trustee
Deutsche Bank Trust Company Delaware
Trust & Securities Services
1011 Centre Road, Suite 200
Wilmington, DE 19805-1266
Attn: Susan Rodriguez
Fax 302-636-3333

and

Attn: Elizabeth B Ferry
Fax 302-636-3399
with copy to the Trust's address

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Depositary
Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor, MS NYC60-2710
New York, NY 10005
Attn: Project Finance, Project Desert Sunlight
Fax: 732-578-4636

CITIGROUP GLOBAL MARKETS INC.,

as Joint Syndication Agent

Citigroup Global Markets Inc.
390 Greenwich Street, 1st Floor
New York, New York 10013
Attention: Stewart J. Murray

With a copy to:

Citigroup Global Markets Inc.
388 Greenwich Street, 23rd Floor
New York, New York 10013
Attention: Asli Meco

GOLDMAN SACHS LENDING PARTNERS LLC,
as Joint Syndication Agent
Goldman Sachs Lending Partners LLC
30 Hudson Street, 38th Floor
Jersey City, NJ 07302
Attention: Rick Canonico
Telephone: (212) 902-1099
Fax: (646) 769-7700

CITIBANK, N.A.,
as LC Facility Administrative Agent
Citibank, N.A.
Myles Khoury
Agent
Global Loans
1615 Brett Road, OPS 3
New Castle, DE 19720
P: 302-323-3611
F: 212-994-0961
Email: Melik.khoury@citi.com

DESERT SUNLIGHT FUNDING TRUST I,
as A-1 Lender
Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor, MS NYC60-2710
New York, NY 10005
Attn: Project Finance, Project Desert Sunlight
Fax: 732-578-4636

DESERT SUNLIGHT FUNDING TRUST II,
as A-2 Lender
Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor, MS NYC60-2710
New York, NY 10005
Attn: Project Finance, Project Desert Sunlight
Fax: 732-578-4636

DESERT SUNLIGHT FUNDING TRUST III,

as A-3 Lender

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor, MS NYC60-2710
New York, NY 10005
Attn: Project Finance, Project Desert Sunlight
Fax: 732-578-4636

AIG

LEXINGTON INSURANCE COMPANY,

as A-1 Trust Interest Holder

Rose Marie De Hoyos
2929 Allen Parkway, Suite 36-01
Houston, Texas 77019
Email: rose.dehoyos@aig.com
With a copy to:
Email: jon.heiny@aig.com
and
rachel.lewis@aig.com

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA,

as A-1 Trust Interest Holder

Rose Marie De Hoyos
2929 Allen Parkway, Suite 36-01
Houston, Texas 77019
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and
rachel.lewis@aig.com

AMERICAN GENERAL LIFE INSURANCE COMPANY,

as A-1 Trust Interest Holder

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and
rachel.lewis@aig.com

THE UNITED STATES LIFE INSURANCE COMPANY IN THE CITY OF NEW YORK,

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and
rachel.lewis@aig.com

BABSON CAPITAL

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY,

as A-1 Trust Interest Holder
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Babson Capital Management LLC
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Telephone: 413-226-1059
Facsimile: 413-226-2059
E-mail: skatz@babsoncapital.com

C.M. LIFE INSURANCE COMPANY,

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MASSMUTUAL ASIA LIMITED,

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Springfield, MA 01115
Telephone: 413-226-1059
Facsimile: 413-226-2059
E-mail: skatz@babsoncapital.com

DELAWARE INV. (LINCOLN)

LINCOLN LIFE & ANNUITY COMPANY OF NEW YORK,

as A-1 Trust Interest Holder

The Bank of New York Mellon
Attn: Free Receive Dept.
Arnold Musella
One Wall Street, 3rd Floor
New York, NY 10286
Telephone: 212.635.1917

With a copy to

Karen Costa
The Bank of New York Mellon
Fax: (315) 414-5017

Kathy Bireley
Lincoln Financial Group
kathlyn.bireley@LFG.com

FIRST PENN-PACIFIC LIFE INSURANCE COMPANY,
as A-1 Trust Interest Holder
The Bank of New York Mellon
Attn: Free Receive Dept.
Arnold Musella
One Wall Street, 3rd Floor
New York, NY 10286
Telephone: 212.635.1917

With a copy to

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The Bank of New York Mellon
Fax: (315) 414-5017

Kathy Bireley
Lincoln Financial Group
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THE LINCOLN NATIONAL LIFE INSURANCE COMPANY,
as A-1 Trust Interest Holder
The Bank of New York Mellon
Attn: Free Receive Dept.
Arnold Musella
One Wall Street, 3rd Floor
New York, NY 10286
Telephone: 212.635.1917

With a copy to

Karen Costa
The Bank of New York Mellon
Fax: (315) 414-5017

Kathy Bireley
Lincoln Financial Group
kathlyn.bireley@LFG.com

HIMCO

HARTFORD FIRE INSURANCE COMPANY,
as A-1 Trust Interest Holder
JPMorgan Chase Bank, N.A.
4 Chase Metrotech Center, 3rd Floor
Brooklyn, NY 11245-0001
Attention: Physical Receive Department

HARTFORD LIFE INSURANCE COMPANY,
as A-1 Trust Interest Holder
JPMorgan Chase Bank, N.A.
4 Chase Metrotech Center, 3rd Floor
Brooklyn, NY 11245-0001
Attention: Physical Receive Department

HARTFORD LIFE AND ANNUITY INSURANCE COMPANY,
as A-1 Trust Interest Holder
JPMorgan Chase Bank, N.A.
4 Chase Metrotech Center, 3rd Floor
Brooklyn, NY 11245-0001
Attention: Physical Receive Department

JOHN HANCOCK

JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.) ,
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SUN LIFE

SUN LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK,

as A-1 Trust Interest Holder
Sun Capital Advisers LLC
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One Sun Life Executive Park
Wellesley Hills, MA 02481

SUN LIFE ASSURANCE COMPANY OF CANADA,

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Sun Capital Advisers LLC
Attn: Linda R. Guillette/SC1303
One Sun Life Executive Park
Wellesley Hills, MA 02481

GOLDMAN SACHS LENDING PARTNERS, LLC,

as A-2 Participant
Goldman Sachs Lending Partners LLC
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Attention: Asli Meco

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New York, New York 10013
Attention: Stuart J. Murray

Govco, LLC,
as Conduit Purchaser
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THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,

as A-2 Participant and A-3 Participant

Erik Codrington

The Bank of Tokyo-Mitsubishi UFJ

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KEYBANK NATIONAL ASSOCIATION,

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Paul Pace
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Tel: (216) 689-4446
Fax: (216) 689-4981

LC Issuing Banks/Lenders:

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mptak@bayernlbny.com
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LLOYDS TSB BANK PLC,
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SOCIÉTÉ GÉNÉRALE,
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SOVEREIGN BANK,
as LC Issuing Bank and LC Lender
Daniel S. Kostman

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dkostman@santander.us
Tel: 212-407-7816

**DZ BANK AG, DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT
AM MAIN, NEW YORK BRANCH,**

as LC Issuing Bank and LC Lender

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SUMITOMO MITSUI BANKING CORPORATION,

as LC Issuing Bank and LC Lender

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277 Park Avenue
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kblake@smbc-lf.com
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Fax: (212) 224-5222

UNICREDIT BANK AG - NEW YORK BRANCH,

as LC Issuing Bank and LC Lender

Gregory Hutton
150 East 42nd Street
New York, New York 10017
gregory.hutton@us.unicreditgroup.eu
Tel: (212) 672-5874

DNB NOR BANK ASA NY BRANCH,

as LC Issuing Bank and LC Lender

Mark Dennes
200 Park Avenue, 31st Floor
New York, NY 10167
Mark.Dennes@dnbnor.no
Tel: 212-681-3929
Fax: 212-681-3900

INTESA SANPAOLO S.P.A.,

as LC Issuing Bank and LC Lender

Eli Davis
One William Street

New York, NY 10004
eli.davis@intesasanpaolo.com
Tel: (212) 607-3594
Fax: (212) 422-6678

Exhibit B
Copies of Deeds of Trust

Exhibit B
Copies of Deeds of Trust

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Latham & Watkins LLP
600 West Broadway, Suite 1800
San Diego, CA 92101
Attention: James Mann, Esq.

THIS INSTRUMENT IS TO BE INDEXED AS BOTH A DEED OF TRUST AND A
FINANCING STATEMENT FILED AS A FIXTURE FILING.

DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES, RENTS AND PROFITS, AND FIXTURE FILING
(SHARED FACILITIES)

made by

DESERT SUNLIGHT 250, LLC,
a Delaware limited liability company,

as the Trustor,

to

FIRST AMERICAN TITLE INSURANCE COMPANY,

as the Trustee,

for the benefit of

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Collateral Agent for the benefit of the Secured Parties,

as the Beneficiary

Dated as of September __, 2011

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**DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES, RENTS AND PROFITS, AND FIXTURE FILING
(SHARED FACILITIES)**

THIS DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES, RENTS AND PROFITS, AND FIXTURE FILING (SHARED FACILITIES), dated as of September __, 2011 (as amended, modified, restated, substituted, replaced or otherwise supplemented from time to time, this "Deed of Trust"), made by DESERT SUNLIGHT 250, LLC, a Delaware limited liability company (the "Trustor"), having its principal place of business at [c/o NextEra Energy Resources, LLC, 700 Universe Boulevard, Juno Beach, Florida 33408-0428,] as the Trustor, to FIRST AMERICAN TITLE INSURANCE COMPANY (the "Trustee"), having its principal place of business at 5 First American Way, Santa Ana, California 92707, as the Trustee, for the benefit of DEUTSCHE BANK TRUST COMPANY AMERICAS, having an address at 60 Wall Street, 27th Floor, MS NYC60-2710, New York, NY 10005, Attn: Project Finance, Project Desert Sunlight, as Collateral Agent (together with any successor Beneficiary, in such capacity, the "Beneficiary") for the benefit of the Secured Parties (as defined in the Master Agreement referred to below).

All capitalized terms used herein but not otherwise defined herein shall have the same meanings ascribed to such terms in the Master Agreement (as defined below).

WITNESSETH:

WHEREAS, the Trustor will develop and operate a solar generation facility located in the State of California (the "Facilities");

WHEREAS, the Trustor was formed for the purpose of owning and developing the Facilities and desires to consummate the transactions contemplated by that certain Master Agreement, dated as of the date hereof (as amended, restated, replaced, substituted, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "Master Agreement"), among the Trustor, as the Borrower; the Beneficiary, as the Collateral Agent and the Master Administrative Agent; U.S. Department of Energy; Desert Sunlight Holdings, LLC; the financial institutions party thereto as the Lenders; Deutsche Bank Trust Company Americas, as Intercreditor Agent; Deutsche Bank Trust Company Americas, as A-1 Administrative Agent; Deutsche Bank Trust Company Americas, as A-2 Administrative Agent; Deutsche Bank Trust Company Americas, as A-3 Administrative Agent; Citibank, N.A., as LC Facility Administrative Agent; Deutsche Bank Trust Company Americas, as the SPV Trustee; Goldman Sachs Lending Partners LLC, as Joint Syndication Agent; Citigroup Global Markets Inc., as Joint Syndication Agent; and the LC Issuing Banks party thereto,

WHEREAS, the Trustor is the owner of valid right-of-way, easement or other interests in and to the Mortgaged Property (as hereinafter defined);

WHEREAS, pursuant to the Master Agreement, the Beneficiary has the authority to act on behalf of the Secured Parties with respect to the Collateral, including, without limitation, the Mortgaged Property described in this Deed of Trust;

WHEREAS, the Lenders are making the Loans in reliance on this Deed of Trust, and it is a condition precedent to the making of the Loans by the Lenders under the Master Agreement that the Trustor execute and deliver this Deed of Trust; and

WHEREAS, the Trustor will obtain substantial benefits as a result of the transactions contemplated by the Master Agreement, and, accordingly, the Trustor desires to execute this Deed of Trust in order to satisfy the condition precedent described in the preceding paragraph.

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to the Trustor, the receipt and sufficiency of which are hereby acknowledged, the Trustor hereby covenants and agrees with the Beneficiary, for the benefit of the Secured Parties, as follows:

Granting Clauses

IN ORDER TO SECURE THE FULL AND PROMPT PAYMENT AND PERFORMANCE OF THE OBLIGATIONS (AS DEFINED IN THE MASTER AGREEMENT) (BUT EXPRESSLY EXCLUDING THE OBLIGATIONS UNDER THAT CERTAIN ENVIRONMENTAL INDEMNITY AGREEMENT, DATED AS OF THE DATE HEREOF, BY THE TRUSTOR FOR THE BENEFIT OF THE BENEFICIARY (WHICH IS NOT A FINANCING DOCUMENT)), THE TRUSTOR INTENDING TO BE LEGALLY BOUND, IRREVOCABLY GRANTS, TRANSFERS BARGAINS, SELLS, CONVEYS, WARRANTS, MORTGAGES, PLEDGES, SETS OVER AND ASSIGNS UNTO THE TRUSTEE, AND GRANTS THE TRUSTEE A LIEN UPON AND A SECURITY INTEREST IN, AND HEREBY MORTGAGES AND WARRANTS, GRANTS, ASSIGNS, TRANSFERS AND SETS OVER TO THE TRUSTEE, FOR THE USE AND BENEFIT OF THE BENEFICIARY, WITH POWER OF SALE (SUBJECT TO ANY APPLICABLE LAW) AND RIGHT OF ENTRY AND POSSESSION, ALL OF THE TRUSTOR'S ESTATE, RIGHT, TITLE AND INTEREST, WHETHER NOW OWNED OR HEREAFTER ACQUIRED, WHETHER AS GRANTOR OR GRANTEE OR AS BENEFICIAL OWNER OF EASEMENT RIGHTS AND WHETHER VESTED OR CONTINGENT, IN AND TO ALL OF THE FOLLOWING:

A. The right-of-way, easement and other interests (including all present and future options of any kind, rights of first refusal, privileges and other benefits) granted to the Trustor under the right-of-way, easement and other agreements (together with any amendments, modifications, extensions, renewals or substitutions, collectively, the "Agreements", each an "Agreement"), in each case as described on Exhibit A attached hereto and covering the lands described in Exhibit B attached hereto (the "Land"), together with all rights, privileges, franchises and powers related thereto which are appurtenant to said Land and Agreements or the Trustor's interest therein, including all minerals, oil and gas and other hydrocarbon substances thereon or therein; waters, water courses, water stock, water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant), sewer rights, shrubs, crops, trees, timber and other emblements now or hereafter on, under or above the same or any part or parcel thereof;

B. All buildings, structures, tenant improvements and other improvements of every kind and description now or hereafter located in or on the Land, including, but not limited to, all structures, improvements, footings, foundation pads, towers, turbines, substations, transmission and collection lines, interconnection facilities, rail spurs, dams, reservoirs, water, wells, sanitary and storm sewers, drainage, pipelines, electricity, steam, gas, telephone and other utility facilities, solar panels, photovoltaic modules, solar electrical generating facilities, generators, buildings, sheds, substations, transformers, capacitors, circuit breakers, bases, racks, support structures, poles, control systems, wires, meteorological systems, communication systems, safety protection equipment, metering equipment, utility installations, parking areas, roads, driveways, walks and other site improvements of every kind and description now or hereafter erected or placed on the Land, together with all additions thereto and all renewals, alterations, substitutions and replacements thereof (collectively, the "Improvements");

C. All inventory, raw materials, work in process and other materials used or consumed in the construction, operation or maintenance of the Improvements or Equipment (as defined below), or now or hereafter located on or within, or used in connection with, the Land, the Improvements, the Equipment, or any other property or rights comprising the Mortgaged Property (the "Tangible Collateral");

D. All fixtures, attachments, appliances, equipment, machinery, building materials and supplies, and other tangible personal property, now or hereafter attached to said Improvements or now or at any time hereafter located on the Land and/or Improvements, including, but not limited to, furnaces, boilers, oil burners, piping, plumbing, refrigeration, air conditioning, lighting, ventilation, disposal and sprinkler systems, elevators, motors, dynamos, cabling, underground and overhead interconnections, and all other equipment and machinery, appliances, fittings and fixtures of every kind located in or used in the operation of the Improvements located on the Land, together with all additions thereto and all renewals, alterations, substitutions and replacements thereof (the above items together with the Tangible Collateral, hereinafter sometimes collectively referred to as the "Equipment");

E. All rights, powers, privileges and other benefits of Trustor currently existing or hereafter obtained by Trustor from any Governmental Authority, including, without limitation, Permits issued in the name of Trustor and governmental actions relating to (A) the ownership, operation, management and use of the Land, Improvements or Equipment, (B) the development and financing of the Project, the Improvements and the Equipment, and (C) any improvements, modifications or additions thereto;

F. All surface rights, appurtenant rights and easements, rights of way, and other rights appurtenant to the use and enjoyment of, or used in connection, with the Land and/or the Improvements;

G. All streets, roads and public places (whether open or proposed) now or hereafter adjoining or otherwise providing access to the Land, the land lying in the bed of such streets, roads and public places, and all other sidewalks, alleys, ways, passages, vaults, water courses, strips and gores of land now or hereafter adjoining or used or intended to be used in connection with all or any part of the Land and/or the Improvements;

H. Any existing or future leases, subleases, occupancy agreements, licenses, rental contracts, lease guaranties and any other agreements relating to the use and occupancy of the Land and/or the Improvements or any portion thereof, including, but not limited to, any use or occupancy arrangements created pursuant to Section 365(h) of Title 11 of the United States Code (the "Bankruptcy Code") or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or occupant of any portion of the Land and/or the Improvements (collectively, "Leases");

I. All remainders, revenues, rents, receipts, reimbursements, reversions, income, royalties, proceeds, accounts receivable, issues and profits of the Mortgaged Property (as defined below) (collectively, "Rents");

J. All general intangibles, permits, licenses, franchises, contracts, power purchase agreements, agreements, and rights relating to the use, occupation and operation of the Land, the Improvements, the Equipment and/or other property or rights comprising the Mortgaged Property or any business conducted thereon or therein;

K. All real estate tax refunds now or hereafter payable to the Trustor with respect to the Land, the Improvements, the Equipment and/or other property or rights comprising the Mortgaged Property, and refunds, credits or reimbursements payable with respect to bonds, escrow accounts or other sums payable in connection with the use, development, or ownership of the Land, the Improvements, the Equipment and/or the other property or rights comprising the Mortgaged Property;

L. Any claims or demands with respect to any proceeds of insurance in effect with respect to the Land, the Improvements, the Equipment and/or other property or rights comprising the Mortgaged Property, including interest thereon, and any and all awards made for the taking by eminent domain, condemnation or by any proceedings, transfer or purchase in lieu or in anticipation of the exercise of said rights, or for a change of grade, or for any other injury to or decrease in the value of, the whole or any part of the Mortgaged Property;

M. Any zoning lot agreements, air rights and development rights, together with any additional air rights or development rights; and

N. All proceeds and products of the conversion, voluntary or involuntary, including, but not limited to, those from sale, exchange, transfer, collection, loss, damage, disposition, substitution or replacement, of any of the foregoing, whether into cash, liquidated claims or otherwise; and

O. All After Acquired Property Interests (as defined in Section 1.04);

All of the Trustor's right, title and interest in and to the foregoing estates, rights, properties and interests hereby conveyed to the Trustee are sometimes referred to collectively herein as the "Mortgaged Property";

TO HAVE AND TO HOLD THE MORTGAGED PROPERTY AND THE RIGHTS AND PRIVILEGES HEREBY GRANTED UNTO THE TRUSTEE, ITS SUCCESSORS AND ASSIGNS FOREVER, and the Trustor hereby covenants and agrees, on behalf of itself and its successors and assigns, to warrant and defend the Mortgaged Property unto the Trustee, its successors and assigns against the claims of all Persons and parties whatsoever (other than in respect to Permitted Liens).

ARTICLE I

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE TRUSTOR

1.01. Title to the Mortgaged Property. The Trustor represents and warrants that: (a) it has a legal, valid and subsisting leasehold, easement, right of way, and/or other possessory interest in and to the Land, in each case, free and clear of any Liens, other than the Permitted Liens related thereto, and is lawfully possessed of the Land, subject to the terms and conditions of the Agreements; (b) this Deed of Trust is a valid first priority Lien upon the Mortgaged Property (subject only to Permitted Liens which (i) exist on the date hereof or (ii) arise hereafter and have priority over the Lien of this Deed of Trust by operation of applicable law); (c) it has full power and authority to encumber the Mortgaged Property in the manner set forth herein, subject to the Permitted Liens; and (d) there are no defenses or offsets to this Deed of Trust or to the Obligations which it secures. The Trustor shall preserve such title and the validity and priority of this Deed of Trust and shall forever warrant and defend the same to the Trustee and the Beneficiary and their respective successors and assigns against the claims of all Persons and parties whatsoever (other than in respect of Permitted Liens). The Trustor shall take no action nor shall it fail to take any action which could result in an impairment of the Lien of this Deed of Trust or which could form the basis for any Person(s) to claim an interest in the Mortgaged Property (including, without limitation, any claim for adverse use or possession or any implied dedication or easement by prescription) other than Permitted Liens related thereto. If any Lien (other than a Permitted Lien related to the Mortgaged Property) is asserted against the Mortgaged Property, the Trustor shall promptly, at its expense: (i) provide the Trustee and the Beneficiary with written notice of such Lien (if such notice is required by the terms of the Master Agreement), including information relating to the amount of the Lien asserted; and (ii) pay such Lien in full or take such other action to cause such Lien to be released as an encumbrance against the Mortgaged Property (including bonding over such lien in a manner which will prevent any danger of the sale, forfeiture or loss of all or any material portion of such Mortgaged Property, title thereto or any material interest therein or any interference with the use or disposition of such Mortgaged Property). From and after the occurrence and during the continuation of an Event of Default, the Trustee or the Beneficiary may, but shall not be obligated, to pay any such asserted Lien if not timely paid by the Trustor. Any such amounts paid by Trustee or Beneficiary shall be payable upon demand from the Trustor to the Trustee or Beneficiary and shall bear interest from the date of expenditure at the lesser of the Default Rate or the highest rate applicable by law.

1.02. Preservation of Property. The Trustor agrees to pay for any and all reasonable fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Trustee's Liens on, and security interest in, and the

Beneficiary's interest in, the Mortgaged Property, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices (including stamp and recording taxes or other taxes imposed on the Trustee or the Beneficiary by virtue of their interest in this Deed of Trust, if any), which are imposed upon the recording of this Deed of Trust or thereafter, all reasonable attorneys' fees, payment or discharge of any taxes or Liens upon or in respect of the Mortgaged Property (other than Permitted Liens), premiums for insurance required by the Financing Documents to be maintained by the Trustor with respect to the Mortgaged Property, and all other reasonable fees, costs and expenses in connection with protecting, maintaining or preserving the Mortgaged Property and the Trustee's and the Beneficiary's interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Mortgaged Property or the construction, operation or maintenance of the Facilities.

1.03. Inspections. The Trustor hereby authorizes the Trustee, the Beneficiary, their respective agents, employees and representatives, to visit and inspect the Mortgaged Property or any part thereof, as provided in the Master Agreement.

1.04. After Acquired Property Interests. All right, title and interest of the Trustor in and to all improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Property, hereafter acquired by, or released to, the Trustor or constructed, assembled or placed by, or for the benefit of, the Trustor on the Land, and all conversions of the security constituted thereby (collectively, "After Acquired Property Interests"), immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by the Trustor, shall become subject to the Lien of this Deed of Trust as fully and completely, and with the same effect, as though owned by the Trustor on the date hereof and specifically described in the granting clauses hereof. The Trustor shall execute and deliver to the Trustee and the Beneficiary all such other assurances, mortgages, conveyances or assignments thereof as the Trustee or the Beneficiary may reasonably require for the purpose of expressly and specifically subjecting such After Acquired Property Interests to the Lien of this Deed of Trust. The Trustor hereby irrevocably authorizes and appoints the Beneficiary as the agent and attorney-in-fact of the Trustor to, following the occurrence and during the continuance of an Event of Default, execute all such documents and instruments on behalf of the Trustor, which appointment shall be irrevocable and coupled with an interest.

