

**DEPARTMENT OF THE ARMY LEASE
FORT CARSON MILITARY INSTALLATION
EL PASO COUNTY, COLORADO**

THIS LEASE, made on behalf of the United States, between the **SECRETARY OF THE ARMY**, hereinafter referred to as the Secretary, and **Carson Solar I, LLC.**, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware, with its principal office at 31897 Del Obispo, Suite 220, San Juan Capistrano, CA 92675, hereinafter referred to as the Lessee.

WITNESSETH:

The Secretary, by the authority of Title 10, United States Code, Section 2667, and for the consideration hereinafter set forth, hereby leases to the Lessee the property over, across, in and upon lands of the United States, identified in Exhibits "A" and "B," attached hereto and made a part hereof, hereinafter referred to as the "Leased Premises," for the installation, operation and maintenance of a 2 Megawatt photovoltaic (PV) electric generation facility, hereinafter referred to as the Facilities. The output of the Facility will be sold to the Fort Carson Military Installation pursuant to an existing power purchase and sale agreement between the Lessee and the Western Area Power Administration (WAPA) identified as Exhibit "D," attached hereto and made a part hereof.

THIS LEASE is granted subject to the following conditions:

1. TERM AND USE

a. This lease is hereby granted for a term of twenty (20) years, beginning 30 November 2007 and ending 29 November 2027, but revocable as hereinafter provided.

b. The sole purpose for which the Leased Premises and improvements thereon may be used, in the absence of the prior written approval of the Secretary for any other use, is for design, construction, establishment, operation and maintenance of a PV Array to supply and deliver renewable (solar power) utility service and directly related activities, such as a staging ground for construction equipment.

c. In the event that WAPA shall cease purchasing electricity generated by the PV Array for delivery to the Fort Carson Military Installation, the Lessee shall continue its photovoltaic operations on the Leased Premises as provided under this lease, provided, however, that the Lessee continues to generate electricity for delivery at Fort Carson through 29 November 2027, at the same beneficial long term rate not greater than \$55.00 per Mega Watt Hour (MWh) at a quantity to be agreed to between Fort Carson and the Lessee.

d. The Secretary's approval for use of the Leased Premises and improvements thereon for any purpose other than the PV Array to supply and deliver renewable (solar power) utility service, may be withheld at his sole and absolute discretion.

e. The Lessee, at its expense and at no expense to the Army, shall construct and erect on the Leased Premises all facilities and other improvements needed to establish, operate and maintain the Facility to supply and deliver renewable (solar power) utility service.

2. CONSIDERATION

a. The Lessee shall pay in-kind consideration in the form of:

(1) Lessee also shall provide maintenance, protection, repair and restoration of the Facilities, and maintenance of the surface area, protection, and restoration of the Leased Premises by and at the expense of the Lessee.

(2) Agreed upon beneficial long term rates for electrical power generated at the Carson Solar I facility by Lessee and furnished to the Army.

(3) Lessee's payment of all costs of the Environmental Baseline Study (EBS) attached as Exhibit "C" and the Termination EBS upon termination of this lease.

(4) The construction and continuous maintenance, at the Lessee's sole expense, of the security fence around the facilities.

b. The in-kind consideration has been determined by IM-COM West to be no less than the fair market value of the leased interest.

3. NOTICES

All correspondence and notices to be given pursuant to this lease shall be addressed, if to the Lessee, to *Carson Solar I, LLC, 31897 Del Obispo, Suite 220, San Juan Capistrano, CA 92675* and, if to the United States, to the District Engineer, U.S. Army Corps of Engineers, Omaha District, Real Estate Division, ATTN: CENWO-RE-M, 106 South 15th Street, Omaha, Nebraska 68102-1618, or as may from time to time otherwise be directed by the parties. Notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope, or wrapper, addressed as aforesaid, and deposited postage prepaid in a post office regularly maintained by the United States Postal Service.

4. AUTHORIZED REPRESENTATIVES

Except as otherwise specifically provided, any reference herein to "Secretary," "District Engineer," or "said officer," shall include their duly authorized representatives. Any reference to "Lessee" shall include any sublessees, assignees, transferees, successors and their duly authorized representatives.

5. SUPERVISION BY THE INSTALLATION COMMANDER

The use and occupation of the Leased Premises shall be subject to the general supervision and approval of the Installation Commander, hereafter referred to as said officer, and to such rules and regulations as may be prescribed from time to time by said officer.

6. APPLICABLE LAWS AND REGULATIONS

The Lessee shall comply with all applicable Federal, state, county and municipal laws, ordinances and regulations wherein the Leased Premises are located.

7. CONDITION OF LEASED PREMISES

The Lessee acknowledges that it has inspected the Leased Premises, knows its condition, and understands that the same is leased without any representations or warranties whatsoever and without obligation on the part of the United States to make any alterations, repairs, or additions thereto.

8. TRANSFERS AND ASSIGNMENTS

Without prior written approval of the District Engineer, the Lessee shall neither transfer nor assign this lease, nor sublet the Leased Premises or any part thereof, nor grant any interest, privilege or license whatsoever in connection with this lease. Subject to the District Engineer receiving reasonable proof that the proposed transferee, assignee, sublessee or licensee: (a) has comparable experience in operating and maintaining photovoltaic solar systems comparable to the Facilities; and (b) has the financial capability to maintain the System and fulfill the financial obligations of the Lessee in the manner required by this Agreement, such approval will not be unreasonably withheld or delayed. Failure to comply with this condition shall constitute a noncompliance for which the lease may be revoked immediately by the District Engineer.

