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



#### **MEETING DATE:**

Tuesday, August 27, 2019

FROM: ECONOMIC DEVELOPMENT AGENCY (EDA) AND Department of Waste Resources:

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Approval of Second Amendment to Revenue Ground Sublease with Stronghold Engineering Inc.; Approval of Consent of Sub-Sublease with Stronghold Engineering Inc.; Approval of Consent and Non-Disturbance Agreement with Stronghold Engineering Inc., LEUSD Solar Fund, LLC, and Riverside County Department of Waste Resources - Alternative Energy, Department of Waste Resources, CEQA Exempt, District 2 [0] (Clerk of the Board to File the Notice of Exemption)

### **RECOMMENDED MOTION:** That the Board of Supervisors:

- 1. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), "Common Sense" exemption, as it can be seen with certainty that there is no possibility that the activity in question may have a significant impact on the environment;
- 2. Approve the attached Second Amendment to Revenue Ground Sublease with Stronghold Engineering Inc., and authorize the Chairman of the Board to execute the same on behalf of the County;

**ACTION:Policy** 

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:

Jeffries, Spiegel, Washington, Perez and Hewitt

Navs:

None

Kecia R. Harper

Absent:

None

Clerk of the Board

Date:

August 27, 2019

XC:

EDA

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- 3. Approve the attached Consent to Sub-Sublease with Stronghold Engineering Inc., and authorize the Chairman of the Board to execute the same on behalf of the County;
- 4. Approve the attached Consent and Non-Disturbance Agreement with Stronghold Engineering Inc., LEUSD Solar Fund, LLC, and Riverside County Department of Waste Resources (DWR), and authorize the Chairman of the Board to execute the same on behalf of the County and the General Manager-Chief Engineer of DWR to execute the same on behalf of DWR; and
- 5. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk for posting within five working days of Board approval.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS	Budget Adju	stment: No		
			For Fiscal Ye	ar: 2019/20

C.E.O. RECOMMENDATION: Approve

#### **BACKGROUND:**

#### Summary

In 2013, the Real Estate Division of the Economic Development Agency (EDA), in coordination with the Department of Waste Resources (DWR), issued a Request for Proposal (RFP) for an Alternative Energy Project (Project) on the closed West Riverside Landfill in Jurupa Valley. The West Riverside Landfill is approximately 80 acres (Property), and is managed by the DWR and leased by the DWR from the County (Lease).

The RFP requested submittals from private sector alternative energy developers to construct utility grade alternative energy facilities on the closed West Riverside Landfill. As consideration, the selected developer would pay the County a percentage of their gross revenues generated from the sales of energy along with a monthly ground rent. Stronghold Engineering Inc. (Stronghold) was the awardee, and the County negotiated a sublease agreement that would provide Stronghold with the ability to conduct up to 36 months of due diligence which includes forming the size and scope of an alternative energy project and fully entitling that project through the City of Jurupa Valley and with County consent over the Project. DWR and Stronghold entered into that certain Revenue Ground Sublease dated April 8, 2015 (Sublease).

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Stronghold was granted two 6-month extensions, added to the initial 36-month diligence period, pursuant to that certain First Amendment to the Revenue Ground Sublease (First Amendment) ratified and approved by the Board on December 11, 2018 (M.O. #3.12).

The purpose of the Second Amendment to the Revenue Ground Sublease (Second Amendment) is to extend the term of the Sublease by five (5) years (from twenty-eight (28) years to thirty-three (33) years). This extension is allowed in the original Revenue Ground Sublease, and it will account for the time spent by Stronghold to fulfill all due diligence obligations and also the time that it will take for construction of the Project.

Stronghold desires to sub-sublease a portion of the Property (Sub-Subleased Premises), consisting of 14.456 acres, to LEUSD Solar Fund, LLC (LSF) for the purpose of developing, installing, constructing, operating, maintaining, and removing a solar electric-generating facility. Pursuant to the Sublease, Stronghold is obligated to obtain written consent of DWR and County on any sub-sublease pursued by Stronghold. DWR's consent will be provided under the Consent to Sub-Sublease, with Stronghold still remaining liable and responsible for the full and faithful performance of all terms and conditions of the Sublease. The County's consent will be provided under the Consent and Non-Disturbance Agreement, in which the County will agree to not interfere with or diminish LSF's use and possession of the Sub-Subleased Premises, provided that LSF is not in material default of the Sub-Sublease and Stronghold has not breached the Sublease. Under the Consent and Non-Disturbance Agreement, in the event the Lease and/or Sublease are terminated, and so long as there is no default by LSF, LSF and Stronghold will terminate the Sub-Sublease, and the County or DWR, as applicable, will enter into a new agreement with LSF for the Sub-Subleased Premises.

The Second Amendment, Consent to Sub-Sublease, Consent and Non-Disturbance Agreement have been reviewed and approved by County Counsel as to legal form.

## California Environmental Quality Act (CEQA) Findings

Pursuant to State CEQA Guidelines section 15061(b)(3), the project, the Second Amendment, Consent to Sub-Sublease, Consent and Non-Disturbance Agreement, is exempt from CEQA, as it can be seen with certainty that there is no possibility the activity in question may have a significant impact on the environment. Furthermore, the Sublease delineates full responsibility on Stronghold to pursue entitlements and environmental review with the appropriate lead agency once the final project size, scope, and design parameters are formed and to submit the necessary CEQA documentation to the lead agency overseeing the project approval process.

### **Impact on Citizens and Businesses**

When constructed, this proposed alternative energy project will serve to address the County's goal of improving the quality of life by promoting sustainable and livable communities. Upon completion, the Project will provide environmentally friendly solar energy to residents and businesses of the region for many years to come.

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The Project will use a closed landfill site to generate solar energy that will also create jobs and revenue. This Project will benefit the taxpayers of the County by generating revenue that will be used to offset long term maintenance and operational costs currently associated with this closed landfill.

#### **Contract History and Price Reasonableness**

In 2013, an RFP for the Project was issued. Stronghold was the awardee, and DWR and Stronghold entered into that certain Revenue Ground Sublease, approved by the Board on February 10, 2015 (M.O. #3-3), for the purpose of allowing Stronghold to develop, install, construct, operate, maintain, and remove a solar electric-generating facility, which includes all photovoltaic solar panels, mounting systems, foundations, inverters, transformers, integrators, all electric lines and conduits required to generate, collect, distribute and transmit electrical energy and such additional utility cables, lines, conduits, transformers, wires, meters, monitoring equipment and other necessary or convenient equipment and appurtenances common to such a facility. Stronghold was granted two 6-month extensions, added to the initial 36-month diligence period, pursuant to that certain First Amendment to the Revenue Ground Sublease ratified and approved by the Board on December 11, 2018 (M.O. #3.12). During the term of the Revenue Ground Sublease, DWR will receive both ground lease revenue and a share of gross revenue derived from Stronghold's project on the subleased premises.

### Additional Fiscal Information

EDA will be reimbursed directly by the DWR for any and all costs incurred and associated with this transaction.

#### Attachments:

- Second Amendment to Revenue Ground Sub-Lease
- Consent to Sub-Sublease
- Consent and Non-Disturbance Agreement
- Aerial Map
- Notice of Exemption

Minute Trag ID: 10643

Gregory V. Priantos, Director County Counsel 8/15/2019



Original Negative Declaration/Notice of Determination was routed to County

Clerks for posting on.

Date

Initial

NOTICE OF EXEMPTION

August 14, 2019

Project Name: Second Amendment to Revenue Ground Sublease West Riverside Landfill, Jurupa Valley, County of

Riverside,

Project Number: FM0414500056

**Project Location:** Assessor Parcel Numbers (APNs): 178-290-006, 178-281-006, 178-290-003, and 178-290-013; Located adjacent to the west levee of the Santa Ana River, and along the north side of State Route 60; bounded by Hall Avenue and homes on the west, and by 28th Street and a recreational go-cart track on the north. Entrance to the site is at 2700 Hall Avenue, Jurupa Valley, CA; (See attached site plan)

**Description of Project:** In 2013, the County of Riverside (County) the Economic Development Agency (EDA), in coordination with the Department of Waste Resources (DWR), issued a Request for Proposal (RFP) for an alternative energy project on the closed West Riverside Landfill, Jurupa Valley. The closed West Riverside Landfill is approximately 80 acres, and is operated and controlled by DWR. The RFP requested submittals from private sector alternative energy developers to construct utility grade alternative energy facilities on the closed West Riverside Landfill.

As consideration, the selected developer was required to enter into a revenue ground lease to pay the County a percentage of their gross revenues generated from the sales of energy along with monthly ground rent. Based on the selection criteria, Stronghold Engineering Inc. (Stronghold) was the awardee and the County negotiated an agreement that provided Stronghold up to 36 months of due diligence which includes forming the size and scope of an alternative energy project and fully entitling that project through the local jurisdiction (City of Jurupa Valley) with County consent over the ultimate project. DWR and Stronghold entered into that certain Revenue Ground Sublease dated April 8, 2015 (Sublease). DWR was given the ability to grant up to two 6-month extensions to the initial 36-month diligence period, if DWR determines, in its sole and subjective determination, that Stronghold has made reasonable progress to obtain necessary permits. DWR granted two 6-month extensions to the 36-month due diligence period. DWR is now proposing to extend the term of the Sublease by five years from 28 to 33 years. The extension is authorized in the original Revenue Ground Sublease and will account for the time expended by Stronghold to fulfill all due diligence obligations and for construction of the project. In addition, Stronghold desires to sublease a portion of the property, consisting of 14.46 acres to Lake Elsinore Unified School District Solar Fund, LLC, for the purpose of developing, installing, constructing, operating, maintaining, and removing a solar electric generating facility. During the term of the Revenue Ground Sublease, DWR will also receive a share of the gross revenue derived from Stronghold's project on the subleased premises. The Second Amendment to the Sublease and County and DWR consent to the Sub-Sublease Agreement is defined as the proposed project under the California Environmental Quality Act (CEQA).

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency; Stronghold Engineering, Inc.

AUG 27 2019 3.14

#### P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686

org

**Exempt Status:** State CEQA Guidelines Section 15061(b) (3), General Rule or "Common Sense" Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

Reasons Why Project is Exempt: The discretionary action to extend the term of the Sublease and consent to a Sub-Sublease is exempt from the requirements of CEQA as it would not result in direct impacts to the physical environment or reasonably foreseeable indirect effects. The extension of the Sublease and the consent to Sub-Sublease would have no direct physical effect on the environment as the agreement consists only of a contractual extension and agreement.

• Section 15061 (b) (3) — "Common Sense" Exemption: In accordance with CEQA, the use of the Common Sense Exemption is based on the "general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment." State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." *Ibid.* This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the project may have a significant effect on the environment. The direct effects of the proposed Second Amendment to the Sublease is limited to the contractual extension of term and contractual consent of a Sub-Sublease.

The potential indirect effects from the Sublease to develop an alternative energy facility have reviewed under CEQA with the City of Jurupa Valley acting as the lead agency. The Sub-Sublease would not alter the previous determination as no additional development is being considered and is limited only to the delegation of solar power generated by the development. This proposed extension of term and consent to a Sub-Sublease will not result in any direct or indirect physical environmental impacts. In no way, would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Date:

Based upon the identified exemption above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted,

Signed:

Mike Sullivan, Senior Environmental Planner

County of Riverside, Economic Development Agency

### RIVERSIDE COUNTY CLERK & RECORDER

### AUTHORIZATION TO BILL BY JOURNAL VOUCHER

Project Name: Second Amendment to Revenue Ground Sublease West Riverside Landfill, Jurupa Valley					
Accounting String:	524830-47220-7200400000 - FM0414500056				
DATE:	August 14, 2019				
AGENCY:	Riverside County Economic Development Agency				
THIS AUTHORIZE HANDLING FEES	S THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND FOR THE ACCOMPANYING DOCUMENT(S).				
NUMBER OF DOC	UMENTS INCLUDED: One (1)				
AUTHORIZED BY: Signature:	Mike Sullivan, Senior Environmental Planner, Economic Development Agency				
PRESENTED BY:	Craig Olsen, Supervising Real Property Agent, Economic  Development Agency  -TO BE FILLED IN BY COUNTY CLERK-				
ACCEPTED BY: DATE:					
RECEIPT # (S)					



Date:

August 14, 2019

To:

Kiyomi Moore/Josefina Castillo, Office of the County Clerk

From:

Mike Sullivan, Senior Environmental Planner, Project Management Office

Subject:

County of Riverside Economic Development Agency Project # FM0414500056

Second Amendment to Revenue Ground Sublease West Riverside Landfill, Jurupa Valley

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

## After posting, please return the document to:

Mail Stop #1330

Attention: Mike Sullivan, Senior Environmental Planner,

Economic Development Agency,

3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009 or email at msullivan@rivco.org.

Attachment

cc: file

#### SECOND AMENDMENT TO REVENUE GROUND SUBLEASE

This SECOND AMENDMENT TO THE REVENUE GROUND SUBLEASE ("Second Amendment") is made as of August 27, 2019 by and between the COUNTY OF RIVERSIDE ("County"), a political subdivision of the State of California, on behalf its Department of Waste Resources ("DWR"), formerly known as the Riverside County Waste Management Department ("RCWMD"), and STRONGHOLD ENGINEERING INC. ("Stronghold"), a California corporation. County and Stronghold are sometimes collectively referred to herein as the "Parties".

#### RECITALS.

- **A.** The County of Riverside, a political subdivision of the State of California, is the owner of certain parcels of land identified by Assessor Parcel Numbers 178-290-006, 178-281-006, 178-290-003, 178-281-011, 178-281-008 and 178-290-013 ("Land").
- B. The County, on behalf of RCWMD, and Stronghold entered into that certain Revenue Ground Sublease dated April 8, 2015, ("Original Sublease") pursuant to which Stronghold has agreed to sublease a portion of the Land from the County ("Leased Premises") for the purpose of developing, installing, constructing, operating, maintaining and removing a solar electric generating facility, which includes all photovoltaic solar panels, mounting systems, foundations, inverters, transformers, integrators, all electric lines and conduits required to generate, collect, distribute and transmit electrical energy and such additional utility cables, lines, conduits, transformers, wires, meters, monitoring equipment and other necessary or convenient equipment and appurtenances common to such a facility (collectively, "Solar Facility").
- C. The County, on behalf of DWR, and Stronghold entered into that certain First Amendment to the Revenue Ground Sublease dated December 11, 2018, ("First Amendment") for purpose of extending the Original Due Diligence Period up to two (2) additional six (6) month periods described in Section 2 of the Original Sublease.

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- **D.** The Original Sublease, together with the First Amendment, are collectively referred to herein as the "Sublease".
- E. The Parties now desire to amend the Sublease to extend the expiration date of the Sublease for an additional five (5) years and change the indemnification language.

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

- 1. <u>Section 4</u>. Section 4 of the Sublease is hereby amended by the following: The term of the Sublease shall be changed from twenty-eight (28) years to thirty-three (33) years.
- 2. Section 14. The first sentence in Section 14(b) of the Sublease is hereby deleted in its entirety and replaced with the following: "Stronghold shall indemnify and hold harmless RCWMD, County, its Board of Supervisors, officers, agents, employees and independent contractors (collectively, the "RCWMD Indemnified Parties") from and against any liability whatsoever, based or asserted upon any act, negligence, or omission of Stronghold, its officers, agents, employees, subcontractors, independent contractors, licensees, lessees, and sub-lessees, for property damage, bodily injury, or death (Stronghold's employees included) or any other element of property damage of any kind or nature, relating to or connected with or arising from Stronghold's use or activities on or about the Leased Premises, and Stronghold shall defend, at its expense, including without limitation, attorney fees, expert fees and investigation expenses, each of the RCWMD Indemnified Parties in any legal action based upon such alleged acts, negligence, or omissions; provided, however, that nothing herein shall require Stronghold to indemnify any RCWMD Indemnified Party hereunder to the extent caused by or arising out of the negligence, acts or omissions of, or the willful misconduct of, any of the RCWMD Indemnified Parties or the construction, operation or maintenance of the Landfill by any RCWMD Indemnified Party and notwithstanding anything to the contrary herein, Stronghold shall have no obligation to indemnify or

hold harmless any RCWMD Indemnified Party with respect to any Pre-existing Environmental Conditions or any other conditions that existed or uses that occurred prior to the Effective Date."