ARTICLE II

SECURITY AGREEMENT

2.01. Grant of Security: Incorporation by Reference. This Deed of Trust shall constitute a security agreement covering that portion of the Mortgaged Property that constitutes personal property or fixtures governed by the California Uniform Commercial Code, and the Trustor hereby grants to the Beneficiary a security interest in and to all of the Trustor's right, title and interest in and to the following property, whether now owned or hereafter acquired (collectively, the "Secured Property"), for the benefit of the Beneficiary to further secure the payment and performance of the Obligations:

(a) Those parts of the Mortgaged Property (i) classified as personal property (including without limitation (A) fixtures to the extent they are personal property and (B) personal property and fixtures that are leased by the Trustor) and (ii) otherwise constituting fixtures in which a security interest may be created under Article 9 of the California Uniform Commercial Code;

(b) All general intangibles, contract rights, accounts and proceeds arising from all insurance policies required by the Financing Documents to be maintained by the Trustor and related to the Mortgaged Property hereunder;

(c) All proceeds of any judgment, award or settlement in any condemnation in connection with the Mortgaged Property, together with all general intangibles, contract rights and accounts arising therefrom;

(d) All permits, consents and other governmental approvals held by the Trustor in connection with the construction of the Improvements and Equipment or the operation of the Mortgaged Property; provided that any permit, consent or other governmental approval which by its terms or by operation of law is not assignable or would become void, voidable, terminable or revocable if pledged or assigned hereunder is expressly excluded to the extent necessary so as to avoid such violation of applicable law or voidness, avoidability, terminability or revocability;

(e) All plans and specifications, studies, tests and design materials relating to the design, construction, repair, alteration or leasing of the Mortgaged Property;

(f) All rights and interests of the Trustor in and under any and all service agreements, maintenance agreements, warranty agreements, and other contracts and agreements relating to or required for the construction, operation, maintenance, and repair of the Mortgaged Property;

(g) All cash and non-cash proceeds of the above-mentioned items; and

(h) All other Collateral (as defined in the Security Agreement).

The provisions contained in the Security Agreement to which the Trustor is a party are hereby incorporated by reference into this Deed of Trust with the same effect as if set forth in full herein. In the event of a conflict between the provisions of this Deed of Trust and such Security Agreement with respect to the Secured Property, such Security Agreement shall control and govern and the Trustor shall comply therewith.

2.02. Fixture Filing. This Deed of Trust constitutes a fixture filing. For purposes of this Section 2.02, this Deed of Trust is to be filed and recorded against the Land in, among other places, the real estate records of the County in which the Land is located and the following information is included: (1) the Trustor shall be deemed the "Debtor" with the address set forth for the Trustor in the preamble of this Deed of Trust which the Trustor certifies is accurate; (2) the Beneficiary shall be deemed to be the "Secured Party" with the address set forth for the Beneficiary in the preamble of this Deed of Trust and shall have all of the rights of a secured party under the Code; (3) this Deed of Trust covers goods which are or are to become fixtures;

(4) the Delaware organizational identification number of the Debtor is 4686496 and the federal tax identification number of the Debtor is 27-0196542; (5) the Debtor is a limited liability company, organized under the laws of the State of Delaware; and (6) the legal name of the Debtor is Desert Sunlight 250, LLC. The Debtor hereby authorizes the Beneficiary to file any financing statements (including any which the Beneficiary decides should be filed with the Secretary of State of the State in which the Land is located) and terminations thereof or amendments or modifications thereto consistent herewith without the signature of the Debtor where permitted by law.

ARTICLE III

ASSIGNMENT OF LEASES, RENTS AND PROFITS

3.01. Assignment. For the purpose of securing the Obligations, the Trustor hereby absolutely, irrevocably and unconditionally sells, assigns, transfers and conveys to the Beneficiary all of the Trustor's right, title and interest in and to all current and future Leases and Rents, including those now due, past due, or to become due by virtue of any Lease or other agreement for the occupancy or use of all or any part of the Mortgaged Property, to be effective to create a present security interest under California Civil Code Section 2938 in all current and future Leases and Rents. The Trustor intends that this assignment constitute a present and absolute assignment and not an assignment for additional security only. This assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Such assignment to the Beneficiary shall not be construed to bind the Beneficiary to the performance of any of the covenants, conditions or provisions contained in any Lease or otherwise impose any obligation upon the Beneficiary. Except as expressly permitted by the Master Agreement or the other Financing Documents, the Trustor covenants that it will not hereafter collect or accept payment of any Rents more than one month prior to the due dates of such Rents and that no Rents will be waived, released, reduced, discounted or otherwise discharged or compromised by the Trustor, except as may be previously approved in writing by the Beneficiary (such approval not to be unreasonably withheld, conditioned or delayed). The Trustor agrees that it will not assign any of the Leases or Rents to any other Person except as expressly permitted by the Master Agreement or the other Financing Documents. The Beneficiary shall have no liability for any loss which may arise from a failure or inability to collect any Rents. The Trustor shall maintain all security deposits in accordance with applicable law.

3.02. Rents.

(a) Prior to the occurrence of an Event of Default, all Rents shall be collected, deposited and disbursed pursuant to the Depositary Agreement. Upon the occurrence and during the continuance of an Event of Default, without the need for notice or demand, the Trustor grants to the Beneficiary, the right to exercise all the rights granted in Section 4.02(a) hereof. Nothing herein contained shall be construed as constituting the Beneficiary a receiver in possession in the absence of the taking of actual possession of the Mortgaged Property by the Beneficiary pursuant to such Section 4.02(a).

(b) From and after the occurrence and during the continuance of an Event of Default, the Trustor may, at the Beneficiary's direction, be the agent for the Beneficiary

in collection of the Rents and all of the Rents so collected by the Trustor shall be held in trust by the Trustor for the sole and exclusive benefit of the Beneficiary and the Trustor shall, within ten (10) business days after receipt of any Rents, pay the same to the Beneficiary to be applied by the Beneficiary as provided herein. Upon the occurrence and during the continuance of an Event of Default, all Rents collected shall be remitted to the Depository for application to the appropriate account in accordance with the Depository Agreement. Neither demand for nor collection of Rents by the Beneficiary shall constitute any assumption by the Beneficiary of any obligations under any Lease or agreement relating thereto.

(c) Upon the occurrence and during the continuance of an Event of Default, any funds expended by the Beneficiary to take control of and manage the Mortgaged Property and collect the Rents shall become part of the Obligations secured hereby. Such amounts shall be payable upon demand from the Trustor to the Beneficiary and shall bear interest from the date of expenditure at the lesser of the Default Rate or the highest rate applicable by law.

3.03. Sale of Mortgaged Property.

(a) Upon any sale of any of the Mortgaged Property by or for the benefit of the Beneficiary pursuant to this Deed of Trust, the Rents attributable to the part of the Mortgaged Property so sold shall be included in such sale and shall pass to the purchaser free and clear of any rights granted herein to the Trustor.

(b) The Trustor acknowledges and agrees that, to the extent provided by or allowed by applicable law, immediately upon recordation of this Deed of Trust, the Beneficiary's interest in the Rents shall be deemed to be fully perfected, absolute, "choate" and enforceable against the Trustor and all third parties, including, without limitation, any debtor in possession or trustee in any case under the Bankruptcy Code, without the necessity of (i) commencing a foreclosure action with respect to this Deed of Trust, (ii) furnishing notice to the Trustor or tenants under the Leases, (iii) making formal demand for the Rents, (iv) taking possession of the Mortgaged Property as a lender-in-possession, (v) obtaining the appointment of a receiver of the Rents, (vi) sequestering or impounding the Rents, or (vii) taking any other affirmative action.

3.04. Bankruptcy Provisions. Without limiting the provisions of this Article III or the absolute nature of the assignment of the Rents hereunder, the Trustor and the Beneficiary agree that, to the extent that the assignment of the Rents hereunder is deemed to be other than an absolute assignment, (a) this Deed of Trust shall constitute a "security agreement" for purposes of Section 552(b) of the Bankruptcy Code; (b) the security interest created by this Deed of Trust extends to property of the Trustor acquired before the commencement of a bankruptcy case and to all amounts paid as Rents; and (c) such security interest shall extend to all Rents acquired by the estate after the commencement of any bankruptcy case. Without limiting the absolute nature of the assignment of the Rents hereunder, to the extent the Trustor (or the Trustor's bankruptcy estate) shall be deemed to hold any interest in the Rents after the commencement of a voluntary or involuntary bankruptcy case, the Trustor hereby acknowledges and agrees that, to the extent

provided by or allowed by applicable law, such Rents are and shall be deemed to be "cash collateral" under Section 363 of the Bankruptcy Code.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

4.01. Events of Default. The occurrence of an Event of Default under, and as defined in, the Master Agreement shall constitute an event of default (each an "Event of Default") hereunder.

4.02. Remedies Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Beneficiary may either itself or by or through the Trustee or one or more agents, nominees, assignees or otherwise, to the fullest extent permitted by law, exercise any or all of the following rights and remedies individually, collectively or cumulatively:

(a) either in person or by its agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, (i) enter upon and take possession of the Mortgaged Property or any part thereof and of all books, records and accounts relating thereto or located thereon, in its own name or in the name of the Trustor, and do or cause to be done any acts which it reasonably deems necessary to preserve the value of the Mortgaged Property or any part thereof or interest therein, increase the income therefrom or protect the security hereof, (ii) with or without taking possession of the Mortgaged Property make such repairs, alterations, additions and improvements as the Beneficiary reasonably deems necessary and do any and all acts and perform any and all work which the Beneficiary reasonably deems necessary to complete any unfinished construction on the Mortgaged Property, (iii) make, cancel or modify Leases and sue for or otherwise collect the Rents thereof, including those past due and unpaid, (iv) make any payment or perform any act which the Trustor has failed to make or perform hereunder, (v) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary, (vi) pay, purchase, contest or compromise any encumbrance, charge or Lien on the Mortgaged Property (other than Permitted Liens), (vii) take such other actions as the Beneficiary reasonably deems necessary, and (viii) collect the Rents as provided under California Civil Code Section §2938;

(b) commence and maintain one or more actions at law or in equity or by any other appropriate remedy (i) to protect and enforce the rights of the Trustee or the Beneficiary hereunder, including for the specific performance of any covenant or agreement herein contained (which covenants and agreements the Trustor agrees shall be specifically enforceable by injunctive or other appropriate equitable remedy), (ii) to collect any sum then due hereunder, (iii) to aid in the execution of any power herein granted, or (iv) to foreclose this Deed of Trust in accordance with Section 4.03 hereof;

(c) exercise any or all of the remedies available to a secured party under the NY UCC (as defined below) or the California Uniform Commercial Code (collectively, the "Code");

(d) without formal demand, presentment, notice of intention to accelerate or of acceleration, protest or notice of protest, all of which are hereby waived by the Trustor, declare all of the Obligations immediately due and payable, and upon such declaration all of such Obligations shall become and be immediately due and payable, anything in this Deed of Trust or the other Financing Documents to the contrary notwithstanding; and

(e) take such other action and exercise any other right or remedy available at law or in equity for the enforcement of this Deed of Trust or any of the Financing Documents as the law may allow.

4.03. Right of Foreclosure.

(a) Upon the occurrence and during the continuance of an Event of Default, the Beneficiary may either itself or by or through the Trustee or one or more agents, nominees, assignees or otherwise, to the maximum extent permitted by law:

(i) proceed at law or in equity to foreclose this Deed of Trust with respect to the Mortgaged Property, either by judicial action or by power of sale. If the Mortgaged Property consists of several lots, parcels or items of Mortgaged Property, the Beneficiary may, in its sole discretion: (i) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (ii) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner the Beneficiary may elect. Should the Beneficiary desire that more than one sale or other disposition of the Mortgaged Property be conducted, the Beneficiary may, at its option, cause the same to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as the Beneficiary may elect, and no such sale shall terminate or otherwise affect the lien of this Deed of Trust on any part of the Mortgaged Property not sold until all Obligations have been fully paid in cash and performed. The Beneficiary may, to the extent permitted by law, adjourn from time to time any sale by it to be made under or by virtue of this Deed of Trust by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, to the extent permitted by law, the Beneficiary may make such sale at the time and place to which the same shall be so adjourned. Upon the occurrence and during the continuance of an Event of Default, with respect to all components of the Mortgaged Property, each of the Beneficiary and the Trustee are hereby appointed the true and lawful attorney-in-fact of the Trustor (which appointment is irrevocable and coupled with an interest), in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property, and for that purpose each of the Beneficiary and the Trustee may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with such power, the Trustor hereby ratifying and confirming all that its said attorney-in-fact or such substitute or substitutes shall lawfully do by virtue hereof. Notwithstanding the foregoing, the Trustor, if so requested by the Beneficiary or the Trustee, shall ratify and confirm any such sale or sales by executing and delivering to the Beneficiary or the Trustee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Beneficiary or the Trustee, for such purpose, and as may be designated in such request. To the extent permitted by law, any such sale or sales made under or by virtue of this Article IV shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Trustor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against the

Trustor and against any and all persons claiming or who may claim the same, or any part thereof, from, through or under the Trustor. Upon any sale made under or by virtue of this Article IV, the Beneficiary may, to the extent permitted by law, bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations secured hereby the net sale price after deducting therefrom the expenses of the sale and the cost of the action and any other sums which the Beneficiary is authorized to deduct by law or under this Deed of Trust; and

(ii) deliver to the Trustee a written affidavit or declaration of default and demand for sale, executed by the Beneficiary, together with a written notice of default and election to sell the Mortgaged Property, directing the Trustee to foreclose this Deed of Trust by action or advertisement, with power being expressly granted to sell the Mortgaged Property at public auction and convey the same to the purchaser and, out of the proceeds arising from such sale, to pay all Obligations secured hereby with interest, and all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law, which costs, charges and fees the Trustor agrees to pay. On receipt by the Trustee of such affidavit or declaration of default and such notice of default and election to sell, the Trustee shall accept such election to sell as true and conclusive of all facts and statements in such affidavit or declaration of default and shall cause such notice of default and election to sell to be recorded as required by applicable law. On the expiration of such period as may then be required by applicable law following recordation of such notice of default, and after notice of sale has been given in the manner and for the period required by applicable law, the Trustee, without demand on the Trustor, shall sell the Mortgaged Property at the time and place fixed in such notice of sale, either in whole or in separate parcels and in such order as the Trustee may determine or the Beneficiary may direct (the Trustor waives any right it may have under applicable law to direct the order of sale), at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale; provided, however, that the Beneficiary may offset its bid at such sale to the extent of the full amount owed to the Beneficiary by the Trustor under the Financing Documents, including, without limitation, the Trustee's fees, the Beneficiary's fees, expenses of sale, and costs, expenses, and attorney fees incurred by or on behalf of the Beneficiary in connection with collecting, litigating, or otherwise enforcing any right under the Financing Documents. The Trustee may postpone the sale of all or any portion of the Mortgaged Property by public announcement made at the initial time and place of sale, and from time to time later by public announcement made at the time and place of sale fixed by the preceding postponement. The Trustee shall deliver to the purchaser at such public auction its deed conveying the Mortgaged Property sold, but without any covenant or warranty, express or implied. The recital in such deed of any matter of fact concerning notices shall be conclusive proof of its truthfulness. Any person, including the Trustor, the Trustee, or the Beneficiary, may purchase at such sale.

(iii) enforce its rights under the Code and take possession of the Secured Property which is subject to this Deed of Trust and dispose of the same by sale or otherwise in one or more parcels as provided for by the Code, as hereafter amended, or by any similar or replacement statute hereafter enacted.

The Trustor understands that under the Constitution of the United States and the Constitution and statutes of the State of California it may have the right to notice and hearing before the Mortgaged Property may be sold and that the procedure for foreclosure by advertisement

described above does not insure that notice will be given and neither said procedure for foreclosure by advertisement nor the Code requires any hearing or other judicial proceeding.

(b) The Beneficiary shall have the right to proceed as to the Secured Property in accordance with the Beneficiary's rights and remedies in respect to real property or sell the Secured Property separately and without regard to the remainder of the Mortgaged Property in accordance with the Beneficiary's rights and remedies provided by the Code as well as other rights and remedies available at law or in equity.

(c) The Mortgaged Property, real, personal or mixed, may be sold as an entirety or in parcels, by one sale or by several sales held at one time or at different times, all as the Beneficiary, in its unrestricted discretion, or the Trustee (acting pursuant to the direction of the Beneficiary) may elect. The Trustor, for and on behalf of itself and all persons claiming by, though or under the Trustor, waives any and all right to have the Mortgaged Property marshaled upon any foreclosure sale and agrees that, upon foreclosure, the Mortgaged Property may be sold as an entirety or in parcels, all as the Beneficiary, in its unrestricted discretion, or the Trustee (acting pursuant to the direction of the Beneficiary) may elect.

(d) Intentionally Omitted.

(e) The Beneficiary at its option, or the Trustee (acting pursuant to the direction of the Beneficiary), may subordinate the Lien of this Deed of Trust to any or all of the Leases and, in such event, any foreclosure of this Deed of Trust and any other transfer of all or any part of the Mortgaged Property in extinguishment of all or any part of the Obligations may be subject to any or all Leases of all or any part of the Mortgaged Property and the rights of tenants under such Leases. No failure to make any such tenant a defendant in any foreclosure proceedings or to foreclose or otherwise terminate any such Lease and the rights of any such tenant in connection with any such foreclosure or transfer shall be, or be asserted to be, a defense or hindrance to any such foreclosure or transfer or to any proceedings seeking collection of all or any part of the Obligations (including, without limitation, any deficiency remaining unpaid after completion of any such foreclosure or transfer).

(f) If the Trustor retains possession of the Mortgaged Property or any part thereof subsequent to a foreclosure sale beyond the time period allowed under the Deed of Trust or applicable law, the Trustor will be considered a tenant at sufferance of the purchaser, and will, if the Trustor remains in possession after demand to remove, be guilty of forcible detainer and will be subject to eviction and removal in accordance with applicable law and all damages to the Trustor by reason thereof are hereby expressly waived by the Trustor.

4.04. Application of Proceeds. The Beneficiary or the Trustee (or the receiver, if one is appointed) shall transfer the net proceeds of any collection, recovery, receipt, appropriation, realization or sale or other disposition of the Mortgaged Property, after deducting all reasonable costs and expenses of every kind incurred therein or incidental thereto or to the care, safekeeping or otherwise of any or all of the Mortgaged Property or in any way relating to the rights of the Beneficiary hereunder, including attorneys' fees and legal expenses, to the Depository, for application pursuant to the provisions of the Depository Agreement.

4.05. Appointment of Receiver/ Trustee. Upon the occurrence and during the continuance of an Event of Default, the Beneficiary as a matter of strict right and without notice to the Trustor or anyone claiming under the Trustor, separately or in any action to foreclose this Deed of Trust, and without regard to the adequacy or the then value of the Mortgaged Property or the interest of the Trustor therein or the solvency of any party bound for payment of the Obligations, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Property, and the Trustor hereby irrevocably consents to such appointment and, to the extent allowed by applicable law, the Trustor waives notice of any application therefore. Any such receiver or receivers shall have all the usual rights, powers and duties of receivers in like or similar cases and all the rights, powers and duties of the Beneficiary or the Trustee in case of entry as provided in Section 4.02 hereof, including, but not limited to, the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as are approved by the court and shall continue as such and exercise all such powers until the date of sale of the Mortgaged Property unless such receivership is sooner terminated. Said receiver shall collect the rents during the period of redemption following any such foreclosure action, and apply the same pursuant to the authority granted by law and in accordance with the Financing Documents.

4.06. Exercise of Rights and Remedies. The entering upon and taking possession of the Mortgaged Property, the collection of any Rents and the exercise of any of the other rights contained in this Article IV, shall not, alone, cure or waive any Event of Default or notice of default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Property or the collection, receipt and application of Rents, the Beneficiary or the Trustee shall be entitled to exercise every right provided for herein or in the Financing Documents, or at law or in equity upon the occurrence of any Event of Default.

4.07. Remedies Not Exclusive. The Beneficiary and the Trustee (acting pursuant to the direction of the Beneficiary), shall be entitled to enforce payment and performance of the Obligations and to exercise all rights and powers under this Deed of Trust or any other agreement or any laws now or hereafter in force, notwithstanding that some or all of the Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, security deed, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the powers herein contained, shall prejudice or in any manner affect the Beneficiary's or the Trustee's right to realize upon or enforce any other security now or hereafter held by the Beneficiary or the Trustee, it being agreed that the Beneficiary and the Trustee shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by the Beneficiary and the Trustee in such order and manner as the Beneficiary may in its absolute and sole discretion and election determine. No remedy herein conferred upon or reserved to the Beneficiary or the Trustee is intended to be exclusive of any other remedy herein or in any of the other Financing Documents or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy to which the Beneficiary or the Trustee is entitled may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Beneficiary and the Trustee, and the Beneficiary and the Trustee may pursue inconsistent remedies. No delay or omission of the Beneficiary or the Trustee to exercise any right or power accruing upon any

Event of Default shall impair any right or power or shall be construed as a waiver of any Event of Default or any acquiescence therein. If the Beneficiary or the Trustee shall have proceeded to invoke any right or remedy hereunder or under the Financing Documents and shall thereafter elect to discontinue or abandon it for any reason, the Beneficiary or the Trustee, as the case may be, shall have the unqualified right to do so and, in such an event, the rights and remedies of the Beneficiary and the Trustee shall continue as if such right or remedy had never been invoked and no such discontinuance or abandonment shall waive any Event of Default which may then exist or the right of the Beneficiary or the Trustee thereafter to exercise any right or remedy under the Financing Documents for such Event of Default.

4.08. WAIVER OF REDEMPTION, NOTICE, MARSHALLING, ETC. NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, TO THE EXTENT PERMITTED BY LAW, THE TRUSTOR: (A) ACKNOWLEDGING THAT IT IS AWARE OF AND HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS HEREUNDER, WILL NOT (I) AT ANY TIME INSIST UPON, OR PLEAD, OR IN ANY MANNER WHATSOEVER, CLAIM OR TAKE ANY BENEFIT OR ADVANTAGE OF ANY STAY OR EXTENSION OR MORATORIUM LAW, PRESENT OR FUTURE STATUTE OF LIMITATIONS, ANY LAW RELATING TO THE ADMINISTRATION OF ESTATES OF DECEDENTS, APPRAISEMENT, VALUATION, REDEMPTION, STATUTORY RIGHT OF REDEMPTION, OR THE MATURING OR DECLARING DUE OF THE WHOLE OR ANY PART OF THE OBLIGATIONS, NOTICE OF INTENTION OF SUCH MATURING OR DECLARING DUE, OTHER NOTICE (WHETHER OF DEFAULTS, ADVANCES, THE CREATION, EXISTENCE, EXTENSION OR RENEWAL OF ANY OF THE OBLIGATIONS OR OTHERWISE, EXCEPT FOR RIGHTS TO NOTICES EXPRESSLY GRANTED HEREIN OR IN THE FINANCING DOCUMENTS), SUBROGATION, ANY SET-OFF RIGHTS, HOMESTEAD OR ANY OTHER EXEMPTIONS FROM EXECUTION OR SALE OF THE MORTGAGED PROPERTY OR ANY PART THEREOF, WHEREVER ENACTED, NOW OR AT ANY TIME HEREAFTER IN FORCE, WHICH MAY AFFECT THE COVENANTS AND TERMS OF PERFORMANCE OF THIS DEED OF TRUST, OR (II) CLAIM, TAKE OR INSIST UPON ANY BENEFIT OR ADVANTAGE OF ANY LAW NOW OR HEREAFTER IN FORCE PROVIDING FOR THE VALUATION OR APPRAISAL OF THE MORTGAGED PROPERTY OR ANY PART THEREOF, PRIOR TO ANY SALE OR SALES THEREOF WHICH MAY BE MADE PURSUANT TO ANY PROVISION HEREOF, OR PURSUANT TO THE DECREE, JUDGMENT OR ORDER OF ANY COURT OF COMPETENT JURISDICTION; OR (III) AFTER ANY SUCH SALE OR SALES, CLAIM OR EXERCISE ANY RIGHT UNDER ANY STATUTE HERETOFORE OR HEREAFTER ENACTED TO REDEEM THE MORTGAGED PROPERTY SO SOLD OR ANY PART THEREOF; AND (B) COVENANTS NOT TO HINDER, DELAY OR IMPEDE THE EXECUTION OF ANY POWER HEREIN GRANTED OR DELEGATED TO THE TRUSTEE OR THE BENEFICIARY FOLLOWING A SALE OF THE MORTGAGED PROPERTY, BUT TO SUFFER AND PERMIT THE EXECUTION OF EVERY POWER AS THOUGH NO SUCH LAW OR LAWS HAD BEEN MADE OR ENACTED. THE TRUSTOR, FOR ITSELF AND ALL WHO MAY CLAIM UNDER IT, WAIVES, TO THE EXTENT THAT IT LAWFULLY MAY, ALL RIGHT TO HAVE THE MORTGAGED PROPERTY MARSHALED UPON ANY FORECLOSURE HEREOF.

4.09. Expenses of Enforcement. In connection with any action to enforce any remedy of the Beneficiary or the Trustee under this Deed of Trust or any Financing Document, the Trustor agrees to pay all fees, costs and expenses which may be paid or incurred by or on behalf of the Beneficiary or the Trustee, including, without limitation, attorneys' fees, receiver's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which, if applicable, may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to title and value as the Beneficiary or the Trustee may reasonably deem necessary, and neither the Beneficiary, the Trustee nor any other Person shall be required to accept tender of any portion of the Obligations unless the same be accompanied by a tender of all such fees, expenses, costs and commissions. All of the fees, costs and expenses described in this Section 4.09, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the Lien of this Deed of Trust and the priority thereof, including the fees of any attorney employed by the Beneficiary in any litigation or proceeding, including appellate proceedings, affecting this Deed of Trust or the Mortgaged Property (including, without limitation, the occupancy thereof or any construction work performed thereon), including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding whether or not an action is actually commenced, shall be immediately due and payable by the Trustor upon demand by the Beneficiary, with interest thereon at the lesser of the Default Rate or the highest rate permitted by law and shall be part of the Obligations secured by this Deed of Trust.