9. COST OF UTILITIES – This Condition Deleted

10. PROTECTION OF PROPERTY

The Lessee shall keep the Leased Premises in good order and in a clean, safe condition by and at the expense of the Lessee. The Lessee shall be responsible for any damage that may be caused to property of the United States by the activities of the Lessee under this lease, and shall exercise due diligence in the protection of all property located on the Leased Premises against fire or damage from any and all other causes. Any property of the United States damaged or destroyed by the Lessee incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by the Lessee to a condition satisfactory to said officer, or at the election of said officer, reimbursement made therefor by the Lessee in an amount necessary to restore or replace the property to a condition satisfactory to said officer.

11. INSURANCE

a. At the commencement of this lease, the Lessee shall obtain, from a reputable insurance company, or companies, liability insurance. The insurance shall provide an amount not less than that which is prudent, reasonable and consistent with sound business practices or a minimum combined single limit of \$5,000,000, whichever is greater, for any number of persons or claims arising from any one incident with respect to bodily injuries or death resulting therefrom, property damage, or both, suffered or alleged to have been suffered by any person or persons resulting from the operations of the Lessee under the terms of this lease. The Lessee shall require its insurance company to furnish to the District Engineer a copy of the policy or policies, or if acceptable to the District Engineer, certificates of insurance evidencing the purchase of such insurance. The minimum amount of liability insurance coverage is subject to revision by the District Engineer every three years or upon renewal or modification of this lease.

b. The insurance policy or policies shall be of comprehensive form of contract and shall specifically provide protection appropriate for the types of facilities, services and activities involved. The Lessee shall require that the insurance company give the District Engineer thirty (30) days written notice of any cancellation or change in such insurance. The District Engineer may require closure of any or all of the Leased Premises during any period for which the Lessee does not have the required insurance coverage.

12. RIGHT TO ENTER

The right is reserved to the United States, its officers, agents, and employees to enter upon the Leased Premises at any time and for any purpose necessary or convenient in connection with government purposes; to make inspections; to remove timber or other material, except property of the Lessee; and/or to make any other use of the lands as may be necessary in connection with government purposes, and the Lessee shall have no claim for damages on account thereof against the United States or any officer, agent, or employee thereof.

13. INDEMNITY

The United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the privileges herein granted, or for damages to the property of the Lessee, or for damages to the property or injuries to the person of the Lessee's officers, agents or employees or others who may be on the Leased Premises at their invitation or the invitation of any one of them, and the Lessee shall hold the United States harmless from any and all such claims not including damages due to the fault or negligence of the United States or its contractors.

14. RESTORATION- This Condition Deleted

15. NON-DISCRIMINATION

The Lessee shall not discriminate against any person or persons or exclude them from participation in the Lessee's operations, programs or activities conducted on the Leased Premises, because of race, color, religion, sex, age, handicap or national origin. The Lessee will comply with the Americans with Disabilities Act and attendant Americans with Disabilities Act Accessibility Guidelines (ADAAG) published by the Architectural and Transportation Barriers Compliance Board.

16. SUBJECT TO EASEMENTS

This lease is subject to all existing easements, or those subsequently granted as well as established access routes for roadways and utilities located, or to be located, on the Leased Premises, provided that the proposed grant of any new easement or route will be coordinated with the Lessee, and easements will not be granted which will, in the opinion of the District Engineer, interfere with the use of the Leased Premises by the Lessee.

17. SUBJECT TO MINERAL INTERESTS

This lease is subject to all outstanding mineral interests. As to federally owned mineral interests, it is understood that they may be included in present or future mineral leases issued by the Bureau of Land Management (BLM), which has responsibility for mineral development on federal lands. The Secretary will provide lease stipulations to BLM for inclusion in said mineral leases that are designed to protect the Leased Premises from activities that would interfere with the lessee's operations or would be contrary to local law.

18. DEFAULT AND TERMINATION

a. The following shall constitute a default and breach of this Lease by the Lessee: The failure to comply with any provision of this Lease, where such failure to comply continues for thirty (30) calendar days after delivery of written notice thereof to the Lessee. If, however, the time required to return to compliance exceeds the thirty (30) day period, the Lessee shall not be deemed to be in default and breach if the Lessee within such period shall begin and diligently pursue actions necessary to bring it into compliance with the lease in accordance with a compliance schedule approved by the District Engineer.

b. No default or breach shall be deemed to have occurred for any period of time during which the Parties are attempting to resolve a dispute, pursuant to Condition 22 of this lease, in relation to the actions or inactions which are the subject of the alleged default or breach. If the default or breach is determined to have occurred pursuant to Condition 22 hereof, the Lessee's period for cure shall not begin until the day after the final decision on the dispute is issued.

c. The **Secretary of the Army** may terminate this lease as to all or any part of the Leased Premises in the event of any default and breach of the lease by the Lessee at any time after expiration of the cure period provided for in Condition 18.a. upon written notice of the termination ("Termination Notice for Default and Breach") to the Lessee. The Termination Notice for Default and Breach shall be effective as of a day to be specified therein, which shall be at least five (5), but not more than thirty (30), calendar days after its receipt by the Lessee.

d. The **Secretary of the Army** following the issuance of a written finding of the installation commander that (i) the Leased Premises are directly impacted by the event or interest stated below; (ii) the electricity produced by the Facilities is not being replaced by electricity from a less expensive source; and (iii) such termination is essential, may also terminate this lease at any time by giving thirty (30) days written notice to the lessee in the event of national emergency as declared by the President or the Congress of the United States, base closure or a major portion of the installation becomes excess, deactivation or substantial realignment, or in the interest of national defense.

19. RENTAL ADJUSTMENT – This Condition Deleted

20. PROHIBITED USES

a. The Lessee shall not permit gambling on the Leased Premises or install or operate, or permit to be installed or operated thereon, any device which is illegal; or use the Leased Premises or permit them to be used for any illegal business or purpose. There shall not be conducted on or permitted upon the Leased Premises any activity which would constitute a nuisance. The Lessee shall not sell, store or dispense, or permit the sale, storage, or dispensing of beer or other intoxicating liquors on the Leased Premises.

b. The Lessee shall not construct or place any structure, improvement or advertising sign or allow or permit such construction or placement without prior written approval of the District Engineer.