- 3. Miscellaneous. Except as amended or modified herein, all the terms of the Sublease shall remain in full force and effect and shall apply with the same force and effect. Time is of the essence in the Second Amendment and Sublease and each and all of their respective provisions. Subject to the provisions of the Sublease as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the Parties hereto. If any provisions of this Second Amendment or the Sublease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Sublease and all such other provisions shall remain in full force and effect. The language in all parts of the Sublease shall be construed according to its normal and usual meaning and not strictly for or against either County or Stronghold. Neither this Second Amendment, nor the Sublease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by Stronghold.
- 4. <u>Effective Date</u>. This Second Amendment shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

[signatures on the following page]

1	IN WITNESS WHEREOF, the Parties of the date first written above.	have executed this Second Amendment as
2	COUNTY OF RIVERSIDE, a political	STRONGHOLD ENGINEERING INC.
3	subdivision of the State of California	STRONGHOLD ENGINEERING INC., a California/go/poration
4	By:	Ву:
5	Kevin Jeffries, Chairman Board of Supervisors	Scott Bailey
6	Board of Supervisors	Chief Operations Officer
7 8	RIVERSIDE COUNTY DEPARTMENT OF WASTE RESOURCES	
9	By:	
10	Hans Kernkamp General Manager	
11	General Manager	
12		
13	ATTEST:  Kecia R. Harper_	
14	Clerk/of the Board	
15	By MM Miton	
16	∫ Deputy ✓	
17	·	
18	APPROVED AS TO FORM:	
19	Gregory P. Priamos County Counsel	
20	By: The state of t	
21	Thomas Oh Deputy County Counsel	
22   23	Doputy County Counsel	
24		
25		
26	CAO:jb/073119/056WA/20.720	
27		
20		

#### Consent to Sub-Sublease

This consent ("Consent") by Landlord to Sub-Sublease is made and entered into this 2 day of August, 2019 (hereinafter referred to as the "Effective Date"), by and between the County of Riverside, a political subdivision of the State of California, on behalf of itself and its Department of Waste Resources ("RCDWR" or "Landlord"), formerly known as the Riverside County Waste Management Department, and Stronghold Engineering, Inc. (hereinafter referred to as the "Tenant").

#### **RECITALS**

- 1. The County of Riverside ("Owner") entered into that certain Landfill Lease Agreement dated November 26, 2013 with RCDWR, wherein Owner leased certain property ("Premises") located in the City of Jurupa Valley, Riverside County, California situated on an inactive and closed landfill site known as the West Riverside Landfill to RCDWR, including the property set forth in Exhibit A hereto (the "Master Lease").
- 2. The Tenant and the Landlord have executed that certain Revenue Ground Sublease dated April 8, 2015 (hereinafter referred to as the "Master Sublease"), as amended by that certain First Amendment to Sublease dated December 11, 2018, wherein Landlord leased a portion of the Premises ("Subleased Premises") to Tenant as shown in the attached Exhibit "A".
- 3. Tenant desires to sub-sublease a portion of the Subleased Premises between Tenant and LEUSD Solar Fund, LLC (hereinafter referred to as the "Sub-Subtenant"), covering those premises and related improvements described in the attached Exhibit "B" (hereinafter referred to as the "Sub-Sublease"). Per Section 15 of the Master Sublease, the Landlord is willing to consent to the Sub-Sublease on the terms and conditions set forth in this Consent.

NOW, THERFORE, in consideration of the foregoing premises and the mutual covenants and promises of the parties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

- 1. <u>Consent to Sublease</u>. The Landlord hereby consents to the Sub-Sublease, which is attached hereto as Exhibit "B", and the transactions contemplated. The Landlord's consent to the Sub-Sublease will not be deemed as consent to:
  - (i) Any further or other sub-subleasing of the Subleased Premises;
  - (ii) Any sub-subleasing of any other portion of the Premises;
  - (iii) The sub-subleasing of any portion of the Premises to any other subsubtenant or on any other or different terms than those stated in the Sub-Sublease; or

(iv) Any modification to the terms and conditions in the Master Lease or Master Sublease.

The Tenant will provide Landlord with a fully executed copy of the Sub-Sublease promptly after execution. If in the future, Tenant desires to sub-sublease to another party or another portion of the Subleased Premises, Tenant will obtain a separate consent from Landlord.

- 2. <u>Continuing Liability</u>. Tenant acknowledges and agrees that Tenant will remain liable for, and will not be released from, the full and faithful performance of all terms and conditions of the Master Sublease, notwithstanding the existence of (and Landlord's consent to) the Sub-Sublease, or any breach committed by Sub-Subtenant under the Sub-Sublease.
- 3. <u>Master Sublease</u>. Notwithstanding any provision in the Sub-Sublease to the contrary, the terms and conditions of the Sub-Sublease shall at all times remain subject and subordinate to the Master Sublease.
- 4. Entire Agreement. This Consent constitutes the entire agreement of the Landlord and the Tenant relating to its subject matter and replaces any prior negotiations, representations, agreements and understandings of the parties with respect to such matters oral or written. The Parties acknowledge that they have not relied on any promise, representation or warranty, expressed or implied, not contained in this Consent.
- 5. <u>Interpretation and Amendment</u>. In interpreting the language of this Consent, the Landlord and Tenant will be treated as having drafted this Consent after meaningful negotiations. The language in this Consent will be construed as to its fair meaning and not strictly for or against either Party. The Landlord and Tenant may modify this Consent with written documentation.
- 6. Attorneys' Fees. If any Party fails to perform any of its obligations under this Consent or if a dispute arises between the Parties concerning the meaning of any provisions of this Consent, and an action is filed, the prevailing party in any such action will be entitled to recover from the other party, in addition to any other relief that may be granted, its court costs and reasonable attorneys' fees.
- 7. <u>Counterparts.</u> This Consent may be signed in counterparts and all counterparts so executed will constitute one contract, binding on all parties hereto.
- 8. <u>Binding Effect</u>. This Consent will be binding on Landlord and Tenant, and inure to the benefit of Tenant and Landlord and their respective heirs, executors, administrators, successors in interest and assigns.
- 9. Governing Law/Venue. This Consent will be governed and construed in accordance with the laws of the State of California. Any action at law or in equity

brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Consent shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the Parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

[Signatures on to follow on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Consent as of the day and year first written above.

**TENANT:** 

STRONGHOLD ENGINEERING, ANC.

Signature:

Printed Name: Scott Bailey

Title:\_Chief Operations Officer

Date: August 13, 2019

LANDLORD:

COUNTY OF RIVERSIDE, ON BEHALF OF ITSELF AND ITS DEPARTMENT OF WASTE RESOURCES

Signature:

Kevin Jeffries, Chairman

Date: AUG 2 7 2019

**Board of Supervisors** 

ATTEST:

Kecia R. Harper Clerk of the Board

APPROVED AS TO FORM:

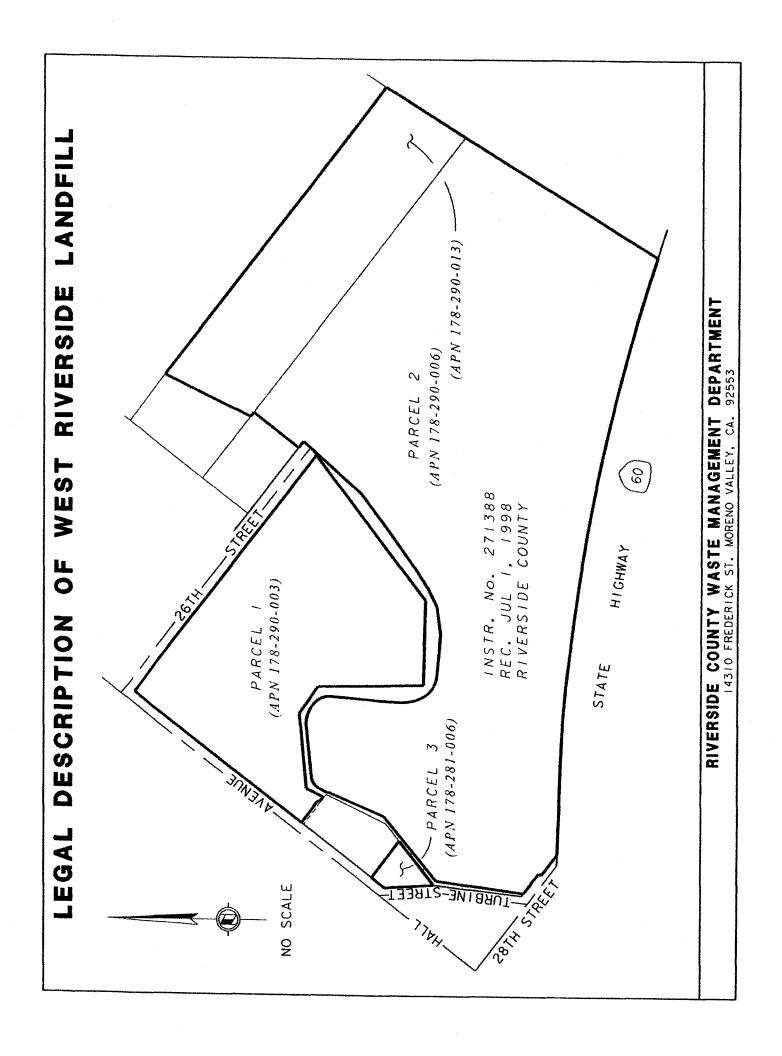
Gregory P. Priamos, County Counsel

By:

Thomas Oh

**Deputy County Counsel** 

# **Exhibit A Description of Subleased Premises**



### Parcel 1 APN 178-290-003 Exhibit 1 of 2

#### West Riverside Sanitary Landfill

#### Parcel 1 APN 178-290-003

Being a portion of Lot 2 of the Amended Map of the West Riverside Subdivision recorded in Map Book 4, Page 72, records of Riverside County, California as shown on Record of Survey Book 96, Pages 2 through 5, inclusive, records of Riverside County, California, described as follows:

Beginning at the intersection of the Southwesterly right of way of 26th Street and the Northerly line of Lot "D", as shown on said Record of Survey;

Thence South 52° 30' 50" West along said Northerly line of Lot "D", 640.84 feet;

Thence North 88° 37' 10" West along said Northerly line of Lot "D", 300.00 feet;

Thence North 01° 06' 10" West along said Northerly line of Lot "D", 375.29 feet;

Thence North 54° 50' 10" West along said Northerly line of Lot "D", 115.00 feet;

Thence South 84° 22' 50" West along said Northerly line of Lot "D", 265.00 feet;

Thence South 26° 22' 50" West along said Northerly line of Lot "D", 67.08 feet, to a point on the Southwesterly line of that property described in Instrument No. 58017, recorded March 2, 1987, in the office of the County Recorder, records of Riverside County, California;

Thence North 52° 38′ 14″ West along said Southwesterly line of that property described in Instrument No. 58017 and parallel with the Southwesterly line of said Lot 2, 22.86 feet, to a point on the Northwesterly line of that property described in said Instrument No. 58017;

Thence North 37° 21' 46" East along said Northwesterly line of that property described in said Instrument No. 58017, 6.50 feet to a point on the Northeasterly line of that property described in said Instrument No. 58017;

Thence North 52° 38' 14" West along said Northeasterly line of that property described in Instrument No. 58017, 97.00 feet, to a point on the Northwesterly line of said Lot 2, said point also being on the Southeasterly right of way of Hall Avenue, as shown on said Record of Survey;

Thence North 37° 21' 46" East along said Southeasterly right of way of Hall Avenue, 748.20 feet, to a point on said Southwesterly right of way of 26th Street;

Thence South 52° 29' 10" East along said Southwesterly right of way of 26th Street, 1059.56 feet, to the Point of Beginning.



ANTHONY J. KORHELY

Land Surveyor No. 8060

Signed For: Riverside County Waste
Management Department

Date: 14 July 2014

### Parcel 2 APNs 178-290-006 & 178-290-013 Exhibit 1 of 4

#### West Riverside Sanitary Landfill

### Parcel 2 APN's 178-290-006 & 178-290-013

Being a portion of Lot "A" and Lot 2 of the Amended Map of the Indian Hill Tract, recorded in Map Book 10, Page 3, records of Riverside County, California, as shown on Record of Survey Book 96, Pages 2 through 5, inclusive, records of Riverside County, California, described as follows:

Beginning at the most Easterly corner of Lot "D", as shown on said Record of Survey;

Thence North 41° 34′ 36″ East 33.09 feet, to a point on the Northeasterly right of way of 26th Street, as shown on said Record of Survey;

Thence North 52° 29' 10" West along said Northeasterly right of way of 26th Street, 28.91 feet;

Thence North 37° 28' 47" East 200.92 feet;

Thence North 52° 25' 03" West 18.18 feet;

Thence North 25° 54' 17" East 334.48 feet;

Thence South 52° 25′ 26″ East 1279.31 feet, to a point on the Northwesterly right of way of the Santa Ana River, as shown on said Record of Survey;

Thence South 31° 32' 32" West along said Northwesterly right of way of the Santa Ana River, 1130.03 feet, to a point on the Northerly right of way of State Highway 60, as shown on said Record of Survey, said point also being the beginning of a non-tangent curve, concave Southerly, having a radius of 7624.88 feet, to which a radial bears North 18° 06' 06" East;

Thence Westerly along the arc of said curve and said Northerly right of way of State Highway 60, 531.84 feet, through a central angle of 03° 59' 47", to the beginning of a compound curve, concave Southerly, having a radius of 6499.90 feet;

Thence Westerly along the arc of said curve and along said Northerly right of way of State Highway 60, 766.95 feet, through a central angle of 06° 45' 38";

Thence North 82° 39′ 19″ West along said Northerly right of way of State Highway 60, 150.55 feet to the beginning of a curve, concave Southerly, having a radius of 3749.94 feet;

Thence Westerly along the arc of said curve and along said Northerly right of way of State Highway 60, 354.01 feet, through a central angle of 05° 24' 32";

Thence North 88° 03' 51" West along said Northerly right of way of State Highway 60, 338.10 feet, to a point on the Northeasterly 22 foot right of way of 28th Street, as shown on said Record of Survey;

Thence North 52° 28' 38" West along said Northeasterly 22 foot right of way of 28th Street, 90.66 feet, to a point on the Southerly boundary of Blocks 12 and 13, as shown on Map Book 5, Page 116, records of Riverside County, California, also shown on said Record of Survey;

Thence North 41° 04' 57" East along said Southerly boundary, 11.02 feet, to a point on the Northeasterly 33 foot right of way of 28th Street, as shown on said Record of Survey;

Thence North 52° 28' 38" West along said Northeasterly 33 foot right of way of 28th Street, 90.83 feet, to a point on the Southerly line of Lot "D", as shown on said Record of Survey, said point also being the most Westerly corner of said Lot "D";

Thence North 07° 35' 22" East along said Southerly line of Lot "D", 312.64 feet;

Thence North 50° 25' 22" East along said Southerly line of Lot "D", 295.40 feet;

Thence North 22° 40' 22" East along said Southerly line of Lot "D", 213.28 feet;

Thence North 67° 19' 38" West along said Southerly line of Lot "D", 1.80 feet, to the beginning of a non-tangent curve, concave Southeasterly, having a radius of 347.00 feet, to which a radial bears North 67° 19' 38" West;

Thence Northeasterly along the arc of said curve and along said Southerly line of Lot "D", 38.66 feet, through a central angle of 06° 23' 00", to the beginning of a compound curve, concave Southeasterly, having a radius of 49.00 feet;

Thence Northeasterly along the arc of said curve and along said Southerly line of Lot "D",44.66 feet, through a central angle of 52° 13′ 00", to which a radial bears North 08° 43′ 38" West;

Thence North 83° 47' 22" East along said Southerly line of Lot "D", 177.15 feet, to the beginning of a curve, concave Southwesterly, having a radius of 109.00 feet;

Thence Southeasterly along the arc of said curve and along said Southerly line of Lot "D", 102.32 feet, through a central angle of 53° 47′ 00", to the beginning of a compound curve, concave Westerly, having a radius of 69.00 feet;

Thence Southerly along the arc of said curve and along said Southerly line of Lot "D", 55.80 feet, through a central angle of 46° 20′ 00", to which a radial bears South 86° 05′ 38" East;

Thence South 04° 16' 22" West along said Southerly line of Lot "D", 239.97 feet, to the beginning of a curve, concave Easterly, having a radius of 174.00 feet;

Thence Southerly along the arc of said curve and along said Southerly line of Lot "D", 84.02 feet, through a central angle of 27° 40′ 00", to the beginning of a compound curve, concave Northeasterly, having a radius of 95.00 feet;

Thence Southeasterly along the arc of said curve and along said Southerly line of Lot "D", 101.81 feet, through a central angle of 61° 24′ 00", to which a radial bears South 05° 12′ 22" West;

Thence South 84° 55' 38" East along said Southerly line of Lot "D", 147.14 feet;

Thence North 82° 36' 22" East along said Southerly line of Lot "D", 99.60 feet;

Thence North 63° 08' 22" East along said Southerly line of Lot "D", 70.50 feet;

Thence North 57° 14' 22" East along said Southerly line of Lot "D", 94.30 feet;

Thence North 54° 23' 22" East along said Southerly line of Lot "D", 188.88 feet;

Thence North 52° 08' 22" East along said Southerly line of Lot "D", 129.50 feet;

Thence North 41° 34' 36" East along said Southerly line of Lot "D", 239.54 feet, to the Point of Beginning.