4.10. Indemnity.

(a) The Trustor agrees to indemnify each of the Beneficiary and each Secured Party, and, in their capacity as such, their officers, directors, shareholders, controlling persons, employees, agents and servants in accordance with and in the manner contemplated by the Master Agreement and the other Financing Documents. THE FOREGOING INDEMNITY INCLUDES, BUT IS NOT LIMITED TO, ANY CLAIM, CAUSE OF ACTION, LIABILITY AND EXPENSES BASED UPON OR ARISING OUT OF THE NEGLIGENCE OR STRICT LIABILITY OF THE PARTY TO BE INDEMNIFIED, BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY TO BE INDEMNIFIED.

(b) Without limiting the application of Section 4.10(a) hereof, the Trustor agrees to pay or reimburse the Beneficiary or the Trustee, within thirty (30) days after written demand, for any and all reasonable fees, costs and expenses of whatever kind or nature incurred by the Beneficiary or the Trustee in accordance with this Deed of Trust or another Financing Document in connection with the creation, preservation or protection of the Liens on, and security interest in, the Mortgaged Property and the priority thereof, including, without limitation, all reasonable attorneys' fees and all other fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Mortgaged Property (other than Permitted Liens) and all reasonable attorneys' fees and other reasonable fees, costs and expenses in connection with protecting, maintaining or preserving the Mortgaged Property and the Beneficiary's or the Trustee's interest therein, whether

through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to this Deed of Trust or the Mortgaged Property.

ARTICLE V

ADDITIONAL COLLATERAL

5.01. Additional Collateral.

(a) The Trustor acknowledges and agrees that the Obligations are secured by the Mortgaged Property and various other Collateral including, without limitation, at the time of execution of this Deed of Trust certain personal property of the Trustor described in the Financing Documents. The Trustor specifically acknowledges and agrees that the Mortgaged Property, in and of itself, if foreclosed or realized upon may not be sufficient to satisfy the outstanding amount of the Obligations. Accordingly, the Trustor acknowledges that it is in the Trustor's contemplation that the other Collateral pledged to secure the Obligations may be pursued by the Beneficiary in separate proceedings in the various States, counties and other countries where such Collateral may be located and additionally that, subject to the limitations on recourse contained in the Financing Documents, the Trustor will remain liable for any deficiency judgments in addition to any amounts the Beneficiary may realize on sales of other property or any other Collateral given as security for the Obligations. Specifically, and without limitation of the foregoing, it is agreed that it is the intent of the parties hereto that in the event of a foreclosure of this Deed of Trust, the Indebtedness evidencing the Obligations shall not be deemed merged into any judgment of foreclosure, but rather shall remain outstanding. It is the further intent and understanding of the parties that the Beneficiary, following an Event of Default, may, to the maximum extent permitted by law, pursue all of the Collateral with the Obligations remaining outstanding and in full force and effect notwithstanding any judgment of foreclosure or any other judgment which the Beneficiary or the Trustee may obtain.

(b) The Trustor acknowledges and agrees that the Mortgaged Property and the property which may from time to time be encumbered by the other Financing Documents may be located in more than one State or country and therefore the Trustor waives and relinquishes any and all rights it may have, whether at law or equity, to require the Beneficiary to proceed to enforce or exercise any rights, powers and remedies it may have under the Financing Documents in any particular manner, in any particular order, or in any particular State or other jurisdiction. Furthermore, the Trustor acknowledges and agrees that the Beneficiary shall be allowed, subject to the limitations upon recourse contained in the Financing Documents, to enforce payment and performance of the Obligations and to exercise all rights and powers provided under this Deed of Trust, or the other Financing Documents or under any provision of law, by one or more proceedings, (whether contemporaneous, consecutive or both) in any one or more States or countries in which the security is located. Neither the acceptance of this Deed of Trust or any Financing Document nor the enforcement in one State or country, whether by court action, power of sale, or otherwise, shall prejudice or in any way limit or preclude

enforcement of such documents through one or more additional proceedings, in that state or in any other State or country.

(c) The Trustor further agrees that any particular remedy or proceeding, including, without limitation, foreclosure through court action (in a state or federal court) or power of sale, may be brought and prosecuted in the local or federal courts of any one or more States as to all or any part of the Mortgaged Property or the property encumbered by the Financing Documents, wherever located, without regard to the fact that any one or more prior or contemporaneous proceedings have been situated elsewhere with respect to the same or any other part of the Mortgaged Property and the property encumbered by the Financing Documents.

(d) The Beneficiary may resort to any other security held by the Beneficiary or the Trustee for the payment of the Obligations in such order and manner as the Beneficiary may elect.

(e) Notwithstanding anything contained herein to the contrary, neither the Beneficiary nor the Trustee shall have any duty to the Trustor or others, including, without limitation, the holder of any junior, senior or subordinate mortgage or deeds of trust on the Mortgaged Property or any part thereof or on any other security held by the Beneficiary or the Trustee, to exercise or exhaust all or any of the rights, powers and remedies available to the Beneficiary or the Trustee.

ARTICLE VI

MISCELLANEOUS

6.01. Governing Law. THE PROVISIONS OF THIS DEED OF TRUST SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF CALIFORNIA.

6.02. Limitation on Interest. It is the intent of the parties to this Deed of Trust and all other instruments evidencing or securing the Obligations to contract in strict compliance with applicable usury laws. In furtherance thereof, in no event shall the terms and provisions contained in this Deed of Trust ever be construed to create a contract for the use, forbearance or retention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by relevant law. If this Deed of Trust or any other instrument evidencing or securing the Obligations violates any applicable usury law, then the interest rate payable in respect of the Obligations shall be the highest rate permissible by law. The Trustor hereby agrees that as a condition precedent to any claim seeking usury penalties against the Beneficiary, the Trustor will provide written notice to the Beneficiary advising the Beneficiary in reasonable detail of the nature and amount of the violation, and the Beneficiary shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to the Trustor or crediting such excess interest against the indebtedness then owing by the Trustor to the Beneficiary. All sums contracted for, charged or received by the Beneficiary for the use, forbearance or detention of any debt shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of

the Obligations (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of the Obligations does not exceed the maximum lawful rate, from time to time in effect and applicable to the Obligations.

6.03. Notices. Except as otherwise expressly provided herein, all notices, requests, demands or other communications provided for hereunder shall be given in accordance with Section 12.1 of the Master Agreement, and all such notices and communications shall be effective as provided in Section 12.1 of the Master Agreement. All notices, requests, demands or other communications provided to be given to the Trustee shall be delivered to the Trustee at the address set forth in the preamble hereof.

6.04. Captions. The captions or headings at the beginning of each Article and Section hereof are for the convenience of the parties hereto and are not a part of this Deed of Trust.

6.05. Amendment. None of the terms and conditions of this Deed of Trust may be changed, waived, modified or varied in any manner whatsoever except by a writing executed by the Beneficiary and otherwise in accordance with the provisions of Section 10.8 of the Master Agreement.

6.06. Obligations Absolute. The obligations of the Trustor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Trustor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Deed of Trust or any other Financing Document; or (c) any amendment to or modification of any Financing Document or any security for any of the Obligations; whether or not the Trustor shall have notice or knowledge of any of the foregoing, except to the extent such waiver, modification or amendment is agreed to by the Beneficiary in writing.

6.07. Further Assurances. The Trustor shall, upon the reasonable request of the Beneficiary or the Trustee and at the expense of the Trustor: (a) promptly correct any defect, error or omission which may be discovered in this Deed of Trust or any UCC financing statements filed in connection herewith; (b) promptly execute, acknowledge, deliver and record or file such further instruments (including, without limitation, further mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements and assignments of rents or leases) and promptly do such further acts as may be necessary or proper to carry out more effectively the purposes of this Deed of Trust and to subject to the Liens and security interests hereof any property intended by the terms hereof to be encumbered hereby, including, but not limited to, any renewals, additions, substitutions, replacements or appurtenances to the Mortgaged Property; and (c) promptly execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) reasonably deemed necessary by the Beneficiary or the Trustee to protect, continue or perfect the Liens or the security interests hereunder against the rights or interests of third Persons (other than in respect of Permitted Liens).

6.08. Partial Invalidity. If any of the provisions of this Deed of Trust or the application thereof to any person, party or circumstances shall to any extent be invalid or unenforceable, the

remainder of this Deed of Trust, or the application of such provision or provisions to persons, parties or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Deed of Trust shall be valid and enforceable to the fullest extent permitted by law.

6.09. Partial Releases. No release from the Lien of this Deed of Trust of any part of the Mortgaged Property by the Beneficiary or the Trustee shall in any way alter, vary or diminish the force or effect of this Deed of Trust on the balance of the Mortgaged Property or the priority of the Lien of this Deed of Trust on the balance of the Mortgaged Property.

6.10. Priority. This Deed of Trust is intended to and shall be valid and have priority over all subsequent liens and encumbrances, other than Permitted Liens.

6.11. Covenants Running with the Land. All Obligations are intended by the Trustor and the Beneficiary to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, the "Trustor" shall refer to the party named in the preamble of this Deed of Trust and to any subsequent owner of all or any portion of the Mortgaged Property. All persons who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Master Agreement and the other Financing Documents; provided, however, that no such party shall be entitled to any rights thereunder without prior written consent of the Beneficiary.

6.12. Successors and Assigns. This Deed of Trust shall be binding upon and inure to the benefit of the Beneficiary, the Trustee and the Trustor and their respective successors and permitted assigns. Except as otherwise expressly permitted by Master Agreement, the Trustor shall not assign any rights, duties, or obligations hereunder.

6.13. Purpose of Loans. The Trustor hereby represents and agrees that the Obligations secured by this Deed of Trust are being obtained for business or commercial purposes, and the proceeds thereof will not be used for personal, family, residential, household or agricultural purposes.

6.14. No Joint Venture or Partnership. The relationship created hereunder and under the other Financing Documents is that of creditor/debtor. Neither the Beneficiary nor the Trustee owes any fiduciary or special obligation to the Trustor and/or any of the Trustor's officers, partners, agents, or representatives. Nothing herein or in any other Financing Document is intended to create a joint venture, partnership, tenancy-in-common or joint tenancy relationship between the Trustor, the Trustee and the Beneficiary.

6.15. The Beneficiary as Agent for Secured Parties. It is expressly understood and agreed that the rights and obligations of the Beneficiary as beneficiary of this Deed of Trust and as beneficiary for the Secured Parties and otherwise under this Deed of Trust are those set forth in this Deed of Trust and in the Master Agreement. The Beneficiary shall act hereunder pursuant to the terms and conditions set forth herein and in the Master Agreement.

6.16. Limitation on Recourse. The provisions of Article 9 of the Master Agreement are hereby incorporated by reference as if set forth in full herein.

6.17. Acknowledgment of Receipt. The Trustor hereby acknowledges receipt of a true copy of this Deed of Trust.

6.18. Termination; Reconveyance.

(a) After the Discharge Date, this Deed of Trust (including any provision providing for the appointment of the Beneficiary as attorney-in-fact for the Trustor) and the Liens and security interests granted hereunder shall terminate, and the Beneficiary, at the request and expense of the Trustor, shall request that the Trustee execute and deliver to the Trustor the proper instruments acknowledging the reconveyance of this Deed of Trust, and request that the Trustee duly assign, transfer and deliver to the Trustor (without recourse and without any representation or warranty) such of the Mortgaged Property as may be in possession of the Trustee and has not theretofore been sold or otherwise applied or reconveyed pursuant to this Deed of Trust. The Beneficiary shall also execute and deliver, at the request and expense of the Trustor, upon termination of this Deed of Trust, such UCC termination statements, and such other documentation as shall be reasonably necessary and prepared by the Trustor to effect the termination and release of the Liens and security interests granted by this Deed of Trust.

(b) In addition, upon request of the Trustor, the Beneficiary or the Trustee (at the direction of the Beneficiary), shall within a reasonable period of time execute and deliver such documents as the Trustor may reasonably request evidencing the reconveyance to the Trustor or the party entitled thereto of the Mortgaged Property which is sold, transferred or otherwise disposed of as permitted by, and in accordance with, the Master Agreement and all other Financing Documents (including without limitation Section 6.8 of the Master Agreement) or the reconveyance and/or release of the Lien upon such Mortgaged Property (a reconveyance and release under this Section 6.18 is referred to herein as a "Permitted Reconveyance"). As a condition to such Permitted Reconveyance, the Trustor shall deliver to the Beneficiary a certificate (the "Officer's Certificate") executed by an officer of the Trustor stating that the sale, transfer or other disposition of such Mortgaged Property and the related reconveyance of such Mortgaged Property and release from the Lien created hereunder is permitted pursuant to the terms and conditions of the Master Agreement and all other Financing Documents (including without limitation Section 6.8 of the Master Agreement), and any further information and/or certifications which are required under the Master Agreement for the relevant reconveyance associated with such sale, transfer or other disposition to constitute a Permitted Reconveyance. Upon receipt by the Beneficiary of the Officer's Certificate, the Beneficiary or the Trustee (at the direction of the Beneficiary) shall, at the expense of the Trustor, promptly execute and deliver to the Trustor (without recourse and without representation or warranty) a proper instrument or instruments evidencing such Permitted Reconveyance and prepared by the Trustor; provided that the indemnities set forth herein shall survive the reconveyance of this Deed of Trust. Neither the Beneficiary nor the Trustee shall have any liability whatsoever to any other Secured Party as a result of any reconveyance of all or any portion of the Mortgaged Property by it in accordance with (or which the Beneficiary or the Trustee, in the absence of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision) believes to be in accordance with) this Section 6.18.

6.19. Time of the Essence. Time is of the essence with respect to the obligations of the Trustor under this Deed of Trust.

6.20. The Beneficiary's Powers. Without affecting the liability of any other Person liable for the payment and performance of the Obligations and without affecting the Lien of this Deed of Trust in any way, the Beneficiary may, from time to time, regardless of consideration and without notice to or consent by the holder of any subordinate Lien, right, title or interest in or to the Mortgaged Property, (a) release any Persons liable for the Obligations; (b) extend the maturity of, increase or otherwise alter any of the terms of the Obligations; (c) modify the interest rate payable on the principal balance of the Obligations; (d) release or reconvey, or cause to be released or reconveyed all or any portion of the Mortgaged Property; or (e) take or release any other or additional security for the Obligations.

6.21. Rules of Usage. The following rules of usage shall apply to this Deed of Trust unless otherwise required by the context:

1. Singular words shall connote the plural as well as the singular, and vice versa, as may be appropriate.

2. The words "herein", "hereof" and "hereunder" and words of similar import appearing in this Deed of Trust shall be construed to refer to such document as a whole and not to any particular section, paragraph or other subpart thereof unless expressly so stated.

3. References to any Person shall include such Person and its successors and permitted assigns.

4. Each of the parties hereto and their counsel have reviewed and revised, or requested revisions to, this Deed of Trust, and the usual rule of construction that any ambiguities are to be resolved against the drafting party shall be inapplicable in the construction and interpretation of the Deed of Trust and any amendments or exhibits thereto.

5. Unless an express provision requires otherwise, each reference to "the Mortgaged Property" shall be deemed a reference to "the Mortgaged Property or any part thereof", and each reference to "Secured Property" shall be deemed a reference to "the Secured Property or any part thereof".

6.22. No Set-Off. All sums payable by the Trustor shall be paid without counterclaim, other compulsory counterclaims, set-off, or deduction and without abatement, suspension, deferment, diminution or reduction, and the Obligations shall in no way be released, discharged or otherwise affected by reason of: (a) any damage or any condemnation of the Mortgaged Property or any part thereof; (b) any title defect or encumbrance or any eviction from the Mortgaged Property or any part thereof by title paramount or otherwise; or (c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to the Beneficiary, the Trustee or the Trustor, or any action taken with respect to this Deed of Trust by any agent or receiver of the Beneficiary or the Trustee. The Trustor waives, to the extent permitted by law, all rights now or hereafter conferred by statute or

otherwise to any abatement, suspension, deferment, diminution or reduction of any of the Obligations.

6.23. Future Advances. This Deed of Trust is given to secure the Obligations and shall secure not only obligations with respect to presently existing indebtedness under the Financing Documents but also any and all other indebtedness which may hereafter be owing by the Trustor to the Secured Parties under the Financing Documents, however incurred, whether interest, discount or otherwise, and whether the same shall be deferred, accrued or capitalized, including future advances and re-advances, pursuant to the Master Agreement or the other Financing Documents, whether such advances are obligatory or to be made at the option of the Secured Parties, or otherwise, to the same extent as if such future advances were made on the date of the execution of this Deed of Trust. The Lien of this Deed of Trust shall be valid as to all indebtedness secured hereby, including future advances. This Deed of Trust is intended to and shall be valid and have priority over all subsequent Liens and encumbrances, including statutory Liens, excepting Permitted Liens which (i) exist on the date hereof or (ii) arise hereafter and have priority over the lien of the Deed of Trust by operation of applicable law.

6.24. Additional Deed of Trust Provisions Relating to Easements and Rights-of-Way. Notwithstanding anything contained herein to the contrary, and in addition to any rights, privileges and remedies granted to the Trustee or the Beneficiary elsewhere in this Deed of Trust, the Beneficiary and the Trustee shall have, and the Trustor hereby grants to the Trustee for the benefit of the Beneficiary, any and all rights, privileges and remedies appurtenant to the right-of-way and easement interests provided for in the Agreements (including without limitation, any renewal rights and options to purchase contained therein) without the necessity of particularly specifying any or all of such rights, privileges and remedies that are or could be granted to mortgagees pursuant to the Agreements.

The Trustor hereby represents, covenants and agrees that:

(a) As of the Financial Closing Date, this Deed of Trust is lawfully executed and delivered in conformity with each of the Agreements and any and all consents required therefor under the Agreements have been timely received and are effective.

(b) The Trustor will promptly, in all material respects, perform and observe all of the terms, covenants and conditions required to be performed and observed by it under the Agreements, within the periods (including any grace or cure periods) provided therein, and will do all things reasonably necessary to preserve and to keep unimpaired its rights under the Agreements, except where the failure to do so could not be reasonably expected to have a Material Adverse Effect. In the event of the failure of the Trustor to make any payment required to be made by the Trustor pursuant to the provisions of the Agreements or to observe, abide by, discharge or perform, or cause to be observed, kept, discharged or performed, which failure could be reasonably expected to have a Material Adverse Effect, any of the material terms, obligations, covenants, conditions, agreements, indemnities, representations, warranties or liabilities of the Agreements on the part of the Trustor thereunder to be observed, kept, discharged and performed, the Trustor does hereby irrevocably appoint and constitute the Beneficiary as its true and lawful attorney in fact, which appointment is irrevocable and coupled with an interest, in its name, place

and stead, to take any and all actions reasonably deemed necessary by the Beneficiary to perform and comply with all of such obligations of the Trustor under the Agreements to do and take, but without any obligation so to do, any action which the Beneficiary reasonably deems necessary to prevent or cure any such default by the Trustor under the Agreements, which could reasonably be expected to have a Material Adverse Effect, to enter into and upon the Mortgaged Property or any part thereof to such extent and as often as the Beneficiary, in its reasonable discretion, deems necessary in order to prevent or cure any such default of the Trustor pursuant thereto, which could reasonably be expected to have a Material Adverse Effect, to the end that the rights of the Trustor in and to the rights of way, leaseholds, easements and other interests created by the Agreements shall be kept in full force and effect, and all sums so reasonably expended by the Beneficiary, with interest thereon at the rate set forth in the Master Agreement, shall be paid by the Trustor to the Beneficiary promptly upon demand by the Beneficiary and shall be added to the indebtedness secured hereby and the Beneficiary shall have, in addition to any other remedy of the Beneficiary, the same rights and remedies in the event of non-payment of any such sum by the Trustor as in the case of a default by the Trustor in the payment of any sums due under the Master Agreement. The Trustor shall, within thirty (30) days after written request by the Beneficiary, execute and deliver to the Beneficiary, or to any person designated by the Beneficiary, such further instruments, agreements, powers, assignments, conveyances or the like as may be necessary to complete or perfect the interest, rights or powers of the Beneficiary pursuant hereto.

(c) If required by the Master Agreement, the Trustor will promptly (i) notify the Beneficiary in writing of the receipt by it of any written notice of default from the lessors or grantors (individually and collectively, the "Lessors") under the Agreements; (ii) notify the Beneficiary in writing of the receipt by it of any written notice under the Agreements of the termination of any Agreement; (iii) cause a copy of each such notice of default or termination received by the Trustor from any of the Lessors under the Agreements to be delivered to the Beneficiary; and (iv) cause a copy of any notice of election or the exercise of any rights of option, purchase or renewal under the Agreements sent by the Trustor to any of the Lessors under the Agreements, to be delivered to the Beneficiary.

(d) Except as expressly permitted by the Financing Documents, the Trustor will not, without the prior written consent of the Beneficiary, terminate or surrender, or suffer or permit any termination or surrender, of the Agreements, if such termination or surrender could reasonably be expected to have a Material Adverse Effect.

(e) The Trustor will, within twenty (20) days after reasonable written demand from the Beneficiary made no more frequently than once per year (except in the event of an emergency or Event of Default), use reasonable efforts to obtain from the Lessors under the Agreements and deliver to the Beneficiary estoppel certificates in the form provided for in the Agreements or if none is provided, in a form reasonably requested by the Beneficiary.

(f) The Trustor will furnish to the Beneficiary upon reasonable written demand, proof of payment of all items which are required to be paid by the Trustor

pursuant to the Agreements and a statement of any such payments which the Trustor is contesting or arbitrating pursuant to the terms of the Agreements.

(g) The Trustor will not consent to the subordination of the Agreements to any lien on the fee estate of the Lessors under the Agreements.

(h) So long as any of the Obligations shall remain outstanding the Trustor shall not fail to exercise any option or right to renew or extend the term of the Agreements without the prior written consent of the Beneficiary if such failure could reasonably be expected to have a Material Adverse Effect. The Trustor shall give the Beneficiary contemporaneous written notice of the exercise of any such option or right to renew or extend, together with a copy of the instrument given to the Lessors under the Agreements exercising such option or right, and thereafter, shall promptly deliver to the Beneficiary a copy of any acknowledgment by such Lessors in respect to the exercise of such option or right. If an Event of Default has occurred and is continuing, within ten (10) business days of written demand by the Beneficiary, the Trustor shall exercise any such option or renewal which is necessary to extend the term of the Agreements beyond the outside maturity date set forth in the Master Agreement.

6.25. No Merger of Interests. If both the parties' estate under any of the Agreements or any portion thereof which constitutes a part of the Mortgaged Property or other security under the Financing Documents shall at any time become vested in one owner, this Deed of Trust and the Lien created hereby shall not be destroyed or terminated by application of the doctrine of merger unless the Beneficiary so elects as evidenced by recording a written declaration so stating, and, unless and until the Beneficiary so elects, the Beneficiary shall continue to have and enjoy all of the rights and privileges of the Beneficiary as to the separate estates. In addition, upon the foreclosure of the Lien created by this Deed of Trust on the Mortgaged Property pursuant to the provisions hereof, the Agreements then existing and affecting all or any portion of the Mortgaged Property shall not be destroyed or terminated by application of the law of merger, as a matter of law or as a result of such foreclosure, unless the Beneficiary or any purchaser at such foreclosure sale shall so elect. No act by or on behalf of the Beneficiary or any such purchaser shall constitute a termination of any of the Agreements unless the Beneficiary or such purchaser shall record a termination thereof.

ARTICLE VII

STATE SPECIFIC PROVISIONS

7.01 The Trustee.

(a) The Trustee. The Trustee shall be deemed to have accepted the terms of this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. The Trustee shall not be obligated to notify any party to this Deed of Trust of any pending sale under any other deed of trust or of any action or proceeding in which the Trustor, the Beneficiary, or the Trustee is a party, unless such sale relates to or reasonably might affect the Mortgaged Property, this Deed of Trust, the Beneficiary's security for the payment and performance of the Obligations, or the rights or powers of the Beneficiary or the Trustee under

the Financing Documents, or unless such action or proceeding has been instituted by the Trustee against the Mortgaged Property, the Trustor, or the Beneficiary.

(b) Power of the Trustee to Reconvey or Consent. At any time, without liability and without notice to the Trustor, on the Beneficiary's written request and presentation of the Notes and this Deed of Trust to the Trustee for endorsement, and without altering or affecting (a) the personal liability of the Trustor or any other person for the payment of the Obligations secured by this Deed of Trust, or (b) the lien of this Deed of Trust on the remainder of the Mortgaged Property as security for the repayment of the full amount of the Obligations then or later secured by this Deed of Trust, (c) or any right or power of the Beneficiary or the Trustee with respect to the remainder of the Mortgaged Property, the Trustee may (i) reconvey or release any part of the Mortgaged Property from the lien of this Deed of Trust; (ii) approve the preparation or filing of any map or plat of the Mortgaged Property; (iii) join in the granting of any easement burdening the Mortgaged Property; or (iv) enter into any extension or subordination agreement affecting the Mortgaged Property or the lien of this Deed of Trust.

