

Attachment C
Memorandum of Options for
Solar Energy Land Lease

REF130073

California Flats Solar, LLC

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Recording Requested By:
First American Title Company

Escrow Number: 4000883

After Recording Mail To:
California Flats Solar, LLC
c/o Element Power Solar, LLC
421 third Street, Suite 200
Portland, OR 97204
Attn: Land Administration

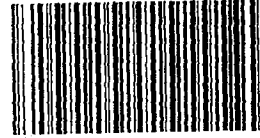
Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of

CRMELISSA
5/25/2012
13:36:25

First American Title

DOCUMENT: **2012031068**

Titles: 2/ Pages: 15



Fees.... 66.00

Taxes...

Other...

AMT PAID \$66.00

APN: 143-011-001

SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

Memorandum of Option for Solar Energy Land Lease

Recording requested by
FIRST AMERICAN TITLE CO.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

California Flats Solar, LLC,
c/o Element Power Solar, LLC
421 Third Street, Suite 200
Portland, OR 97204
Attn: Land Administration

Documentary Transfer Tax \$	0
Computed on full value of property conveyed.	
Computed on full value less liens and encumbrances remaining at time of sale.	
Signature of Declarant or agent - Firm name	<i>[Signature]</i>

*No money exchange
under 35 year lease*

APNs: 143-011-001, 143-011-002, 143-011-003, 423-191-37, 423-191-38, 423-191-39, 424-181-12, 424-181-13, 424-181-14, 424-181-15, 424-181-16, 424-181-18, 424-181-034, 424-181-035, 424-181-036, 424-181-037, 424-181-038, 424-191-15, 424-191-16, 424-201-007, 424-201-009, 424-201-010, 424-211-001, 424-211-004, 424-211-025 [Not included here is the real property described on Exhibit B-1 and depicted on Exhibit B-2]

4000883-LB

(Space Above for Recorder's Use)

MEMORANDUM OF OPTION FOR SOLAR ENERGY LAND LEASE

THIS MEMORANDUM OF OPTION FOR SOLAR ENERGY LAND LEASE (this "**Memorandum**") is made and entered into as of May 16, 2012, by and between The Hearst Corporation, a Delaware corporation ("**Hearst**"), and California Flats Solar, LLC, a Delaware limited liability company ("**Optionee**").

Recitals

A. Hearst is the owner of that certain real property located in San Luis Obispo and Monterey Counties, California (the "**Ranch**"), commonly known as the Jack Ranch.

B. In connection with Optionee's development of a solar photovoltaic energy generation facility (the "**Project**") on a portion of the Ranch, Hearst and Optionee have entered into that certain Option for Solar Energy Land Lease dated December 1, 2011, as amended by that certain First Amendment to Option for Solar Energy Land Lease dated as of February 6, 2012 (collectively, the "**Option Agreement**"), pursuant to which Hearst has granted to Optionee (i) the option to lease that certain portion of the real property located on the Ranch described on Exhibit A-1 attached hereto that is depicted on Exhibit A-2 attached hereto (the "**Premises**") and (ii) non-exclusive access easements over those certain existing roads across those portions of the Ranch described on Exhibit B-1 in the locations depicted on Exhibit B-2 (the "**Access Easements**") for ingress and egress to and from the Premises.

C. Hearst and Optionee now desire to provide for public notice of the existence of the Option Agreement and the Access Easements.

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

1. Grant of Option. Subject to the terms and conditions contained in the Option Agreement, Hearst has agreed to grant, and hereby does grant, to Optionee the exclusive option, in connection with Optionee's development, construction and operation of the Project, to lease the Premises on the terms and conditions contained in the Option Agreement.

2. Grant of Access Easements. Subject to the terms and conditions contained in the Option Agreement, Hearst has agreed to grant, and hereby does grant, to Optionee a non-exclusive easement for vehicular ingress and egress to and from the Premises over and across the Access Easements.

3. Term of the Option. Subject to the terms and conditions set forth in the Option Agreement, the term of the option (the "**Term**") contained therein expires and this Memorandum will automatically terminate and be of no further force or effect as of December 1, 2016, *provided, however*, that Optionee may extend the Term for one (1) year in accordance with the conditions set forth in the Option Agreement. If so extended, the parties shall record and amendment to this Memorandum evidencing such extension to December 1, 2017.

4. Conflict of Provisions. This Memorandum is prepared for the purpose of recordation and shall not alter or affect in any way the rights and obligations of Hearst or Optionee under the Option Agreement. In the event of any inconsistency between this Memorandum of Option and the Option Agreement, the terms of the Option Agreement shall control.

[Signatures begin on following page]

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first set forth above.

HEARST:

The Hearst Corporation,
a Delaware corporation

By: Michael L. Duncan
Name: Michael L. Duncan
Its: Controller

STATE OF CALIFORNIA)
) ss.

COUNTY OF SAN FRANCISCO)

On MAY 8, 2012, before me, SUSAN G. MACAULAY, NOTARY PUBLIC
personally appeared MICHAEL L. DUNCAN

_____ who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Susan G. Macaulay
Notary Public

[SEAL]

[Optionee Signature on Following Page]



gp

Susan G. Macaulay
1836391
Feb. 14, 2013

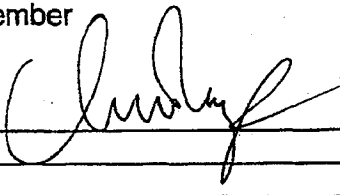
[Signature Page]

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OPTIONEE:

California Flats Solar, LLC,
a Delaware limited liability company

By: Element Power US, LLC,
a Delaware limited liability company
its sole member

By: 
Name: _____
Its: _____

Chris Taylor
Chief Development Officer

STATE OF OREGON

ss.