LS 8060

EID. 12/5//STATE

CALIFORNIA

TO CALIFORNI

ANTHONY J. KORHELY

Land Surveyor No. 8060

Signed For: Riverside County Waste

Management Department

Date: 17 JULY 2017

### Parcel 3 APN 178-281-006 Exhibit 1 of 2

#### West Riverside Sanitary Landfill

Parcel 3 APN 178-281-006

Being a portion of Lot "C" of the Amended Map of the Indian Hill Tract, recorded in Map Book 10, Page 3, records of Riverside County, California, as shown on Record of Survey Book 96, Pages 2 through 5, inclusive, records of Riverside County, California, described as follows:

Beginning at the most Southwesterly corner of Lot "C", as shown on said Record of Survey, said point also being the intersection of the Easterly right of way of Turbine Street and the Northerly line of Lot "D", as shown on said Record of Survey;

Thence North 03° 26′ 43" West along said Easterly right of way of Turbine Street, 175.29 feet, to a point on the Southeasterly right of way of Hall Avenue, as shown on said Record of Survey;

Thence North 37° 21' 46" East along said Southeasterly right of way of Hall Avenue, 58.95 feet, to a point on the Southwesterly line of Instrument No. 77775, recorded July 15, 1971, in the office of the County Recorder, records of Riverside County, California, as shown on said Record of Survey;

Thence South 52° 38' 14" East along said Southwesterly line of Instrument No. 77775, 163.13 feet, to a point on said Northerly line of Lot "D", as shown on said Record of Survey;

Thence South 51° 35′ 17″ West along said Northerly Line of Lot "D", 197.68 feet, to the Point of Beginning.

LS 8060

Exp. 12/51/15

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ANTHONY J. KORHEĽY

Land Surveyor No. 8060

Signed For: Riverside County Waste
Management Department

Date: 14 JULY 2014

### Exhibit B Form of Sub-Sublease

[attached]

#### **SUB-SUBLEASE**

This Sub-Sublease (this "Agreement"), executed as of June 25, 2019 (the "Execution Date"), is made and entered into by and between **Stronghold Engineering Incorporated**, a California corporation ("Stronghold"), and **LEUSD Solar Fund**, **LLC**, a Delaware limited liability company ("LSF"). Stronghold and Company each may be referred to herein individually as a "Party" and collectively as the "Parties".

#### **RECITALS**

- A. WHEREAS, the County of Riverside, a political subdivision of the State of California ("Master Landlord") is the owner of the Land and entered into a Landfill Lease Agreement dated November 26, 2013 with Riverside County Waste Management Department ("RCWMD"), wherein the Land was leased in its entirety to RCWMD (the "Master Lease");
- B. WHEREAS, Stronghold, as Subtenant, and Riverside County Waste Management Department ("RCWMD" and "Master Sublandlord") as Sublandlord, entered into that certain Revenue Ground Sublease dated April 8, 2015, as amended by that certain First Amendment to Sublease dated December 11, 2018, a copy of which is attached hereto as <a href="Exhibit A">Exhibit A</a> (collectively the "Master Sublease"), covering certain premises further described in the Master Sublease ("Subleased Premises") comprising approximately eighty acres of land identified as Assessor Parcels 178-290-006, 178-281-006, 178-290-003, 178-281-011, 178-281-008 and 178-290-013 located in the City of Jurupa Valley, Riverside County, California ("Land"), situated on an inactive and closed landfill site known as the West Riverside Landfill ("Landfill"). Capitalized terms used in this Agreement, but not defined herein, shall have the meanings given them in the Master Sublease;
- C. WHEREAS, on December 14, 2017, Stronghold and Lake Elsinore Unified School District entered into an Option to Ground Sublease Agreement for parcels identified as Assessor Parcel Numbers 178-290-003, 178-290-006 and 178-290-013, which is attached hereto as <a href="Exhibit B"><u>Exhibit B</u></a> (the "LEUSD Option");
- D. WHEREAS, LSF has entered into that certain Offsite Solar Photovoltaic System Energy Purchase Agreement dated December 13, 2018, as amended on May 9, 2019 (the "PPA"), with the Lake Elsinore Unified School District (the "Offtaker");
- E. WHEREAS, LSF and Stronghold have or will enter into that certain Solar Photovoltaic (PV) System Engineering, Equipment Procurement and Installation Agreement ("EPC Agreement") for the installation of the Solar Facility (as defined below); and
- F. WHEREAS, LSF now desires to sublet from Stronghold, and Stronghold desires to lease to LSF, a portion of the Subleased Premises consisting of 14.456 acres of tax map identification no. APN 178-290-003 and identified as Parcel 1 as shown on attached Exhibit C (collectively, the "Sub-Subleased Premises") for the purpose of

developing, installing, constructing, operating, maintaining, and removing an approximately 3.094 MW DC solar electric generating facility, which includes all photovoltaic solar panels, mounting systems, foundations, inverters, transformers, integrators, all electric lines and conduits required to generate, collect distribute and transmit electrical energy and such additional utility cables, lines, conduit, transformers, wires, meters, monitoring equipment and other necessary or convenient equipment and appurtenances common to such a facility (collectively, the "Solar Facility") consistent with all applicable regulatory and legal requirements for the closure and post-closure usage of the Landfill.

NOW, THERFORE, in consideration of the foregoing premises and the mutual covenants and promises of the parties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Stronghold and LSF agree as follows:

# ARTICLE 1 SUB-SUBLEASE

- A. <u>Effective Date</u>. This Agreement is effective on the date that all conditions set forth in Article 3 have been satisfied (the "Effective Date").
- B. <u>Sublease Grant</u>. Upon and subject to the terms, covenants and conditions hereinafter set forth, Stronghold hereby leases to LSF and LSF hereby leases from Stronghold, the Subsubleased Premises. Stronghold shall deliver and LSF shall accept the Subleased Premises in its "AS IS" condition existing on the Effective Date.

# ARTICLE 2 TERM

A. Term Commencement Date. The term of this Agreement shall commence on the Effective Date and end on the date that is twenty-five (25) years after the earlier of (i) the date that LSF has completed and commissioned the Solar Facility and obtained any and all approvals necessary to commence exporting electricity to the grid or (ii) the date that the Solar Facility commences regular commercial operations by exporting electricity onto the grid other than for testing, commissioning, or similar purposes (such period being the "Term"), unless sooner terminated pursuant the terms of this Agreement. In the event that the PPA is extended past the twenty-fifth (25th) anniversary of the commercial operation date of the Solar Facility, LSF may request an extension of the Term of this Agreement in writing, which shall be contingent on the written consent of Stronghold and RCWMD. LSF shall provide Stronghold two-hundred (200) days advance written notice of its desire to extend this Agreement. Stronghold shall not unreasonably withhold such consent and shall take reasonable actions to facilitate an extension of the Master Sublease, and take steps necessary to ensure that this Agreement and Stronghold's rights under the Master Sublease exist during the full Term, as extended. Stronghold shall deliver possession of the Premises on the Effective Date.

- B. Termination of Master Lease or Master Sublease. Any provision in the Master Lease or Master Sublease to the contrary notwithstanding, if for any reason, other than solely due to LSF's breach of this Agreement, the Master Lease or Master Sublease shall expire or terminate before the end of the Term, this Agreement shall also expire or terminate on the same date that the Master Lease or Master Sublease expires or terminates. Such an occurrence shall constitute a default by Stronghold hereunder, and LSF shall have the right to pursue all remedies available under this Agreement, including pursuant to Section 9(c), or otherwise, nonetheless, Stronghold shall not be liable for any indirect, special, consequential or incidental damages of any kind regardless of form or theory of law in relation to this Section 2(B), expressly excepting LSF's costs, expenses, liabilities and damages arising under the PPA and LSF's loss of revenue in relation to the Solar Facility.
- C. <u>Termination of the PPA</u>. In the event the PPA is terminated or is assigned by LSF to Stronghold or any of its affiliates, LSF shall have the right to immediately terminate this Agreement. In the event such termination is due to an assignment of the PPA to Stronghold or one of its affiliates, LSF shall have no responsibility for, or liability in connection to, the decommissioning of the Solar Facility pursuant to Section 5(C), and Stronghold shall immediately forfeit any rights it has under this Agreement to any security provided by LSF pursuant to Section 5(C).

# ARTICLE 3 CONDITIONS TO EFFECTIVENESS

A. Pre-Condition. This Agreement is not and shall not be effective unless and until (i) RCWMD has provided written consent ("RCWMD Consent") to this Sub-Sublease and in accordance with the provisions of the Master Sublease and (ii) the LEUSD Option has been terminated. Stronghold shall take all reasonable measures to achieve the foregoing conditions and shall provide evidence to LSF of the satisfaction of each condition. If Stronghold fails to achieve either of the foregoing conditions within forty-five (45) days after the Execution Date of this Agreement, LSF may terminate this Agreement by written notice to Stronghold.

# ARTICLE 4 MONTHLY LEASE PAYMENT; RENT; INSURANCE

- A. Monthly Lease Payment. Beginning upon the Effective Date, LSF shall pay to Stronghold as a monthly lease payment for the Subleased Premises equal monthly payments of \$347.32 in advance, on the first day of each month of the Term ("Monthly Lease Payment"), which is calculated based on the percentage of total acreage sub-subleased by LSF. The amount of the Monthly Lease Payment shall increase 3% on each anniversary of the Effective Date.
- B. <u>Additional Rent Payment</u>. In addition to the Monthly Lease Payment, LSF shall, following the commercial operation date of the Solar Facility, pay to Stronghold as additional rent two (2) percent of the Total Gross Revenues received by LSF ("Additional Monthly Lease Payment") each and every month as further consideration for the use of

the Sub-Subleased Premises. For purposes of this Agreement, "Total Gross Revenues" shall be defined as all forms of revenue or compensation which are received from any source by LSF or its affiliates, including, but not limited to private or non-profit companies, governmental agencies, utility companies or districts, the public, or other related third parties, pursuant to a power purchase or similar agreement in connection with sale of electricity generated by the Solar Facility at the Sub-Subleased Premises. Notwithstanding the foregoing, in no event shall Total Gross Revenues include any amounts received by LSF or any of its affiliates in connection with any Environmental Attributes (as defined in the Master Sublease) or Solar Incentives (as defined below the Master Sublease relating to the Solar Facility).

- a. Upon Stronghold's reasonable written request, LSF shall make available and provide Stronghold access during normal business hours to all applicable billing records relating to the Solar Facility for review and determination of LSF's calculation of the Total Gross Revenues for any prior calendar month during the prior five years of the Term.
- b. Stronghold shall provide twenty-five (25) days written notice to LSF in the event that Stronghold requires an audit of LSF's accounting records relating to the Solar Facility for the purpose of auditing the Total Gross Revenues received by LSF. Records shall be defined as including but not limited to accounting reports, operating statements, cash flow statements, receipts, bank account statements and records, tax returns, and other related accounting records relating to the Total Gross Revenues received by LSF in connection with operation of the Solar Facility. LSF's repeated failure to respond to Stronghold's written notice as set forth in this section or failure to provide said accounting records shall be deemed a default of this Agreement and subject to termination.
- C. Payment. Each Monthly Lease Payment shall be payable in advance on the first day of each calendar month during the Term, except that the Monthly Lease Payment for the initial month shall be paid upon the execution hereof. If the Term commences or ends on a day other than the first day of a calendar month, then the rent for the month in which this Agreement commences or ends shall be pro-rated (and paid at the beginning of each such month) in the proportion that the number of days this Agreement is in effect during such month bears to the total number of days in such month. All Rent shall be paid to Stronghold, without prior demand, and, except as expressly provided in this Agreement, without any deduction, offset, counterclaim or abatement, in lawful money of the United States of America at the address stated herein or to such other persons or at such other places as Sublessor may designate in writing.
- D. <u>Payment of Additional Rent.</u> The first monthly payment of Additional Rent shall be payable on the on the fifteenth (15<sup>th</sup>) day of each calendar month after the first calendar month of commercial operations of the Solar Facility. The Additional Rent payment shall be paid monthly to Stronghold on the fifteenth (15<sup>th</sup>) day of each month based on the Total Gross Revenues received by LSF during the prior calendar month. LSF shall

- provide a monthly statement of Total Gross Revenues received by LSF during such prior calendar month together with each Additional Rent payment.
- E. <u>Insurance</u>. LSF will maintain, or require its employees, contractors or agents maintain insurance at the levels required in Section 14(a) of the Master Sublease when engaged in the activities related to development, construction, operation, maintenance and ownership of the Solar Facility.
- F. Non-Waiver. No payment by LSF, or receipt and acceptance by Stronghold of a lesser amount than the Rent, shall be deemed to be other than part payment of the full amount then due and payable; nor shall any endorsement or statement on any check or any letter accompanying any check, payment of Rent or other payment, be deemed an accord and satisfaction. Stronghold may accept, but is not obligated to accept, any such part payment without prejudice to Stronghold's right to recover the balance due and payable or to pursue any other remedy provided in this Agreement or by law. If Stronghold shall at any time, or times, accept Rent after it becomes due and payable, such acceptance shall not excuse a subsequent delay or constitute a waiver of Stronghold's rights hereunder.

# ARTICLE 5 IMPROVEMENTS; USE

- A. <u>Use</u>. The Sub-Subleased Premises shall be used and occupied solely for the uses permitted under the Master Sublease and for no other purpose. LSF shall construct LSF's Solar Facility in accordance with all requirements and conditions contained in the Master Sublease.
- B. Ownership of LSF's Solar Facility. At all times, all right to, title to and possession of LSF's Solar Facility (including without limitation, all additions, alterations, and improvements thereto or replacements thereof, all appurtenant fixtures, machinery and equipment installed therein), all electrical output from the LSF's Solar Facility, Environmental Attributes and Solar Incentives belong solely to LSF and shall remain the personal property of LSF and shall not attach to or be deemed a part of, fixture to the Sub-Subleased premises or Land. The Solar Facility shall at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code as adopted in the State of California.
- C. <u>Decommissioning</u>; <u>Surrender of Subleased Premises</u>. Prior to starting any construction of the LSF's Solar Facility on the Sub-Subleased Premises, LSF shall deliver to RCWMD Demolition/Restoration Security (as defined below), as selected by LSF, which may be used by Stronghold for the removal of LSF's Solar Facility at the Sub-Subleased Premises and the restoration of the Sub-Subleased Premises to its original condition at the end of the Term, in the event that the LSF fails to compete such removal and restoration activities in accordance with this Agreement, Master Lease, and Master Sublease.
  - 1. For the purposes of this Agreement, the term "Demolition/Restoration Security" shall mean either (i) an escrow account initially funded by LSF with cash in the

amount of \$124,069.00 ("the "Security Amount") based on the percentage of the Premises Sub-Subleased by LSF, (ii) a performance or other bond in a form reasonably acceptable to Stronghold and RCWMD in the amount of the Security Amount that secures the performance of or the payment for such removal and restoration activities by LSF, (iii) a guaranty from an affiliate of LSF that guarantees the performance of or the payment for such removal and restoration activities by LSF, in a form reasonably acceptable to Stronghold provided that such guaranty may be limited to the Security Amount and provided further that the entity providing such guaranty has indebtedness with an investment grade or better rating by Moody's, Standard & Poors or a comparable credit rating agency, or (iv) any other security in the amount of the Security Amount that is in a form reasonably acceptable to Stronghold in its reasonable discretion.