(c) Duty to Reconvey. On the Beneficiary's written request reciting that all sums secured hereby have been paid, surrender of the Note and this Deed of Trust to the Trustee for cancellation and retention by the Trustee, and payment by the Trustor of any reconveyance fees customarily charged by the Trustee, the Trustee shall reconvey, without warranty, the Mortgaged Property then held by the Trustee under this Deed of Trust. The recitals in such reconveyance of any matters of fact shall be conclusive proof of their truthfulness. The grantee in such reconveyance may be described as "the person or persons legally entitled to the Mortgaged Property." Such request and reconveyance also shall operate as a reassignment of the Rents assigned to the Beneficiary in this Deed of Trust and a termination of the fixture filing.

(d) Substitution of the Trustee. The Beneficiary, at the Beneficiary's option, may from time to time, by written instrument, substitute a successor or successors to any Trustee named in or acting under this Deed of Trust, which instrument, when executed and acknowledged by the Beneficiary and recorded in the office of the Recorder of the county or counties in which the Mortgaged Property is located, shall constitute conclusive proof of the proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all right, title, estate, powers, and duties of such predecessor the Trustee, including, without limitation, the power to reconvey the Mortgaged Property. To be effective, the instrument must contain the names of the original Trustor, the Trustee, and the Beneficiary under this Deed of Trust, the book and page or instrument or document number at which, and the county or counties in which, this Deed of Trust is recorded, and the name and address of the substitute Trustee. The procedure provided in this Section 7.01(d) for substitution of Trustees is not exclusive of other provisions for substitution provided by applicable law.

7.02 Environmental Remedies. The Beneficiary may seek a judgment that the Trustor has breached its covenants, representations or warranties in this Deed of Trust or any other covenants, representations, or warranties of the Trustor contained in the Financing Documents that are deemed to be environmental provisions pursuant to California Code of Civil Procedure §736 (each an "Environmental Provision"), by commencing and maintaining an action or actions in any court of competent jurisdiction or utilizing alternative dispute resolution procedures in accordance with applicable law and the terms of the Financing Documents, pursuant to

California Code of Civil Procedure §736, whether commenced prior to or after foreclosure of the lien of this Deed of Trust. The Beneficiary or its agents, representatives, and employees may also seek an injunction to cause the Trustor to abate any action in violation of any Environmental Provision and may seek the recovery of all reasonable costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties and other out-of-pocket costs or expenses actually incurred by the Beneficiary (collectively, "Environmental Costs") incurred or advanced by the Beneficiary relating to the cleanup, remedy, or other response action required by any Environmental Law, or any Environmental Claim, or which the Beneficiary reasonably believes necessary to protect the Mortgaged Property. All Environmental Costs incurred by the Beneficiary under this Section 7.02 (including, without limitation, court costs, consultant fees, and attorney costs, whether incurred in litigation and whether before or after judgment) will bear interest at the rate applicable to the Notes from the date of expenditure until those sums have been paid in full. The Beneficiary will be entitled to bid, at any trustee's or foreclosure sale of the Mortgaged Property, the amount of the Environmental Costs and interest thereon in addition to the amount of other Obligations. The Beneficiary may waive its lien against the Mortgaged Property or any portion of it, including the improvements and the personal property, to the extent that any of the Mortgaged Property is found to be environmentally impaired in accordance with California Code of Civil Procedure §726.5, and to exercise all rights and remedies of an unsecured creditor against the Trustor and all of the Trustor's assets and property for the recovery of any deficiency and Environmental Costs, including, but not limited to, seeking an attachment order under California Code of Civil Procedure §483.010. As between the Beneficiary and the Trustor, for purposes of California Code of Civil Procedure §726.5, the Trustor will have the burden of proving that the Trustor or any related party (or any affiliate or agent of the Trustor or any related party) was not in any way negligent in permitting the release or threatened release of any materials subject to Environmental Law.

7.03 No Right of Offset. None of the Obligations secured by this Deed of Trust shall be or deemed to be offset or compensated by all or any part of any claim, cause of action, counterclaim, or cross-claim, whether liquidated or unliquidated, that the Trustor may have or claim to have against the Beneficiary or any of the Secured Parties. The Trustor hereby waives, to the fullest extent permitted by applicable law, the benefits of California Code of Civil Procedure §431.70, which provides:

Where cross-demands for money have existed between persons at any point in time when neither demand was barred by the statute of limitations, and an action is thereafter commenced by one such person, the other person may assert in the answer the defense of payment in that the two demands are compensated so far as they equal each other, notwithstanding that an independent action asserting the person's claim would at the time of filing the answer be barred by the statute of limitations. If the cross-demand would otherwise be barred by the statute of limitations, the relief accorded under this section shall not exceed the value of the relief granted to the other party. The defense provided by this section is not available if the cross-demand is barred for failure to assert it in a prior action under Section 426.30. Neither person can be deprived of the benefits of this section by the assignment or death of the other. For the purposes of this section, a money judgment is a "demand for money" and, as applied to a money judgment, the demand is barred by the statute of limitations when enforcement of the judgment is barred under Chapter 3 (commencing with Section 683.010) of Division 1 of Title 9.

7.04 Mechanics' Liens. The Trustor shall pay from time to time when due, all lawful claims and demands of mechanics, materialmen, laborers, and others that, if unpaid, might result in, or permit the creation of, a lien other than a Permitted Lien on the Mortgaged Property or any part of it, or on the Rents arising therefrom, and in general shall do or cause to be done everything necessary so that the lien and security interest of this Deed of Trust shall be fully preserved, at the Trustor's expense, without expense to the Beneficiary.

7.05 Delegation of Authority. Whenever this Deed of Trust provides that the Trustor authorizes and appoints the Beneficiary as the Trustor's attorney-in-fact to perform any act for or on behalf of the Trustor or in the name, place, and stead of the Trustor, the Trustor expressly understands and agrees that this authority shall be deemed a power coupled with an interest and such power shall be irrevocable.

7.06 Master Agreement. Notwithstanding anything to the contrary contained herein, if any provision of this Deed of Trust directly conflicts with any provision of the Master Agreement, the provision in the Master Agreement shall govern.

7.07 Waiver Of Right To Jury Trial And Consent to Jurisdiction. The provisions of Sections 12.15 and 12.16 of the Master Agreement shall be incorporated herein *mutatis mutandis*.

7.08 Foreclosure and Injunctive Relief. Nothing in Section 7.07 above shall be deemed to apply to or limit the right of the Beneficiary to: (a) exercise self help remedies, (b) foreclose judicially or nonjudicially against the Mortgaged Property or any portion thereof, or to exercise judicial or nonjudicial power of sale rights, (c) obtain from a court provisional or ancillary remedies (including, but not limited to, injunctive relief, a writ of possession, prejudgment attachment, a protective order or the appointment of a receiver), or (d) pursue rights against the Trustor or any other party in a third party proceeding in any action brought against the Beneficiary (including, but not limited to, actions in bankruptcy court). The Beneficiary may exercise the rights set forth in the foregoing clauses (a) through (d), inclusive, before, during, or after the pendency of any proceeding referred to in Section 7.07, above. Neither the exercise of self help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies or the opposition to any such provisional remedies shall constitute a waiver of the right of any of the Trustor, the Beneficiary or any other party, including, but not limited to, the claimant in any such action, to require submission of the dispute, claim or controversy occasioning resort to such remedies to any proceeding referred to in Section 7.07 above.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Trustor has caused this Deed of Trust to be duly executed and delivered as of the day and year first above written.

THE BENEFICIARY HAS THE RIGHT TO PROCEED TO OBTAIN AND COLLECT A DEFICIENCY JUDGMENT, TOGETHER WITH FORECLOSURE OF THE REAL PROPERTY MORTGAGED UNDER APPLICABLE LAW.

DESERT SUNLIGHT 250, LLC,
a Delaware limited liability company

By: [Signature]
Name: Amy Black
Title: Assistant Treasurer

State of New York
County of New York

On September 23, 2011 before me Susan C. Courter,
Notary Public, personally appeared Amy Black, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

[Signature]
Notary Public

Susan C. Courter
Notary Public State of New York
No. 41 4707660 Qualified in Nassau County
Certificate Filed in New York County
Commission Expires 8/31/2013

EXHIBIT A

DESCRIPTION OF AGREEMENTS

1. Right-of-Way Lease/Grant, dated as of August 11, 2011, filed in the Bureau of Land Management's (the "BLM") land records as Serial No. CACA 048649 and recorded in the Official Records, Riverside County, on September 21, 2011 as Instrument No. 2011-041777, issued in favor of Desert Sunlight Holdings, LLC, as assigned to Desert Sunlight 250, LLC and to Desert Sunlight 300, LLC pursuant to that certain Assignment and Assumption Agreement, dated as of September 23, 2011, by and among Desert Sunlight Holdings, LLC, as assignor, and Desert Sunlight 250, LLC and Desert Sunlight 300, LLC, individually as an assignee and collectively as assignees, recorded in the Official Records, Riverside County, on September 27, 2011 as Instrument No. 2011-0427939, as such assignment was approved by that certain Decision Letter entitled Right-of-Way Lease/Grant CACA 048649 Assignments, dated as of September 23, 2011, filed in BLM's land records as Serial Nos. CACA 048649, CACA-048649-01 Assigned and CACA 048649-02 Assigned, which such Decision Letter was recorded in the Official Records, Riverside County on September 27, 2011 as an attachment to such Assignment and Assumption Agreement.
2. License Agreement, granted by the Metropolitan Water District of Southern California to Desert Sunlight 250, LLC and Desert Sunlight 300, LLC individually and as tenants in common, dated as of August 16, 2011, as disclosed by Memorandum dated August 16, 2011 recorded in the Official Records of Riverside County on September 20, 2011 as Instrument Number 2011-0416213.
3. Franchise Ordinance adopted by the County of Riverside on August 16, 2011, granted in favor of Desert Sunlight 300, LLC and Desert Sunlight 250, LLC, dated as of August 16, 2011 and recorded September 21, 2011 as Instrument Number 2011-0420066 of the Official Records of Riverside County, together with any encroachment permits or use or occupancy rights now or hereafter issued pursuant thereto or otherwise pertaining thereto.

EXHIBIT B

DESCRIPTION OF OCCUPIED LANDS

PARCEL A:

(PROJECT SITE):

BEING A PORTION OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 22; THENCE ALONG THE SOUTH LINE THEREOF NORTH 89°24'08" EAST, 1565.22 FEET TO A POINT ON A NON TANGENT CURVE, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF KAISER ROAD, A 300 FOOT WIDE PUBLIC ROAD EASEMENT PER INSTRUMENT NO. 57641 OF OFFICIAL RIVERSIDE COUNTY RECORDS, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE FROM A TANGENT WHICH BEARS NORTH 18°37'50" WEST, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10,100.00 FEET, THROUGH A CENTRAL ANGLE OF 19°07'22", AN ARC DISTANCE OF 3370.94 FEET TO A POINT ON THE WEST LINE OF SAID SECTION 22, SAID POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE ALONG SAID WEST LINE OF SECTION 22 NORTH 00°23'08" WEST, 307.45 FEET; THENCE SOUTH 80°00'00" EAST, 2140.68 FEET; THENCE SOUTH 00°00'00" EAST, 2887.56 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 22; THENCE ALONG SAID SOUTH LINE OF SECTION 22 SOUTH 89°24'08" WEST, 520.97 FEET TO THE POINT OF BEGINNING.

(TRANSMISSION CORRIDOR):

LYING WITHIN SECTION 22, SECTION 27 AND SECTION 34, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SECTION 3, SECTION 10, SECTION 15, SECTION 22, SECTION 23, SECTION 24, AND SECTION 25, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SECTION 28, SECTION 29, SECTION 30 AND SECTION 33, TOWNSHIP 5 SOUTH, RANGE 16 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE AFOREMENTIONED POINT "A", SAID POINT BEING ON THE AFOREMENTIONED EAST RIGHT-OF-WAY LINE OF KAISER ROAD, SAID POINT ALSO BEING A POINT ON A CURVE; THENCE FROM A TANGENT WHICH BEARS SOUTH 37°45'13" EAST, ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 10100.00 FEET, THROUGH A CENTRAL ANGLE OF 10°21'12", AN ARC DISTANCE OF 1825.05 FEET TO A POINT ON SAID EAST RIGHT-OF-WAY LINE OF KAISER ROAD, SAID POINT BEING THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID EAST RIGHT-OF-WAY LINE OF KAISER ROAD, FROM A TANGENT WHICH BEARS SOUTH 27°24'01" EAST, ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 10100.00 FEET, THROUGH A CENTRAL ANGLE OF 00°56'27", AN ARC DISTANCE OF 165.84 FEET; THENCE SOUTH 47°49'32" WEST, 145.52 FEET TO A POINT ON A NON TANGENT CURVE; THENCE FROM A TANGENT WHICH BEARS SOUTH 26°13'58" EAST, ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 9960.00 FEET, THROUGH A CENTRAL ANGLE OF 11°18'01", AN ARC DISTANCE OF 1964.40 FEET TO A POINT ON THE NORTH LINE OF THE EAGLE MOUNTAIN WASTEWAY; THENCE SOUTH 89°23'43" WEST, 165.23 FEET TO A POINT ON A NON TANGENT CURVE, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF SAID KAISER ROAD, SAID POINT HEREINAFTER REFERRED TO AS POINT "B"; THENCE FROM A TANGENT WHICH BEARS NORTH 15°10'17" WEST, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF

9800.00 FEET, THROUGH A CENTRAL ANGLE OF 02°48'54", AN ARC DISTANCE OF 481.47 FEET TO A POINT ON SAID NORTH LINE OF EAGLE MOUNTAIN WASTEWAY; THENCE ALONG SAID NORTH LINE NORTH 00°04'59" EAST, 197.85 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 22; THENCE ALONG THE SOUTH LINE THEREOF SOUTH 89°24'08" WEST, 66.62 FEET TO A POINT ON A NON TANGENT CURVE, SAID POINT ALSO BEING ON SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD; THENCE FROM A TANGENT WHICH BEARS NORTH 19°12'09" WEST, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 9800.00 FEET, THROUGH A CENTRAL ANGLE OF 07°44'05", AN ARC DISTANCE OF 1322.94 FEET; THENCE NORTH 47°49'32" EAST, 310.59 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE AFOREMENTIONED POINT "B", SAID POINT BEING A POINT ON A NON TANGENT CURVE, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE FROM A TANGENT WHICH BEARS SOUTH 15°10'17" EAST, ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 9800.00 FEET, THROUGH A CENTRAL ANGLE OF 14°26'25", AN ARC DISTANCE OF 2469.91 FEET TO A POINT TANGENCY; THENCE CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD SOUTH 00°43'52" EAST, 199.61 FEET TO A POINT ON THE SOUTH LINE OF SAID EAGLE MOUNTAIN WASTEWAY, SAID POINT BEING THE POINT OF BEGINNING; THENCE ALONG SAID SOUTH LINE NORTH 89°22'04" EAST, 160.00 FEET; THENCE SOUTH 00°43'52" EAST, 17886.90 FEET TO A POINT ON THE SOUTH LINE OF SECTION 10; THENCE ALONG SAID SOUTH LINE SOUTH 89°19'08" WEST, 160.00 FEET TO A POINT ON THE SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD, SAID POINT HEREINAFTER REFERRED TO AS POINT "C"; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD NORTH 00°43'52" WEST, 17887.03 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE AFOREMENTIONED POINT "C", SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF KAISER ROAD; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD SOUTH 00°43'52" EAST, 2635.57 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SECTION 15, SAID POINT BEING THE POINT OF BEGINNING; THENCE ALONG SAID SOUTH LINE OF THE NORTHEAST QUARTER SECTION 15 NORTH 89°15'40" EAST, 160.00 FEET; THENCE SOUTH 00°43'52" EAST, 4852.30 FEET; THENCE NORTH 88°50'10" EAST, 2998.07 FEET; THENCE SOUTH 45°17'35" EAST, 318.06 FEET; THENCE NORTH 88°50'09" EAST, 896.80 FEET; THENCE SOUTH 45°00'00" EAST, 3977.04 FEET; THENCE NORTH 89°19'47" EAST, 18513.88 FEET; THENCE SOUTH 00°40'13" EAST, 5184.38 FEET; THENCE SOUTH 76°50'37" EAST, 269.77 FEET; THENCE SOUTH 12°34'01" WEST, 160.01 FEET; THENCE NORTH 76°50'37" WEST, 396.81 FEET; THENCE NORTH 00°40'13" WEST, 5149.77 FEET; THENCE SOUTH 89°19'47" WEST, 18421.25 FEET; THENCE NORTH 45°00'00" WEST, 3976.23 FEET; THENCE SOUTH 88°50'09" WEST, 896.32 FEET; THENCE NORTH 45°17'35" WEST, 318.06 FEET; THENCE SOUTH 88°50'10" WEST, 3091.57 FEET TO A POINT ON THE WEST LINE OF SAID KAISER ROAD; THENCE ALONG SAID WEST LINE OF KAISER ROAD NORTH 00°43'52" WEST, 5013.49 FEET TO THE POINT OF BEGINNING.

PARCEL B:

MWD 34.5 kV crossing (9a)

That portion of Section 9, Township 4 South, Range 15 East, San Bernardino Meridian, in the County of Riverside, State of California described as follows:

COMMENCING at the southeast corner of said Section 9 as marked by a two inch diameter iron pipe with

Ex. B-2

brass cap, stamped Section 9, 10, 16, 15 T4S, R15E, tagged L.S. 5134 as shown on a Record of Survey filed in Book 126, Pages 77 through 86 inclusive of Record of Survey, in the Office of the County Recorder of said County; thence along the southerly line of said Section 9 S 89° 03' 14" W 4562.90 feet to a 1½ inch diameter iron pipe with brass cap marking the northwesterly right of way line of that portion of said Section 9 conveyed to The Metropolitan Water District of Southern California by act of Congress approved June 18, 1932 (ch. 270, 47 Stat. 324), tagged L.S. 5134 as shown on said Record of Survey; thence along the said northwesterly right of way line N 48° 02' 39" E 2476.60 feet to the POINT OF BEGINNING; thence continuing along said northwesterly right of way line N 48° 02' 39" E 50.00 feet; thence S 41° 57' 21" E 80.00 feet to the southeasterly right of way line of said conveyance to Metropolitan Water District; thence along said southeasterly right of way line S 48° 02' 39" W 50.00 feet; thence N 41° 57' 21" W 80.00 feet to said northwesterly right of way line and the POINT OF BEGINNING.

MWD access road crossing (9b)

That portion of Section 9, Township 4 South, Range 15 East, San Bernardino Meridian, in the County of Riverside, State of California described as follows:

COMMENCING at the southeast corner of said Section 9 as marked by a two inch diameter iron pipe with brass cap, stamped Section 9, 10, 16, 15 T4S, R15E, tagged L.S. 5134 as shown on a Record of Survey filed in Book 126, Pages 77 through 86 inclusive of Record of Survey, in the Office of the County Recorder of said County; thence along the southerly line of said Section 9 S 89° 03' 14" W 4562.90 feet to a 1½ inch diameter iron pipe with brass cap marking the northwesterly right of way line of that portion of said Section 9 conveyed to The Metropolitan Water District of Southern California by act of Congress approved June 18, 1932 (ch. 270, 47 Stat. 324), tagged L.S. 5134 as shown on said Record of Survey; thence along the said northwesterly right of way line N 48° 02' 39" E 873.76 feet to the POINT OF BEGINNING; thence continuing along said northwesterly right of way line N 48° 02' 39" E 30.00 feet; thence S 41° 57' 21" E 80.00 feet to the southeasterly right of way line of said conveyance to Metropolitan Water District; thence along said southeasterly right of way line S 48° 02' 39" W 30.00 feet; thence N 41° 57' 21" W 80.00 feet to said northwesterly right of way line and the POINT OF BEGINNING.

MWD Gentie crossing of spillway

A strip of land 160 feet wide lying within that W½ of Section 27, Township 4 South, Range 15 East, San Bernardino Meridian, in the County of Riverside, State of California lying 80.00 feet on each side of the following described centerline:

For the purposes of this description it is intended for the centerline of said 160.00 feet wide strip of land to be 80.00 feet easterly of, as measured at right angles and radially to, the westerly line of Kaiser Road as said Kaiser Road is shown on a Record of Survey filed in Book 73, Pages 24 through 30 inclusive of Record of Surveys, in the Office of the County Recorder of said County.

COMMENCING at the northwest corner of said Section conveyed to The Metropolitan Water District of Southern California by act of Congress approved June 18, 1932 (ch. 270, 47 Stat. 324), as marked by a two inch diameter iron pipe with brass cap, stamped L.S. 4339 M.W.D. as shown on said Record of Survey; thence along said northerly line of said Section N 89° 24' 13" E 1333.13 feet to the beginning of a non-tangent curve, concave westerly, having a radius of 9,880.00 feet and the POINT OF BEGINNING of said described centerline, a radial line to said beginning bears N 70° 56' 46" E; thence southerly along the arc of said curve 3159.73 feet; thence on a tangent line S 00° 43' 52" E 197.67 feet to the southerly line of the N½NE¼SW¼ of said Section and the POINT OF TERMINATION of said described centerline.

The side lines of said strip of land are to be shortened or lengthened so as to terminate northerly on said northerly line of said S½NE¼NW¼ and northerly on said Section.

Except there from the N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section

PARCEL C: Franchise Agreement

BEING A PORTION OF;

(A) THE RIGHT-OF-WAY OF KAISER ROAD, SAID ROAD BEING A PUBLIC ROAD EASEMENT PER THAT CERTAIN DOCUMENT RECORDED JUNE 20, 1962 AS DOCUMENT NO. 57641 OF OFFICIAL RIVERSIDE COUNTY, CALIFORNIA RECORDS, LYING WITHIN SECTION 22, SECTION 27 AND SECTION 34, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SECTION 3, SECTION 10, SECTION 15 AND SECTION 22, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA,

AND

(B) RIVERSIDE COUNTY'S FEE INTEREST IN A PORTION OF KAISER ROAD PURSUANT TO THAT CERTAIN DOCUMENT RECORDED NOVEMBER 26, 1962 AS DOCUMENT NO. 108734 OF OFFICIAL RECORDS, RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN THE NORTH ONE-HALF OF SECTION 15, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA.

FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 22; THENCE ALONG THE SOUTH LINE THEREOF NORTH 89°24'08" EAST, 1565.22 FEET TO A POINT ON A NON TANGENT CURVE, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE WITH A RADIAL BEARING OF NORTH 71°22'10" EAST, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10,100.00 FEET, THROUGH A CENTRAL ANGLE OF 07°49'44", AN ARC DISTANCE OF 1380.05 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 47°49'32" WEST, 145.52 FEET TO A POINT ON A NON TANGENT CURVE, WITH A RADIAL BEARING OF NORTH 63°46'02" EAST; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 9960.00 FEET, THROUGH A CENTRAL ANGLE OF 25°30'06", AN ARC DISTANCE OF 4433.07 FEET; THENCE SOUTH 00°43'52" EAST, 25574.50 FEET; THENCE NORTH 88°50'11" EAST, 140.02 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE OF KAISER ROAD SOUTH 00°43'52" EAST, 160.00 FEET; THENCE SOUTH 88°50'11" WEST 300.01 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD NORTH 00°43'52" WEST, 25735.71 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 9800.00 FEET, THROUGH A CENTRAL ANGLE OF 26°12'22", AN ARC DISTANCE OF 4482.35 FEET; THENCE NORTH 47°49'32" EAST, 310.59 FEET TO A POINT ON A NON TANGENT CURVE WITH A RADIAL BEARING OF NORTH 62°35'59" EAST, SAID POINT BEING ON THE AFOREMENTIONED EAST RIGHT-OF-WAY LINE OF KAISER ROAD; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10,100.00 FEET, THROUGH A CENTRAL ANGLE OF 00°56'27", AN ARC DISTANCE OF 165.84 FEET TO THE POINT OF BEGINNING.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Latham & Watkins LLP
600 West Broadway, Suite 1800
San Diego, CA 92101
Attention: James Mann, Esq.

THIS INSTRUMENT IS TO BE INDEXED AS BOTH A DEED OF TRUST AND A
FINANCING STATEMENT FILED AS A FIXTURE FILING.

DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES, RENTS AND PROFITS, AND FIXTURE FILING
(SHARED FACILITIES)

made by

DESERT SUNLIGHT 300, LLC,
a Delaware limited liability company,

as the Trustor,

to

FIRST AMERICAN TITLE INSURANCE COMPANY,

as the Trustee,

for the benefit of

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Collateral Agent for the benefit of the Secured Parties,

as the Beneficiary

Dated as of September __, 2011

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**DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES, RENTS AND PROFITS, AND FIXTURE FILING
(SHARED FACILITIES)**

THIS DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES, RENTS AND PROFITS, AND FIXTURE FILING (SHARED FACILITIES), dated as of September __, 2011 (as amended, modified, restated, substituted, replaced or otherwise supplemented from time to time, this "Deed of Trust"), made by DESERT SUNLIGHT 300, LLC, a Delaware limited liability company (the "Trustor"), having its principal place of business at [c/o NextEra Energy Resources, LLC, 700 Universe Boulevard, Juno Beach, Florida 33408-0428,] as the Trustor, to FIRST AMERICAN TITLE INSURANCE COMPANY (the "Trustee"), having its principal place of business at 5 First American Way, Santa Ana, California 92707, as the Trustee, for the benefit of DEUTSCHE BANK TRUST COMPANY AMERICAS, having an address at 60 Wall Street, 27th Floor, MS NYC60-2710, New York, NY 10005, Attn: Project Finance, Project Desert Sunlight, as Collateral Agent (together with any successor Beneficiary, in such capacity, the "Beneficiary") for the benefit of the Secured Parties (as defined in the Master Agreement referred to below).

All capitalized terms used herein but not otherwise defined herein shall have the same meanings ascribed to such terms in the Master Agreement (as defined below).

WITNESSETH:

WHEREAS, the Trustor will develop and operate a solar generation facility located in the State of California (the "Facilities");

WHEREAS, the Trustor was formed for the purpose of owning and developing the Facilities and desires to consummate the transactions contemplated by that certain Master Agreement, dated as of the date hereof (as amended, restated, replaced, substituted, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "Master Agreement"), among the Trustor, as the Borrower; the Beneficiary, as the Collateral Agent and the Master Administrative Agent; U.S. Department of Energy; Desert Sunlight Holdings, LLC; the financial institutions party thereto as the Lenders; Deutsche Bank Trust Company Americas, as Intercreditor Agent; Deutsche Bank Trust Company Americas, as A-1 Administrative Agent; Deutsche Bank Trust Company Americas, as A-2 Administrative Agent; Deutsche Bank Trust Company Americas, as A-3 Administrative Agent; Citibank, N.A., as LC Facility Administrative Agent; Deutsche Bank Trust Company Americas, as the SPV Trustee; Goldman Sachs Lending Partners LLC, as Joint Syndication Agent; Citigroup Global Markets Inc., as Joint Syndication Agent; and the LC Issuing Banks party thereto,

WHEREAS, the Trustor is the owner of valid right-of-way, easement or other interests in and to the Mortgaged Property (as hereinafter defined);

WHEREAS, pursuant to the Master Agreement, the Beneficiary has the authority to act on behalf of the Secured Parties with respect to the Collateral, including, without limitation, the Mortgaged Property described in this Deed of Trust;

WHEREAS, the Lenders are making the Loans in reliance on this Deed of Trust, and it is a condition precedent to the making of the Loans by the Lenders under the Master Agreement that the Trustor execute and deliver this Deed of Trust; and

WHEREAS, the Trustor will obtain substantial benefits as a result of the transactions contemplated by the Master Agreement, and, accordingly, the Trustor desires to execute this Deed of Trust in order to satisfy the condition precedent described in the preceding paragraph.

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to the Trustor, the receipt and sufficiency of which are hereby acknowledged, the Trustor hereby covenants and agrees with the Beneficiary, for the benefit of the Secured Parties, as follows:

Granting Clauses

IN ORDER TO SECURE THE FULL AND PROMPT PAYMENT AND PERFORMANCE OF THE OBLIGATIONS (AS DEFINED IN THE MASTER AGREEMENT) (BUT EXPRESSLY EXCLUDING THE OBLIGATIONS UNDER THAT CERTAIN ENVIRONMENTAL INDEMNITY AGREEMENT, DATED AS OF THE DATE HEREOF, BY THE TRUSTOR FOR THE BENEFIT OF THE BENEFICIARY (WHICH IS NOT A FINANCING DOCUMENT)), THE TRUSTOR INTENDING TO BE LEGALLY BOUND, IRREVOCABLY GRANTS, TRANSFERS BARGAINS, SELLS, CONVEYS, WARRANTS, MORTGAGES, PLEDGES, SETS OVER AND ASSIGNS UNTO THE TRUSTEE, AND GRANTS THE TRUSTEE A LIEN UPON AND A SECURITY INTEREST IN, AND HEREBY MORTGAGES AND WARRANTS, GRANTS, ASSIGNS, TRANSFERS AND SETS OVER TO THE TRUSTEE, FOR THE USE AND BENEFIT OF THE BENEFICIARY, WITH POWER OF SALE (SUBJECT TO ANY APPLICABLE LAW) AND RIGHT OF ENTRY AND POSSESSION, ALL OF THE TRUSTOR'S ESTATE, RIGHT, TITLE AND INTEREST, WHETHER NOW OWNED OR HEREAFTER ACQUIRED, WHETHER AS GRANTOR OR GRANTEE OR AS BENEFICIAL OWNER OF EASEMENT RIGHTS AND WHETHER VESTED OR CONTINGENT, IN AND TO ALL OF THE FOLLOWING:

A. The right-of-way, easement and other interests (including all present and future options of any kind, rights of first refusal, privileges and other benefits) granted to the Trustor under the right-of-way, easement and other agreements (together with any amendments, modifications, extensions, renewals or substitutions, collectively, the "Agreements", each an "Agreement"), in each case as described on Exhibit A attached hereto and covering the lands described in Exhibit B attached hereto (the "Land"), together with all rights, privileges, franchises and powers related thereto which are appurtenant to said Land and Agreements or the Trustor's interest therein, including all minerals, oil and gas and other hydrocarbon substances thereon or therein; waters, water courses, water stock, water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant), sewer rights, shrubs, crops, trees, timber and other emblements now or hereafter on, under or above the same or any part or parcel thereof;

B. All buildings, structures, tenant improvements and other improvements of every kind and description now or hereafter located in or on the Land, including, but not limited to, all structures, improvements, footings, foundation pads, towers, turbines, substations, transmission and collection lines, interconnection facilities, rail spurs, dams, reservoirs, water, wells, sanitary and storm sewers, drainage, pipelines, electricity, steam, gas, telephone and other utility facilities, solar panels, photovoltaic modules, solar electrical generating facilities, generators, buildings, sheds, substations, transformers, capacitors, circuit breakers, bases, racks, support structures, poles, control systems, wires, meteorological systems, communication systems, safety protection equipment, metering equipment, utility installations, parking areas, roads, driveways, walks and other site improvements of every kind and description now or hereafter erected or placed on the Land, together with all additions thereto and all renewals, alterations, substitutions and replacements thereof (collectively, the "Improvements");

C. All inventory, raw materials, work in process and other materials used or consumed in the construction, operation or maintenance of the Improvements or Equipment (as defined below), or now or hereafter located on or within, or used in connection with, the Land, the Improvements, the Equipment, or any other property or rights comprising the Mortgaged Property (the "Tangible Collateral");

D. All fixtures, attachments, appliances, equipment, machinery, building materials and supplies, and other tangible personal property, now or hereafter attached to said Improvements or now or at any time hereafter located on the Land and/or Improvements, including, but not limited to, furnaces, boilers, oil burners, piping, plumbing, refrigeration, air conditioning, lighting, ventilation, disposal and sprinkler systems, elevators, motors, dynamos, cabling, underground and overhead interconnections, and all other equipment and machinery, appliances, fittings and fixtures of every kind located in or used in the operation of the Improvements located on the Land, together with all additions thereto and all renewals, alterations, substitutions and replacements thereof (the above items together with the Tangible Collateral, hereinafter sometimes collectively referred to as the "Equipment");

E. All rights, powers, privileges and other benefits of Trustor currently existing or hereafter obtained by Trustor from any Governmental Authority, including, without limitation, Permits issued in the name of Trustor and governmental actions relating to (A) the ownership, operation, management and use of the Land, Improvements or Equipment, (B) the development and financing of the Project, the Improvements and the Equipment, and (C) any improvements, modifications or additions thereto;

F. All surface rights, appurtenant rights and easements, rights of way, and other rights appurtenant to the use and enjoyment of, or used in connection, with the Land and/or the Improvements;

G. All streets, roads and public places (whether open or proposed) now or hereafter adjoining or otherwise providing access to the Land, the land lying in the bed of such streets, roads and public places, and all other sidewalks, alleys, ways, passages, vaults, water courses, strips and gores of land now or hereafter adjoining or used or intended to be used in connection with all or any part of the Land and/or the Improvements;

H. Any existing or future leases, subleases, occupancy agreements, licenses, rental contracts, lease guaranties and any other agreements relating to the use and occupancy of the Land and/or the Improvements or any portion thereof, including, but not limited to, any use or occupancy arrangements created pursuant to Section 365(h) of Title 11 of the United States Code (the "Bankruptcy Code") or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or occupant of any portion of the Land and/or the Improvements (collectively, "Leases");

I. All remainders, revenues, rents, receipts, reimbursements, reversions, income, royalties, proceeds, accounts receivable, issues and profits of the Mortgaged Property (as defined below) (collectively, "Rents");

J. All general intangibles, permits, licenses, franchises, contracts, power purchase agreements, agreements, and rights relating to the use, occupation and operation of the Land, the Improvements, the Equipment and/or other property or rights comprising the Mortgaged Property or any business conducted thereon or therein;

K. All real estate tax refunds now or hereafter payable to the Trustor with respect to the Land, the Improvements, the Equipment and/or other property or rights comprising the Mortgaged Property, and refunds, credits or reimbursements payable with respect to bonds, escrow accounts or other sums payable in connection with the use, development, or ownership of the Land, the Improvements, the Equipment and/or the other property or rights comprising the Mortgaged Property;

L. Any claims or demands with respect to any proceeds of insurance in effect with respect to the Land, the Improvements, the Equipment and/or other property or rights comprising the Mortgaged Property, including interest thereon, and any and all awards made for the taking by eminent domain, condemnation or by any proceedings, transfer or purchase in lieu or in anticipation of the exercise of said rights, or for a change of grade, or for any other injury to or decrease in the value of, the whole or any part of the Mortgaged Property;

M. Any zoning lot agreements, air rights and development rights, together with any additional air rights or development rights; and

N. All proceeds and products of the conversion, voluntary or involuntary, including, but not limited to, those from sale, exchange, transfer, collection, loss, damage, disposition, substitution or replacement, of any of the foregoing, whether into cash, liquidated claims or otherwise; and

O. All After Acquired Property Interests (as defined in Section 1.04);

All of the Trustor's right, title and interest in and to the foregoing estates, rights, properties and interests hereby conveyed to the Trustee are sometimes referred to collectively herein as the "Mortgaged Property";

TO HAVE AND TO HOLD THE MORTGAGED PROPERTY AND THE RIGHTS AND PRIVILEGES HEREBY GRANTED UNTO THE TRUSTEE, ITS SUCCESSORS AND ASSIGNS FOREVER, and the Trustor hereby covenants and agrees, on behalf of itself and its successors and assigns, to warrant and defend the Mortgaged Property unto the Trustee, its successors and assigns against the claims of all Persons and parties whatsoever (other than in respect to Permitted Liens).

ARTICLE I

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE TRUSTOR

1.01. Title to the Mortgaged Property. The Trustor represents and warrants that: (a) it has a legal, valid and subsisting leasehold, easement, right of way, and/or other possessory interest in and to the Land, in each case, free and clear of any Liens, other than the Permitted Liens related thereto, and is lawfully possessed of the Land, subject to the terms and conditions of the Agreements; (b) this Deed of Trust is a valid first priority Lien upon the Mortgaged Property (subject only to Permitted Liens which (i) exist on the date hereof or (ii) arise hereafter and have priority over the Lien of this Deed of Trust by operation of applicable law); (c) it has full power and authority to encumber the Mortgaged Property in the manner set forth herein, subject to the Permitted Liens; and (d) there are no defenses or offsets to this Deed of Trust or to the Obligations which it secures. The Trustor shall preserve such title and the validity and priority of this Deed of Trust and shall forever warrant and defend the same to the Trustee and the Beneficiary and their respective successors and assigns against the claims of all Persons and parties whatsoever (other than in respect of Permitted Liens). The Trustor shall take no action nor shall it fail to take any action which could result in an impairment of the Lien of this Deed of Trust or which could form the basis for any Person(s) to claim an interest in the Mortgaged Property (including, without limitation, any claim for adverse use or possession or any implied dedication or easement by prescription) other than Permitted Liens related thereto. If any Lien (other than a Permitted Lien related to the Mortgaged Property) is asserted against the Mortgaged Property, the Trustor shall promptly, at its expense: (i) provide the Trustee and the Beneficiary with written notice of such Lien (if such notice is required by the terms of the Master Agreement), including information relating to the amount of the Lien asserted; and (ii) pay such Lien in full or take such other action to cause such Lien to be released as an encumbrance against the Mortgaged Property (including bonding over such lien in a manner which will prevent any danger of the sale, forfeiture or loss of all or any material portion of such Mortgaged Property, title thereto or any material interest therein or any interference with the use or disposition of such Mortgaged Property). From and after the occurrence and during the continuation of an Event of Default, the Trustee or the Beneficiary may, but shall not be obligated, to pay any such asserted Lien if not timely paid by the Trustor. Any such amounts paid by Trustee or Beneficiary shall be payable upon demand from the Trustor to the Trustee or Beneficiary and shall bear interest from the date of expenditure at the lesser of the Default Rate or the highest rate applicable by law.

1.02. Preservation of Property. The Trustor agrees to pay for any and all reasonable fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Trustee's Liens on, and security interest in, and the

Beneficiary's interest in, the Mortgaged Property, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices (including stamp and recording taxes or other taxes imposed on the Trustee or the Beneficiary by virtue of their interest in this Deed of Trust, if any), which are imposed upon the recording of this Deed of Trust or thereafter, all reasonable attorneys' fees, payment or discharge of any taxes or Liens upon or in respect of the Mortgaged Property (other than Permitted Liens), premiums for insurance required by the Financing Documents to be maintained by the Trustor with respect to the Mortgaged Property, and all other reasonable fees, costs and expenses in connection with protecting, maintaining or preserving the Mortgaged Property and the Trustee's and the Beneficiary's interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Mortgaged Property or the construction, operation or maintenance of the Facilities.

1.03. Inspections. The Trustor hereby authorizes the Trustee, the Beneficiary, their respective agents, employees and representatives, to visit and inspect the Mortgaged Property or any part thereof, as provided in the Master Agreement.

1.04. After Acquired Property Interests. All right, title and interest of the Trustor in and to all improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Property, hereafter acquired by, or released to, the Trustor or constructed, assembled or placed by, or for the benefit of, the Trustor on the Land, and all conversions of the security constituted thereby (collectively, "After Acquired Property Interests"), immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by the Trustor, shall become subject to the Lien of this Deed of Trust as fully and completely, and with the same effect, as though owned by the Trustor on the date hereof and specifically described in the granting clauses hereof. The Trustor shall execute and deliver to the Trustee and the Beneficiary all such other assurances, mortgages, conveyances or assignments thereof as the Trustee or the Beneficiary may reasonably require for the purpose of expressly and specifically subjecting such After Acquired Property Interests to the Lien of this Deed of Trust. The Trustor hereby irrevocably authorizes and appoints the Beneficiary as the agent and attorney-in-fact of the Trustor to, following the occurrence and during the continuance of an Event of Default, execute all such documents and instruments on behalf of the Trustor, which appointment shall be irrevocable and coupled with an interest.

ARTICLE II

SECURITY AGREEMENT

2.01. Grant of Security: Incorporation by Reference. This Deed of Trust shall constitute a security agreement covering that portion of the Mortgaged Property that constitutes personal property or fixtures governed by the California Uniform Commercial Code, and the Trustor hereby grants to the Beneficiary a security interest in and to all of the Trustor's right, title and interest in and to the following property, whether now owned or hereafter acquired (collectively, the "Secured Property"), for the benefit of the Beneficiary to further secure the payment and performance of the Obligations:

(a) Those parts of the Mortgaged Property (i) classified as personal property (including without limitation (A) fixtures to the extent they are personal property and (B) personal property and fixtures that are leased by the Trustor) and (ii) otherwise constituting fixtures in which a security interest may be created under Article 9 of the California Uniform Commercial Code;

(b) All general intangibles, contract rights, accounts and proceeds arising from all insurance policies required by the Financing Documents to be maintained by the Trustor and related to the Mortgaged Property hereunder;

(c) All proceeds of any judgment, award or settlement in any condemnation in connection with the Mortgaged Property, together with all general intangibles, contract rights and accounts arising therefrom;

(d) All permits, consents and other governmental approvals held by the Trustor in connection with the construction of the Improvements and Equipment or the operation of the Mortgaged Property; provided that any permit, consent or other governmental approval which by its terms or by operation of law is not assignable or would become void, voidable, terminable or revocable if pledged or assigned hereunder is expressly excluded to the extent necessary so as to avoid such violation of applicable law or voidness, avoidability, terminability or revocability;

(e) All plans and specifications, studies, tests and design materials relating to the design, construction, repair, alteration or leasing of the Mortgaged Property;

(f) All rights and interests of the Trustor in and under any and all service agreements, maintenance agreements, warranty agreements, and other contracts and agreements relating to or required for the construction, operation, maintenance, and repair of the Mortgaged Property;

(g) All cash and non-cash proceeds of the above-mentioned items; and

(h) All other Collateral (as defined in the Security Agreement).

The provisions contained in the Security Agreement to which the Trustor is a party are hereby incorporated by reference into this Deed of Trust with the same effect as if set forth in full herein. In the event of a conflict between the provisions of this Deed of Trust and such Security Agreement with respect to the Secured Property, such Security Agreement shall control and govern and the Trustor shall comply therewith.

2.02. Fixture Filing. This Deed of Trust constitutes a fixture filing. For purposes of this Section 2.02, this Deed of Trust is to be filed and recorded against the Land in, among other places, the real estate records of the County in which the Land is located and the following information is included: (1) the Trustor shall be deemed the "Debtor" with the address set forth for the Trustor in the preamble of this Deed of Trust which the Trustor certifies is accurate; (2) the Beneficiary shall be deemed to be the "Secured Party" with the address set forth for the Beneficiary in the preamble of this Deed of Trust and shall have all of the rights of a secured party under the Code; (3) this Deed of Trust covers goods which are or are to become fixtures;

(4) the Delaware organizational identification number of the Debtor is 4988092 and the federal tax identification number of the Debtor is 45-2685159; (5) the Debtor is a limited liability company, organized under the laws of the State of Delaware; and (6) the legal name of the Debtor is Desert Sunlight 300, LLC. The Debtor hereby authorizes the Beneficiary to file any financing statements (including any which the Beneficiary decides should be filed with the Secretary of State of the State in which the Land is located) and terminations thereof or amendments or modifications thereto consistent herewith without the signature of the Debtor where permitted by law.

ARTICLE III

ASSIGNMENT OF LEASES, RENTS AND PROFITS

3.01. Assignment. For the purpose of securing the Obligations, the Trustor hereby absolutely, irrevocably and unconditionally sells, assigns, transfers and conveys to the Beneficiary all of the Trustor's right, title and interest in and to all current and future Leases and Rents, including those now due, past due, or to become due by virtue of any Lease or other agreement for the occupancy or use of all or any part of the Mortgaged Property, to be effective to create a present security interest under California Civil Code Section 2938 in all current and future Leases and Rents. The Trustor intends that this assignment constitute a present and absolute assignment and not an assignment for additional security only. This assignment is intended to be specific, perfected and choate upon the recording of this Deed of Trust. Such assignment to the Beneficiary shall not be construed to bind the Beneficiary to the performance of any of the covenants, conditions or provisions contained in any Lease or otherwise impose any obligation upon the Beneficiary. Except as expressly permitted by the Master Agreement or the other Financing Documents, the Trustor covenants that it will not hereafter collect or accept payment of any Rents more than one month prior to the due dates of such Rents and that no Rents will be waived, released, reduced, discounted or otherwise discharged or compromised by the Trustor, except as may be previously approved in writing by the Beneficiary (such approval not to be unreasonably withheld, conditioned or delayed). The Trustor agrees that it will not assign any of the Leases or Rents to any other Person except as expressly permitted by the Master Agreement or the other Financing Documents. The Beneficiary shall have no liability for any loss which may arise from a failure or inability to collect any Rents. The Trustor shall maintain all security deposits in accordance with applicable law.

3.02. Rents.

(a) Prior to the occurrence of an Event of Default, all Rents shall be collected, deposited and disbursed pursuant to the Depositary Agreement. Upon the occurrence and during the continuance of an Event of Default, without the need for notice or demand, the Trustor grants to the Beneficiary, the right to exercise all the rights granted in Section 4.02(a) hereof. Nothing herein contained shall be construed as constituting the Beneficiary a receiver in possession in the absence of the taking of actual possession of the Mortgaged Property by the Beneficiary pursuant to such Section 4.02(a).

(b) From and after the occurrence and during the continuance of an Event of Default, the Trustor may, at the Beneficiary's direction, be the agent for the Beneficiary

in collection of the Rents and all of the Rents so collected by the Trustor shall be held in trust by the Trustor for the sole and exclusive benefit of the Beneficiary and the Trustor shall, within ten (10) business days after receipt of any Rents, pay the same to the Beneficiary to be applied by the Beneficiary as provided herein. Upon the occurrence and during the continuance of an Event of Default, all Rents collected shall be remitted to the Depository for application to the appropriate account in accordance with the Depository Agreement. Neither demand for nor collection of Rents by the Beneficiary shall constitute any assumption by the Beneficiary of any obligations under any Lease or agreement relating thereto.

(c) Upon the occurrence and during the continuance of an Event of Default, any funds expended by the Beneficiary to take control of and manage the Mortgaged Property and collect the Rents shall become part of the Obligations secured hereby. Such amounts shall be payable upon demand from the Trustor to the Beneficiary and shall bear interest from the date of expenditure at the lesser of the Default Rate or the highest rate applicable by law.

3.03. Sale of Mortgaged Property.

(a) Upon any sale of any of the Mortgaged Property by or for the benefit of the Beneficiary pursuant to this Deed of Trust, the Rents attributable to the part of the Mortgaged Property so sold shall be included in such sale and shall pass to the purchaser free and clear of any rights granted herein to the Trustor.

(b) The Trustor acknowledges and agrees that, to the extent provided by or allowed by applicable law, immediately upon recordation of this Deed of Trust, the Beneficiary's interest in the Rents shall be deemed to be fully perfected, absolute, "choate" and enforceable against the Trustor and all third parties, including, without limitation, any debtor in possession or trustee in any case under the Bankruptcy Code, without the necessity of (i) commencing a foreclosure action with respect to this Deed of Trust, (ii) furnishing notice to the Trustor or tenants under the Leases, (iii) making formal demand for the Rents, (iv) taking possession of the Mortgaged Property as a lender-in-possession, (v) obtaining the appointment of a receiver of the Rents, (vi) sequestering or impounding the Rents, or (vii) taking any other affirmative action.

3.04. Bankruptcy Provisions. Without limiting the provisions of this Article III or the absolute nature of the assignment of the Rents hereunder, the Trustor and the Beneficiary agree that, to the extent that the assignment of the Rents hereunder is deemed to be other than an absolute assignment, (a) this Deed of Trust shall constitute a "security agreement" for purposes of Section 552(b) of the Bankruptcy Code; (b) the security interest created by this Deed of Trust extends to property of the Trustor acquired before the commencement of a bankruptcy case and to all amounts paid as Rents; and (c) such security interest shall extend to all Rents acquired by the estate after the commencement of any bankruptcy case. Without limiting the absolute nature of the assignment of the Rents hereunder, to the extent the Trustor (or the Trustor's bankruptcy estate) shall be deemed to hold any interest in the Rents after the commencement of a voluntary or involuntary bankruptcy case, the Trustor hereby acknowledges and agrees that, to the extent

provided by or allowed by applicable law, such Rents are and shall be deemed to be "cash collateral" under Section 363 of the Bankruptcy Code.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

4.01. Events of Default. The occurrence of an Event of Default under, and as defined in, the Master Agreement shall constitute an event of default (each an "Event of Default") hereunder.

4.02. Remedies Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Beneficiary may either itself or by or through the Trustee or one or more agents, nominees, assignees or otherwise, to the fullest extent permitted by law, exercise any or all of the following rights and remedies individually, collectively or cumulatively:

(a) either in person or by its agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, (i) enter upon and take possession of the Mortgaged Property or any part thereof and of all books, records and accounts relating thereto or located thereon, in its own name or in the name of the Trustor, and do or cause to be done any acts which it reasonably deems necessary to preserve the value of the Mortgaged Property or any part thereof or interest therein, increase the income therefrom or protect the security hereof, (ii) with or without taking possession of the Mortgaged Property make such repairs, alterations, additions and improvements as the Beneficiary reasonably deems necessary and do any and all acts and perform any and all work which the Beneficiary reasonably deems necessary to complete any unfinished construction on the Mortgaged Property, (iii) make, cancel or modify Leases and sue for or otherwise collect the Rents thereof, including those past due and unpaid, (iv) make any payment or perform any act which the Trustor has failed to make or perform hereunder, (v) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary, (vi) pay, purchase, contest or compromise any encumbrance, charge or Lien on the Mortgaged Property (other than Permitted Liens), (vii) take such other actions as the Beneficiary reasonably deems necessary, and (viii) collect the Rents as provided under California Civil Code Section §2938;

(b) commence and maintain one or more actions at law or in equity or by any other appropriate remedy (i) to protect and enforce the rights of the Trustee or the Beneficiary hereunder, including for the specific performance of any covenant or agreement herein contained (which covenants and agreements the Trustor agrees shall be specifically enforceable by injunctive or other appropriate equitable remedy), (ii) to collect any sum then due hereunder, (iii) to aid in the execution of any power herein granted, or (iv) to foreclose this Deed of Trust in accordance with Section 4.03 hereof;

(c) exercise any or all of the remedies available to a secured party under the NY UCC (as defined below) or the California Uniform Commercial Code (collectively, the "Code");

(d) without formal demand, presentment, notice of intention to accelerate or of acceleration, protest or notice of protest, all of which are hereby waived by the Trustor, declare all of the Obligations immediately due and payable, and upon such declaration all of such Obligations shall become and be immediately due and payable, anything in this Deed of Trust or the other Financing Documents to the contrary notwithstanding; and

(e) take such other action and exercise any other right or remedy available at law or in equity for the enforcement of this Deed of Trust or any of the Financing Documents as the law may allow.