21. NATURAL RESOURCES

The Lessee shall cut no timber, conduct no mining operations, remove no sand, gravel, or kindred substances from the ground, commit no waste of any kind, nor in any manner substantially change the contour or condition of the Leased Premises except as authorized in writing by the District Engineer.

22. DISPUTES CLAUSE

a. Except as provided in the Contract Disputes Act of 1978 (41 U.S.C. 601-613) (the Act), all disputes arising under or relating to this lease shall be resolved under this clause and the provisions of the Act.

b. "Claim," as used in this clause, means a written demand or written assertion by the Lessee seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of lease terms, or other relief arising under or relating to this lease. A claim arising under this lease, unlike a claim relating to this lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the Lessee. However, a written demand or written assertion by the Lessee seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph c.(2) below. The routine request for rental payments that is not in dispute is not a claim under the Act. The request may be converted to a claim under the Act, by this clause, if it is disputed either as a liability or amount or is not acted upon in a reasonable time.

c. (1) A Claim by the Lessee shall be made in writing and submitted to the District Engineer for a written decision. A claim by the Government against the Lessee shall be subject to a written decision by the District Engineer.

(2) For Lessee claims exceeding \$100,000, the Lessee shall submit with the claim a certification that—

(i) the claim is made in good faith; and

(ii) supporting data are accurate and complete to the best of the Lessee's knowledge and belief;

(iii) and the amount requested accurately reflects the lease adjustment for which the Lessee believes the Government is liable.

(3) (i) If the Lessee is an individual, the certificate shall be executed by that individual.

(ii) If the Lessee is not an individual, the certification shall be executed by --

(A) a senior company official in charge of the Lessee's location involved; or

(B) an officer or general partner of the Lessee having overall responsibility of the conduct of the Lessee's affairs.

d. For Lessee claims of \$100,000 or less, the District Engineer must, if requested in writing by the Lessee, render a decision within 60 days of the request. For lessee-certified claims over \$100,000, the District Engineer must, within 60 days, decide the claim or notify the Lessee of the date by which the decision will be made.

e. The District Engineer's decision shall be final unless the Lessee appeals or files a suit as provided in the Act.

f. At the time a claim by the Lessee is submitted to the District Engineer or a claim by the Government is presented to the Lessee, the parties, by mutual consent, may agree to use alternative means of dispute resolution. When using alternate dispute resolution procedures, any claim, regardless of amount, shall be accompanied by the certificate described in paragraph c.(2) of this clause, and executed in accordance with paragraph c.(3) of this clause.

g. The Government shall pay interest on the amount found due and unpaid by the Government from (1) the date the District Engineer received the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the District Engineer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

h. The Lessee shall proceed diligently with the performance of the lease, pending final resolution of any request for relief, claim, or action arising under the lease, and comply with any decision of the District Engineer.

23. ENVIRONMENTAL PROTECTION

a. Within the limits of their respective legal powers, the parties to this lease shall protect the Leased Premises against pollution of its air, ground, and water. The Lessee shall comply with any applicable laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency, or any Federal, state, interstate or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the Leased Premises is specifically prohibited. Such regulations, conditions, or instructions in effect or prescribed by said Environmental Protection Agency, or any Federal, State, interstate or local governmental agency are hereby made a condition of this lease. The Lessee shall not discharge waste or effluent from the Leased Premises in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.

b. The Lessee shall use all means reasonable to protect the environment and natural resources, and where damage nevertheless occurs from acts or omissions of the Lessee, the Lessee shall be liable to restore the damaged resources.

c. The Lessee must obtain approval in writing from said officer before any pesticides or herbicides are applied to the Leased Premises.

d. The Lessee shall indemnify, save, and hold harmless the Government from any damages, costs, expenses, liabilities, fines, penalties or Environmental Response action resulting from releases, discharges, emissions, spills, storage, handling, or disposal of, or any other acts or omissions of the Lessee, concerning any hazardous materials, including hazardous substances,

environmental contaminants or any other materials deemed under applicable Federal or state law, regulations, conditions, instructions, rules and guidelines to require remedial treatment, action or containment if exposed to the environment or humans, or to potentially be exposed to the environment or humans ("Hazardous Materials") attributable to acts or omissions of the Lessee, its officers, employees, agents, contractors, subcontractors or any sublessee or licensees, or others who may have been or may be on the Leased Premises at the invitation of any one of them, which acts or omissions occur on or after 30 November 2007, giving rise to the Government liability, civil or criminal, or responsibility. The Government will give the Lessee notice of any claim against it covered by this indemnity as soon after learning of it as practicable. This Condition 23.d. shall survive the expiration or termination of this Lease.

e. The Army and the Lessee agree that as between the Army and the Lessee, as to any Pre-existing Environmental Contamination and subject to the limitations set forth in this Condition 23.e., (i) the Lessee shall bear no responsibility for Pre-existing Environmental Contamination; (ii) the Army shall not assert any claim against the Lessee for such Pre-existing Environmental Contamination; and (iii) the Army shall bear all responsibility for claims made concerning, stemming from or as a result of Pre-existing Environmental Contamination. "Pre-existing Environmental Contamination" means the presence of any Hazardous Materials on the Leased Premises prior to 30 November 2007. This Condition 23.e. does not relieve the Lessee of any responsibility, liability or obligation it may have or acquire by operation of law with regard to third parties or regulatory authorities including, but not limited to the Environmental Protection Agency, which may relate to acts or omissions of the Lessee after 29 November 2007; provided, however, that except as expressly set forth in Condition 23.f. below, nothing herein shall limit, waive or restrict any claim for contribution the Lessee may have against the Army relating to such responsibility, liability or obligation of the Lessee. This Condition 23.e. shall survive the expiration or termination of this lease.