- 2. This Demolition/Restoration Security shall be posted prior to the start of any construction activities at the Sub-Subleased Premises and maintained throughout the Term. In the event that RCWMD requires a higher security amount pursuant to Section 26(a) of the Master Sublease, LSF will increase the amount of such Demolition/Restoration Security by the applicable proportion of such amount.
- 3. At the expiration or earlier termination of the Term, LSF shall surrender to Stronghold the possession of the Sub-Subleased Premises and shall dismantle and remove the Tenant's Solar Facility within one hundred and fifty (150) days following such expiration or termination of the Sub-Sublease and LSF and its employees, contractors and agents shall have a continuing license to enter the Sub-Subleased Premises for such purposes during such period. In connection with the removal of the LSF's Solar Facility, LSF shall also restore as nearly as practicable the Sub-Subleased Premises to its condition immediately prior to the construction of LSF's Solar Facility on the Sub-Subleased Premises, provided LSF will not be required to remove any roads constructed by LSF at the Sub-Subleased Premises in connection with the LSF's Solar Facility. Prior to removing any permanent lighting or other infrastructure improvements installed at the Sub-Subleased Premises at the end of the Term, LSF and Stronghold shall agree in writing if Stronghold would like to retain any portion of such infrastructure improvements and relieve LSF for its obligation to remove such improvements. Any such infrastructure improvements that LSF agrees to leave at the Sub-Subleased Premises shall be deemed surrendered by LSF to Stronghold. Stronghold shall leave any such surrendered property and any other property at the Sub-Subleased premises in good and clean condition. All other property of LSF relating to LSF's Solar Facility located on the Sub-Subleased Premises that LSF leaves at the Premises following such 150-day period shall be removed and stored by Stronghold at an offsite location. LSF shall be responsible for all costs associated with the removal, transport, and storage of its equipment left at the Sub-Subleased Premises. Stronghold shall have the right to place a lien on any such property for the recovery of the foregoing costs.

# ARTICLE 6 MASTER SUBLEASE; ASSUMPTION

- A. <u>Subordination</u>. LSF acknowledges that it has read the Master Sublease and is fully familiar with all of the terms and conditions of the Master Sublease. Except as otherwise provided in the Consent and in this Agreement, this Agreement shall at all times during the Term remain subject and subordinate to the Master Sublease, and, further, to all modifications to the Master Sublease but only as to modifications permitted pursuant to the provisions of this Agreement and the Consent.
- B. <u>Stronghold's Representations, Warranties and Agreements</u>. To induce LSF to enter into this Agreement, Stronghold represents and warrants to LSF that:
  - a. Exhibit A (attached hereto and incorporated by reference) constitutes a true, correct and complete copy of the Master Sublease and all amendments thereto;
  - b. The Master Sublease comprises the entire understanding and agreement of Stronghold and RCWMD with respect to the Subleased Premises and remains in full force and effect as of the date of this Agreement;
  - c. Stronghold has paid any and all sums owed to Sublessor under the Master Sublease as of the Effective Date;
  - d. Neither Stronghold, nor to its knowledge, Master Sublandlord, is in default under the Master Sublease or the Master Lease, nor, to Stronghold's knowledge, do any facts exist which could be reasonably expected to give rise to a claim of default;
  - e. Stronghold has paid all amounts due under the Master Sublease in accordance with the terms thereof;
  - f. The execution of this Agreement and performance of the activities contemplated herein in accordance with the terms hereof will not violate any provision of the Master Sublease;
  - g. Stronghold shall pay all amounts and timely complete all other obligations of Stronghold under the Master Sublease in accordance with the terms thereof;
  - h. Stronghold has conducted environmental assessments of the Land, including a phase 1 environmental study, and the results of such assessments have not revealed the existence of any Hazardous Materials on the Sub-Subleased Premises, and Stronghold knows of no such Hazardous Materials affecting the Sub-Subleased Premises;
  - i. Notwithstanding Section 8 of the Master Sublease, the Sub-Subleased Premises are suitable for the construction, operation, and maintenance of the Solar Facility, and constitute all of the property necessary for the construction, operation, and maintenance of the Solar Facility; and
  - j. Stronghold has the authority to enter into this Agreement and to grant the rights contained herein.
- C. <u>Non-Violation</u>. LSF agrees that it will not intentionally and willfully violate any of the provisions of the Master Sublease.

- D. <u>Incorporation</u>. All of the provisions of the Master Sublease shall be deemed incorporated into, and made a part of, this Agreement as if fully set forth in this Agreement, except to the extent such provisions apply exclusively to portions of the Land not constituting part of the Sub-Subleased Premises, subject to the following:
  - a. Notwithstanding the foregoing, the following Sections of the Master Sublease are hereby excluded from this Agreement: 2(b), 2(c), 2(d), 3, 4, 5, 24, 27, 28(g), and 32.
  - b. To the extent that LSF is responsible for certain costs under the Master Sublease, as incorporated herein, LSF's payment obligations to Stronghold hereunder are limited to the proportion of such costs that relate to the Sub-Subleased Premises, or LSF's activities related to this Agreement. In accordance with the foregoing, LSF shall be responsible, on a pro-rata basis, for all costs and expenses incurred by Stronghold under the Master Sublease in connection "common areas" such as access roads, fences, and other components of the Subleased Premises that benefit the Sub-Subleased Premises.
  - c. Notwithstanding anything to the contrary in this Agreement, with respect to any approval required to be obtained from "RCWMD" under the Master Sublease, such consent must be obtained from both Stronghold and the Master Landlord, if applicable. Stronghold's consent, in each instance, shall not be unreasonably withheld, conditioned or delayed. With respect to each such matter, LSF shall be required first to obtain the consent or approval of Stronghold with respect thereto and, if Stronghold grants such consent or approval, only then may LSF seek the consent of RCWMD and Stronghold will actively assist in securing the consent of RCWMD and the Master Landlord.
  - d. With respect to the incorporation of provisions of the Master Sublease, the term "RCWMD" as used in the Master Sublease shall refer to "Stronghold" hereunder, the term "Stronghold" as used in the Master Sublease shall refer to "LSF" hereunder, the term "Lease" as used in the Master Sublease shall refer to this Agreement and the term "Land" as used in the Master Sublease shall refer to the Sub-Sublease Premises described herein, except that: (i) any indemnification, defense and hold harmless protections running in favor of the "Landlord Parties" shall also run in favor of Master Landlord, Master Sublandlord and Stronghold and their respective employees, agents, contractors, subcontractors, consultants, officers, directors, parents, subsidiaries, affiliates, members, managers, constituent partners, invitees and licensees; and (ii) the definition of "Tenant Parties" as incorporated into the Sub-Sublease shall mean LSF and LSF's employees, agents, contractors, subcontractors, consultants, officers, directors, parents, subsidiaries, affiliates, members, managers, constituent partners, invitees and licensees.

E. <u>Conflict of Provisions</u>. The provisions of the Master Sublease control this Agreement, except as such terms have been modified herein to in order to specify the obligations of Stronghold and LSF with respect to each other.

# ARTICLE 7 REAL PROPERTY TAXES

A. <u>Real Property Taxes</u>. Stronghold hereby represents and warrants that LSF shall not be liable to any governmental entity for real property taxes arising out of its use of the Sub-Subleased Premises as contemplated herein, including for any "possessory interest" or similar theory, totaling more than the amounts set forth in <u>Exhibit D</u> hereto.

# ARTICLE 8 EVENTS OF DEFAULT

- B. Events of Default. In addition to the "Events of Default" set forth in Section 19 of the Master Sublease, as incorporated into this Agreement, the following shall also constitute Events of Default under this Agreement by the applicable Party:
  - 1. A Party makes an assignment for the benefit of creditor, commits any act of bankruptcy or files a petition of bankruptcy under any bankruptcy or insolvency law; or such a petition is filed against a Party and not dismissed within forty-five (45) days; or if a receiver or similar officer becomes entitled to a Party's leasehold interest under this Agreement or the Master Sublease, as applicable, and it is not returned within forty-five (45) days.
  - 2. A Party's actions or failure to fulfill its obligations hereunder causes or constitutes an event that would subject the Master Lease or Master Sublease to termination under their respective terms, and such event is not subject to remedy prior to such termination.

# ARTICLE 9 REMEDIES; INDEMNITY

A. Services and LSF Remedies. Stronghold shall have no liability for failure to obtain the observance or performance of Master Landlord's or Master Sublandlord's obligations under the Master Lease or the Master Sublease, as the case may be, or by reason of any default of Master Landlord or Master Sublandlord under the Master Lease or the Master Sublease, as the case may be, or any failure of Master Landlord or Master Sublandlord to act or grant any consent or approval under the Master Lease or the Master Sublease, or from any misfeasance or non-feasance of Master Landlord or Master Sublandlord unless such failure, default, misfeasance or non-feasance is the result of Stronghold's breach of the Master Sublease or Stronghold's failure to request approval or consent in a good faith and diligent manner. Stronghold shall cooperate with LSF in any legal, arbitration or audit proceeding against Master Landlord or Master Sublandlord and shall reasonably facilitate negotiation between the parties. In all cases, LSF shall have all remedies

- provided this Agreement, in the Master Sublease as incorporated herein, or otherwise available at law or in equity.
- B. <u>Stronghold's Remedies</u>. Upon the occurrence of an Event of Default (as defined in Section 19 of the Master Sublease, as incorporated herein), Stronghold may exercise any of the remedies provided for in the Master Sublease, as incorporated herein, which include termination of this Agreement.
- C. <u>Stronghold</u> Indemnity. Stronghold shall fully and timely perform all obligations imposed on Stronghold as "subtenant" under the Master Sublease in accordance with the terms thereof, except to the extent such obligations have been assumed by LSF under this Agreement. In the event Stronghold defaults (beyond applicable notice and cure periods) under the Master Sublease and such default is not directly caused or materially contributed to by LSF's failure to perform its obligations under this Agreement, Stronghold shall defend, indemnify and hold LSF, and its officers, directors, agents, employees and independent contractors, successors and assigns harmless from and against claims ("Claims") resulting from such default, as well as reimbursing LSF for expenses reasonably incurred by LSF in remedying any default by Stronghold under the Master Sublease. For purposes of this Section 9(C), "Claims" includes liabilities incurred by LSF under the PPA because of Stronghold's default under this Agreement or the Master Sublease and all costs and losses LSF incurs as a result of the loss of the right to operate the Solar Facility on the Sub-Subleased Premises. Stronghold shall pay all such Claims and expenses within thirty (30) Business Days after demand by LSF. The indemnification provided by Stronghold under this Section 9(C) is in addition to the indemnification provided pursuant to Section 14(b) of the Master Sublease, as incorporated herein.
- D. Sub-Subtenant Indemnity. Notwithstanding any other provision of this Agreement to the contrary, in the event of any failure of LSF to observe, perform or otherwise discharge its obligations under this Agreement (and after any notice and opportunity to cure as may be required under this Agreement) that may cause an Event of Default to occur under the Master Sublease, Stronghold may, in addition to all other remedies granted to Stronghold under this Agreement, take such action as may reasonably be required to prevent such matter from maturing into an Event of Default under the Master Sublease. LSF shall pay all reasonable expenses incurred by Stronghold in connection therewith within thirty (30) days after demand by Stronghold. The indemnification provided by LSF under this Section 9(D) is in addition to the indemnification provided pursuant to Section 14(b) of the Master Sublease, as incorporated herein.

#### ARTICLE 10 GENERAL PROVISIONS

A. <u>Limitation on Liability</u>. EXCEPT TO THE EXTENT ARISING IN RELATION TO THE INDEMNIFICAITON OBLIGATIONS, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF EITHER PARTY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL,

OR PUNITIVE DAMAGES OF ANY CHARACTER, RESULTING FROM A BREACH OF THE PROVISIONS OF THIS AGREEMENT, IRRESPECTIVE OF WHETHER CLAIMS OR ACTIONS FOR SUCH DAMAGES ARE BASED UPON CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER THEORY AT LAW OR EQUITY.

- B. <u>Time Limits</u>. Except with respect to actions to be taken by LSF for which shorter time limits are specifically set forth in this Agreement, which time limits shall control for the purposes of this Agreement, the time limits provided in the Master Sublease for the performance of any obligation of Stronghold, or provision of any notice by Stronghold, under the Master Sublease that are incorporated in this Agreement pursuant to Section 6(D) are changed for the purpose of incorporation into this Agreement by shortening the same in each instance by two (2) business days.
- C. Access License. This Agreement shall be subject to the Assignment restrictions contained in Section 15 of the Master Sublease, as incorporated into this Agreement. Notwithstanding the foregoing, LSF may grant and has granted an access license to the Offtaker under the PPA, in order to grant the Offtaker access to System for interconnection of the Solar Facility and testing of the Solar Facility meter from time to time.
- D. Notices. All notices, demands, requests, consents and other communications shall be served by certified mail, return receipt requested, by a nationally recognized overnight courier (such as Federal Express), next day delivery, or telecopy, at the addresses set forth below or at such other address as shall be designated by the parties in writing in accordance with this Section. Each party shall provide to the other copies of all notices received by each from Master Lessor or Master Sublandlord.

If to Stronghold:

Beverly Bailey 2000 Market Street Riverside, CA 92501 bb@teamsei.com

Scott Bailey 2000 Market Street Riverside, CA 92501 sb@teamsei.com

With a copy to (which shall not constitute notice): Patricia McNicholas 2000 Riverside, CA 92501 mm@teamsei.com

#### If to LSF:

LEUSD Solar Fund, LLC c/o Standard Solar, Inc. 1355 Piccard Drive, Suite 300 Rockville, MD 20850 Attention: Scott Wiater

With a copy (which shall not constitute notice) to:

GreeneHurlocker, PLC 1807 Libbie Avenue, Suite 102 Richmond, VA 23226 Attention: Eric Hurlocker

- E. <u>Estoppel</u>. Either party hereto, without charge (except as noted below), at any time and/or from time to time, within five (5) business days after receipt of a written request by the other party hereto, shall deliver a written instrument, duly executed, certifying to such requesting party, or any other person, firm or corporation specified by such requesting party:
  - 1. That this Agreement is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification;
  - 2. Whether or not to the knowledge of any such party there are then existing any offsets or defenses in favor of such party against enforcement of any of the terms, covenants and conditions of this Agreement and, if so, specifying the same and also whether or not to the knowledge of such party the other party has observed and performed all of the terms, covenants and conditions on its part to be observed and performed, and if not, specifying the same;
  - 3. Such other factual information as may be reasonably requested by a party hereto. Any written instrument given hereunder may be relied upon by the recipient of such instrument in good faith, except to the extent the recipient has actual knowledge of facts contained in the certificate to the contrary.
- F. <u>Binding Effect</u>; <u>Amendments</u>. Subject to Article 6, the provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors and assigns. This Agreement constitutes the entire agreement between the parties and may not be modified except by an instrument in writing signed by the parties.
- G. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

- H. Severability. Each covenant and agreement contained in this Agreement is a separate and independent covenant and agreement. If any covenant or agreement or the application thereof to any person or circumstance shall to any extent be invalid and unenforceable, the remainder of this Agreement, or the application of such covenant or agreement to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and all other covenants and agreements of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- I. No Waiver. The failure of Stronghold to seek redress for violation of, or to insist upon strict performance of, any covenant or condition of this Sublease, or any of the rules and regulations referred to hereinabove, whether heretofore or hereafter adopted by Stronghold shall not be deemed a waiver of such violation nor prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. No provision of this Agreement shall be deemed to have been waived by Stronghold, or by LSF, unless such waiver is in writing signed by the party to be charged. No consent or waiver, express or implied, by Stronghold or LSF to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same or any other agreement or duty.
- J. <u>Counterparts</u>. This Sublease may be executed in one or more identical counterparts, each of which shall be deemed an original, and counterpart signature pages may be detached and assembled to form a single original document. A facsimile of a counterpart signature page shall be considered the equivalent of an ink original for all purposes.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Sublease to be duly executed as of the Execution Date.

