

FIRST AMENDMENT TO SOLAR POWER PURCHASE AGREEMENT

This first Amendment (this “Amendment”) dated February 24, 2015 (the “Amendment Date”) to the Solar Power Purchase Agreement dated as of October 30, 2012 (the “Agreement”) by and between the City of Kerman, a California municipal corporation (the “City”) and Kerman Solar 1, LLC, a Delaware limited liability company, as such Agreement was subsequently assigned to CES Kerman Solar, LLC, a Delaware limited liability company (“CES Kerman” or “Provider”) (each of the City and CES Kerman, a “Party” and, collectively, the “Parties”).

WHEREAS, the Parties desire to amend certain terms of the Agreement as set forth herein in order to set forth the Parties’ rights and obligations in connection with a proposed expansion in the size and output of the System.

NOW, THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions.** Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.

2. **Term.** The first sentence of Section 2.1 of the General Terms and Conditions of the Agreement is hereby modified to read as follows: “The term of the Agreement shall commence on the Effective Date and shall continue for twenty-five (25) years from the Commercial Operation Date (“Initial Term”), unless and until terminated earlier pursuant to the provisions of the Agreement.”

3. **Provider Conditions of the Agreement.** The first sentence of Section 2.6 of the General Terms and Conditions is hereby modified to read as follows: “In the event that any of the following events or circumstances occur prior to the Commercial Operation Date for either: (i) the System as initially installed or (ii) any subsequent expansion of the System for which an amendment to the Agreement may subsequently be executed by the Parties, Provider may (at its sole discretion, and no later than the Commercial Operation Deadline for that portion of the System then under consideration) terminate the Agreement, in which case neither Party shall have any liability to the other Party:”. In addition, a new subparagraph (l) is added to Section 2.6 as follows: “(l) Provider has not received written confirmation from the California State Board of Equalization that no sales tax will be owed on the output from the expanded portion of the System.”

4. **Description of the Premises and the System.** Schedule 1 (“Description of the Premises and the System”) of the Agreement is hereby deleted in its entirety and replaced by the Schedule 1 attached hereto

5. **Site Plan.** Schedule 2 (“Site Plan”) of the Agreement is hereby deleted in its entirety and replaced by the Schedule 2 attached hereto.

6. **kWh Rate.** Effective as of the Commercial Operation Date of the expansion of the System, Schedule 3 (“kWh Rate”) of the Agreement is hereby deleted in its entirety and replaced by the Schedule 3 attached hereto.

7. **Terminal Values.** Schedule 4 (“Terminal Values”) of the Agreement is hereby deleted in its entirety and replaced by the Schedule 4 attached.

8. **Estimated Annual Production.** Schedule 5 ("Estimated Annual Production") of the PPA is hereby deleted in its entirety and replaced by the Schedule 5 attached hereto.

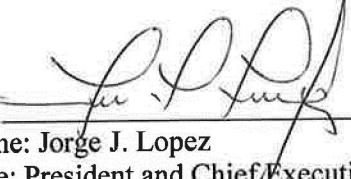
9. **Effect of Amendment.** This Amendment shall not become effective unless and until it has been approved in writing by the Parties and the condition precedent in Section 3, above, has been satisfied. Except as specifically modified and amended in this Amendment, there are no other modifications or amendments to the Agreement and, in all other respects, the Agreement shall remain in full force and effect.

10. **Conflicts.** In the event of any conflict, inconsistency, or incongruity between the provision of this Amendment and any provision of the Agreement, the provisions of this Amendment shall govern and control.

11. **Counterpart Execution.** This Amendment may be executed by the Parties hereto in any number of counterparts (and by each of the Parties hereto on separate counterparts), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this First Amendment to The Solar (PV) Generation Net Metering Power Sales Agreement to be executed by their duly authorized representatives as of the Amendment Date.

CES KERMAN SOLAR, LLC

By: 

Name: Jorge J. Lopez
Title: President and Chief Executive Officer

CITY OF KERMAN

By: 

Name: Luis Patlan
Title: City Manager

SCHEDULE 1

DESCRIPTION OF THE PREMISES AND THE SYSTEM

Premises: City of Kerman Waste Water Treatment Plant, 15485 W. Church
Kerman, CA 93630

System Size: 1,163.99 STC (DC) Watts

Scope:

1. Design and install an additional 676.79 kW (201.6 kW STC + 475.19 kW) solar array on an existing parcel of real property as shown on Exhibit C of this Amendment. The original 487.2kW STC (DC) watt array is currently operational at the Premises.

2. Inverters

- a. The inverter(s) will be mounted on a concrete slab at the center of the solar array for the original 487.2kW array.
- b. The string inverter(s) will be located at the end of arrays for the proposed 676.79kW expanded array.

3. Conduit.

- a. All trenching will be backfilled with slurry and capped with material matching the original surface for all road crossings or parking lots, all other trenching will be compacted to 90%.

4. Internet service

- a. Account setup and installation of all wiring and hardware for internet service to the system. Host will pay the monthly internet service fee up to \$30 per month once the system has been set up and operational by Provider.