This Condition 23.e. shall not apply when a response action or part thereof found to be necessary is the result of a negligent, grossly negligent or willfully wrong act or omission of the Lessee, its successor(s) or assign(s), or sublessee(s) after the date of this lease that either:

(1) causes or exacerbates the release or threatened release of Pre-existing Environmental Contamination the existence and location of which was known and identified to an environmental regulatory agency with applicable authority as of the date of this lease; or

(2) in the case of Pre-existing Environmental Contamination previously unknown to Army and Lessee as of the date of this lease but which is hereafter discovered by Lessee, its successor(s), assign(s), or sublessee(s), and where after such discovery, Lessee, its successor(s) assign(s), or sublessee(s) thereafter causes or exacerbates a release or threatened release of such Pre-existing Environmental Contamination.

Provided, however that absent any showing of negligence, gross negligence or willfulness in act or omission by the Lessee, the Army will not assert any claims against the Lessee relating to Pre-existing Environmental Contamination due solely to the physical location and normal operation of the 2 Megawatt photovoltaic electric generation facility on the Leased Premises.

f. In the event contaminants of the same composition located in the same area of contamination are attributable to both the operations or activities of the Army and the operations or activities of the Lessee occurring on or after the commencement of Lessee's right to occupy the Leased Premises, responsibility for the contribution of each Party to the cost of any resulting environmental response action shall be based on the portion of the contamination attributable to the operations or activities of such Party.

24. ENVIRONMENTAL BASELINE STUDY

An Environmental Baseline Study (EBS) documenting the known history of the property with regard to the storage, release or disposal of hazardous substances thereon, is attached hereto and made a part hereof as Exhibit "C." Upon expiration, termination or relinquishment of this lease a Termination EBS shall be prepared at the Lessee's sole expense comparing the conditions outlined in the initial EBS to the conditions present at the expiration, termination or relinquishment, as appropriate, of this Lease. A comparison of the two assessments will assist the said officer in determining any environmental restoration requirements. Any such requirements will be completed by the Lessee in accordance with the condition on Surrender of Leased Premises.

25. HISTORIC PRESERVATION

The Lessee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archeological, architectural or other cultural artifacts, relics, remains or objects of antiquity. In the event such items are discovered on the Leased Premises, the Lessee shall immediately notify said officer and protect the site and the material from further disturbance until said officer gives clearance to proceed.

26. SOIL AND WATER CONSERVATION

The Lessee shall maintain, in a manner satisfactory to said officer, all soil and water conservation structures that may be in existence upon said Leased Premises at the beginning of or that may be constructed by the Lessee during the term of this lease, and the Lessee shall take appropriate measures to prevent or control soil erosion within the Leased Premises. Any soil erosion occurring outside the Leased Premises resulting from the activities of the Lessee shall be corrected by the Lessee as directed by the said officer.

27. TAXES

Any and all taxes imposed by the state or its political subdivisions upon the property or interest of the Lessee in the Leased Premises shall be paid promptly by the Lessee. If and to the extent that the property owned by the Government is later made taxable by state or local governments under an Act of Congress, the lease shall be renegotiated.

28. COVENANT AGAINST CONTINGENT FEES

The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty, the United States shall have the right to annul this lease without liability or, in its discretion, to require the Lessee to pay, in addition to the lease rental or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

29. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this lease or to any benefits to arise therefrom. However, nothing herein contained shall be construed to extend to any incorporated company if this lease is for the general benefit of such corporation or company.

30. SEVERAL LESSEES

If more than one Lessee is named in this lease the obligations of said Lessees herein contained shall be joint and several obligations.

31. MODIFICATIONS

This lease contains the entire agreement between the parties hereto, and no modification of this agreement, or waiver, or consent hereunder shall be valid unless the same be in writing, signed by the parties to be bound or by a duly authorized representative and this provision shall apply to this condition as well as all other conditions of this lease.

32. DISCLAIMER

This lease is effective only insofar as the rights of the United States in the Leased Premises are concerned; and the Lessee shall obtain any permit or license which may be required by Federal, state, or local statute in connection with the use of the Leased Premises. It is understood that the

granting of this lease does not preclude the necessity of obtaining a Department of the Army permit for activities which involve the discharge of dredge or fill material or the placement of fixed structures in the waters of the United States, pursuant to the provisions of Section 10 of the Rivers and Harbors Act of 3 March 1899 (33 USC § 403), and Section 404 of the Clean Waters Act (33 USC § 1344).

Prior to the execution of this lease the following site specific Condition Nos. 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45, were added hereto and made a part hereof:

33. PROVISION OF APPLICABLE PERMITS

The Lessee is responsible for allowing enough time to obtain the necessary air permits prior to project initiation. Project proponents must provide copies of air permits to the DECAM Air Program POC, Sally Atkins, telephone 719-526-6601.

34. DUST CONTROL

No person shall operate a new or existing construction activity, which will allow or create emissions that will constitute or cause a nuisance to exist. Applicable dust suppression shall be used. The Lessee shall follow the Installation's Dust Control Plan (applicable since August 2005), which is enforceable by the Colorado Department of Public Health and Environment. This means controlling/minimizing particulate matter (dust) from land disturbance/construction activities immediately upon such initiation using feasible technology. At a minimum, water must be available on site for dust suppression. Project proponent and its contractor must be aware of Installation-Wide Fugitive Dust Control Plan and GS policy memo. Plan and policy can be found at <http://sems.carson.army.mil/environmental/air/default.htm>. The POC can be reached at 719-526-6601.

35. STORM WATER POLLUTION PREVENTION PLAN REQUIRED

For projects with total impacted area exceeding one acre, a Storm Water Pollution Prevention Agency Plan (SWPPP) must be prepared and Notice of Intent (NOI) filed with the Environmental Protection Agency (EPA). A copy of the SWPPP will be submitted for DECAM review prior to the filing the NOI. The POC is Stephanie Carter, at 719-526-1697.