INCORPORATED:		
By:	D. Barley	
Name:	Beverly A. Bailey	
Title:	President and CEO	
LEUSD	SOLAR FUND, LLC:	
By:		
Name:		
Title:		

STRONGHOLD ENGINEERING

IN WITNESS WHEREOF, the parties have caused this Sublease to be duly executed as of the Execution Date.

<b>STRONGHOLD</b>	<b>ENGINEERING</b>
INCORPORATE	ED:

By:	
Name:	
Title:	

LEUSD SOLAR FUND, LLC:

By: Scott Wiater
Title: Authorized Signatory

### EXHIBIT A

Master Sublease

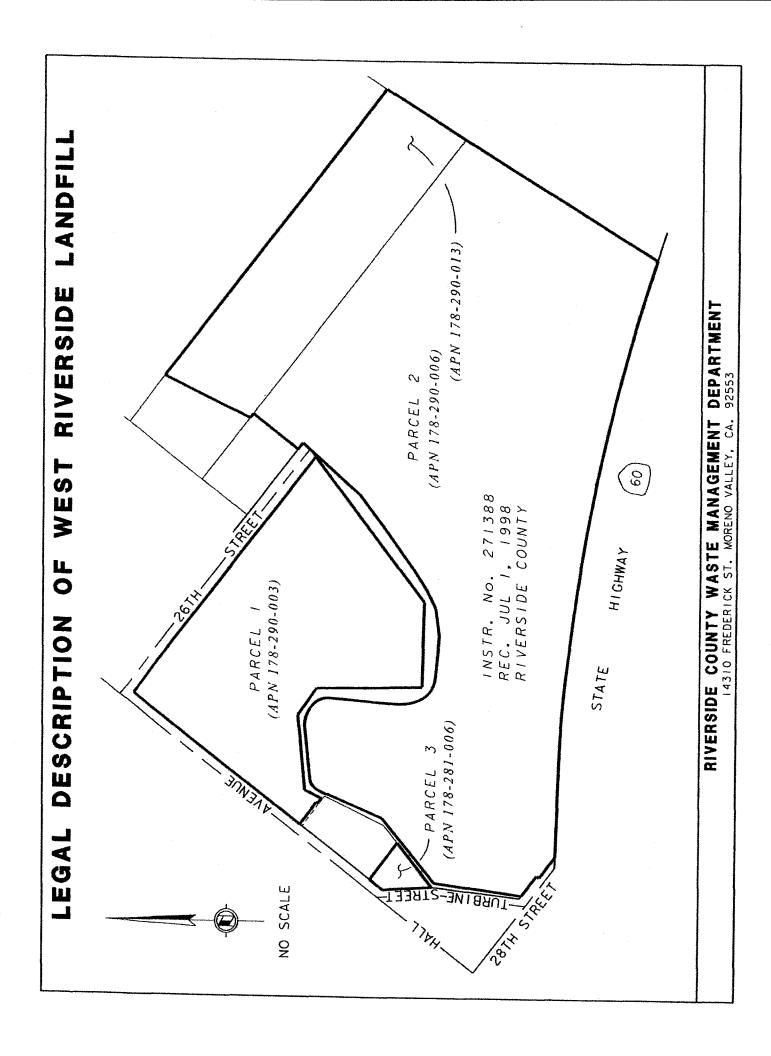
(attached)

## EXHIBIT B

"Option to Ground Sublease Agreement" and Termination Thereof (attached)

### EXHIBIT C

Description of Sub-Subleased Premises



### PARCEL 1 APN 178-290-003 EXHIBIT BEING A PORTION OF LOT 2 OF THE AMENDED MAP OF THE WEST RIVERSIDE SUBDIVISION RECORDED IN MAP BOOK 4, PAGE 72. RECORDS OF RIVERSIDE COUNTY, CALIFORNIA AS SHOWN ON RECORD OF SURVEY BOOK 96, PAGES 2 THROUGH 5, INCLUSIVE, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA. -- HALL - AVENUE N37" 21' 46"E N37° 21' 46"E 748. 20' N52" 38' 14"W 97.00' 6.50' --334 N26" 22' 50"E 67. 08' N52\* 38' 14"W 22.86' 33'-N54" 50' 10"W 115.00 PARCEL 2 PARCEL I INSTR. No. 271388 MO1.06, 10.14 REC. JULY 1, 1998 M..01.62 LOT RIVERSIDE COUNTY R.S. 96 / 2-5LS 8060 N52.30'50"E 675.00' ANTHONY J. KORHELY LAND SURVEYOR NO. 8060 SIGNED ON BEHALF OF: RIVERSIDE COUNTY WASTE MANAGEMENT DEPARTMENT 14 JULY 2014 RIVERSIDE COUNTY WASTE MANAGEMENT DEPARTMENT 14310 FREDERICK ST. MORENO VALLEY, CA. 92553 PROJECT NAME! WEST RIVERSIDE SANITARY LANDFILL THIS PLAT IS SOLELY AN AID IN LOCATING PREPARED BYI THE PARCEL (S) DESCRIBED IN THE NO SCALE DAB APN 178-290-003 ATTACHED DOCUMENT. IT IS NOT A PART SHEET NO. OF THE WRITTEN DESCRIPTION THEREIN. JUL-01-2014 1 OF

### Parcel 1 APN 178-290-003 Exhibit 1 of 2

### West Riverside Sanitary Landfill

### Parcel 1 APN 178-290-003

Being a portion of Lot 2 of the Amended Map of the West Riverside Subdivision recorded in Map Book 4, Page 72, records of Riverside County, California as shown on Record of Survey Book 96, Pages 2 through 5, inclusive, records of Riverside County, California, described as follows:

Beginning at the intersection of the Southwesterly right of way of 26th Street and the Northerly line of Lot "D", as shown on said Record of Survey;

Thence South 52° 30' 50" West along said Northerly line of Lot "D", 640.84 feet;

Thence North 88° 37' 10" West along said Northerly line of Lot "D", 300.00 feet;

Thence North 01° 06' 10" West along said Northerly line of Lot "D", 375.29 feet;

Thence North 54° 50' 10" West along said Northerly line of Lot "D", 115.00 feet;

Thence South 84° 22' 50" West along said Northerly line of Lot "D", 265.00 feet;

Thence South 26° 22' 50" West along said Northerly line of Lot "D", 67.08 feet, to a point on the Southwesterly line of that property described in Instrument No. 58017, recorded March 2, 1987, in the office of the County Recorder, records of Riverside County, California;

Thence North 52° 38′ 14″ West along said Southwesterly line of that property described in Instrument No. 58017 and parallel with the Southwesterly line of said Lot 2, 22.86 feet, to a point on the Northwesterly line of that property described in said Instrument No. 58017;

Thence North 37° 21' 46" East along said Northwesterly line of that property described in said Instrument No. 58017, 6.50 feet to a point on the Northeasterly line of that property described in said Instrument No. 58017;

Thence North 52° 38' 14" West along said Northeasterly line of that property described in Instrument No. 58017, 97.00 feet, to a point on the Northwesterly line of said Lot 2, said point also being on the Southeasterly right of way of Hall Avenue, as shown on said Record of Survey;

Thence North 37° 21' 46" East along said Southeasterly right of way of Hall Avenue, 748.20 feet, to a point on said Southwesterly right of way of 26th Street;

Thence South 52° 29' 10" East along said Southwesterly right of way of 26th Street, 1059.56 feet, to the Point of Beginning.



ANTHONY J. KORHELY

Land Surveyor No. 8060

Signed For: Riverside County Waste
Management Department

Date: 14 July 2014

EXHIBIT D

### Maximum Real Property Tax

Year	Property Tax
1	\$9,282.63
3	\$9,412.59
	\$9,544.36
4	\$9,677.98
5	\$9,813.47
6	\$9,950.86
7	\$10,090.17
8	\$10,231.43
9	\$10,374.67
10	\$10,519.92
11	\$10,667.20
12	\$10,816.54
13	\$10,967.97
14	\$11,121.52
15	\$11,277.23
16	\$11,435.10
17	\$11,595.20
18	\$11,757.53
19	\$11,922.13
20	\$12,089.04
21	\$12,258.29
22	\$12,429.91
23	\$12,603.92
24	\$12,780.38
25	\$12,959.31

{00172752 1 }

#### CONSENT AND NON-DISTURBANCE AGREEMENT

This CONSENT AND NON-DISTURBANCE **AGREEMENT** (this "Agreement"), effective as of August 27, 2019 (the "Execution Date"), is made and entered into by and between LEUSD Solar Fund, LLC, a Delaware limited liability company ("LSF"), Engineering Incorporated, Stronghold a California ("Stronghold"), the County of Riverside, a political subdivision of the State of California ("Owner"), and Riverside County Department of Waste Resources, a department of the County of Riverside ("RCDWR"). LSF and Owner each may be referred to herein individually as a "Party" and collectively as the "Parties".

#### **RECITALS:**

- A. WHEREAS, Owner entered into that certain Landfill Lease Agreement dated November 26, 2013 with the Riverside County Department of Waste Resources ("RCDWR"), a department of the County of Riverside, formerly known as Riverside County Waste Management Department, wherein Owner leased certain property ("Property") located in the City of Jurupa Valley, Riverside County, California situated on an inactive and closed landfill site known as the West Riverside Landfill to RCDWR, including the property set forth in Exhibit A hereto (the "Master Lease");
- B. WHEREAS, RCDWR thereafter entered into that certain Revenue Ground Sublease dated April 8, 2015 with Stronghold, as amended by that certain First Amendment to Sublease dated December 11, 2018, (the "Master Sublease"), wherein RCDWR leased a portion of the Property to Stronghold comprising approximately eighty acres of land identified as Assessor Parcels 178-290-006, 178-281-006, 178-290-003, and 178-290-013 ("Subleased Premises");
- C. WHEREAS, Stronghold thereafter entered into that certain Sub-Sublease Agreement dated June 27, 2019 (the "Sub-Sublease") with LSF, as subsequently amended and restated, wherein Stronghold leased to LSF a portion of the Subleased Premises consisting of 14.456 acres of tax map identification no. APN 178-290-003 and identified as Parcel 1, as set forth in Exhibit A attached hereto, (the "Sub-Subleased Premises") for the purpose of developing, installing, constructing, operating, maintaining, and removing a solar electric generating facility (the "LSF Solar Facility").

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, the Parties hereto, intending to be legally bound hereby, promise, covenant and agree as follows:

1. <u>Consent to Sub-Sublease</u>. Owner acknowledges that Stronghold and LSF have validly entered into the Sub-Sublease, which is attached hereto as Exhibit "B", and, to the extent Owner's consent is necessary under the Master Lease and/or Master

1

Sublease, Owner hereby consents to the Sub-Sublease between Stronghold and LSF.

- 2. Non-Disturbance. So long as LSF is not in material default (beyond any periods specified in the Sub-Sublease for LSF to cure such default) of any terms, covenants, or conditions of the Sub-Sublease (a "LSF Default"), then: (a) LSF's occupancy, use and possession of the Sub-Subleased Premises and LSF's rights and privileges under the Sub-Sublease shall not be diminished or interfered with by Owner; (b) the Sub-Sublease and all of LSF's rights and interests under the Sub-Sublease shall survive and not be disturbed, affected, impaired, or terminated by any suit, action or proceeding under, or termination of, the Master Lease and/or the Master Sublease, unless said suit, action, proceeding, or termination is related to or arises from Stronghold's breach or default of the Master Sublease, in which case Section 3 below shall apply; and (c) the Sub-Sublease shall remain in full force and effect, and LSF shall retain undisturbed possession of the Sub-Subleased Premises, for the remainder of the term of the Sub-Sublease, as it may be extended in accordance with its terms.
- 3. Termination of Master Lease. If the Master Lease and/or Master Sublease are terminated, and so long as there is no LSF Default, then (a) LSF and Stronghold shall terminate the Sub-Sublease, and (b) Owner, in the event the Master Lease is terminated, or RCDWR, in the event the Master Sublease is terminated while the Master Lease is still in effect, and LSF shall enter into a new lease (or sublease in the case of RCDWR) for the Sub-Subleased Premises ("New Lease") consistent with the terms and conditions of the Master Sublease, provided that the New Lease shall utilize the commercial terms of the Sub-Sublease.
- 4. Transfer of the Landfill Property. In the event Owner transfers title to the Sub-Subleased Premises (an "Owner Transfer"), whether through a sale, assignment, or foreclosure on a security interest by any mortgagee, Owner agrees that the transferee (or mortgagee, as the case may be) shall be required to assume, and shall be deemed to assume without the requirement of further action, all of Owner's rights, interests, covenants, and obligations under this Agreement and the Master Lease, or the New Lease as set forth in Section 3 above.
- 5. <u>Lenders</u>. Owner acknowledges that LSF, and/or its successor(s), assignee(s) and/or designee(s) have the right to hypothecate, mortgage, pledge or alienate the LSF Solar Facility and/or LSF's leasehold interest under the Sub-Sublease to one or more lenders or financing parties (a "Lenders"). Each such Lender shall be considered a third-party beneficiary under this Agreement, provided such Lender shall have notified the Parties hereto in writing of its name and address, or have recorded or filed a lien in the official records of the County of Riverside.
- 6. Consent to LSF Solar Facility; Waiver of Liens. Owner hereby consents to the installation of the LSF Solar Facility on the Sub-Subleased Premises and agrees that the LSF Solar Facility is, and at all times shall remain, the personal property of

LSF and subject to the lien and security interests of any holder of a Lender's mortgage or other lien. This Section 6 shall bind any successor to Owner in the event of an Owner Transfer.

7. Notices. Any notice required or permitted to be given hereunder shall be in writing and delivered by hand, certified mail, or private carrier to the applicable party's address below, or such other address as such party may designate:

If to Owner:

County of Riverside

Real Estate Division

3403 Tenth Street, Suite 500 Riverside, California 92501

If to LSF:

LEUSD Solar Fund, LLC

c/o Standard Solar, Inc.

1355 Piccard Drive, Suite 300

Rockville, MD 20850 Attn: Scott Wiater

With Copy to: Stronghold Engineering, Inc.

2000 Market Street Riverside, CA 92501 Attn: Scott Bailey

- 8. Authority. Owner hereby represents and warrants that it has due authority and has obtained all required authorizations to duly execute this Agreement and perform all of its obligations hereunder.
- 9. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their successors and assigns.
- 10. Governing Law/Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action at law or in equity brought by either of the Parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the Parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.
- 11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.
- 12. Entire Agreement. This Agreement is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and

understandings, oral or written, in connection therewith. This Agreement may be changed or modified only upon the written consent of the Parties hereto.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized officers as of the Execution Date.

	LEUSD SOLAR FUND, LLC
	By: Att WHATER Title: AUTHORIZED SIGNATORY
	STRONGHOLD ENGINEERING INCORPORATED:  By: Name: Scott Bailey Chief Operations Officer
RIVERSIDE COUNTY DEPARTMENT OF WASTE RESOURCES:	COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA:
By: Name: Title:	By:  Kevin Jeffries, Chairman  Board of Supervisors
	ATTEST: KECIA R. HARPER CLERK OF THE BOARD
	BY:
	APPROVED AS TO FORM: GREGORY P. PRIAMOS, COUNTY COUNSEL
	BY: THOMAS OH DEPUTY COUNTY COUNSEL

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized officers as of the Execution Date.

