

## SECOND AMENDMENT TO MASTER GROUND LEASE

THIS SECOND AMENDMENT TO MASTER GROUND LEASE (this "**Second Amendment**") is made and entered into as of April 13, 2017 ("**Effective Date**"), by and between THE CITY OF INDUSTRY, a municipality organized under the laws of the State of California ("**Landlord**"), and SAN GABRIEL VALLEY WATER AND POWER, LLC, a California limited liability company ("**Tenant**").

### RECITALS:

A. Landlord and Tenant are parties to (collectively, the "**Original Lease**") (a) that certain Master Ground Lease, dated as of May 17, 2016, and (b) that certain First Amendment to Master Ground Lease, dated as of November 15, 2016.

B. Landlord and Tenant wish to amend certain terms and conditions of the Original Lease as set forth herein (the Original Lease, as amended by the terms and conditions of this Second Amendment, shall be referred to herein as the "**Lease**").

C. In furtherance of the foregoing, Landlord and Tenant wish to enter into this Second Amendment.

### AGREEMENT

NOW, THEREFORE, incorporating the foregoing recitals and in consideration of the foregoing recitals and of the mutual covenants, conditions and agreements herein contained to be done, kept and performed, Landlord and Tenant hereby agree as follows:

1. All capitalized terms used but not defined herein shall have the meaning given thereto in the Original Lease.

2. The following provision is added to the Lease as Section 2.4:

2.4. Projects on Total Site.

2.4.1 The approval of this Lease is not intended to be a "project" under CEQA because it does not authorize any physical change in the environment. This Lease does not constitute an entitlement to develop any particular project on all or any portion of the Total Site, nor does it constitute an authorization of any particular use by Tenant of all or any portion of the Total Site other than activities associated with Site Diligence as provided in Section 1.3 and activities authorized in Section 4.1 for determining the suitability of the Total Site for projects.

2.4.2 Landlord will not issue any approval or entitlement to Tenant to proceed with any project on all or any portion of the Total Site unless and until compliance with CEQA is completed and all necessary entitlements obtained, including any entitlements from Landlord. Notwithstanding the foregoing, Landlord is not committing to issue any entitlements to Tenant, and Landlord retains full discretion to consider specific project proposals submitted by Tenant, to review and evaluate environmental review documents prepared for such projects, and to

approve, deny, or condition any project proposed by Tenant, including adoption of any mitigation measures or project alternatives under CEQA.

2.4.3 To the extent required by law, Landlord and Tenant agree to amend the Lease to comply CEQA.

4. Section 25.1 of the Original Lease is hereby deleted in its entirety and replaced with the following:

25.1 Landlord Funding of Certain Costs. Provided that no event of default has occurred and is continuing, from the Due Diligence Date until the fifth (5<sup>th</sup>) anniversary thereof, Landlord shall make advancements (whether for retainers, deposits or other pre-payments), subject to the provisions of Section 25.1.2, and/or reimbursements to Tenant for reasonable third-party fees and costs previously incurred by Tenant or to be incurred by Tenant in the future in connection with exploring the feasibility of, and seeking approvals for, the planning and development of Solar Projects, the transmission and/or storage of the power generated thereby, and/or a reservoir project in advance of the execution of one or more Project Leases, in an aggregate amount of not more than Eleven Million Five Hundred Thousand Dollars (\$11,500,000), which sums shall be paid or reimbursed not more often than monthly, within fourteen (14) days after, and, in each case, subject to, complying with the following conditions:

25.1.1 Tenant has completed and delivered a written request for payment setting forth the dates, amounts, and payees with respect to all sums being requested by Tenant, and a description of the work performed or to be performed by each payee, plus, at Landlord's request, evidence and/or a copy of any such work performed (to the extent applicable).

25.1.2 Tenant has furnished, in satisfactory form and substance, (a) every six (6) months, commencing July 1, 2017, conditional mechanics' lien releases and waivers for the amounts being requested and valid full and final mechanics' lien releases and waivers for all other work performed (which shall only be provided from consultants with respect to aspects of such work that could result in a lien under applicable law), (b) copies of bills or any invoices covering work for which a payment or reimbursement is made, and (c) a certification confirmation from Tenant that the foregoing and that the work for which payment is requested is authorized for reimbursement or payment under this Lease. Under no circumstances shall the aggregate outstanding balance of all retainers, advances, or deposits for work not yet performed exceed One Million Dollars (\$1,000,000) at any time.

5. Other Changes. Except as expressly amended by this Second Amendment, the provisions of the Original Lease remain unchanged and in full force and effect. In the event of any conflict or inconsistency between the terms of the Original Lease and the terms of this Second Amendment, the terms of this Second Amendment shall control. This Second Amendment shall be effective on and after the Effective Date and any reference to the Original Lease in any other document shall be deemed to refer to the Original Lease as amended by this Second Amendment. This Second Amendment shall be governed by and construed in accordance with the laws of the State of California, without regard to choice of law provisions.

[Balance of page intentionally left blank. Signatures appear on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date and year first above written.

**"LANDLORD"**

THE CITY OF INDUSTRY,  
a municipality organized under the  
laws of the State of California

By: Paul J. Phillips  
Name: PAUL J. Phillips  
Its: City Manager

**"TENANT"**

SAN GABRIEL VALLEY WATER AND  
POWER, LLC, a California limited liability  
company

By: Sustainable Water and Power LLC,  
a California limited liability company  
Its: Non-member manager

By: Ambient Communities LLC,  
a Delaware limited liability  
company  
Its: Sole Member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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**"LANDLORD"**

THE CITY OF INDUSTRY,  
a municipality organized under the  
laws of the State of California

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**"TENANT"**

SAN GABRIEL VALLEY WATER AND  
POWER, LLC, a California limited liability  
company

By: Sustainable Water and Power LLC,  
a California limited liability company  
Its: Non-member manager

By: Ambient Communities LLC,  
a Delaware limited liability  
company  
Its: Sole Member

By:  \_\_\_\_\_  
Name: Wade Hall  
Its: Principal

By:  \_\_\_\_\_  
Name: Robert Anselmo  
Its: Principal