36. ENVIRONMENTAL PROTECTION PROVISIONS

a. The Lessee shall not disrupt, inflict damage, obstruct, or impede on-going environmental restoration work on the Leased Premises or anywhere else on Fort Carson. The Lessee shall not physically disturb any identified restoration sites without prior coordination with appropriate Fort Carson personnel. The Lessee shall reimburse the Government for any costs incurred as a result of Lessee's breach of these provisions.

b. The Government's rights under this Lease specifically include the right for Government officials to inspect upon reasonable notice the Leased Premises for compliance with environmental, safety, and occupational health laws and regulations, whether or not the Government is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. The Government normally will give the Lessee twenty-four (24) hours prior notice of its intention to enter the Leased Premises unless it determines the entry is required for safety, environmental, operations, or security purposes or for the purposes enumerated in the following subparagraphs:

(1) To conduct investigations, and surveys, including, where necessary, drilling, soil and water sampling, test pitting, testing soil borings and other activities related to Fort Carson's Installation Restoration Program (IRP).

(2) To inspect field activities of the Government and its contractors and subcontractors in implementing the Fort Carson IRP.

(3) To conduct any test or survey required by the EPA or the State of Colorado related to the implementation of the IRP or other environmental compliance programs at the Leased Premises to collect or verify any data required by these agencies relating to the environmental condition of the property.

(4) To construct, operate, maintain or undertake any other investigation, corrective measure, response, or remedial action as required or necessary under any Fort Carson IRP, including, but not limited to monitoring wells, pumping wells, and treatment facilities.

(5) To conduct Environmental Compliance Assessment System surveys.

c. The Lessee shall comply with the provisions of any Fort Carson health or safety plans in effect under the IRP during the course of any of the above described actions. Any inspection, survey, investigation, or other corrective measure, response or remedial action will, to the extent practicable, be coordinated with representatives designated by the Lessee. The Lessee shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor, or subcontractor thereof.

d. If Hazardous Waste is generated and/or stored on site, the Lessee shall submit to the Government, and maintain thereafter, an Environmental Compliance Plan which describes, in detail, the program for environmental management and method of compliance, by the user of any portion of the Leased Premises, whether Lessee or sublessee, with all Government, Federal, State, and local laws and regulations for the use, management, generation, storage, treatment, and disposal of all hazardous waste, hazardous materials, and hazardous substances. Each Environmental Compliance Plan for a portion of the Leased Premises, or request for waiver of the requirement for a plan due to the non-hazardous nature of the proposed use, must be

submitted and approved in writing by the Government prior to occupancy of the intended portion of the Leased Premises. Thereafter, each such Environmental Compliance Plan shall be incorporated in the outgrant, and shall be included as an exhibit in the relevant sublessee(s). The Lessee will be responsible for the overall compliance of its operations. The Lessee will be responsible for ensuring the preparation of all documents, records, and reports associated with the environmental compliance of its operation. No liability or responsibility shall attach to the Government as a result of the Government's review and approval of the Environmental Compliance Plan under this paragraph.

e. The Lessee shall strictly comply with the hazardous waste management requirements under Resource Conservation and Recovery Act, and the State of Colorado, Hazardous Waste Management Rules. Except as specifically authorized by the Government in writing, the Lessee must provide, at its own expense, such hazardous waste management facilities, complying with all laws and regulations. Government hazardous waste management facilities will not be available to the Lessee.

f. Fort Carson hazardous waste accumulation points will not be used by the Lessee. Also, the Lessee will not permit its hazardous wastes to be commingled with Fort Carson's hazardous waste.

g. If it is determined by the Environmental Baseline Survey and/or NEPA process that there is the potential for hazardous waste, fuel, and other chemical spills, the Lessee shall submit to the Government, and maintain thereafter, a Government-approved plan for responding to prior to commencement of operations on the Leased Premises. Such plan shall be independent of Fort Carson's Spill Contingency Plan and, except for fire response and/or initial spill response/containment, shall not rely on use of Fort Carson installation personnel or equipment. Should the Government provide any personnel or equipment for additional spill response/containment, or otherwise on request of any Government officer, conducting timely cleanup actions, the Lessee agrees to reimburse the Government for its additional spill response/containment costs.

h. The Lessee shall not construct, make or permit its sublessees or assigns to construct or make any alterations, additions, or improvement to the Leased Premises in any way which may adversely affect Fort Carson's environmental program, environmental cleanup, human health or the environment without prior written consent of the Government. Such consent may include a requirement to provide the Government with a performance and payment bond satisfactory to it in all respects and other requirements deemed necessary to protect the interests of the Government. Except as such written approval shall expressly provide otherwise, all such approved alterations, additions, modifications, improvement, and installations shall become Government property when annexed to the Leased Premises.

i. The Lessee shall not use the Leased Premises for the storage or disposal of non-Department of Defense-owned hazardous or toxic materials, as defined in 10 U.S.C. 2692, unless authorized under 10 U.S.C. 2692 and properly approved by the Government.

37. CONSTRUCTION AND SITE MAINTENANCE

Inactive Landfill 9, located within the leased area has been graded with an approved amount of fill over the top. The construction of the Facility must not disturb the debris below the approximately 30 inches cover material. Upon completion of construction Lessee shall maintain the integrity of the 30 inches of cover material over the top of the landfill.

38. REMEDIATION

There is a soil cover located on the portion of the parcel that contains Inactive Landfill 9. The Government reserves the right to conduct remediation activities in the event contamination caused by the Army is discovered on the Leased Premises.