LEUSD SOLAR	FUND, LLC	
By:		
Name:	-	
Title		

STRONGHOLD ENGINEERING INCORPORATED:

By: Scott Bailey

Title:

Chief Operations Officer

RIVERSIDE COUNTY DEPARTMENT OF WASTE RESOURCES: COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA:

Name: HANS KENKAME Title: (DEN. MOR - CHEEPAKE By:

Kevin Jeffries, Chairman Board of Supervisors

ATTEST:

KECIA R. HARPER

CLERK OF THE BOARD

BY:

DEPLITY

APPROVED AS TO FORM:

GREGORY P. PRIAMOS, COUNTY

**COUNSEL** 

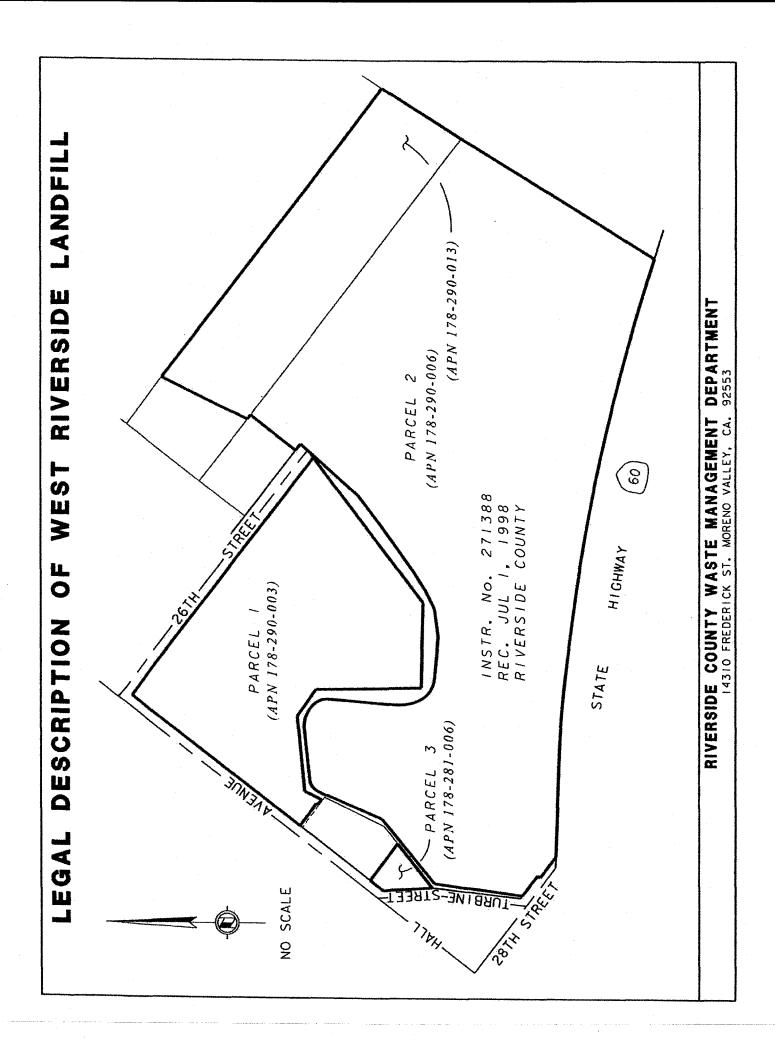
BY: \_\_

THOMAS OH

**DEPUTY COUNTY COUNSEL** 

# Exhibit A Description of Subleased Premises

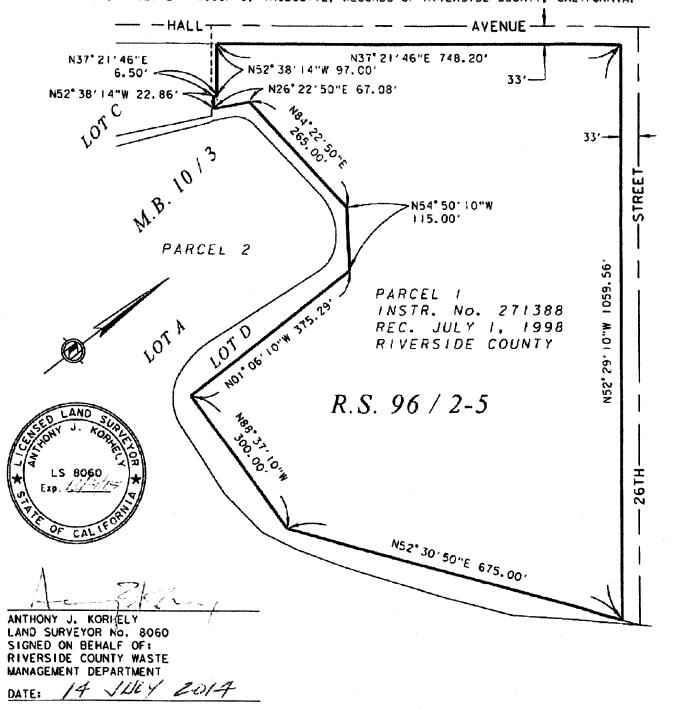
[attached hereto]



### PARCEL 1 APN 178-290-003

EXHIBIT 2 OF 2

BEING A PORTION OF LOT 2 OF THE AMENDED MAP OF THE WEST RIVERSIDE SUBDIVISION RECORDED IN MAP BOOK 4, PAGE 72, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA AS SHOWN ON RECORD OF SURVEY BOOK 96, PAGES 2 THROUGH 5, INCLUSIVE, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.



### RIVERSIDE COUNTY WASTE MANAGEMENT DEPARTMENT

14310 FREDERICK ST. MORENO VALLEY, CA. 92553

PROJECT NAME: WEST RIVERSIDE SANITARY LANDFILL			
THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE		NO SCALE	PREPARED BYI
ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.	APN 178-290-003	JUL-01-2014	SHEET NO.

### Parcel 1 APN 178-290-003 Exhibit 1 of 2

### West Riverside Sanitary Landfill

### Parcel 1 APN 178-290-003

Being a portion of Lot 2 of the Amended Map of the West Riverside Subdivision recorded in Map Book 4, Page 72, records of Riverside County, California as shown on Record of Survey Book 96, Pages 2 through 5, inclusive, records of Riverside County, California, described as follows:

Beginning at the intersection of the Southwesterly right of way of 26th Street and the Northerly line of Lot "D", as shown on said Record of Survey;

Thence South 52° 30' 50" West along said Northerly line of Lot "D", 640.84 feet;

Thence North 88° 37' 10" West along said Northerly line of Lot "D", 300.00 feet;

Thence North 01° 06′ 10" West along said Northerly line of Lot "D", 375.29 feet;

Thence North 54° 50' 10" West along said Northerly line of Lot "D", 115.00 feet;

Thence South 84° 22' 50" West along said Northerly line of Lot "D", 265.00 feet;

Thence South 26° 22' 50" West along said Northerly line of Lot "D", 67.08 feet, to a point on the Southwesterly line of that property described in Instrument No. 58017, recorded March 2, 1987, in the office of the County Recorder, records of Riverside County, California;

Thence North 52° 38' 14" West along said Southwesterly line of that property described in Instrument No. 58017 and parallel with the Southwesterly line of said Lot 2, 22.86 feet, to a point on the Northwesterly line of that property described in said Instrument No. 58017;

Thence North 37° 21' 46" East along said Northwesterly line of that property described in said Instrument No. 58017, 6.50 feet to a point on the Northeasterly line of that property described in said Instrument No. 58017;

Thence North 52° 38' 14" West along said Northeasterly line of that property described in Instrument No. 58017, 97.00 feet, to a point on the Northwesterly line of said Lot 2, said point also being on the Southeasterly right of way of Hall Avenue, as shown on said Record of Survey;

Thence North 37° 21' 46" East along said Southeasterly right of way of Hall Avenue, 748.20 feet, to a point on said Southwesterly right of way of 26th Street;

Thence South 52° 29' 10" East along said Southwesterly right of way of 26th Street, 1059.56 feet, to the Point of Beginning.



ANTHONY J. KORHELY

Land Surveyor No. 8060

Signed For: Riverside County Waste
Management Department

Date: 14 JULY 2014

### Exhibit B Form of Sub-Sublease

[attached hereto]

## AMENDED AND RESTATED SUB-SUBLEASE

This Amended and Restated Sub-Sublease (this "Agreement"), executed as of August \_\_\_, 2019 (the "Execution Date"), is made and entered into by and between **Stronghold Engineering Incorporated**, a California corporation ("Stronghold"), and **LEUSD Solar Fund**, **LLC**, a Delaware limited liability company ("LSF"). Stronghold and Company each may be referred to herein individually as a "Party" and collectively as the "Parties".

#### **RECITALS**

- A. WHEREAS, the County of Riverside, a political subdivision of the State of California ("Master Landlord") is the owner of the Land and entered into a Landfill Lease Agreement dated November 26, 2013 with Riverside County Waste Management Department ("RCWMD"), wherein the Land was leased in its entirety to RCWMD (the "Master Lease");
- B. WHEREAS, Stronghold, as Subtenant, and Riverside County Waste Management Department ("RCWMD" and "Master Sublandlord") as Sublandlord, entered into that certain Revenue Ground Sublease dated April 8, 2015, as amended by that certain First Amendment to Sublease dated December 11, 2018, a copy of which is attached hereto as <a href="Exhibit A">Exhibit A</a> (collectively the "Master Sublease"), covering certain premises further described in the Master Sublease ("Subleased Premises") comprising approximately eighty acres of land identified as Assessor Parcels 178-290-006, 178-281-006, 178-290-003, 178-281-011, 178-281-008 and 178-290-013 located in the City of Jurupa Valley, Riverside County, California ("Land"), situated on an inactive and closed landfill site known as the West Riverside Landfill ("Landfill"). Capitalized terms used in this Agreement, but not defined herein, shall have the meanings given them in the Master Sublease;
- C. WHEREAS, on December 14, 2017, Stronghold and Lake Elsinore Unified School District entered into an Option to Ground Sublease Agreement for parcels identified as Assessor Parcel Numbers 178-290-003, 178-290-006 and 178-290-013, which is attached hereto as <a href="Exhibit B">Exhibit B</a> (the "LEUSD Option");
- D. WHEREAS, LSF has entered into that certain Offsite Solar Photovoltaic System Energy Purchase Agreement dated December 13, 2018, as amended on May 9, 2019 (the "PPA"), with the Lake Elsinore Unified School District (the "Offtaker");
- E. WHEREAS, LSF and Stronghold have or will enter into that certain Solar Photovoltaic (PV) System Engineering, Equipment Procurement and Installation Agreement ("EPC Agreement") for the installation of the LSF Solar Facility (as defined below);
- F. WHEREAS, LSF and Stronghold entered into that certain Sub-Sublease dated June 25, 2019 (the "Original Sub-Sublease"), whereby LSF agreed to sublet from Stronghold, and Stronghold agreed to lease to LSF, a portion of the Subleased Premises consisting of 14.456 acres of tax map identification no. APN 178-290-003 and identified as Parcel 1 as

shown on attached Exhibit C (collectively, the "Sub-Subleased Premises") for the purpose of developing, installing, constructing, operating, maintaining, and removing an approximately 3.094 MW DC solar electric generating facility, which includes all photovoltaic solar panels, mounting systems, foundations, inverters, transformers, integrators, all electric lines and conduits required to generate, collect distribute and transmit electrical energy and such additional utility cables, lines, conduit, transformers, wires, meters, monitoring equipment and other necessary or convenient equipment and appurtenances common to such a facility (collectively, the "LSF Solar Facility") consistent with all applicable regulatory and legal requirements for the closure and post-closure usage of the Landfill; and

G. WHEREAS, LSF and Stronghold now wish to amend and restate the Original Sub-Sublease to restate certain terms in order to clarify the applicability of the Master Sublease.

NOW, THERFORE, in consideration of the foregoing premises and the mutual covenants and promises of the parties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Stronghold and LSF agree as follows:

### ARTICLE 1 SUB-SUBLEASE

- A. <u>Effective Date</u>. This Agreement is effective on the date that all conditions set forth in Article 3 have been satisfied (the "Effective Date").
- B. <u>Sublease Grant</u>. Upon and subject to the terms, covenants and conditions hereinafter set forth, Stronghold hereby leases to LSF and LSF hereby leases from Stronghold, the Subsubleased Premises. Stronghold shall deliver and LSF shall accept the Sub-Subleased Premises in its "AS IS" condition existing on the Effective Date.

### ARTICLE 2 TERM

A. Term Commencement Date. The term of this Agreement shall commence on the Effective Date and end on the date that is twenty-five (25) years after the earlier of (i) the date that LSF has completed and commissioned the LSF Solar Facility and obtained any and all approvals necessary to commence exporting electricity to the grid or (ii) the date that the LSF Solar Facility commences regular commercial operations by exporting electricity onto the grid other than for testing, commissioning, or similar purposes (such period being the "Term"), unless sooner terminated pursuant the terms of this Agreement. In the event that the PPA is extended past the twenty-fifth (25th) anniversary of the commercial operation date of the LSF Solar Facility, LSF may request an extension of the Term of this Agreement in writing, which shall be contingent on the written consent of Stronghold and RCWMD. LSF shall provide Stronghold two-hundred (200) days advance written notice of its desire to extend this Agreement. Stronghold shall not unreasonably withhold such consent and shall take reasonable actions to facilitate an extension of the Master Sublease, and take steps necessary to ensure that this Agreement and Stronghold's rights under the Master

Sublease exist during the full Term, as extended. Stronghold shall deliver possession of the Sub-Subleased Premises on the Effective Date.

- B. Termination of Master Lease or Master Sublease. Any provision in the Master Lease or Master Sublease to the contrary notwithstanding, if for any reason, other than solely due to LSF's breach of this Agreement, the Master Lease or Master Sublease shall expire or terminate before the end of the Term, this Agreement shall also expire or terminate on the same date that the Master Lease or Master Sublease expires or terminates. Such an occurrence shall constitute a default by Stronghold hereunder, and LSF shall have the right to pursue all remedies available under this Agreement, including pursuant to Section 9(c), nonetheless, Stronghold shall not be liable for any indirect, special, consequential or incidental damages of any kind regardless of form or theory of law in relation to this Section 2(B), expressly excepting LSF's costs, expenses, liabilities and damages arising under the PPA and LSF's loss of revenue in relation to the LSF Solar Facility.
- C. <u>Termination of the PPA</u>. In the event the PPA is terminated or is assigned by LSF to Stronghold or any of its affiliates, LSF shall have the right to immediately terminate this Agreement. In the event such termination is due to an assignment of the PPA to Stronghold or one of its affiliates, LSF shall have no responsibility for, or liability in connection to, the decommissioning of the LSF Solar Facility pursuant to Section 5(C), and Stronghold shall immediately forfeit any rights it has under this Agreement to any security provided by LSF pursuant to Section 5(C).

## ARTICLE 3 CONDITIONS TO EFFECTIVENESS

A. <u>Pre-Condition</u>. This Agreement is not and shall not be effective unless and until (i) RCWMD has provided written consent ("RCWMD Consent") to this Sub-Sublease and in accordance with the provisions of the Master Sublease and (ii) the LEUSD Option has been terminated. Stronghold shall take all reasonable measures to achieve the foregoing conditions and shall provide evidence to LSF of the satisfaction of each condition. If Stronghold fails to achieve either of the foregoing conditions within forty-five (45) days after the Execution Date of this Agreement, LSF may terminate this Agreement by written notice to Stronghold.