4.03. Right of Foreclosure.

(a) Upon the occurrence and during the continuance of an Event of Default, the Beneficiary may either itself or by or through the Trustee or one or more agents, nominees, assignees or otherwise, to the maximum extent permitted by law:

(i) proceed at law or in equity to foreclose this Deed of Trust with respect to the Mortgaged Property, either by judicial action or by power of sale. If the Mortgaged Property consists of several lots, parcels or items of Mortgaged Property, the Beneficiary may, in its sole discretion: (i) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (ii) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner the Beneficiary may elect. Should the Beneficiary desire that more than one sale or other disposition of the Mortgaged Property be conducted, the Beneficiary may, at its option, cause the same to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as the Beneficiary may elect, and no such sale shall terminate or otherwise affect the lien of this Deed of Trust on any part of the Mortgaged Property not sold until all Obligations have been fully paid in cash and performed. The Beneficiary may, to the extent permitted by law, adjourn from time to time any sale by it to be made under or by virtue of this Deed of Trust by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, to the extent permitted by law, the Beneficiary may make such sale at the time and place to which the same shall be so adjourned. Upon the occurrence and during the continuance of an Event of Default, with respect to all components of the Mortgaged Property, each of the Beneficiary and the Trustee are hereby appointed the true and lawful attorney-in-fact of the Trustor (which appointment is irrevocable and coupled with an interest), in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property, and for that purpose each of the Beneficiary and the Trustee may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with such power, the Trustor hereby ratifying and confirming all that its said attorney-in-fact or such substitute or substitutes shall lawfully do by virtue hereof. Notwithstanding the foregoing, the Trustor, if so requested by the Beneficiary or the Trustee, shall ratify and confirm any such sale or sales by executing and delivering to the Beneficiary or the Trustee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Beneficiary or the Trustee, for such purpose, and as may be designated in such request. To the extent permitted by law, any such sale or sales made under or by virtue of this Article IV shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Trustor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against the

Trustor and against any and all persons claiming or who may claim the same, or any part thereof, from, through or under the Trustor. Upon any sale made under or by virtue of this Article IV, the Beneficiary may, to the extent permitted by law, bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations secured hereby the net sale price after deducting therefrom the expenses of the sale and the cost of the action and any other sums which the Beneficiary is authorized to deduct by law or under this Deed of Trust; and

(ii) deliver to the Trustee a written affidavit or declaration of default and demand for sale, executed by the Beneficiary, together with a written notice of default and election to sell the Mortgaged Property, directing the Trustee to foreclose this Deed of Trust by action or advertisement, with power being expressly granted to sell the Mortgaged Property at public auction and convey the same to the purchaser and, out of the proceeds arising from such sale, to pay all Obligations secured hereby with interest, and all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law, which costs, charges and fees the Trustor agrees to pay. On receipt by the Trustee of such affidavit or declaration of default and such notice of default and election to sell, the Trustee shall accept such election to sell as true and conclusive of all facts and statements in such affidavit or declaration of default and shall cause such notice of default and election to sell to be recorded as required by applicable law. On the expiration of such period as may then be required by applicable law following recordation of such notice of default, and after notice of sale has been given in the manner and for the period required by applicable law, the Trustee, without demand on the Trustor, shall sell the Mortgaged Property at the time and place fixed in such notice of sale, either in whole or in separate parcels and in such order as the Trustee may determine or the Beneficiary may direct (the Trustor waives any right it may have under applicable law to direct the order of sale), at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale; provided, however, that the Beneficiary may offset its bid at such sale to the extent of the full amount owed to the Beneficiary by the Trustor under the Financing Documents, including, without limitation, the Trustee's fees, the Beneficiary's fees, expenses of sale, and costs, expenses, and attorney fees incurred by or on behalf of the Beneficiary in connection with collecting, litigating, or otherwise enforcing any right under the Financing Documents. The Trustee may postpone the sale of all or any portion of the Mortgaged Property by public announcement made at the initial time and place of sale, and from time to time later by public announcement made at the time and place of sale fixed by the preceding postponement. The Trustee shall deliver to the purchaser at such public auction its deed conveying the Mortgaged Property sold, but without any covenant or warranty, express or implied. The recital in such deed of any matter of fact concerning notices shall be conclusive proof of its truthfulness. Any person, including the Trustor, the Trustee, or the Beneficiary, may purchase at such sale.

(iii) enforce its rights under the Code and take possession of the Secured Property which is subject to this Deed of Trust and dispose of the same by sale or otherwise in one or more parcels as provided for by the Code, as hereafter amended, or by any similar or replacement statute hereafter enacted.

The Trustor understands that under the Constitution of the United States and the Constitution and statutes of the State of California it may have the right to notice and hearing before the Mortgaged Property may be sold and that the procedure for foreclosure by advertisement

described above does not insure that notice will be given and neither said procedure for foreclosure by advertisement nor the Code requires any hearing or other judicial proceeding.

(b) The Beneficiary shall have the right to proceed as to the Secured Property in accordance with the Beneficiary's rights and remedies in respect to real property or sell the Secured Property separately and without regard to the remainder of the Mortgaged Property in accordance with the Beneficiary's rights and remedies provided by the Code as well as other rights and remedies available at law or in equity.

(c) The Mortgaged Property, real, personal or mixed, may be sold as an entirety or in parcels, by one sale or by several sales held at one time or at different times, all as the Beneficiary, in its unrestricted discretion, or the Trustee (acting pursuant to the direction of the Beneficiary) may elect. The Trustor, for and on behalf of itself and all persons claiming by, though or under the Trustor, waives any and all right to have the Mortgaged Property marshaled upon any foreclosure sale and agrees that, upon foreclosure, the Mortgaged Property may be sold as an entirety or in parcels, all as the Beneficiary, in its unrestricted discretion, or the Trustee (acting pursuant to the direction of the Beneficiary) may elect.

(d) Intentionally Omitted.

(e) The Beneficiary at its option, or the Trustee (acting pursuant to the direction of the Beneficiary), may subordinate the Lien of this Deed of Trust to any or all of the Leases and, in such event, any foreclosure of this Deed of Trust and any other transfer of all or any part of the Mortgaged Property in extinguishment of all or any part of the Obligations may be subject to any or all Leases of all or any part of the Mortgaged Property and the rights of tenants under such Leases. No failure to make any such tenant a defendant in any foreclosure proceedings or to foreclose or otherwise terminate any such Lease and the rights of any such tenant in connection with any such foreclosure or transfer shall be, or be asserted to be, a defense or hindrance to any such foreclosure or transfer or to any proceedings seeking collection of all or any part of the Obligations (including, without limitation, any deficiency remaining unpaid after completion of any such foreclosure or transfer).

(f) If the Trustor retains possession of the Mortgaged Property or any part thereof subsequent to a foreclosure sale beyond the time period allowed under the Deed of Trust or applicable law, the Trustor will be considered a tenant at sufferance of the purchaser, and will, if the Trustor remains in possession after demand to remove, be guilty of forcible detainer and will be subject to eviction and removal in accordance with applicable law and all damages to the Trustor by reason thereof are hereby expressly waived by the Trustor.

4.04. Application of Proceeds. The Beneficiary or the Trustee (or the receiver, if one is appointed) shall transfer the net proceeds of any collection, recovery, receipt, appropriation, realization or sale or other disposition of the Mortgaged Property, after deducting all reasonable costs and expenses of every kind incurred therein or incidental thereto or to the care, safekeeping or otherwise of any or all of the Mortgaged Property or in any way relating to the rights of the Beneficiary hereunder, including attorneys' fees and legal expenses, to the Depository, for application pursuant to the provisions of the Depository Agreement.

4.05. Appointment of Receiver/ Trustee. Upon the occurrence and during the continuance of an Event of Default, the Beneficiary as a matter of strict right and without notice to the Trustor or anyone claiming under the Trustor, separately or in any action to foreclose this Deed of Trust, and without regard to the adequacy or the then value of the Mortgaged Property or the interest of the Trustor therein or the solvency of any party bound for payment of the Obligations, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Property, and the Trustor hereby irrevocably consents to such appointment and, to the extent allowed by applicable law, the Trustor waives notice of any application therefore. Any such receiver or receivers shall have all the usual rights, powers and duties of receivers in like or similar cases and all the rights, powers and duties of the Beneficiary or the Trustee in case of entry as provided in Section 4.02 hereof, including, but not limited to, the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as are approved by the court and shall continue as such and exercise all such powers until the date of sale of the Mortgaged Property unless such receivership is sooner terminated. Said receiver shall collect the rents during the period of redemption following any such foreclosure action, and apply the same pursuant to the authority granted by law and in accordance with the Financing Documents.

4.06. Exercise of Rights and Remedies. The entering upon and taking possession of the Mortgaged Property, the collection of any Rents and the exercise of any of the other rights contained in this Article IV, shall not, alone, cure or waive any Event of Default or notice of default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Property or the collection, receipt and application of Rents, the Beneficiary or the Trustee shall be entitled to exercise every right provided for herein or in the Financing Documents, or at law or in equity upon the occurrence of any Event of Default.

4.07. Remedies Not Exclusive. The Beneficiary and the Trustee (acting pursuant to the direction of the Beneficiary), shall be entitled to enforce payment and performance of the Obligations and to exercise all rights and powers under this Deed of Trust or any other agreement or any laws now or hereafter in force, notwithstanding that some or all of the Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, security deed, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the powers herein contained, shall prejudice or in any manner affect the Beneficiary's or the Trustee's right to realize upon or enforce any other security now or hereafter held by the Beneficiary or the Trustee, it being agreed that the Beneficiary and the Trustee shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by the Beneficiary and the Trustee in such order and manner as the Beneficiary may in its absolute and sole discretion and election determine. No remedy herein conferred upon or reserved to the Beneficiary or the Trustee is intended to be exclusive of any other remedy herein or in any of the other Financing Documents or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy to which the Beneficiary or the Trustee is entitled may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Beneficiary and the Trustee, and the Beneficiary and the Trustee may pursue inconsistent remedies. No delay or omission of the Beneficiary or the Trustee to exercise any right or power accruing upon any

Event of Default shall impair any right or power or shall be construed as a waiver of any Event of Default or any acquiescence therein. If the Beneficiary or the Trustee shall have proceeded to invoke any right or remedy hereunder or under the Financing Documents and shall thereafter elect to discontinue or abandon it for any reason, the Beneficiary or the Trustee, as the case may be, shall have the unqualified right to do so and, in such an event, the rights and remedies of the Beneficiary and the Trustee shall continue as if such right or remedy had never been invoked and no such discontinuance or abandonment shall waive any Event of Default which may then exist or the right of the Beneficiary or the Trustee thereafter to exercise any right or remedy under the Financing Documents for such Event of Default.

4.08. WAIVER OF REDEMPTION, NOTICE, MARSHALLING, ETC. NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, TO THE EXTENT PERMITTED BY LAW, THE TRUSTOR: (A) ACKNOWLEDGING THAT IT IS AWARE OF AND HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS HEREUNDER, WILL NOT (I) AT ANY TIME INSIST UPON, OR PLEAD, OR IN ANY MANNER WHATSOEVER, CLAIM OR TAKE ANY BENEFIT OR ADVANTAGE OF ANY STAY OR EXTENSION OR MORATORIUM LAW, PRESENT OR FUTURE STATUTE OF LIMITATIONS, ANY LAW RELATING TO THE ADMINISTRATION OF ESTATES OF DECEDENTS, APPRAISEMENT, VALUATION, REDEMPTION, STATUTORY RIGHT OF REDEMPTION, OR THE MATURING OR DECLARING DUE OF THE WHOLE OR ANY PART OF THE OBLIGATIONS, NOTICE OF INTENTION OF SUCH MATURING OR DECLARING DUE, OTHER NOTICE (WHETHER OF DEFAULTS, ADVANCES, THE CREATION, EXISTENCE, EXTENSION OR RENEWAL OF ANY OF THE OBLIGATIONS OR OTHERWISE, EXCEPT FOR RIGHTS TO NOTICES EXPRESSLY GRANTED HEREIN OR IN THE FINANCING DOCUMENTS), SUBROGATION, ANY SET-OFF RIGHTS, HOMESTEAD OR ANY OTHER EXEMPTIONS FROM EXECUTION OR SALE OF THE MORTGAGED PROPERTY OR ANY PART THEREOF, WHEREVER ENACTED, NOW OR AT ANY TIME HEREAFTER IN FORCE, WHICH MAY AFFECT THE COVENANTS AND TERMS OF PERFORMANCE OF THIS DEED OF TRUST, OR (II) CLAIM, TAKE OR INSIST UPON ANY BENEFIT OR ADVANTAGE OF ANY LAW NOW OR HEREAFTER IN FORCE PROVIDING FOR THE VALUATION OR APPRAISAL OF THE MORTGAGED PROPERTY OR ANY PART THEREOF, PRIOR TO ANY SALE OR SALES THEREOF WHICH MAY BE MADE PURSUANT TO ANY PROVISION HEREOF, OR PURSUANT TO THE DECREE, JUDGMENT OR ORDER OF ANY COURT OF COMPETENT JURISDICTION; OR (III) AFTER ANY SUCH SALE OR SALES, CLAIM OR EXERCISE ANY RIGHT UNDER ANY STATUTE HERETOFORE OR HEREAFTER ENACTED TO REDEEM THE MORTGAGED PROPERTY SO SOLD OR ANY PART THEREOF; AND (B) COVENANTS NOT TO HINDER, DELAY OR IMPEDE THE EXECUTION OF ANY POWER HEREIN GRANTED OR DELEGATED TO THE TRUSTEE OR THE BENEFICIARY FOLLOWING A SALE OF THE MORTGAGED PROPERTY, BUT TO SUFFER AND PERMIT THE EXECUTION OF EVERY POWER AS THOUGH NO SUCH LAW OR LAWS HAD BEEN MADE OR ENACTED. THE TRUSTOR, FOR ITSELF AND ALL WHO MAY CLAIM UNDER IT, WAIVES, TO THE EXTENT THAT IT LAWFULLY MAY, ALL RIGHT TO HAVE THE MORTGAGED PROPERTY MARSHALED UPON ANY FORECLOSURE HEREOF.

4.09. Expenses of Enforcement. In connection with any action to enforce any remedy of the Beneficiary or the Trustee under this Deed of Trust or any Financing Document, the Trustor agrees to pay all fees, costs and expenses which may be paid or incurred by or on behalf of the Beneficiary or the Trustee, including, without limitation, attorneys' fees, receiver's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which, if applicable, may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to title and value as the Beneficiary or the Trustee may reasonably deem necessary, and neither the Beneficiary, the Trustee nor any other Person shall be required to accept tender of any portion of the Obligations unless the same be accompanied by a tender of all such fees, expenses, costs and commissions. All of the fees, costs and expenses described in this Section 4.09, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the Lien of this Deed of Trust and the priority thereof, including the fees of any attorney employed by the Beneficiary in any litigation or proceeding, including appellate proceedings, affecting this Deed of Trust or the Mortgaged Property (including, without limitation, the occupancy thereof or any construction work performed thereon), including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding whether or not an action is actually commenced, shall be immediately due and payable by the Trustor upon demand by the Beneficiary, with interest thereon at the lesser of the Default Rate or the highest rate permitted by law and shall be part of the Obligations secured by this Deed of Trust.

4.10. Indemnity.

(a) The Trustor agrees to indemnify each of the Beneficiary and each Secured Party, and, in their capacity as such, their officers, directors, shareholders, controlling persons, employees, agents and servants in accordance with and in the manner contemplated by the Master Agreement and the other Financing Documents. THE FOREGOING INDEMNITY INCLUDES, BUT IS NOT LIMITED TO, ANY CLAIM, CAUSE OF ACTION, LIABILITY AND EXPENSES BASED UPON OR ARISING OUT OF THE NEGLIGENCE OR STRICT LIABILITY OF THE PARTY TO BE INDEMNIFIED, BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY TO BE INDEMNIFIED.

(b) Without limiting the application of Section 4.10(a) hereof, the Trustor agrees to pay or reimburse the Beneficiary or the Trustee, within thirty (30) days after written demand, for any and all reasonable fees, costs and expenses of whatever kind or nature incurred by the Beneficiary or the Trustee in accordance with this Deed of Trust or another Financing Document in connection with the creation, preservation or protection of the Liens on, and security interest in, the Mortgaged Property and the priority thereof, including, without limitation, all reasonable attorneys' fees and all other fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Mortgaged Property (other than Permitted Liens) and all reasonable attorneys' fees and other reasonable fees, costs and expenses in connection with protecting, maintaining or preserving the Mortgaged Property and the Beneficiary's or the Trustee's interest therein, whether

through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to this Deed of Trust or the Mortgaged Property.

ARTICLE V

ADDITIONAL COLLATERAL

5.01. Additional Collateral.

(a) The Trustor acknowledges and agrees that the Obligations are secured by the Mortgaged Property and various other Collateral including, without limitation, at the time of execution of this Deed of Trust certain personal property of the Trustor described in the Financing Documents. The Trustor specifically acknowledges and agrees that the Mortgaged Property, in and of itself, if foreclosed or realized upon may not be sufficient to satisfy the outstanding amount of the Obligations. Accordingly, the Trustor acknowledges that it is in the Trustor's contemplation that the other Collateral pledged to secure the Obligations may be pursued by the Beneficiary in separate proceedings in the various States, counties and other countries where such Collateral may be located and additionally that, subject to the limitations on recourse contained in the Financing Documents, the Trustor will remain liable for any deficiency judgments in addition to any amounts the Beneficiary may realize on sales of other property or any other Collateral given as security for the Obligations. Specifically, and without limitation of the foregoing, it is agreed that it is the intent of the parties hereto that in the event of a foreclosure of this Deed of Trust, the Indebtedness evidencing the Obligations shall not be deemed merged into any judgment of foreclosure, but rather shall remain outstanding. It is the further intent and understanding of the parties that the Beneficiary, following an Event of Default, may, to the maximum extent permitted by law, pursue all of the Collateral with the Obligations remaining outstanding and in full force and effect notwithstanding any judgment of foreclosure or any other judgment which the Beneficiary or the Trustee may obtain.

(b) The Trustor acknowledges and agrees that the Mortgaged Property and the property which may from time to time be encumbered by the other Financing Documents may be located in more than one State or country and therefore the Trustor waives and relinquishes any and all rights it may have, whether at law or equity, to require the Beneficiary to proceed to enforce or exercise any rights, powers and remedies it may have under the Financing Documents in any particular manner, in any particular order, or in any particular State or other jurisdiction. Furthermore, the Trustor acknowledges and agrees that the Beneficiary shall be allowed, subject to the limitations upon recourse contained in the Financing Documents, to enforce payment and performance of the Obligations and to exercise all rights and powers provided under this Deed of Trust, or the other Financing Documents or under any provision of law, by one or more proceedings, (whether contemporaneous, consecutive or both) in any one or more States or countries in which the security is located. Neither the acceptance of this Deed of Trust or any Financing Document nor the enforcement in one State or country, whether by court action, power of sale, or otherwise, shall prejudice or in any way limit or preclude

enforcement of such documents through one or more additional proceedings, in that state or in any other State or country.

(c) The Trustor further agrees that any particular remedy or proceeding, including, without limitation, foreclosure through court action (in a state or federal court) or power of sale, may be brought and prosecuted in the local or federal courts of any one or more States as to all or any part of the Mortgaged Property or the property encumbered by the Financing Documents, wherever located, without regard to the fact that any one or more prior or contemporaneous proceedings have been situated elsewhere with respect to the same or any other part of the Mortgaged Property and the property encumbered by the Financing Documents.

(d) The Beneficiary may resort to any other security held by the Beneficiary or the Trustee for the payment of the Obligations in such order and manner as the Beneficiary may elect.

(e) Notwithstanding anything contained herein to the contrary, neither the Beneficiary nor the Trustee shall have any duty to the Trustor or others, including, without limitation, the holder of any junior, senior or subordinate mortgage or deeds of trust on the Mortgaged Property or any part thereof or on any other security held by the Beneficiary or the Trustee, to exercise or exhaust all or any of the rights, powers and remedies available to the Beneficiary or the Trustee.

ARTICLE VI

MISCELLANEOUS

6.01. Governing Law. THE PROVISIONS OF THIS DEED OF TRUST SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF CALIFORNIA.

6.02. Limitation on Interest. It is the intent of the parties to this Deed of Trust and all other instruments evidencing or securing the Obligations to contract in strict compliance with applicable usury laws. In furtherance thereof, in no event shall the terms and provisions contained in this Deed of Trust ever be construed to create a contract for the use, forbearance or retention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by relevant law. If this Deed of Trust or any other instrument evidencing or securing the Obligations violates any applicable usury law, then the interest rate payable in respect of the Obligations shall be the highest rate permissible by law. The Trustor hereby agrees that as a condition precedent to any claim seeking usury penalties against the Beneficiary, the Trustor will provide written notice to the Beneficiary advising the Beneficiary in reasonable detail of the nature and amount of the violation, and the Beneficiary shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to the Trustor or crediting such excess interest against the indebtedness then owing by the Trustor to the Beneficiary. All sums contracted for, charged or received by the Beneficiary for the use, forbearance or detention of any debt shall, to the extent permitted by applicable law, be amortized or spread, using the actuarial method, throughout the stated term of

the Obligations (including any and all renewal and extension periods) until payment in full so that the rate or amount of interest on account of the Obligations does not exceed the maximum lawful rate, from time to time in effect and applicable to the Obligations.

6.03. Notices. Except as otherwise expressly provided herein, all notices, requests, demands or other communications provided for hereunder shall be given in accordance with Section 12.1 of the Master Agreement, and all such notices and communications shall be effective as provided in Section 12.1 of the Master Agreement. All notices, requests, demands or other communications provided to be given to the Trustee shall be delivered to the Trustee at the address set forth in the preamble hereof.

6.04. Captions. The captions or headings at the beginning of each Article and Section hereof are for the convenience of the parties hereto and are not a part of this Deed of Trust.

6.05. Amendment. None of the terms and conditions of this Deed of Trust may be changed, waived, modified or varied in any manner whatsoever except by a writing executed by the Beneficiary and otherwise in accordance with the provisions of Section 10.8 of the Master Agreement.

6.06. Obligations Absolute. The obligations of the Trustor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Trustor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Deed of Trust or any other Financing Document; or (c) any amendment to or modification of any Financing Document or any security for any of the Obligations; whether or not the Trustor shall have notice or knowledge of any of the foregoing, except to the extent such waiver, modification or amendment is agreed to by the Beneficiary in writing.

6.07. Further Assurances. The Trustor shall, upon the reasonable request of the Beneficiary or the Trustee and at the expense of the Trustor: (a) promptly correct any defect, error or omission which may be discovered in this Deed of Trust or any UCC financing statements filed in connection herewith; (b) promptly execute, acknowledge, deliver and record or file such further instruments (including, without limitation, further mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements and assignments of rents or leases) and promptly do such further acts as may be necessary or proper to carry out more effectively the purposes of this Deed of Trust and to subject to the Liens and security interests hereof any property intended by the terms hereof to be encumbered hereby, including, but not limited to, any renewals, additions, substitutions, replacements or appurtenances to the Mortgaged Property; and (c) promptly execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) reasonably deemed necessary by the Beneficiary or the Trustee to protect, continue or perfect the Liens or the security interests hereunder against the rights or interests of third Persons (other than in respect of Permitted Liens).

6.08. Partial Invalidity. If any of the provisions of this Deed of Trust or the application thereof to any person, party or circumstances shall to any extent be invalid or unenforceable, the

remainder of this Deed of Trust, or the application of such provision or provisions to persons, parties or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Deed of Trust shall be valid and enforceable to the fullest extent permitted by law.

6.09. Partial Releases. No release from the Lien of this Deed of Trust of any part of the Mortgaged Property by the Beneficiary or the Trustee shall in any way alter, vary or diminish the force or effect of this Deed of Trust on the balance of the Mortgaged Property or the priority of the Lien of this Deed of Trust on the balance of the Mortgaged Property.