39. NOTICE OF DEBRIS

Debris in the inactive landfill may include Asbestos Containing Materials, Lead Based Paint and Polychlorinated Biphenyls (PCB's). Debris in the inactive land fill should not be disturbed during operation of the solar plant.

40. 1990 AMENDMENT TO THE CLEAN AIR ACT

This amendment prohibits the venting or release of Freon, or CFC and hydrochlorofluorocarbon (HCFC) refrigerant gases, from discarded appliances when they are disposed or recycled. CFC's or HCFC's must be removed from each appliance before they are disposed or delivered for recycling. The act provides for a \$25,000 fine for each occurrence of intentional venting of CFC. The final person in the chain must have a certificate showing the CFC's were recovered by a certified technician using a certified recovery machine.

41. FLOODPLAIN

A portion of the Leased Premises is located within the 100 year floodplain. The Government is not responsible for any damages, actual or consequential, to the lessee's property due to the flooding.

42. OTHER SITE SPECIFIC CONDITIONS

a. Construction will be undertaken in such a manner as to minimize soil erosion from precipitation.

b. Existing vegetation will be protected where possible. Disturbed areas will be prepared and seeded in accordance with Ft Carson seeding specifications unless otherwise landscaped. For more information contact the Agronomy POC, at 719-526-1696.

c. If noxious weeds exist on site, the scope of work for the project must include weed control for the area during construction as required by State and County Law. No soil can be removed from the site anytime. Mulch products must be "Colorado Certified Weed Free" as designated by the Colorado Department of Agriculture. Clipping from mowed areas containing noxious weeds must be bagged and taken to a landfill. For more information/coordination contact the Noxious Weed Program Manager, Caron Rifici, at 719-526-4682.

d. Trees affected by construction will be removed by Fort Carson at Fort Carson's expense, per Dan Gray, Installation Forester, at 719-526-1692.

e. If buried cultural materials or human remains are exposed as a result of project activities, all work shall cease immediately, and the Cultural Resources Manager, 719-526-3806 and the Director DECAM, 719-526-2022, shall be notified as soon as possible in order to evaluate the resource, consult with regulatory agencies and mitigate the resource (if necessary).

f. If contaminated soil is discovered during the construction process, contact the IRP manager, Vanessa Hinkle, 719-526-8004.

43. SURRENDER OF LEASED PREMISES

a. On or before the date of expiration of the Lease ("Lease Expiration Date") or the effective date of any notice of termination ("Lease Termination Date") under Condition 18 above, as applicable (collectively, "Term Ending Date"), the Lessee shall terminate its operations on the Leased Premises and vacate and surrender them to the Government.

b. Upon expiration or termination of the lease, the Lessee shall at its sole cost and expense, within ninety (90) days after the Term Ending Date (or such longer period of time as shall be mutually agreed upon by the Parties), remove the Lessee Improvements and its other property (both real and personal) from the Leased Premises and restore them to a condition substantially similar to their condition on the commencement of this lease as determined by said officer (normal wear and tear excepted), subject to Conditions 23 and 24 above. If the Lessee shall fail, refuse, or neglect to remove the Lessee's improvements and its other property and restore the Leased Premises within the appointed time, the Government, may cause the Lessee's improvements and the Lessee's other property to be removed and/or destroyed and the Leased Premises to be restored at the expense of the Lessee and no claim for damages against the Government, its officers, employees, agents or contractors shall be created by or made on account of such removal and/or destruction and restoration work; the Government may, at its option and after notice to the Lessee and subject to Conditions 23 and 24 and Congressional

authorization, if required, accept the Lessee's improvements in lieu of such removal and restoration. Noting in the foregoing shall relieve the Lessee of its obligation to prepare a Termination Environmental Baseline Study at the conclusion of this lease, to be at the sole cost and expense of the Lessee, nor of its obligation to perform any environmental restoration determined by Said Officer to be necessary thereunder; *provided that* the Lessee shall not be required to undertake any environmental restoration of Pre-existing Environmental Contamination or any deterioration of Pre-existing Environmental Contamination unless the Lessee would have responsibility with respect to such Pre-Existing Environmental Contamination or deterioration under Condition 23.e.

c. The Government shall have a reasonable time, extending until the end of the next annual session of the Congress, to obtain any Congressional authorization that by law may be needed to exercise the Government's right to accept the Lessee Improvements under Conditions 43.a. and b. above.

d. During the period prior to surrender, all obligations assumed by the Lessee under this Lease shall remain in full force and effect.

44. LIENS AND MORTGAGES

a. Except as provided in this Condition 44, the Lessee shall not engage in any financing or other transaction creating any mortgage upon the Leased Premises; place or suffer to be placed upon the Leased Premises any lien or other encumbrance; or suffer any levy or attachment to be made on the Lessee's interest in the Leased Premises, other than such levy or attachment as may result from a foreclosure of a mortgage that is consistent with this Condition 44. Any inconsistent mortgage, encumbrance, or lien shall be deemed to be a violation of this covenant on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced, and is void in its inception.

b. During the term of this lease, the Lessee may encumber its interest in the Leased Premises by way of one or more loans secured by a mortgage, subject to Condition 44.c. below. The proposed holder of any mortgage must be approved by the District Engineer prior to the execution of such loan, which approval shall not be unreasonably withheld or delayed. Subject to the Condition on Transfer and Assignment, any loan may be further secured by a conditional assignment of the lease by the Lessee to the mortgagee. Upon the approval of the assignment by the District Engineer, the Government agrees to execute its Estoppel Certificate and/or any other similar documentation as may reasonably be required by the mortgagee to certify as to the status of this Lease and to the performance of the Lessee hereunder as of the date of such certification.

c. No mortgage shall extend to or affect the fee, the reversionary interest or the estate of the Government in the Leased Premises. No mortgage shall be binding upon the Government in

the enforcement of its rights and remedies under the Lease and by law provided, unless, and until a copy thereof shall have been delivered to the Government and such mortgage is authorized in accordance with the provisions of this Condition 44.