## ARTICLE 4 MONTHLY LEASE PAYMENT; RENT; INSURANCE

- A. Monthly Lease Payment. Beginning upon the Effective Date, LSF shall pay to Stronghold as a monthly lease payment for the Subleased Premises equal monthly payments of \$347.32 in advance, on the first day of each month of the Term ("Monthly Lease Payment"), which is calculated based on the percentage of total acreage sub-subleased by LSF. The amount of the Monthly Lease Payment shall increase 3% on each anniversary of the Effective Date.
- B. Additional Rent Payment. In addition to the Monthly Lease Payment, LSF shall, following the commercial operation date of the LSF Solar Facility, pay to Stronghold as additional

rent two (2) percent of the Total Gross Revenues received by LSF ("Additional Monthly Lease Payment") each and every month as further consideration for the use of the Sub-Subleased Premises. For purposes of this Agreement, "Total Gross Revenues" shall be defined as all forms of revenue or compensation which are received from any source by LSF or its affiliates, including, but not limited to private or non-profit companies, governmental agencies, utility companies or districts, the public, or other related third parties, pursuant to a power purchase or similar agreement in connection with sale of electricity generated by the LSF Solar Facility at the Sub-Subleased Premises. Notwithstanding the foregoing, in no event shall Total Gross Revenues include any amounts received by LSF or any of its affiliates in connection with any Environmental Attributes (as defined in the Master Sublease) or Solar Incentives (as defined below the Master Sublease relating to the LSF Solar Facility).

- a. Upon Stronghold's reasonable written request, LSF shall make available and provide Stronghold access during normal business hours to all applicable billing records relating to the LSF Solar Facility for review and determination of LSF's calculation of the Total Gross Revenues for any prior calendar month during the prior five years of the Term.
- b. Stronghold shall provide twenty-five (25) days written notice to LSF in the event that Stronghold requires an audit of LSF's accounting records relating to the LSF Solar Facility for the purpose of auditing the Total Gross Revenues received by LSF. Records shall be defined as including but not limited to accounting reports, operating statements, cash flow statements, receipts, bank account statements and records, tax returns, and other related accounting records relating to the Total Gross Revenues received by LSF in connection with operation of the LSF Solar Facility. LSF's repeated failure to respond to Stronghold's written notice as set forth in this section or failure to provide said accounting records shall be deemed a default of this Agreement and subject to termination.
- C. Payment. Each Monthly Lease Payment shall be payable in advance on the first day of each calendar month during the Term, except that the Monthly Lease Payment for the initial month shall be paid upon the execution hereof. If the Term commences or ends on a day other than the first day of a calendar month, then the rent for the month in which this Agreement commences or ends shall be pro-rated (and paid at the beginning of each such month) in the proportion that the number of days this Agreement is in effect during such month bears to the total number of days in such month. All Rent shall be paid to Stronghold, without prior demand, and, except as expressly provided in this Agreement, without any deduction, offset, counterclaim or abatement, in lawful money of the United States of America at the address stated herein or to such other persons or at such other places as Sublessor may designate in writing.
- D. <u>Payment of Additional Rent.</u> The first monthly payment of Additional Rent shall be payable on the on the fifteenth (15<sup>th</sup>) day of each calendar month after the first calendar month of commercial operations of the LSF Solar Facility. The Additional Rent payment shall be paid monthly to Stronghold on the fifteenth (15<sup>th</sup>) day of each month based on the

Total Gross Revenues received by LSF during the prior calendar month. LSF shall provide a monthly statement of Total Gross Revenues received by LSF during such prior calendar month together with each Additional Rent payment.

- E. <u>Insurance</u>. LSF will maintain, or require its employees, contractors or agents maintain insurance at the levels required in Section 14(a) of the Master Sublease when engaged in the activities related to development, construction, operation, maintenance and ownership of the LSF Solar Facility.
- F. Non-Waiver. No payment by LSF, or receipt and acceptance by Stronghold of a lesser amount than the Rent, shall be deemed to be other than part payment of the full amount then due and payable; nor shall any endorsement or statement on any check or any letter accompanying any check, payment of Rent or other payment, be deemed an accord and satisfaction. Stronghold may accept, but is not obligated to accept, any such part payment without prejudice to Stronghold's right to recover the balance due and payable or to pursue any other remedy provided in this Agreement or by law. If Stronghold shall at any time, or times, accept Rent after it becomes due and payable, such acceptance shall not excuse a subsequent delay or constitute a waiver of Stronghold's rights hereunder.

## ARTICLE 5 IMPROVEMENTS; USE

- A. <u>Use</u>. The Sub-Subleased Premises shall be used and occupied solely for the uses permitted under the Master Sublease and for no other purpose. LSF shall construct the LSF Solar Facility in accordance with all requirements and conditions contained in the Master Sublease.
- B. Ownership of LSF Solar Facility. At all times, all right to, title to and possession of the LSF Solar Facility (including without limitation, all additions, alterations, and improvements thereto or replacements thereof, all appurtenant fixtures, machinery and equipment installed therein), all electrical output from the LSF Solar Facility, Environmental Attributes and Solar Incentives belong solely to LSF and shall remain the personal property of LSF and shall not attach to or be deemed a part of, fixture to the Sub-Subleased premises or Land. The LSF Solar Facility shall at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code as adopted in the State of California.
- C. <u>Decommissioning</u>; <u>Surrender of Sub-Subleased Premises</u>. Prior to starting any construction of the LSF Solar Facility on the Sub-Subleased Premises, LSF shall deliver to RCWMD Demolition/Restoration Security (as defined below), as selected by LSF, which may be used by Stronghold for the removal of the LSF Solar Facility at the Sub-Subleased Premises and the restoration of the Sub-Subleased Premises to its original condition at the end of the Term, in the event that the LSF fails to compete such removal and restoration activities in accordance with this Agreement, Master Lease, and Master Sublease.

- 1. For the purposes of this Agreement, the term "Demolition/Restoration Security" shall mean either (i) an escrow account initially funded by LSF with cash in the amount of \$124,069.00 ("the "Security Amount") based on the percentage of the Subleased Premises that are Sub-Subleased by LSF, (ii) a performance or other bond in a form reasonably acceptable to Stronghold and RCWMD in the amount of the Security Amount that secures the performance of or the payment for such removal and restoration activities by LSF, (iii) a guaranty from an affiliate of LSF that guarantees the performance of or the payment for such removal and restoration activities by LSF, in a form reasonably acceptable to Stronghold provided that such guaranty may be limited to the Security Amount and provided further that the entity providing such guaranty has indebtedness with an investment grade or better rating by Moody's, Standard & Poors or a comparable credit rating agency, or (iv) any other security in the amount of the Security Amount that is in a form reasonably acceptable to Stronghold in its reasonable discretion.
- 2. This Demolition/Restoration Security shall be posted prior to the start of any construction activities at the Sub-Subleased Premises and maintained throughout the Term. In the event that RCWMD requires a higher security amount pursuant to Section 26(a) of the Master Sublease, LSF will increase the amount of such Demolition/Restoration Security by the applicable proportion of such amount.
- 3. At the expiration or earlier termination of the Term, LSF shall surrender to Stronghold the possession of the Sub-Subleased Premises and shall dismantle and remove the LSF Solar Facility within one hundred and fifty (150) days following such expiration or termination of the Sub-Sublease and LSF and its employees, contractors and agents shall have a continuing license to enter the Sub-Subleased Premises for such purposes during such period. In connection with the removal of the LSF Solar Facility, LSF shall also restore as nearly as practicable the Sub-Subleased Premises to its condition immediately prior to the construction of LSF Solar Facility on the Sub-Subleased Premises, provided LSF will not be required to remove any roads constructed by LSF at the Sub-Subleased Premises in connection with the LSF Solar Facility. Prior to removing any permanent lighting or other infrastructure improvements installed at the Sub-Subleased Premises at the end of the Term, LSF and Stronghold shall agree in writing if Stronghold would like to retain any portion of such infrastructure improvements and relieve LSF for its obligation to remove such improvements. Any such infrastructure improvements that LSF agrees to leave at the Sub-Subleased Premises shall be deemed surrendered by LSF to Stronghold. Stronghold shall leave any such surrendered property and any other property at the Sub-Subleased premises in good and clean condition. All other property of LSF relating to the LSF Solar Facility located on the Sub-Subleased Premises that LSF leaves at the Sub-Subleased Premises following such 150-day period shall be removed and stored by Stronghold at an offsite location. LSF shall be responsible for all costs associated with the removal, transport, and storage of its equipment left at the Sub-Subleased Premises. Stronghold shall have the right to place a lien on any such property for the recovery of the foregoing costs.

## ARTICLE 6 MASTER SUBLEASE; ASSUMPTION

- A. <u>Subordination</u>. LSF acknowledges that it has read the Master Sublease and is fully familiar with all of the terms and conditions of the Master Sublease. Except as otherwise provided in the Consent and in this Agreement, this Agreement shall at all times during the Term remain subject and subordinate to the Master Sublease, and, further, to all modifications to the Master Sublease but only as to modifications permitted pursuant to the provisions of this Agreement and the Consent.
- B. <u>Stronghold's Representations</u>, <u>Warranties and Agreements</u>. To induce LSF to enter into this Agreement, Stronghold represents and warrants to LSF that:
  - a. Exhibit A (attached hereto and incorporated by reference) constitutes a true, correct and complete copy of the Master Sublease and all amendments thereto;
  - b. The Master Sublease comprises the entire understanding and agreement of Stronghold and RCWMD with respect to the Subleased Premises and remains in full force and effect as of the date of this Agreement;
  - c. Stronghold has paid any and all sums owed to Master Sublandlord under the Master Sublease as of the Effective Date;
  - d. Neither Stronghold, nor to its knowledge, Master Sublandlord, is in default under the Master Sublease or the Master Lease, nor, to Stronghold's knowledge, do any facts exist which could be reasonably expected to give rise to a claim of default;
  - e. Stronghold has paid all amounts due under the Master Sublease in accordance with the terms thereof;
  - f. The execution of this Agreement and performance of the activities contemplated herein in accordance with the terms hereof will not violate any provision of the Master Sublease;
  - g. Stronghold shall pay all amounts and timely complete all other obligations of Stronghold under the Master Sublease in accordance with the terms thereof;
  - h. Stronghold has conducted environmental assessments of the Land, including a phase 1 environmental study, and the results of such assessments have not revealed the existence of any Hazardous Materials on the Sub-Subleased Premises, and Stronghold knows of no such Hazardous Materials affecting the Sub-Subleased Premises;
  - i. Notwithstanding Section 8 of the Master Sublease, the Sub-Subleased Premises are suitable for the construction, operation, and maintenance of the LSF Solar Facility, and constitute all of the property necessary for the construction, operation, and maintenance of the LSF Solar Facility; and
  - j. Stronghold has the authority to enter into this Agreement and to grant the rights contained herein.
- C. <u>Non-Violation</u>. LSF agrees that it will not intentionally and willfully violate any of the provisions of the Master Sublease.

- D. <u>Incorporation</u>. All of the provisions of the Master Sublease shall be deemed incorporated into, and made a part of, this Agreement as if fully set forth in this Agreement, solely to the extent such provisions apply to the Sub-Subleased Premises, subject to the following:
  - a. Notwithstanding the foregoing, the following Sections of the Master Sublease are hereby excluded from this Agreement: Section 2(b), Section 2(c), Section 2(d), Section 2(f), Section 3, Section 4, Section 5, Section 7(g), the second sentence of Section 8, the third paragraph of Section 11, Section 13(b), Section 24, Section 26, Section 28(f), Section 28(g), and Section 32.
  - b. To the extent that LSF is responsible to Stronghold under this Agreement for certain costs under the Master Sublease that apply to the Sub-Subleased Premises and the larger Leased Premises under the Master Sublease, LSF's payment obligations to Stronghold hereunder are limited to the proportion of such costs that relate to the Sub-Subleased Premises, or LSF's activities related to this Agreement. In accordance with the foregoing, LSF shall be responsible to Stronghold, on a prorata basis, for all costs and expenses incurred by Stronghold under the Master Sublease in connection "common areas" such as access roads, fences, and other components of the Subleased Premises that benefit the Sub-Subleased Premises. For avoidance of doubt, Stronghold shall undertake such expenses as required under the Master Sublease and shall coordinate with LSF regarding the same and provide reasonable documentation therefor. LSF shall pay to Stronghold the applicable portion of such expenses as are due and owing to Stronghold under this Agreement.
  - c. Notwithstanding anything to the contrary in this Agreement, with respect to any approval required to be obtained from "RCWMD" under the Master Sublease, such consent must be obtained from both Stronghold and the Master Landlord, if applicable. Stronghold's consent, in each instance, shall not be unreasonably withheld, conditioned or delayed. With respect to each such matter, LSF shall be required first to obtain the consent or approval of Stronghold with respect thereto and, if Stronghold grants such consent or approval, only then may LSF seek the consent of RCWMD and Stronghold will actively assist in securing the consent of RCWMD and the Master Landlord.
  - d. For purposes of the incorporation of provisions of the Master Sublease, the following terms in the Master Sublease shall have the meanings set forth below:
    - i. the term "RCWMD" in the Master Sublease shall refer to "Stronghold" hereunder (except as to the first sentence of Section 6(b) of the Master Sublease):
    - ii. the term "Stronghold" in the Master Sublease shall refer to "LSF" hereunder:
    - iii. the term "Lease" in the Master Sublease shall refer to this Agreement;

- iv. the term "Leased Premises" in the Master Sublease shall refer to the Sub-Subleased Premises described herein;
- v. the term "RCWMD Indemnified Parties" in the Master Sublease shall mean Master Landlord, Master Sublandlord and Stronghold and their respective employees, agents, contractors, subcontractors, consultants, officers, directors, parents, subsidiaries, affiliates, members, managers, constituent partners, invitees and licensees;
- vi. the term "Stronghold Indemnified Parties" in the Master Sublease shall mean LSF and LSF's employees, agents, contractors, subcontractors, consultants, officers, directors, parents, subsidiaries, affiliates, members, managers, constituent partners, invitees and licensees; and
- vii. the term "Solar Facility" in the Master Sublease shall refer to the LSF Solar Facility as defined in Recital F of this Agreement.
- e. For purposes of clarity, all rights and obligations of Stronghold under the Master Sublease that are being incorporated into this Agreement as obligations of LSF with respect to the Sub-Subleased Premises are only incorporated to the extent such obligations relate to the Sub-Subleased Premises.
- E. <u>Conflict of Provisions</u>. The provisions of the Master Sublease control this Agreement, except, as between Stronghold and LSF, as such terms have been modified herein to in order to specify the obligations of Stronghold and LSF with respect to each other. For purposes of clarity, Stronghold remains bound by the Master Sublease in its entirety, and this Agreement does not modify any of Stronghold's obligations to RCWMD thereunder.

## ARTICLE 7 REAL PROPERTY TAXES

A. Real Property Taxes. Stronghold hereby represents and warrants that LSF shall not be liable to any governmental entity for real property taxes arising out of its use of the Sub-Subleased Premises as contemplated herein, including for any "possessory interest" or similar theory, totaling more than the amounts set forth in Exhibit D hereto.

## ARTICLE 8 EVENTS OF DEFAULT

- A. Events of Default. In addition to the "Events of Default" set forth in Section 19 of the Master Sublease, as incorporated into this Agreement, the following shall also constitute Events of Default under this Agreement by the applicable Party:
  - 1. A Party makes an assignment for the benefit of creditor, commits any act of bankruptcy or files a petition of bankruptcy under any bankruptcy or insolvency law; or such a petition is filed against a Party and not dismissed within forty-five (45) days; or if a receiver or similar officer becomes entitled to a Party's leasehold interest under this Agreement or the Master Sublease, as applicable, and it is not returned within forty-five (45) days.

2. A Party's actions or failure to fulfill its obligations hereunder causes or constitutes an event that would subject the Master Lease or Master Sublease to termination under their respective terms, and such event is not subject to remedy prior to such termination.