6.10. Priority. This Deed of Trust is intended to and shall be valid and have priority over all subsequent liens and encumbrances, other than Permitted Liens.

6.11. Covenants Running with the Land. All Obligations are intended by the Trustor and the Beneficiary to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, the "Trustor" shall refer to the party named in the preamble of this Deed of Trust and to any subsequent owner of all or any portion of the Mortgaged Property. All persons who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Master Agreement and the other Financing Documents; provided, however, that no such party shall be entitled to any rights thereunder without prior written consent of the Beneficiary.

6.12. Successors and Assigns. This Deed of Trust shall be binding upon and inure to the benefit of the Beneficiary, the Trustee and the Trustor and their respective successors and permitted assigns. Except as otherwise expressly permitted by Master Agreement, the Trustor shall not assign any rights, duties, or obligations hereunder.

6.13. Purpose of Loans. The Trustor hereby represents and agrees that the Obligations secured by this Deed of Trust are being obtained for business or commercial purposes, and the proceeds thereof will not be used for personal, family, residential, household or agricultural purposes.

6.14. No Joint Venture or Partnership. The relationship created hereunder and under the other Financing Documents is that of creditor/debtor. Neither the Beneficiary nor the Trustee owes any fiduciary or special obligation to the Trustor and/or any of the Trustor's officers, partners, agents, or representatives. Nothing herein or in any other Financing Document is intended to create a joint venture, partnership, tenancy-in-common or joint tenancy relationship between the Trustor, the Trustee and the Beneficiary.

6.15. The Beneficiary as Agent for Secured Parties. It is expressly understood and agreed that the rights and obligations of the Beneficiary as beneficiary of this Deed of Trust and as beneficiary for the Secured Parties and otherwise under this Deed of Trust are those set forth in this Deed of Trust and in the Master Agreement. The Beneficiary shall act hereunder pursuant to the terms and conditions set forth herein and in the Master Agreement.

6.16. Limitation on Recourse. The provisions of Article 9 of the Master Agreement are hereby incorporated by reference as if set forth in full herein.

6.17. Acknowledgment of Receipt. The Trustor hereby acknowledges receipt of a true copy of this Deed of Trust.

6.18. Termination; Reconveyance.

(a) After the Discharge Date, this Deed of Trust (including any provision providing for the appointment of the Beneficiary as attorney-in-fact for the Trustor) and the Liens and security interests granted hereunder shall terminate, and the Beneficiary, at the request and expense of the Trustor, shall request that the Trustee execute and deliver to the Trustor the proper instruments acknowledging the reconveyance of this Deed of Trust, and request that the Trustee duly assign, transfer and deliver to the Trustor (without recourse and without any representation or warranty) such of the Mortgaged Property as may be in possession of the Trustee and has not theretofore been sold or otherwise applied or reconveyed pursuant to this Deed of Trust. The Beneficiary shall also execute and deliver, at the request and expense of the Trustor, upon termination of this Deed of Trust, such UCC termination statements, and such other documentation as shall be reasonably necessary and prepared by the Trustor to effect the termination and release of the Liens and security interests granted by this Deed of Trust.

(b) In addition, upon request of the Trustor, the Beneficiary or the Trustee (at the direction of the Beneficiary), shall within a reasonable period of time execute and deliver such documents as the Trustor may reasonably request evidencing the reconveyance to the Trustor or the party entitled thereto of the Mortgaged Property which is sold, transferred or otherwise disposed of as permitted by, and in accordance with, the Master Agreement and all other Financing Documents (including without limitation Section 6.8 of the Master Agreement) or the reconveyance and/or release of the Lien upon such Mortgaged Property (a reconveyance and release under this Section 6.18 is referred to herein as a "Permitted Reconveyance"). As a condition to such Permitted Reconveyance, the Trustor shall deliver to the Beneficiary a certificate (the "Officer's Certificate") executed by an officer of the Trustor stating that the sale, transfer or other disposition of such Mortgaged Property and the related reconveyance of such Mortgaged Property and release from the Lien created hereunder is permitted pursuant to the terms and conditions of the Master Agreement and all other Financing Documents (including without limitation Section 6.8 of the Master Agreement), and any further information and/or certifications which are required under the Master Agreement for the relevant reconveyance associated with such sale, transfer or other disposition to constitute a Permitted Reconveyance. Upon receipt by the Beneficiary of the Officer's Certificate, the Beneficiary or the Trustee (at the direction of the Beneficiary) shall, at the expense of the Trustor, promptly execute and deliver to the Trustor (without recourse and without representation or warranty) a proper instrument or instruments evidencing such Permitted Reconveyance and prepared by the Trustor; provided that the indemnities set forth herein shall survive the reconveyance of this Deed of Trust. Neither the Beneficiary nor the Trustee shall have any liability whatsoever to any other Secured Party as a result of any reconveyance of all or any portion of the Mortgaged Property by it in accordance with (or which the Beneficiary or the Trustee, in the absence of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision) believes to be in accordance with) this Section 6.18.

6.19. Time of the Essence. Time is of the essence with respect to the obligations of the Trustor under this Deed of Trust.

6.20. The Beneficiary's Powers. Without affecting the liability of any other Person liable for the payment and performance of the Obligations and without affecting the Lien of this Deed of Trust in any way, the Beneficiary may, from time to time, regardless of consideration and without notice to or consent by the holder of any subordinate Lien, right, title or interest in or to the Mortgaged Property, (a) release any Persons liable for the Obligations; (b) extend the maturity of, increase or otherwise alter any of the terms of the Obligations; (c) modify the interest rate payable on the principal balance of the Obligations; (d) release or reconvey, or cause to be released or reconveyed all or any portion of the Mortgaged Property; or (e) take or release any other or additional security for the Obligations.

6.21. Rules of Usage. The following rules of usage shall apply to this Deed of Trust unless otherwise required by the context:

1. Singular words shall connote the plural as well as the singular, and vice versa, as may be appropriate.

2. The words "herein", "hereof" and "hereunder" and words of similar import appearing in this Deed of Trust shall be construed to refer to such document as a whole and not to any particular section, paragraph or other subpart thereof unless expressly so stated.

3. References to any Person shall include such Person and its successors and permitted assigns.

4. Each of the parties hereto and their counsel have reviewed and revised, or requested revisions to, this Deed of Trust, and the usual rule of construction that any ambiguities are to be resolved against the drafting party shall be inapplicable in the construction and interpretation of the Deed of Trust and any amendments or exhibits thereto.

5. Unless an express provision requires otherwise, each reference to "the Mortgaged Property" shall be deemed a reference to "the Mortgaged Property or any part thereof", and each reference to "Secured Property" shall be deemed a reference to "the Secured Property or any part thereof".

6.22. No Set-Off. All sums payable by the Trustor shall be paid without counterclaim, other compulsory counterclaims, set-off, or deduction and without abatement, suspension, deferment, diminution or reduction, and the Obligations shall in no way be released, discharged or otherwise affected by reason of: (a) any damage or any condemnation of the Mortgaged Property or any part thereof; (b) any title defect or encumbrance or any eviction from the Mortgaged Property or any part thereof by title paramount or otherwise; or (c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to the Beneficiary, the Trustee or the Trustor, or any action taken with respect to this Deed of Trust by any agent or receiver of the Beneficiary or the Trustee. The Trustor waives, to the extent permitted by law, all rights now or hereafter conferred by statute or

otherwise to any abatement, suspension, deferment, diminution or reduction of any of the Obligations.

6.23. Future Advances. This Deed of Trust is given to secure the Obligations and shall secure not only obligations with respect to presently existing indebtedness under the Financing Documents but also any and all other indebtedness which may hereafter be owing by the Trustor to the Secured Parties under the Financing Documents, however incurred, whether interest, discount or otherwise, and whether the same shall be deferred, accrued or capitalized, including future advances and re-advances, pursuant to the Master Agreement or the other Financing Documents, whether such advances are obligatory or to be made at the option of the Secured Parties, or otherwise, to the same extent as if such future advances were made on the date of the execution of this Deed of Trust. The Lien of this Deed of Trust shall be valid as to all indebtedness secured hereby, including future advances. This Deed of Trust is intended to and shall be valid and have priority over all subsequent Liens and encumbrances, including statutory Liens, excepting Permitted Liens which (i) exist on the date hereof or (ii) arise hereafter and have priority over the lien of the Deed of Trust by operation of applicable law.

6.24. Additional Deed of Trust Provisions Relating to Easements and Rights-of-Way. Notwithstanding anything contained herein to the contrary, and in addition to any rights, privileges and remedies granted to the Trustee or the Beneficiary elsewhere in this Deed of Trust, the Beneficiary and the Trustee shall have, and the Trustor hereby grants to the Trustee for the benefit of the Beneficiary, any and all rights, privileges and remedies appurtenant to the right-of-way and easement interests provided for in the Agreements (including without limitation, any renewal rights and options to purchase contained therein) without the necessity of particularly specifying any or all of such rights, privileges and remedies that are or could be granted to mortgagees pursuant to the Agreements.

The Trustor hereby represents, covenants and agrees that:

(a) As of the Financial Closing Date, this Deed of Trust is lawfully executed and delivered in conformity with each of the Agreements and any and all consents required therefor under the Agreements have been timely received and are effective.

(b) The Trustor will promptly, in all material respects, perform and observe all of the terms, covenants and conditions required to be performed and observed by it under the Agreements, within the periods (including any grace or cure periods) provided therein, and will do all things reasonably necessary to preserve and to keep unimpaired its rights under the Agreements, except where the failure to do so could not be reasonably expected to have a Material Adverse Effect. In the event of the failure of the Trustor to make any payment required to be made by the Trustor pursuant to the provisions of the Agreements or to observe, abide by, discharge or perform, or cause to be observed, kept, discharged or performed, which failure could be reasonably expected to have a Material Adverse Effect, any of the material terms, obligations, covenants, conditions, agreements, indemnities, representations, warranties or liabilities of the Agreements on the part of the Trustor thereunder to be observed, kept, discharged and performed, the Trustor does hereby irrevocably appoint and constitute the Beneficiary as its true and lawful attorney in fact, which appointment is irrevocable and coupled with an interest, in its name, place

and stead, to take any and all actions reasonably deemed necessary by the Beneficiary to perform and comply with all of such obligations of the Trustor under the Agreements to do and take, but without any obligation so to do, any action which the Beneficiary reasonably deems necessary to prevent or cure any such default by the Trustor under the Agreements, which could reasonably be expected to have a Material Adverse Effect, to enter into and upon the Mortgaged Property or any part thereof to such extent and as often as the Beneficiary, in its reasonable discretion, deems necessary in order to prevent or cure any such default of the Trustor pursuant thereto, which could reasonably be expected to have a Material Adverse Effect, to the end that the rights of the Trustor in and to the rights of way, leaseholds, easements and other interests created by the Agreements shall be kept in full force and effect, and all sums so reasonably expended by the Beneficiary, with interest thereon at the rate set forth in the Master Agreement, shall be paid by the Trustor to the Beneficiary promptly upon demand by the Beneficiary and shall be added to the indebtedness secured hereby and the Beneficiary shall have, in addition to any other remedy of the Beneficiary, the same rights and remedies in the event of non-payment of any such sum by the Trustor as in the case of a default by the Trustor in the payment of any sums due under the Master Agreement. The Trustor shall, within thirty (30) days after written request by the Beneficiary, execute and deliver to the Beneficiary, or to any person designated by the Beneficiary, such further instruments, agreements, powers, assignments, conveyances or the like as may be necessary to complete or perfect the interest, rights or powers of the Beneficiary pursuant hereto.

(c) If required by the Master Agreement, the Trustor will promptly (i) notify the Beneficiary in writing of the receipt by it of any written notice of default from the lessors or grantors (individually and collectively, the "Lessors") under the Agreements; (ii) notify the Beneficiary in writing of the receipt by it of any written notice under the Agreements of the termination of any Agreement; (iii) cause a copy of each such notice of default or termination received by the Trustor from any of the Lessors under the Agreements to be delivered to the Beneficiary; and (iv) cause a copy of any notice of election or the exercise of any rights of option, purchase or renewal under the Agreements sent by the Trustor to any of the Lessors under the Agreements, to be delivered to the Beneficiary.

(d) Except as expressly permitted by the Financing Documents, the Trustor will not, without the prior written consent of the Beneficiary, terminate or surrender, or suffer or permit any termination or surrender, of the Agreements, if such termination or surrender could reasonably be expected to have a Material Adverse Effect.

(e) The Trustor will, within twenty (20) days after reasonable written demand from the Beneficiary made no more frequently than once per year (except in the event of an emergency or Event of Default), use reasonable efforts to obtain from the Lessors under the Agreements and deliver to the Beneficiary estoppel certificates in the form provided for in the Agreements or if none is provided, in a form reasonably requested by the Beneficiary.

(f) The Trustor will furnish to the Beneficiary upon reasonable written demand, proof of payment of all items which are required to be paid by the Trustor

pursuant to the Agreements and a statement of any such payments which the Trustor is contesting or arbitrating pursuant to the terms of the Agreements.

(g) The Trustor will not consent to the subordination of the Agreements to any lien on the fee estate of the Lessors under the Agreements.

(h) So long as any of the Obligations shall remain outstanding the Trustor shall not fail to exercise any option or right to renew or extend the term of the Agreements without the prior written consent of the Beneficiary if such failure could reasonably be expected to have a Material Adverse Effect. The Trustor shall give the Beneficiary contemporaneous written notice of the exercise of any such option or right to renew or extend, together with a copy of the instrument given to the Lessors under the Agreements exercising such option or right, and thereafter, shall promptly deliver to the Beneficiary a copy of any acknowledgment by such Lessors in respect to the exercise of such option or right. If an Event of Default has occurred and is continuing, within ten (10) business days of written demand by the Beneficiary, the Trustor shall exercise any such option or renewal which is necessary to extend the term of the Agreements beyond the outside maturity date set forth in the Master Agreement.

6.25. No Merger of Interests. If both the parties' estate under any of the Agreements or any portion thereof which constitutes a part of the Mortgaged Property or other security under the Financing Documents shall at any time become vested in one owner, this Deed of Trust and the Lien created hereby shall not be destroyed or terminated by application of the doctrine of merger unless the Beneficiary so elects as evidenced by recording a written declaration so stating, and, unless and until the Beneficiary so elects, the Beneficiary shall continue to have and enjoy all of the rights and privileges of the Beneficiary as to the separate estates. In addition, upon the foreclosure of the Lien created by this Deed of Trust on the Mortgaged Property pursuant to the provisions hereof, the Agreements then existing and affecting all or any portion of the Mortgaged Property shall not be destroyed or terminated by application of the law of merger, as a matter of law or as a result of such foreclosure, unless the Beneficiary or any purchaser at such foreclosure sale shall so elect. No act by or on behalf of the Beneficiary or any such purchaser shall constitute a termination of any of the Agreements unless the Beneficiary or such purchaser shall record a termination thereof.

ARTICLE VII

STATE SPECIFIC PROVISIONS

7.01 The Trustee.

(a) The Trustee. The Trustee shall be deemed to have accepted the terms of this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. The Trustee shall not be obligated to notify any party to this Deed of Trust of any pending sale under any other deed of trust or of any action or proceeding in which the Trustor, the Beneficiary, or the Trustee is a party, unless such sale relates to or reasonably might affect the Mortgaged Property, this Deed of Trust, the Beneficiary's security for the payment and performance of the Obligations, or the rights or powers of the Beneficiary or the Trustee under

the Financing Documents, or unless such action or proceeding has been instituted by the Trustee against the Mortgaged Property, the Trustor, or the Beneficiary.

(b) Power of the Trustee to Reconvey or Consent. At any time, without liability and without notice to the Trustor, on the Beneficiary's written request and presentation of the Notes and this Deed of Trust to the Trustee for endorsement, and without altering or affecting (a) the personal liability of the Trustor or any other person for the payment of the Obligations secured by this Deed of Trust, or (b) the lien of this Deed of Trust on the remainder of the Mortgaged Property as security for the repayment of the full amount of the Obligations then or later secured by this Deed of Trust, (c) or any right or power of the Beneficiary or the Trustee with respect to the remainder of the Mortgaged Property, the Trustee may (i) reconvey or release any part of the Mortgaged Property from the lien of this Deed of Trust; (ii) approve the preparation or filing of any map or plat of the Mortgaged Property; (iii) join in the granting of any easement burdening the Mortgaged Property; or (iv) enter into any extension or subordination agreement affecting the Mortgaged Property or the lien of this Deed of Trust.

(c) Duty to Reconvey. On the Beneficiary's written request reciting that all sums secured hereby have been paid, surrender of the Note and this Deed of Trust to the Trustee for cancellation and retention by the Trustee, and payment by the Trustor of any reconveyance fees customarily charged by the Trustee, the Trustee shall reconvey, without warranty, the Mortgaged Property then held by the Trustee under this Deed of Trust. The recitals in such reconveyance of any matters of fact shall be conclusive proof of their truthfulness. The grantee in such reconveyance may be described as "the person or persons legally entitled to the Mortgaged Property." Such request and reconveyance also shall operate as a reassignment of the Rents assigned to the Beneficiary in this Deed of Trust and a termination of the fixture filing.

(d) Substitution of the Trustee. The Beneficiary, at the Beneficiary's option, may from time to time, by written instrument, substitute a successor or successors to any Trustee named in or acting under this Deed of Trust, which instrument, when executed and acknowledged by the Beneficiary and recorded in the office of the Recorder of the county or counties in which the Mortgaged Property is located, shall constitute conclusive proof of the proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the predecessor Trustee, succeed to all right, title, estate, powers, and duties of such predecessor the Trustee, including, without limitation, the power to reconvey the Mortgaged Property. To be effective, the instrument must contain the names of the original Trustor, the Trustee, and the Beneficiary under this Deed of Trust, the book and page or instrument or document number at which, and the county or counties in which, this Deed of Trust is recorded, and the name and address of the substitute Trustee. The procedure provided in this Section 7.01(d) for substitution of Trustees is not exclusive of other provisions for substitution provided by applicable law.

7.02 Environmental Remedies. The Beneficiary may seek a judgment that the Trustor has breached its covenants, representations or warranties in this Deed of Trust or any other covenants, representations, or warranties of the Trustor contained in the Financing Documents that are deemed to be environmental provisions pursuant to California Code of Civil Procedure §736 (each an "Environmental Provision"), by commencing and maintaining an action or actions in any court of competent jurisdiction or utilizing alternative dispute resolution procedures in accordance with applicable law and the terms of the Financing Documents, pursuant to

California Code of Civil Procedure §736, whether commenced prior to or after foreclosure of the lien of this Deed of Trust. The Beneficiary or its agents, representatives, and employees may also seek an injunction to cause the Trustor to abate any action in violation of any Environmental Provision and may seek the recovery of all reasonable costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties and other out-of-pocket costs or expenses actually incurred by the Beneficiary (collectively, "Environmental Costs") incurred or advanced by the Beneficiary relating to the cleanup, remedy, or other response action required by any Environmental Law, or any Environmental Claim, or which the Beneficiary reasonably believes necessary to protect the Mortgaged Property. All Environmental Costs incurred by the Beneficiary under this Section 7.02 (including, without limitation, court costs, consultant fees, and attorney costs, whether incurred in litigation and whether before or after judgment) will bear interest at the rate applicable to the Notes from the date of expenditure until those sums have been paid in full. The Beneficiary will be entitled to bid, at any trustee's or foreclosure sale of the Mortgaged Property, the amount of the Environmental Costs and interest thereon in addition to the amount of other Obligations. The Beneficiary may waive its lien against the Mortgaged Property or any portion of it, including the improvements and the personal property, to the extent that any of the Mortgaged Property is found to be environmentally impaired in accordance with California Code of Civil Procedure §726.5, and to exercise all rights and remedies of an unsecured creditor against the Trustor and all of the Trustor's assets and property for the recovery of any deficiency and Environmental Costs, including, but not limited to, seeking an attachment order under California Code of Civil Procedure §483.010. As between the Beneficiary and the Trustor, for purposes of California Code of Civil Procedure §726.5, the Trustor will have the burden of proving that the Trustor or any related party (or any affiliate or agent of the Trustor or any related party) was not in any way negligent in permitting the release or threatened release of any materials subject to Environmental Law.

7.03 No Right of Offset. None of the Obligations secured by this Deed of Trust shall be or deemed to be offset or compensated by all or any part of any claim, cause of action, counterclaim, or cross-claim, whether liquidated or unliquidated, that the Trustor may have or claim to have against the Beneficiary or any of the Secured Parties. The Trustor hereby waives, to the fullest extent permitted by applicable law, the benefits of California Code of Civil Procedure §431.70, which provides:

Where cross-demands for money have existed between persons at any point in time when neither demand was barred by the statute of limitations, and an action is thereafter commenced by one such person, the other person may assert in the answer the defense of payment in that the two demands are compensated so far as they equal each other, notwithstanding that an independent action asserting the person's claim would at the time of filing the answer be barred by the statute of limitations. If the cross-demand would otherwise be barred by the statute of limitations, the relief accorded under this section shall not exceed the value of the relief granted to the other party. The defense provided by this section is not available if the cross-demand is barred for failure to assert it in a prior action under Section 426.30. Neither person can be deprived of the benefits of this section by the assignment or death of the other. For the purposes of this section, a money judgment is a "demand for money" and, as applied to a money judgment, the demand is barred by the statute of limitations when enforcement of the judgment is barred under Chapter 3 (commencing with Section 683.010) of Division 1 of Title 9.

7.04 Mechanics' Liens. The Trustor shall pay from time to time when due, all lawful claims and demands of mechanics, materialmen, laborers, and others that, if unpaid, might result in, or permit the creation of, a lien other than a Permitted Lien on the Mortgaged Property or any part of it, or on the Rents arising therefrom, and in general shall do or cause to be done everything necessary so that the lien and security interest of this Deed of Trust shall be fully preserved, at the Trustor's expense, without expense to the Beneficiary.

7.05 Delegation of Authority. Whenever this Deed of Trust provides that the Trustor authorizes and appoints the Beneficiary as the Trustor's attorney-in-fact to perform any act for or on behalf of the Trustor or in the name, place, and stead of the Trustor, the Trustor expressly understands and agrees that this authority shall be deemed a power coupled with an interest and such power shall be irrevocable.

7.06 Master Agreement. Notwithstanding anything to the contrary contained herein, if any provision of this Deed of Trust directly conflicts with any provision of the Master Agreement, the provision in the Master Agreement shall govern.

7.07 Waiver Of Right To Jury Trial And Consent to Jurisdiction. The provisions of Sections 12.15 and 12.16 of the Master Agreement shall be incorporated herein *mutatis mutandis*.

7.08 Foreclosure and Injunctive Relief. Nothing in Section 7.07 above shall be deemed to apply to or limit the right of the Beneficiary to: (a) exercise self help remedies, (b) foreclose judicially or nonjudicially against the Mortgaged Property or any portion thereof, or to exercise judicial or nonjudicial power of sale rights, (c) obtain from a court provisional or ancillary remedies (including, but not limited to, injunctive relief, a writ of possession, prejudgment attachment, a protective order or the appointment of a receiver), or (d) pursue rights against the Trustor or any other party in a third party proceeding in any action brought against the Beneficiary (including, but not limited to, actions in bankruptcy court). The Beneficiary may exercise the rights set forth in the foregoing clauses (a) through (d), inclusive, before, during, or after the pendency of any proceeding referred to in Section 7.07, above. Neither the exercise of self help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies or the opposition to any such provisional remedies shall constitute a waiver of the right of any of the Trustor, the Beneficiary or any other party, including, but not limited to, the claimant in any such action, to require submission of the dispute, claim or controversy occasioning resort to such remedies to any proceeding referred to in Section 7.07 above.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Trustor has caused this Deed of Trust to be duly executed and delivered as of the day and year first above written.

THE BENEFICIARY HAS THE RIGHT TO PROCEED TO OBTAIN AND COLLECT A DEFICIENCY JUDGMENT, TOGETHER WITH FORECLOSURE OF THE REAL PROPERTY MORTGAGED UNDER APPLICABLE LAW.