5. Host will allow Provider to use 50 amp 120/220 volt single phase power during construction.

Provider shall furnish and install all equipment and materials for temporary power.

6. The lay down yard area during construction shall be limited to a mutually agreed upon area by both Provider and Host. All deliveries and construction activities shall be coordinated with Host to minimize conflict with operations. The construction work area and lay down yard shall be cleaned at the end of each work area as needed to minimize interference with Host access and operations.

7. Provider's employees and subcontractors will limit their activities to their work area. Provider shall furnish for their use portable toilets, dumpsters, equipment, phones, office space, and secured storage as needed for their work during construction.

8. Provider shall allow Host to review and approve, such approval shall not be unreasonably withheld or delayed, 50%, and final construction drawings before starting construction to ensure that aesthetic and scope elements are properly addressed.

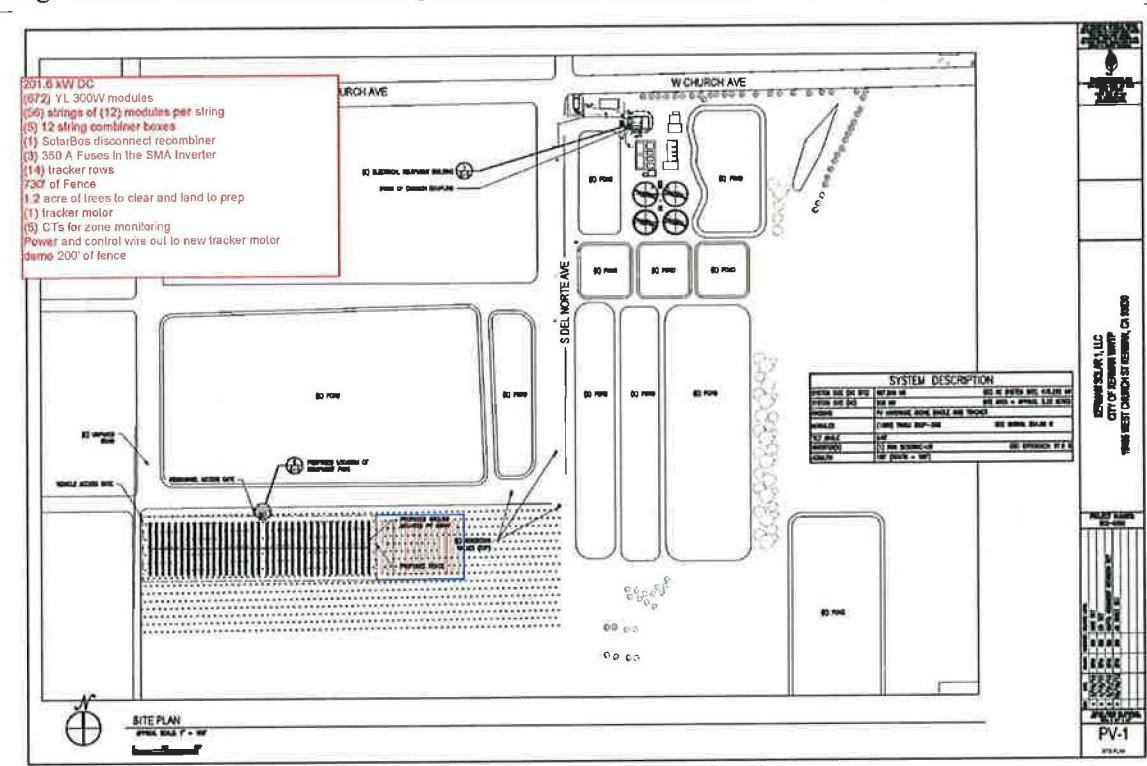
Module(s): YingLi 280W, CSI 305W, YL 300W or Equivalent