## ARTICLE 9 REMEDIES; INDEMNITY

- A. Services and LSF Remedies. Stronghold shall have no liability for failure to obtain the observance or performance of Master Landlord's or Master Sublandlord's obligations under the Master Lease or the Master Sublease, as the case may be, or by reason of any default of Master Landlord or Master Sublandlord under the Master Lease or the Master Sublease, as the case may be, or any failure of Master Landlord or Master Sublandlord to act or grant any consent or approval under the Master Lease or the Master Sublease, or from any misfeasance or non-feasance of Master Landlord or Master Sublandlord unless such failure, default, misfeasance or non-feasance is the result of Stronghold's breach of the Master Sublease or Stronghold's failure to request approval or consent in a good faith and diligent manner. Stronghold shall cooperate with LSF in any legal, arbitration or audit proceeding against Master Landlord or Master Sublandlord and shall reasonably facilitate negotiation between the parties. In all cases, LSF shall have all remedies provided this this Agreement, in the Master Sublease as incorporated herein, or otherwise available at law or in equity.
- B. <u>Stronghold's Remedies</u>. Upon the occurrence of an Event of Default (as defined in Section 19 of the Master Sublease, as incorporated herein), Stronghold may exercise any of the remedies provided for in the Master Sublease, as incorporated herein, which include termination of this Agreement.
- C. <u>Stronghold Indemnity</u>. Stronghold shall fully and timely perform all obligations imposed on Stronghold as "subtenant" under the Master Sublease in accordance with the terms thereof, except to the extent such obligations have been assumed by LSF under this Agreement. In the event Stronghold defaults (beyond applicable notice and cure periods) under the Master Sublease and such default is not directly caused or materially contributed to by LSF's failure to perform its obligations under this Agreement, Stronghold shall defend, indemnify and hold LSF, and its officers, directors, agents, employees and independent contractors, successors and assigns harmless from and against claims ("Claims") resulting from such default, as well as reimbursing LSF for expenses reasonably incurred by LSF in remedying any default by Stronghold under the Master Sublease. For purposes of this Section 9(C), "Claims" includes liabilities incurred by LSF under the PPA because of Stronghold's default under this Agreement or the Master Sublease and all costs and losses LSF incurs as a result of the loss of the right to operate the LSF Solar Facility on the Sub-Subleased Premises. Stronghold shall pay all such Claims and expenses within thirty (30) Business Days after demand by LSF. The indemnification provided by Stronghold under this Section 9(C) is in addition to the indemnification provided pursuant to Section 14(b) of the Master Sublease, as incorporated herein.

D. <u>Sub-Subtenant Indemnity</u>. Notwithstanding any other provision of this Agreement to the contrary, in the event of any failure of LSF to observe, perform or otherwise discharge its obligations under this Agreement (and after any notice and opportunity to cure as may be required under this Agreement) that may cause an Event of Default to occur under the Master Sublease, Stronghold may, in addition to all other remedies granted to Stronghold under this Agreement, take such action as may reasonably be required to prevent such matter from maturing into an Event of Default under the Master Sublease. LSF shall pay all reasonable expenses incurred by Stronghold in connection therewith within thirty (30) days after demand by Stronghold. The indemnification provided by LSF under this Section 9(D) is in addition to the indemnification provided pursuant to Section 14(b) of the Master Sublease, as incorporated herein.

### ARTICLE 10 GENERAL PROVISIONS

- A. <u>Limitation on Liability</u>. EXCEPT TO THE EXTENT ARISING IN RELATION TO THE INDEMNIFICATION OBLIGATIONS, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF EITHER PARTY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY CHARACTER, RESULTING FROM A BREACH OF THE PROVISIONS OF THIS AGREEMENT, IRRESPECTIVE OF WHETHER CLAIMS OR ACTIONS FOR SUCH DAMAGES ARE BASED UPON CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER THEORY AT LAW OR EQUITY.
- B. <u>Time Limits</u>. Except with respect to actions to be taken by LSF for which shorter time limits are specifically set forth in this Agreement, which time limits shall control for the purposes of this Agreement, the time limits provided in the Master Sublease for the performance of any obligation of Stronghold, or provision of any notice by Stronghold, under the Master Sublease that are incorporated in this Agreement pursuant to Section 6(D) are changed for the purpose of incorporation into this Agreement by shortening the same in each instance by two (2) business days.
- C. Access License. This Agreement shall be subject to the Assignment restrictions contained in Section 15 of the Master Sublease, as incorporated into this Agreement. Notwithstanding the foregoing, LSF may grant and has granted an access license to the Offtaker under the PPA, in order to grant the Offtaker access to System for interconnection of the LSF Solar Facility and testing of the LSF Solar Facility meter from time to time.
- D. <u>Notices</u>. All notices, demands, requests, consents and other communications shall be served by certified mail, return receipt requested, by a nationally recognized overnight courier (such as Federal Express), next day delivery, or telecopy, at the addresses set forth below or at such other address as shall be designated by the parties in writing in accordance with this Section. Each party shall provide to the other copies of all notices received by each from Master Lessor or Master Sublandlord.

### If to Stronghold:

Beverly Bailey 2000 Market Street Riverside, CA 92501 bb@teamsei.com

Scott Bailey 2000 Market Street Riverside, CA 92501 sb@teamsei.com

With a copy to (which shall not constitute notice): Patricia McNicholas 2000 Riverside, CA 92501 mm@teamsei.com

#### If to LSF:

LEUSD Solar Fund, LLC c/o Standard Solar, Inc. 1355 Piccard Drive, Suite 300 Rockville, MD 20850 Attention: Scott Wiater

With a copy (which shall not constitute notice) to:

GreeneHurlocker, PLC 1807 Libbie Avenue, Suite 102 Richmond, VA 23226 Attention: Eric Hurlocker

- E. <u>Estoppel</u>. Either party hereto, without charge (except as noted below), at any time and/or from time to time, within five (5) business days after receipt of a written request by the other party hereto, shall deliver a written instrument, duly executed, certifying to such requesting party, or any other person, firm or corporation specified by such requesting party:
  - 1. That this Agreement is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modification;
  - 2. Whether or not to the knowledge of any such party there are then existing any offsets or defenses in favor of such party against enforcement of any of the terms, covenants and conditions of this Agreement and, if so, specifying the same and also

- whether or not to the knowledge of such party the other party has observed and performed all of the terms, covenants and conditions on its part to be observed and performed, and if not, specifying the same;
- 3. Such other factual information as may be reasonably requested by a party hereto. Any written instrument given hereunder may be relied upon by the recipient of such instrument in good faith, except to the extent the recipient has actual knowledge of facts contained in the certificate to the contrary.
- F. <u>Binding Effect</u>; <u>Amendments</u>. Subject to Article 6, the provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors and assigns. This Agreement constitutes the entire agreement between the parties and may not be modified except by an instrument in writing signed by the parties.
- G. <u>Governing Law</u>. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.
- H. Severability. Each covenant and agreement contained in this Agreement is a separate and independent covenant and agreement. If any covenant or agreement or the application thereof to any person or circumstance shall to any extent be invalid and unenforceable, the remainder of this Agreement, or the application of such covenant or agreement to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and all other covenants and agreements of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- I. No Waiver. The failure of Stronghold to seek redress for violation of, or to insist upon strict performance of, any covenant or condition of this Agreement, or any of the rules and regulations referred to hereinabove, whether heretofore or hereafter adopted by Stronghold shall not be deemed a waiver of such violation nor prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. No provision of this Agreement shall be deemed to have been waived by Stronghold, or by LSF, unless such waiver is in writing signed by the party to be charged. No consent or waiver, express or implied, by Stronghold or LSF to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same or any other agreement or duty.
- J. <u>Counterparts</u>. This Agreement may be executed in one or more identical counterparts, each of which shall be deemed an original, and counterpart signature pages may be detached and assembled to form a single original document. A facsimile of a counterpart signature page shall be considered the equivalent of an ink original for all purposes.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Execution Date.

STRON	GHOLD ENGINEERING
INCOR	PORATED:
By:	
Name:	Scott Bailey
Title:	Chief Operations Officer
LEUSD	SOLAR FUND, LLC:
By:	<u> </u>
Name:	
Title:	

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the Execution Date.

STRONGHOLD ENGINEERING

**INCORPORATED:** 

By:

Name: Scott Bailey

Title: Chief Operations Officer

LEUSD SOLAR FUND, LLC:

Name:

### EXHIBIT A

Master Sublease

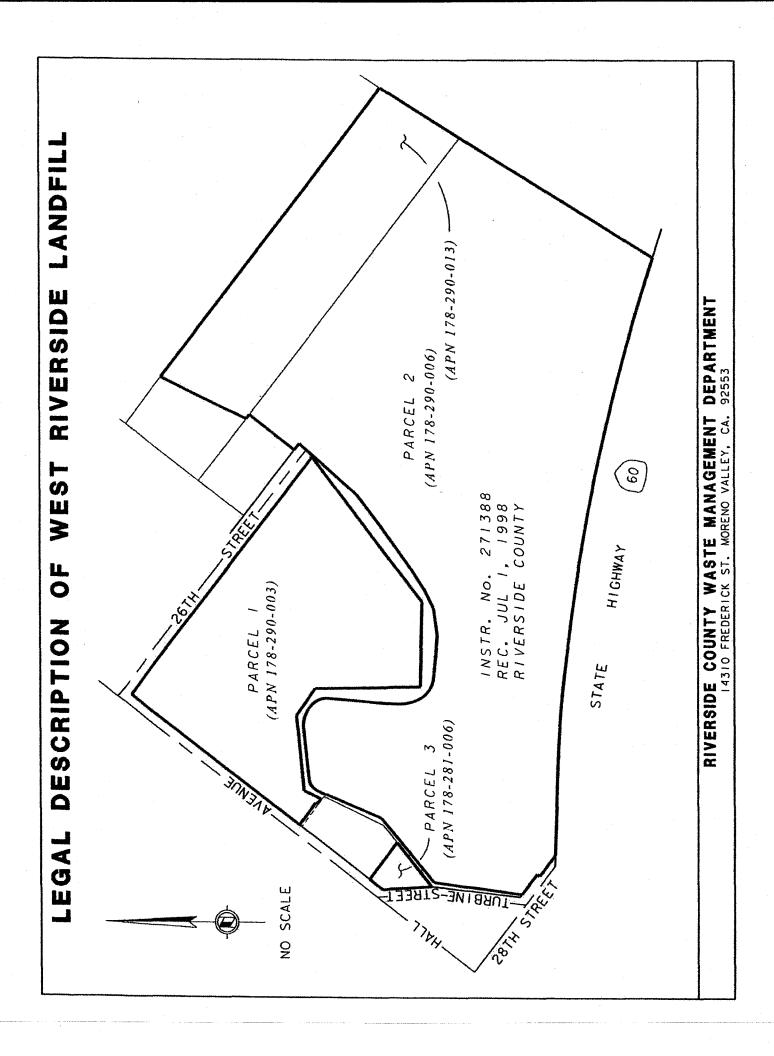
(attached)

## EXHIBIT B

"Option to Ground Sublease Agreement" and Termination Thereof
(attached)

## EXHIBIT C

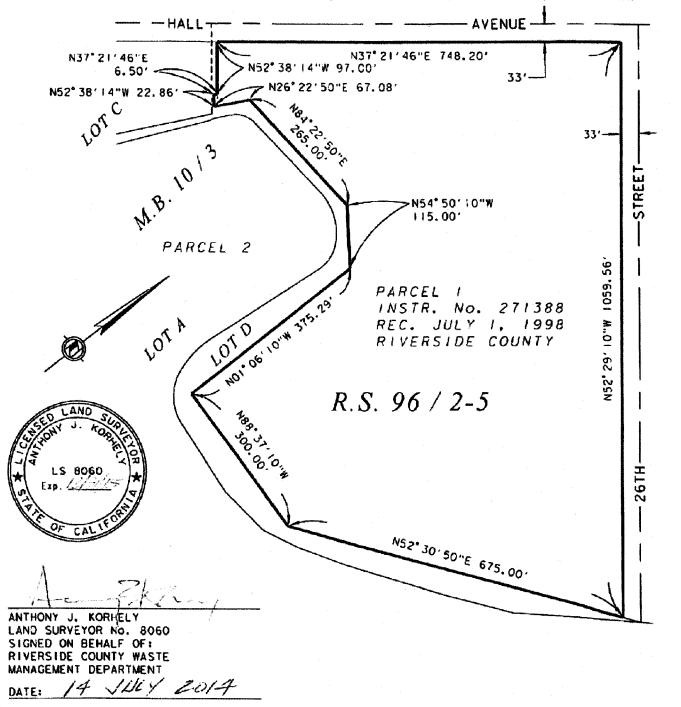
Description of Sub-Subleased Premises



### PARCEL 1 APN 178-290-003

EXHIBIT 2 OF 2

BEING A PORTION OF LOT 2 OF THE AMENDED MAP OF THE WEST RIVERSIDE SUBDIVISION RECORDED IN MAP BOOK 4, PAGE 72, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA AS SHOWN ON RECORD OF SURVEY BOOK 96, PAGES 2 THROUGH 5, INCLUSIVE, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.



### RIVERSIDE COUNTY WASTE MANAGEMENT DEPARTMENT

14310 FREDERICK ST. MORENO VALLEY, CA. 92553

BOO IECT MINE

WEST RIVER	RSIDE SANITARY LANDF	ILL	
THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE		NO SCALE	PREPARED BY: DAB
ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.	APN 178-290-003	JUL-01-2014	SHEET NO.

### Parcel 1 APN 178-290-003 Exhibit 1 of 2

### West Riverside Sanitary Landfill

#### Parcel 1 APN 178-290-003

Being a portion of Lot 2 of the Amended Map of the West Riverside Subdivision recorded in Map Book 4, Page 72, records of Riverside County, California as shown on Record of Survey Book 96, Pages 2 through 5, inclusive, records of Riverside County, California, described as follows:

Beginning at the intersection of the Southwesterly right of way of 26th Street and the Northerly line of Lot "D", as shown on said Record of Survey;

Thence South 52° 30′ 50" West along said Northerly line of Lot "D", 640.84 feet;

Thence North 88° 37' 10" West along said Northerly line of Lot "D", 300.00 feet;

Thence North 01° 06′ 10" West along said Northerly line of Lot "D", 375.29 feet;

Thence North 54° 50' 10" West along said Northerly line of Lot "D", 115.00 feet;

Thence South 84° 22' 50" West along said Northerly line of Lot "D", 265.00 feet;

Thence South 26° 22' 50" West along said Northerly line of Lot "D", 67.08 feet, to a point on the Southwesterly line of that property described in Instrument No. 58017, recorded March 2, 1987, in the office of the County Recorder, records of Riverside County, California;

Thence North 52° 38′ 14″ West along said Southwesterly line of that property described in Instrument No. 58017 and parallel with the Southwesterly line of said Lot 2, 22.86 feet, to a point on the Northwesterly line of that property described in said Instrument No. 58017;

Thence North 37° 21′ 46″ East along said Northwesterly line of that property described in said Instrument No. 58017, 6.50 feet to a point on the Northeasterly line of that property described in said Instrument No. 58017;

Thence North 52° 38' 14" West along said Northeasterly line of that property described in Instrument No. 58017, 97.00 feet, to a point on the Northwesterly line of said Lot 2, said point also being on the Southeasterly right of way of Hall Avenue, as shown on said Record of Survey;

Thence North 37° 2l' 46" East along said Southeasterly right of way of Hall Avenue, 748.20 feet, to a point on said Southwesterly right of way of 26th Street;

Thence South 52° 29' 10" East along said Southwesterly right of way of 26th Street, 1059.56 feet, to the Point of Beginning.



ANTHONY J. KORHELY

Land Surveyor No. 8060

Signed For: Riverside County Waste

Management Department

EXHIBIT D

### Maximum Real Property Tax

Year	Property Tax
1	\$9,282.63
2	\$9,412.59
3	\$9,544.36
4	\$9,677.98
5	\$9,813.47
6	\$9,950.86
7	\$10,090.17
8	\$10,231.43
9	\$10,374.67
10	\$10,519.92
11	\$10,667.20
12	\$10,816.54
13	\$10,967.97
14	\$11,121.52
15	\$11,277.23
16	\$11,435.10
17	\$11,595.20
18	\$11,757.53
19	\$11,922.13
20	\$12,089.04
21	\$12,258.29
22	\$12,429.91
23	\$12,603.92
24	\$12,780.38
25	\$12,959.31