DESERT SUNLIGHT 300, LLC,
a Delaware limited liability company

By: [Signature]
Name: Amy Black
Title: Assistant Treasurer

State of New York
County of New York

On September 23, 2011 before me Susan C. Courter,
Notary Public, personally appeared Amy Black, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

[Signature]
Notary Public

Susan C. Courter
Notary Public State of New York
No. 41 4707660 Qualified in Nassau County
Certificate Filed in New York County
Commission Expires 6/31/2013

EXHIBIT A

DESCRIPTION OF AGREEMENTS

1. Right-of-Way Lease/Grant, dated as of August 11, 2011, filed in the Bureau of Land Management's (the "BLM") land records as Serial No. CACA 048649 and recorded in the Official Records, Riverside County, on September 21, 2011 as Instrument No. 2011-041777, issued in favor of Desert Sunlight Holdings, LLC, as assigned to Desert Sunlight 250, LLC and to Desert Sunlight 300, LLC pursuant to that certain Assignment and Assumption Agreement, dated as of September 23, 2011, by and among Desert Sunlight Holdings, LLC, as assignor, and Desert Sunlight 250, LLC and Desert Sunlight 300, LLC, individually as an assignee and collectively as assignees, recorded in the Official Records, Riverside County, on September 27, 2011 as Instrument No. 2011-0427939, as such assignment was approved by that certain Decision Letter entitled Right-of-Way Lease/Grant CACA 048649 Assignments, dated as of September 23, 2011, filed in BLM's land records as Serial Nos. CACA 048649, CACA-048649-01 Assigned and CACA 048649-02 Assigned, which such Decision Letter was recorded in the Official Records, Riverside County on September 27, 2011 as an attachment to such Assignment and Assumption Agreement.
2. License Agreement, granted by the Metropolitan Water District of Southern California to Desert Sunlight 250, LLC and Desert Sunlight 300, LLC individually and as tenants in common, dated as of August 16, 2011, as disclosed by Memorandum dated August 16, 2011 recorded in the Official Records of Riverside County on September 20, 2011 as Instrument Number 2011-0416213.
3. Franchise Ordinance adopted by the County of Riverside on August 16, 2011, granted in favor of Desert Sunlight 300, LLC and Desert Sunlight 250, LLC, dated as of August 16, 2011 and recorded September 21, 2011 as Instrument Number 2011-0420066 of the Official Records of Riverside County, together with any encroachment permits or use or occupancy rights now or hereafter issued pursuant thereto or otherwise pertaining thereto.

EXHIBIT B

DESCRIPTION OF OCCUPIED LANDS

PARCEL A:

(PROJECT SITE):

BEING A PORTION OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 22; THENCE ALONG THE SOUTH LINE THEREOF NORTH 89°24'08" EAST, 1565.22 FEET TO A POINT ON A NON TANGENT CURVE, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF KAISER ROAD, A 300 FOOT WIDE PUBLIC ROAD EASEMENT PER INSTRUMENT NO. 57641 OF OFFICIAL RIVERSIDE COUNTY RECORDS, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE FROM A TANGENT WHICH BEARS NORTH 18°37'50" WEST, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10,100.00 FEET, THROUGH A CENTRAL ANGLE OF 19°07'22", AN ARC DISTANCE OF 3370.94 FEET TO A POINT ON THE WEST LINE OF SAID SECTION 22, SAID POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE ALONG SAID WEST LINE OF SECTION 22 NORTH 00°23'08" WEST, 307.45 FEET; THENCE SOUTH 80°00'00" EAST, 2140.68 FEET; THENCE SOUTH 00°00'00" EAST, 2887.56 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 22; THENCE ALONG SAID SOUTH LINE OF SECTION 22 SOUTH 89°24'08" WEST, 520.97 FEET TO THE POINT OF BEGINNING.

(TRANSMISSION CORRIDOR):

LYING WITHIN SECTION 22, SECTION 27 AND SECTION 34, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SECTION 3, SECTION 10, SECTION 15, SECTION 22, SECTION 23, SECTION 24, AND SECTION 25, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SECTION 28, SECTION 29, SECTION 30 AND SECTION 33, TOWNSHIP 5 SOUTH, RANGE 16 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE AFOREMENTIONED POINT "A", SAID POINT BEING ON THE AFOREMENTIONED EAST RIGHT-OF-WAY LINE OF KAISER ROAD, SAID POINT ALSO BEING A POINT ON A CURVE; THENCE FROM A TANGENT WHICH BEARS SOUTH 37°45'13" EAST, ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 10100.00 FEET, THROUGH A CENTRAL ANGLE OF 10°21'12", AN ARC DISTANCE OF 1825.05 FEET TO A POINT ON SAID EAST RIGHT-OF-WAY LINE OF KAISER ROAD, SAID POINT BEING THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID EAST RIGHT-OF-WAY LINE OF KAISER ROAD, FROM A TANGENT WHICH BEARS SOUTH 27°24'01" EAST, ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 10100.00 FEET, THROUGH A CENTRAL ANGLE OF 00°56'27", AN ARC DISTANCE OF 165.84 FEET; THENCE SOUTH 47°49'32" WEST, 145.52 FEET TO A POINT ON A NON TANGENT CURVE; THENCE FROM A TANGENT WHICH BEARS SOUTH 26°13'58" EAST, ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 9960.00 FEET, THROUGH A CENTRAL ANGLE OF 11°18'01", AN ARC DISTANCE OF 1964.40 FEET TO A POINT ON THE NORTH LINE OF THE EAGLE MOUNTAIN WASTEWAY; THENCE SOUTH 89°23'43" WEST, 165.23 FEET TO A POINT ON A NON TANGENT CURVE, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF SAID KAISER ROAD, SAID POINT HEREINAFTER REFERRED TO AS POINT "B"; THENCE FROM A TANGENT WHICH BEARS NORTH 15°10'17" WEST, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF

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9800.00 FEET, THROUGH A CENTRAL ANGLE OF 02°48'54", AN ARC DISTANCE OF 481.47 FEET TO A POINT ON SAID NORTH LINE OF EAGLE MOUNTAIN WASTEWAY; THENCE ALONG SAID NORTH LINE NORTH 00°04'59" EAST, 197.85 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 22; THENCE ALONG THE SOUTH LINE THEREOF SOUTH 89°24'08" WEST, 66.62 FEET TO A POINT ON A NON TANGENT CURVE, SAID POINT ALSO BEING ON SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD; THENCE FROM A TANGENT WHICH BEARS NORTH 19°12'09" WEST, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 9800.00 FEET, THROUGH A CENTRAL ANGLE OF 07°44'05", AN ARC DISTANCE OF 1322.94 FEET; THENCE NORTH 47°49'32" EAST, 310.59 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE AFOREMENTIONED POINT "B", SAID POINT BEING A POINT ON A NON TANGENT CURVE, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE FROM A TANGENT WHICH BEARS SOUTH 15°10'17" EAST, ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 9800.00 FEET, THROUGH A CENTRAL ANGLE OF 14°26'25", AN ARC DISTANCE OF 2469.91 FEET TO A POINT TANGENCY; THENCE CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD SOUTH 00°43'52" EAST, 199.61 FEET TO A POINT ON THE SOUTH LINE OF SAID EAGLE MOUNTAIN WASTEWAY, SAID POINT BEING THE POINT OF BEGINNING; THENCE ALONG SAID SOUTH LINE NORTH 89°22'04" EAST, 160.00 FEET; THENCE SOUTH 00°43'52" EAST, 17886.90 FEET TO A POINT ON THE SOUTH LINE OF SECTION 10; THENCE ALONG SAID SOUTH LINE SOUTH 89°19'08" WEST, 160.00 FEET TO A POINT ON THE SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD, SAID POINT HEREINAFTER REFERRED TO AS POINT "C"; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD NORTH 00°43'52" WEST, 17887.03 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE AFOREMENTIONED POINT "C", SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF KAISER ROAD; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD SOUTH 00°43'52" EAST, 2635.57 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SECTION 15, SAID POINT BEING THE POINT OF BEGINNING; THENCE ALONG SAID SOUTH LINE OF THE NORTHEAST QUARTER SECTION 15 NORTH 89°15'40" EAST, 160.00 FEET; THENCE SOUTH 00°43'52" EAST, 4852.30 FEET; THENCE NORTH 88°50'10" EAST, 2998.07 FEET; THENCE SOUTH 45°17'35" EAST, 318.06 FEET; THENCE NORTH 88°50'09" EAST, 896.80 FEET; THENCE SOUTH 45°00'00" EAST, 3977.04 FEET; THENCE NORTH 89°19'47" EAST, 18513.88 FEET; THENCE SOUTH 00°40'13" EAST, 5184.38 FEET; THENCE SOUTH 76°50'37" EAST, 269.77 FEET; THENCE SOUTH 12°34'01" WEST, 160.01 FEET; THENCE NORTH 76°50'37" WEST, 396.81 FEET; THENCE NORTH 00°40'13" WEST, 5149.77 FEET; THENCE SOUTH 89°19'47" WEST, 18421.25 FEET; THENCE NORTH 45°00'00" WEST, 3976.23 FEET; THENCE SOUTH 88°50'09" WEST, 896.32 FEET; THENCE NORTH 45°17'35" WEST, 318.06 FEET; THENCE SOUTH 88°50'10" WEST, 3091.57 FEET TO A POINT ON THE WEST LINE OF SAID KAISER ROAD; THENCE ALONG SAID WEST LINE OF KAISER ROAD NORTH 00°43'52" WEST, 5013.49 FEET TO THE POINT OF BEGINNING.

PARCEL B:

MWD 34.5 kV crossing (9a)

That portion of Section 9, Township 4 South, Range 15 East, San Bernardino Meridian, in the County of Riverside, State of California described as follows:

COMMENCING at the southeast corner of said Section 9 as marked by a two inch diameter iron pipe with

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brass cap, stamped Section 9, 10, 16, 15 T4S, R15E, tagged L.S. 5134 as shown on a Record of Survey filed in Book 126, Pages 77 through 86 inclusive of Record of Survey, in the Office of the County Recorder of said County; thence along the southerly line of said Section 9 S 89° 03' 14" W 4562.90 feet to a 1½ inch diameter iron pipe with brass cap marking the northwesterly right of way line of that portion of said Section 9 conveyed to The Metropolitan Water District of Southern California by act of Congress approved June 18, 1932 (ch. 270, 47 Stat. 324), tagged L.S. 5134 as shown on said Record of Survey; thence along the said northwesterly right of way line N 48° 02' 39" E 2476.60 feet to the POINT OF BEGINNING; thence continuing along said northwesterly right of way line N 48° 02' 39" E 50.00 feet; thence S 41° 57' 21" E 80.00 feet to the southeasterly right of way line of said conveyance to Metropolitan Water District; thence along said southeasterly right of way line S 48° 02' 39" W 50.00 feet; thence N 41° 57' 21" W 80.00 feet to said northwesterly right of way line and the POINT OF BEGINNING.

MWD access road crossing (9b)

That portion of Section 9, Township 4 South, Range 15 East, San Bernardino Meridian, in the County of Riverside, State of California described as follows:

COMMENCING at the southeast corner of said Section 9 as marked by a two inch diameter iron pipe with brass cap, stamped Section 9, 10, 16, 15 T4S, R15E, tagged L.S. 5134 as shown on a Record of Survey filed in Book 126, Pages 77 through 86 inclusive of Record of Survey, in the Office of the County Recorder of said County; thence along the southerly line of said Section 9 S 89° 03' 14" W 4562.90 feet to a 1½ inch diameter iron pipe with brass cap marking the northwesterly right of way line of that portion of said Section 9 conveyed to The Metropolitan Water District of Southern California by act of Congress approved June 18, 1932 (ch. 270, 47 Stat. 324), tagged L.S. 5134 as shown on said Record of Survey; thence along the said northwesterly right of way line N 48° 02' 39" E 873.76 feet to the POINT OF BEGINNING; thence continuing along said northwesterly right of way line N 48° 02' 39" E 30.00 feet; thence S 41° 57' 21" E 80.00 feet to the southeasterly right of way line of said conveyance to Metropolitan Water District; thence along said southeasterly right of way line S 48° 02' 39" W 30.00 feet; thence N 41° 57' 21" W 80.00 feet to said northwesterly right of way line and the POINT OF BEGINNING.

MWD Gentle crossing of spillway

A strip of land 160 feet wide lying within that W½ of Section 27, Township 4 South, Range 15 East, San Bernardino Meridian, in the County of Riverside, State of California lying 80.00 feet on each side of the following described centerline:

For the purposes of this description it is intended for the centerline of said 160.00 feet wide strip of land to be 80.00 feet easterly of, as measured at right angles and radially to, the westerly line of Kaiser Road as said Kaiser Road is shown on a Record of Survey filed in Book 73, Pages 24 through 30 inclusive of Record of Surveys, in the Office of the County Recorder of said County.

COMMENCING at the northwest corner of said Section conveyed to The Metropolitan Water District of Southern California by act of Congress approved June 18, 1932 (ch. 270, 47 Stat. 324), as marked by a two inch diameter iron pipe with brass cap, stamped L.S. 4339 M.W.D. as shown on said Record of Survey; thence along said northerly line of said Section N 89° 24' 13" E 1333.13 feet to the beginning of a non-tangent curve, concave westerly, having a radius of 9,880.00 feet and the POINT OF BEGINNING of said described centerline, a radial line to said beginning bears N 70° 56' 46" E; thence southerly along the arc of said curve 3159.73 feet; thence on a tangent line S 00° 43' 52" E 197.67 feet to the southerly line of the N½NE¼SW¼ of said Section and the POINT OF TERMINATION of said described centerline.

The side lines of said strip of land are to be shortened or lengthened so as to terminate northerly on said northerly line of said S½NE¼NW¼ and northerly on said Section.

Except there from the N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section

PARCEL C: Franchise Agreement

BEING A PORTION OF;

(A) THE RIGHT-OF-WAY OF KAISER ROAD, SAID ROAD BEING A PUBLIC ROAD EASEMENT PER THAT CERTAIN DOCUMENT RECORDED JUNE 20, 1962 AS DOCUMENT NO. 57641 OF OFFICIAL RIVERSIDE COUNTY, CALIFORNIA RECORDS, LYING WITHIN SECTION 22, SECTION 27 AND SECTION 34, TOWNSHIP 4 SOUTH, RANGE 15 EAST, SECTION 3, SECTION 10, SECTION 15 AND SECTION 22, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA,

AND

(B) RIVERSIDE COUNTY'S FEE INTEREST IN A PORTION OF KAISER ROAD PURSUANT TO THAT CERTAIN DOCUMENT RECORDED NOVEMBER 26, 1962 AS DOCUMENT NO. 108734 OF OFFICIAL RECORDS, RIVERSIDE COUNTY, CALIFORNIA, LYING WITHIN THE NORTH ONE-HALF OF SECTION 15, TOWNSHIP 5 SOUTH, RANGE 15 EAST, SAN BERNARDINO BASE AND MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA.

FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 22; THENCE ALONG THE SOUTH LINE THEREOF NORTH 89°24'08" EAST, 1565.22 FEET TO A POINT ON A NON TANGENT CURVE, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE WITH A RADIAL BEARING OF NORTH 71°22'10" EAST, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10,100.00 FEET, THROUGH A CENTRAL ANGLE OF 07°49'44", AN ARC DISTANCE OF 1380.05 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 47°49'32" WEST, 145.52 FEET TO A POINT ON A NON TANGENT CURVE, WITH A RADIAL BEARING OF NORTH 63°46'02" EAST; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWEST, HAVING A RADIUS OF 9960.00 FEET, THROUGH A CENTRAL ANGLE OF 25°30'06", AN ARC DISTANCE OF 4433.07 FEET; THENCE SOUTH 00°43'52" EAST, 25574.50 FEET; THENCE NORTH 88°50'11" EAST, 140.02 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE OF KAISER ROAD SOUTH 00°43'52" EAST, 160.00 FEET; THENCE SOUTH 88°50'11" WEST 300.01 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF SAID KAISER ROAD; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD NORTH 00°43'52" WEST, 25735.71 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE OF KAISER ROAD, ALONG THE ARC OF A CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 9800.00 FEET, THROUGH A CENTRAL ANGLE OF 26°12'22", AN ARC DISTANCE OF 4482.35 FEET; THENCE NORTH 47°49'32" EAST, 310.59 FEET TO A POINT ON A NON TANGENT CURVE WITH A RADIAL BEARING OF NORTH 62°35'59" EAST, SAID POINT BEING ON THE AFOREMENTIONED EAST RIGHT-OF-WAY LINE OF KAISER ROAD; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 10,100.00 FEET, THROUGH A CENTRAL ANGLE OF 00°56'27", AN ARC DISTANCE OF 165.84 FEET TO THE POINT OF BEGINNING.

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RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Latham & Watkins LLP
600 West Broadway, Suite 1800
San Diego, CA 92101
Attention: James Mann, Esq.

THIS INSTRUMENT IS TO BE INDEXED AS BOTH A DEED OF TRUST AND A
FINANCING STATEMENT FILED AS A FIXTURE FILING.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/05/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. TWO ALLIANCE CENTER 3560 LENOX ROAD, SUITE 2400 ATLANTA, GA 30326 Attn: Atlanta.CertRequest@marsh.com / Fax: 212-948-4321 500469-Energ-GAWU-11-12	CONTACT NAME: PHONE (A/C, No. Ext): E-MAIL ADDRESS:		FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED DESERT SUNLIGHT 250, LLC DESERT SUNLIGHT HOLDINGS, LLC ATTN: ERICA MCNABB 700 UNIVERSE BLVD. JUNO BEACH, FL 33408	INSURER A: Federal Insurance Company		20281
	INSURER B: New Hampshire Insurance Company		23841
	INSURER C: National Union Fire Ins Co Pittsburgh PA		19445
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** ATL-003010379-01 **REVISION NUMBER: 1**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			37110930	09/15/2011	09/15/2012	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 1,000,000
								\$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			73523731 (AOS) 73523733 (VA)	09/15/2011 09/15/2011	09/15/2012 09/15/2012	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
							Phy Dmg Self Insured	\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC 025889565 (AOS) WC 025889566 (CA) WC 007209331 (FL) WC 009876478 (OR)	09/15/2011 09/15/2011 09/15/2011 09/15/2011	09/15/2012 09/15/2012 09/15/2012 09/15/2012	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	\$ 1,000,000
B							E.L. EACH ACCIDENT	\$ 1,000,000
B							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
C							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
B				WC 001591038 (MA,NY,WI)	09/15/2011	09/15/2012		

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

County of Riverside, County Special Districts, their respective directors, officers, Board of Supervisors, elected officials, agents and employees are included as additional insured (except workers' compensation) where required by written contract. Waiver of subrogation is applicable where required by written contract.

CERTIFICATE HOLDER County of Riverside Clerk of the Board of Supervisors 4080 Lemon Street, 1st Floor Riverside, CA 92501	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Ted L. Young <i>Ted L. Young</i>
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**Energy Industries
Insurance Group**

Endorsement

Policy Period SEPTEMBER 15, 2011 TO SEPTEMBER 15, 2012
Effective Date SEPTEMBER 15, 2011
Policy Number 3711-09-30 DTO
Insured NEXTERA ENERGY RESOURCES, LLC
 C/O ERICA MCNABB
Name of Company FEDERAL INSURANCE COMPANY
Date Issued SEPTEMBER 21, 2011

Additional Premium

Return Premium

Who is an Insured - Person or Organization

Who Is Insured Persons or Organizations For Whom Insured Status
Is Required In A Contract Or Agreement With You

Any person or organization is an insured when you and such person or organization have agreed in a contract or agreement that such person or organization be added as an insured on your policy. Such person or organization is an insured only with respect to their liability arising out of your acts or failure to act. A person's or organization's status as an insured under this endorsement ends when your contract or agreement with such person or organization ends.

All other terms and conditions remain unchanged.

Authorized Representative



Policy Number
(11)7352-37-31

ENDORSEMENT

Named Insured NEXTERA ENERGY RESOURCES, LLC

Effective Date: 09-15-11
12:01 A.M., Standard Time

Agent Name MARSH USA, INC

Agent No. 62631-999

**TRANSFER OR WAIVER OF RIGHTS OF
RECOVERY AGAINST OTHERS**

Is hereby agreed that Section IV Item 5- Business Auto Conditions is deleted and replaced with the following:

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the insured has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

Any waiver of our right of recovery granted under this Endorsement:

-applies only to payments we make for injury or damage arising out of your ongoing operations; and

-end when the contract or agreement requiring such waiver ends.

To the extent that the insured rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request the insured will bring suit to transfer those rights to us and help us enforce them.

Liability Insurance

Endorsement

Policy Period SEPTEMBER 15, 2011 TO SEPTEMBER 15, 2012
Effective Date SEPTEMBER 15, 2011
Policy Number 3711-09-30 DTO
Insured NEXTERA ENERGY RESOURCES, LLC
 C/O ERICA MCNABB
Name of Company FEDERAL INSURANCE COMPANY
Date Issued SEPTEMBER 21, 2011

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Conditions, the provision titled Transfer Or Waiver Of Rights Of Recovery Against Others is deleted and replaced with the following:

Conditions

Transfer Or Waiver Of Rights Of Recovery Against Others

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the **insured** has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

Any waiver of our right of recovery granted under this endorsement:

- applies only to payments we make for injury or damage arising out of your ongoing operations; and
- ends when the contract or agreement requiring such waiver ends.

Reference Copy

Conditions

*Transfer Or Waiver Of
Rights Of Recovery
Against Others
(continued)*

To the extent that the **insured**'s rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring **suit** to transfer those rights to us and help us enforce them.

This condition does not apply to **medical expenses**.

All other terms and conditions remain unchanged.

Authorized Representative



Reference Copy



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/05/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. TWO ALLIANCE CENTER 3560 LENOX ROAD, SUITE 2400 ATLANTA, GA 30326 Attn: Atlanta.CertRequest@marsh.com / Fax: 212-948-4321 500469-Energ-GAWU-11-12	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE INSURER A : Federal Insurance Company INSURER B : New Hampshire Insurance Company INSURER C : National Union Fire Ins Co Pittsburgh PA INSURER D : INSURER E : INSURER F :	
INSURED DESERT SUNLIGHT 300, LLC DESERT SUNLIGHT HOLDINGS, LLC ATTN: ERICA MCNABB 700 UNIVERSE BLVD. JUNO BEACH, FL 33408	NAIC # 20281 23841 19445	

COVERAGES **CERTIFICATE NUMBER:** ATL-003010380-01 **REVISION NUMBER: 1**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			37110930	09/15/2011	09/15/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			73523731 (AOS) 73523733 (VA)	09/15/2011 09/15/2011	09/15/2012 09/15/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Phy Dmg Self Insured \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N N/A			WC 025889565 (AOS) WC 025889566 (CA) WC 007209331 (FL) WC 009876478 (OR)	09/15/2011 09/15/2011 09/15/2011 09/15/2011	09/15/2012 09/15/2012 09/15/2012 09/15/2012	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B				WC 001591038 (MA,NY,WI)	09/15/2011	09/15/2012	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 County of Riverside, County Special Districts, their respective directors, officers, Board of Supervisors, elected officials, agents and employees are included as additional insured (except workers' compensation) where required by written contract. Waiver of subrogation is applicable where required by written contract.

CERTIFICATE HOLDER County of Riverside Clerk of the Board of Supervisors 4080 Lemon Street, 1st Floor Riverside, CA 92501	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Ted L. Young
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Policy Number
(11)7352-37-31

ENDORSEMENT

Named Insured NEXTERA ENERGY RESOURCES, LLC

Effective Date: 09-15-11
12:01 A.M., Standard Time

Agent Name MARSH USA, INC

Agent No. 62631-999

ADDITIONAL INSURED-WHO IS AN INSURED

It is hereby agreed that the following is added to A. Coverage I. Who Is An Insured, Section II:

Persons or Organizations for Whom Insured Status Is Required In A Contract Or Agreement With You

Any person or organization is an insured when you and such person or organization have agreed in a contract or agreement that such person or organization be added as an insured on your policy. Such person or organization is an insured only with respect to their liability arising out of your acts or failure to act. A person's or organization's status as an insured under this endorsement ends when your contract or agreement with such person or organization ends.

Policy Number
(11)7352-37-33

ENDORSEMENT

Named Insured NEXTERA ENERGY RESOURCES, LLC

Effective Date: 09-15-11
12:01 A.M., Standard Time

Agent Name MARSH USA, INC

Agent No. 62631-999

**TRANSFER OR WAIVER OF RIGHTS OF
RECOVERY AGAINST AND OTHERS:**

It is hereby agreed that Section VI Item C- Business Auto Conditions is deleted and replaced with the following:

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the insured has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

Any waiver of our right of recovery granted under this Endorsement:

- applies only to payments we make for injury or damage arising out of your ongoing operations; and
- end when the contract or agreement requiring such waiver ends.

To the extent that the insured rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request the insured will bring suit to transfer those rights to us and help us enforce them.

UPS CampusShip: View/Print Label

1. **Print the label(s):** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
2. **Fold the printed label at the solid line below.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.

3. **GETTING YOUR SHIPMENT TO UPS**
Customers without a Daily Pickup

Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages.

Hand the package to any UPS driver in your area.

Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.

Customers with a Daily Pickup

Your driver will pickup your shipment(s) as usual.

FOLD HERE

<p>SUNANDA BEHARA 561-304-5999 NEXTERA ENERGY 700 UNIVERSE BLVD JUNO BEACH FL 33408</p> <p>SHIP TO: CLERK OF THE BOARD OF SUPERVISORS 951-955-1060 COUNTY OF RIVERSIDE 1ST FLOOR 4080 LEMON STREET RIVERSIDE CA 92501-3634</p>	<p>1 OF 1</p> <p>1 LBS</p>	<p>CA 925 0-02</p> 	<p>UPS 3 DAY SELECT</p> <p>TRACKING #: 1Z F5W 832 39 9504 1454</p> <p>3</p> 	<p>BILLING: P/P SIGNATURE REQUIRED</p> <p>Business Unit: 049 Department: FEB/JB</p>  <p>CS 13.6.08. WXP/E70 18.0A 07/2011</p>
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