Inverter: SMA 500HE, SMA (16) SMA STP- 24TL & (1) SMA STP-12TL or Equivalent

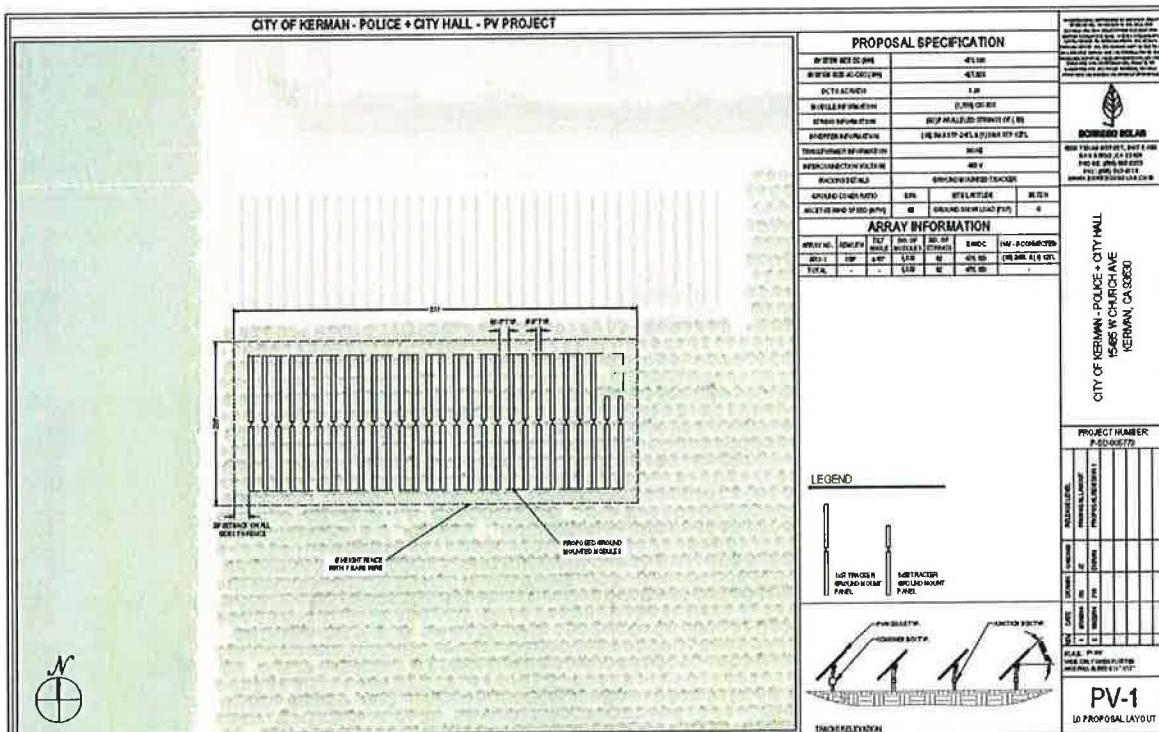
SCHEDULE 2

SITE PLAN

Existing 487.2kW and the additional adjacent 201.6kW solar photovoltaic array



Additional 475.19kW to be installed into new meter



SCHEDULE 3

kWh RATE

The kWh Rate with respect to the System under the Agreement shall be \$0.1224/kWh for the term of the Agreement with a 2.25% annual escalator in the kWh rate.

SCHEDULE 4

TERMINAL VALUES

The applicable Terminal value with respect to the System under the Agreement shall be calculated in accordance with the following:

<u>Terminal Value in Year of Term:</u>	<u>Column 1</u> <u>Circumstances Under Which Host Does Not Take Title to the System (\$ including costs of removal)</u>	<u>Purchase Date Occurs on the 91st day following:</u> <u>(Each "Anniversary" below shall refer to the anniversary of the Commercial Operation Date)</u>	<u>Column 2</u> <u>Circumstances Under Which Host Takes Title to the System (\$, does not include costs of removal)</u>
1	\$4,542,355		
2	\$4,151,189		
3	\$3,686,293		
4	\$3,241,186		
5	\$2,792,473		
6	\$2,455,403	6 th Anniversary**	\$2,136,803
7	\$2,383,412	7 th Anniversary	\$2,064,812
8	\$2,308,550	8 th Anniversary	\$1,989,950
9	\$2,230,570	9 th Anniversary	\$1,911,970
10	\$2,149,201	10 th Anniversary	\$1,830,601
11	\$2,064,156	11 th Anniversary	\$1,745,556
12	\$1,975,120	12 th Anniversary	\$1,656,520
13	\$1,881,753	13 th Anniversary	\$1,563,153
14	\$1,783,690	14 th Anniversary	\$1,465,090
15	\$1,680,535	15 th Anniversary	\$1,361,935
16	\$1,571,857	16 th Anniversary	\$1,253,257
17	\$1,457,198	17 th Anniversary	\$1,138,598
18	\$1,336,057	18 th Anniversary	\$1,017,457
19	\$1,207,893	19 th Anniversary	\$889,293
20	\$1,072,123	20 th Anniversary	\$753,523
21	\$841,797	21 th Anniversary	\$523,197
22	\$749,728	22 th Anniversary	\$431,128
23	\$657,659	23 th Anniversary	\$339,059
24	\$565,590	24 th Anniversary	\$246,990
25	\$473,521	25 th Anniversary	\$154,921

** Purchase Date refers to the Purchase Date as defined in the General Conditions. Any purchase of the System by Host must comply with Section 2.3 of the General Conditions.

SCHEDULE 5

ESTIMATED ANNUAL PRODUCTION

Year of Term	Estimated Production (kWh)
1	2,268,797
2	2,257,453
3	2,246,166
4	2,234,935
5	2,223,761
6	2,212,642
7	2,201,579
8	2,190,571
9	2,179,618
10	2,168,720
11	2,157,876
12	2,147,087
13	2,136,351
14	2,125,670
15	2,115,041
16	2,104,466
17	2,093,944
18	2,083,474
19	2,073,057
20	2,062,691
21	2,052,378
22	2,042,116
23	2,031,905
24	2,021,746
25	2,011,637