d. Promptly after assigning or encumbering the Leased Premises as permitted in accordance with Condition 44, the Lessee shall furnish the Government a written notice setting forth the name and address of such mortgagee. Further, the Lessee shall notify the Government promptly of any lien or encumbrance which has been created or attached to the Leased Premises, whether by act of the Lessee or otherwise, of which the Lessee has notice.

e. If a mortgagee or purchaser at foreclosure of the mortgage shall acquire the Lessee's interest in the Leased Premises, by virtue of the default by the Lessee under the mortgage or otherwise, the lease shall continue in full force and effect so long as the mortgagee or purchaser at foreclosure is not in default thereunder. The mortgagee or purchaser at foreclosure may not appoint an agent or nominee to operate and manage any portion of the Leased Premises on its behalf without obtaining the prior written approval of the District Engineer. Such approval shall require a determination that the proposed agent or nominee has demonstrated experience or expertise in the development, operation and maintenance a PV Array to supply and deliver renewable (solar power) utility service. For the period of time during which the mortgagee or any purchaser at foreclosure of a mortgage holds the Lessee's interest in the Leased Premises, the mortgagee or such purchaser shall become liable and fully bound by the provisions of the lease.

f. With respect to the mortgagees of the Leased Premises, the Government agrees that the following shall apply:

(1) If requested by a mortgagee which shall have duly registered in writing with the Government its name and address, any notice from the Government to the Lessee with respect to a default or termination of this lease or other notice affecting the Leased Premises shall be simultaneously delivered to such mortgagee at its registered address, and in the event of any such registration, no notice of default or termination of this lease affecting the Leased Premises given by the Government to the Lessee shall be deemed legally effective until and unless like notice shall have been given by the Government to such mortgagee.

(2) Such mortgagee entitled to such notice shall have any and all rights of the Lessee with respect to the curing of any default hereunder by the Lessee.

(3) The Government will not accept any cancellation by the Lessee or enter into any material modification of this lease affecting the Leased Premises without the prior written consent thereto of each mortgagee who shall become entitled to notice as provided in this Condition 44. The foregoing shall not apply or be construed to apply to any right the Government may have to terminate this Lease pursuant to its terms. It is also agreed that the Lessee shall provide any such mortgagee with notice of any proposed modification.

g. Nothing herein contained shall be deemed to impose any obligation on the part of the Government to deliver physical possession of the Leased Premises to such holder of a mortgage.

h. If more than one mortgagee shall seek to exercise any of the rights provided for in this Condition 44, the holder of the mortgage having priority of lien over the other mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among mortgagees regarding the priority of lien, the mortgagees must prove to the satisfaction of the Government that they have settled that dispute.

i. The mortgagee may not appoint an agent or nominee to operate and manage the Leased Premises on its behalf without obtaining the prior written approval of the District Engineer. Such approval shall require a determination that the proposed agent or has demonstrated experience or expertise in the development, operation and maintenance of the Facilities to supply and deliver renewable (solar power) utility service.

45. ANTI-DEFICIENCY ACT

Nothing in this Lease shall be interpreted to require obligations or payments by the Lessor in violation of the Anti-Deficiency Act, 31 U.S.C. Section 1341.

THIS LEASE is not subject to Title 10, United States Code, Section 2662, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand by authority of the Secretary of the Army, this 31st day of August, 2007.



LON G. LARSON
Chief, Real Estate Division
U. S. Army Corps of Engineers, Omaha District

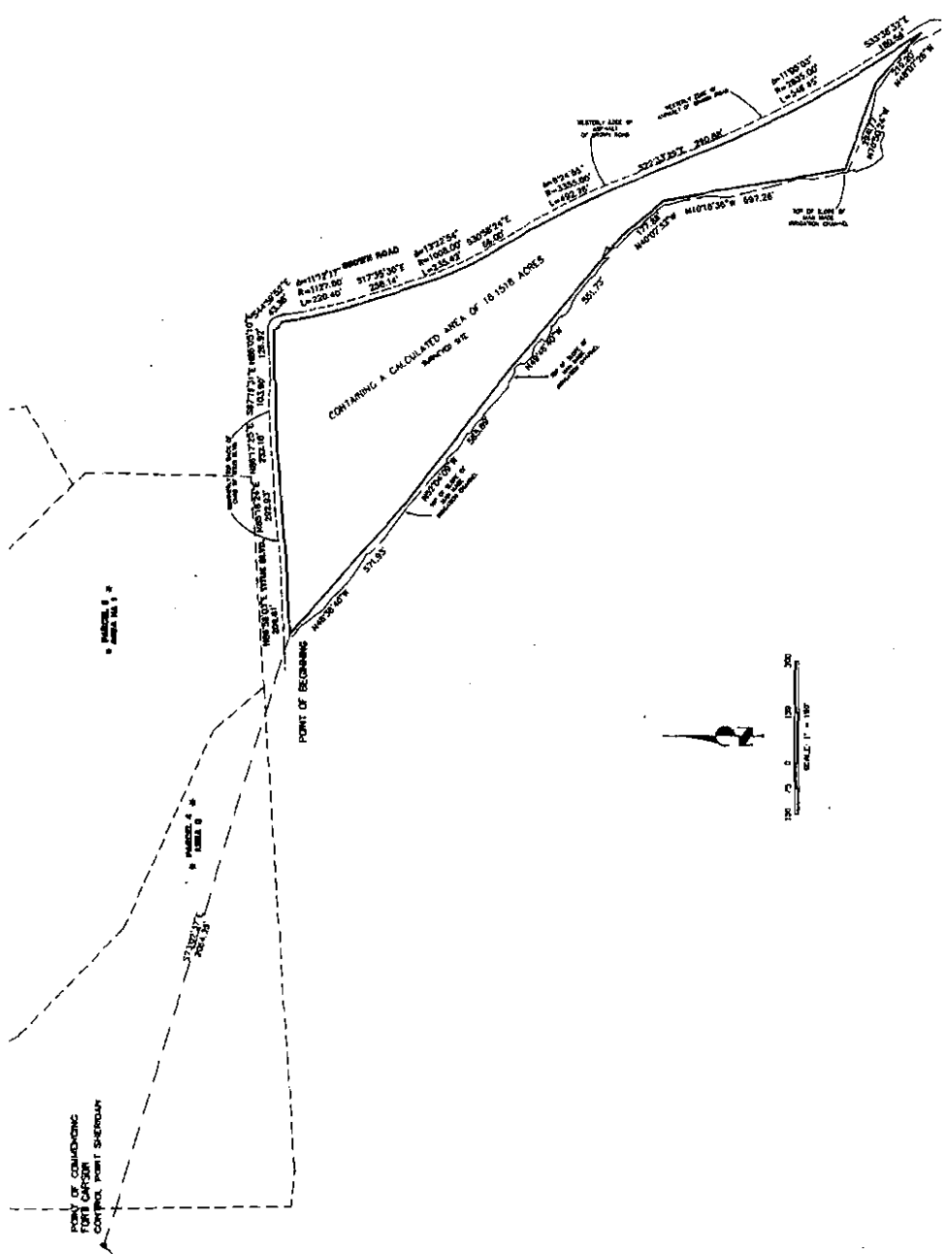
THIS LEASE is also executed by the Lessee this _____ day of _____, 2007.

By: _____
CARSON SOLARI, LLC.

Title: _____



EXHIBIT
3 PHASES ENERGY SERVICES LLC
FORT CARSON



AS-BUILT EXHIBIT	DATE	BY
FOR 3 PHASES ENERGY SERVICES		
FORT CARSON		
JR ENGINEERING		
Professional Seal		
DATE	BY	DATE
08-17-2007		08-17-2007
08-10-2010		08-10-2010

Exhibit "A" to Lease No. DACA45-1-07-6037

JOB NO. 9318.10 - 01
MARCH 16, 2007
PAGE 1 OF 2

LEGAL DESCRIPTION: 3 PHASES ENERGY PARCEL

A TRACT OF LAND BEING A PORTION OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE LINE BETWEEN FORT CARSON CONTROL MONUMENT SHERIDAN AND FORT CARSON CONTROL MONUMENT ATTU BEING ASSUMED TO BEAR S49°33'21"W, A DISTANCE OF 2029.18 FEET.

COMMENCING AT FORT CARSON CONTROL MONUMENT SHERIDAN, THENCE S73°02'37"E, A DISTANCE OF 2064.25 FEET TO THE POINT OF BEGINNING;
THENCE EASTERLY ALONG A LINE 20 FEET SOUTHERLY OF EXISTING CURB LINE OF TITUS BOULEVARD, THE FOLLOWING SIX (6) COURSES:

1. N86°58'03"E, A DISTANCE OF 209.61 FEET;
2. N85°18'24"E, A DISTANCE OF 292.93 FEET;
3. N88°17'25"E, A DISTANCE OF 252.18 FEET;
4. S87°19'31"E, A DISTANCE OF 103.90 FEET;
5. N88°05'10"E, A DISTANCE OF 126.92 FEET;
6. S44°59'52"E, A DISTANCE OF 43.38 FEET TO A POINT OF CURVE ON A LINE 20 FEET WESTERLY OF EXISTING EDGE OF ASPHALT OF BROWN ROAD;

THENCE SOUTHERLY ON SAID WESTERLY LINE THE FOLLOWING EIGHT (8) COURSES:

1. ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS N83°36'47"E, HAVING A DELTA OF 11°12'17", A RADIUS OF 1127.00 FEET, A DISTANCE OF 220.40 FEET TO A POINT OF TANGENT;
2. S17°35'30"E, A DISTANCE OF 258.14 FEET TO A POINT OF CURVE;
3. ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 13°22'54", A RADIUS OF 1008.00 FEET, A DISTANCE OF 235.42 TO A POINT OF TANGENT;
4. S30°58'24"E, A DISTANCE OF 66.00 FEET TO A POINT OF CURVE;
5. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A DELTA OF 8°24'55", A RADIUS OF 3355.00 FEET, A DISTANCE OF 492.76 FEET TO A POINT OF TANGENT;
6. S22°33'29"E, A DISTANCE OF 290.86 FEET TO A POINT OF CURVE;
7. ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 11°05'03", A RADIUS OF 2835.00 FEET, A DISTANCE OF 548.45 FEET TO A POINT OF TANGENT;
8. S33°38'32"E, A DISTANCE OF 180.54 FEET;

THENCE NORTHWESTERLY ON A LINE EASTERLY OF EXISTING TOP OF SLOPE OF MAN MADE IRRIGATION CHANNEL, THE FOLLOWING SEVEN (7) COURSES:

1. N48°07'28"W, A DISTANCE OF 219.20 FEET;
2. N70°50'24"W, A DISTANCE OF 294.77 FEET;
3. N10°16'38"W, A DISTANCE OF 597.26 FEET;
4. N40°07'33"W, A DISTANCE OF 177.88 FEET;
5. N49°46'40"W, A DISTANCE OF 551.73 FEET;
6. N52°04'09"W, A DISTANCE OF 585.89 FEET;
7. N48°36'40"W, A DISTANCE OF 571.93 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 18.1518 ACRES.

LEGAL DESCRIPTION STATEMENT:

I, CORY L. SHARP, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY PERSONAL SUPERVISION AND RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEFS CORRECT.

CORY L. SHARP, PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 02820
FOR AND ON BEHALF OF J-R ENGINEERING, LLC

MARCH 19, 2007
DATE