COUNTY OF MULTNOMAH

The foregoing instrument was acknowledged before me this 16th day of May, 2012 by Chris Taylor, the Chief Development Officer of Element Power US, LLC, the Manager of California Flats Solar, LLC, a Delaware limited liability company.




Notary Public for Oregon

My commission expires: 1/28/2014

[Signature Page]

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Exhibit A-1


Legal Description of the Land containing the Premises

[See Attached]

[Exhibit A-1]

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LEGAL DESCRIPTION

MONTEREY 

Real property in an unincorporated area of the County of , State of California, described as follows:

PARCEL ONE:

ALL THAT CERTAIN PORTION OF THE RANCHO CHOLAME, AS SAID RANCHO IS DESCRIBED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO ELLEN F. WHITE, RECORDED FEBRUARY 10, 1888 IN BOOK B OF PATENTS, AT PAGE 471, MONTEREY COUNTY RECORDS, BEING ALL FRACTIONAL SECTIONS 1, 2, 3, 4, 8, 11 and 12 IN TOWNSHIP 24 SOUTH, RANGE 15 EAST, M. D. B. & M., WHICH LIES WITHIN THE BOUNDARY LINE OF SAID CHOLAME RANCHO, AS SHOWN ON THAT CERTAIN MAP ENTITLED "CHOLAME RANCHO, ASSESSOR'S PLATS MONTEREY COUNTY".

PARCEL TWO:

THE SOUTH HALF (S 1/2) OF THE NORTHWEST QUARTER (NW 1/4), SOUTHWEST QUARTER (SW 1/4) OF THE NORTHEAST QUARTER (NE 1/4), EAST HALF (E 1/2) OF THE NORTHEAST QUARTER (NE 1/4) AND THE SOUTH HALF (S 1/2) OF SECTION 34, TOWNSHIP 23 SOUTH, RANGE 15 EAST, MOUNT DIABLO MERIDIAN.

THE WEST HALF (W 1/2) AND SOUTHEAST QUARTER (SE 1/4) OF SECTION 35, TOWNSHIP 23 SOUTH, RANGE 15 EAST, MOUNT DIABLO MERIDIAN.

THE SOUTH HALF (S 1/2), NORTHWEST QUARTER (NW 1/4) AND SOUTH HALF (S 1/2) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 1, TOWNSHIP 24 SOUTH, RANGE 15 EAST, MOUNT DIABLO MERIDIAN. EXCEPTING THEREFROM ANY PORTION THEREOF WHICH LIES WITHIN THE BOUNDARY LINE OF CHOLAME RANCHO, AS SHOWN ON THAT CERTAIN MAP ENTITLED "CHOLAME RANCHO, ASSESSOR'S PLATS MONTEREY COUNTY".

LOTS 1, 5 AND 7, THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 2, TOWNSHIP 24 SOUTH, RANGE 15 EAST, MOUNT DIABLO MERIDIAN.

EXCEPTING THEREFROM A 1/16TH INTEREST OF ALL COAL, OIL, GAS AND OTHER MINERAL DEPOSITS CONTAINED IN LOT 5 OF SECTION 2, T24S, R15E, AS PROVIDED BY AN ACT OF THE LEGISLATURE APPROVED MAY 25, 1921 (CHAPTER 303, STATUTES OF CALIFORNIA 1921) RESERVED BY THE STATE OF CALIFORNIA, IN PATENT RECORDED OCTOBER 31, 1927 IN BOOK 132, PAGE 122 OF OFFICIAL RECORDS OF MONTEREY COUNTY.

LOTS 2, 7 AND 8, THE SOUTHEAST QUARTER (SE 1/4) OF THE NORTHWEST QUARTER (NW 1/4), ALSO ALL THAT PORTION OF LOTS 1 AND 9, THE SOUTHWEST QUARTER (SW 1/4) OF THE NORTHWEST QUARTER (NW 1/4), AND THE NORTHWEST QUARTER (NW 1/4) OF THE SOUTHWEST QUARTER (SW 1/4) LYING EASTERLY OF A LINE RUNNING PARALLEL WITH AND 8.58 CHAINS EASTERLY FROM (MEASURED AT RIGHT ANGLES) THE WESTERLY LINE OF SECTION 3, TOWNSHIP 24 SOUTH, RANGE 15 EAST, MOUNT DIABLO MERIDIAN.

LOT 1 OF SECTION 11 AND LOTS 1, 2 AND 3, THE SOUTHWEST QUARTER (SW 1/4) OF THE SOUTHWEST QUARTER (SW 1/4), NORTHEAST QUARTER (NE 1/4) OF THE SOUTHWEST QUARTER (SW 1/4), NORTH HALF (N 1/2) OF THE SOUTHEAST QUARTER (SE 1/4), NORTHEAST QUARTER (NE 1/4) OF THE NORTHEAST QUARTER (NE 1/4), AND THE SOUTH HALF (S 1/2) OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 12, TOWNSHIP 24 SOUTH, RANGE 15 EAST, MOUNT DIABLO MERIDIAN.

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ALL OF SECTIONS 23 AND 24, AND LOT 1 OF SECTION 25, TOWNSHIP 24 SOUTH, RANGE 15 EAST, MOUNT DIABLO MERIDIAN. EXCEPTING THEREFROM ANY PORTION THEREOF WHICH LIES WITHIN THE BOUNDARY LINE OF CHOLAME RANCHO, AS SHOWN ON THAT CERTAIN MAP ENTITLED "CHOLAME RANCHO, ASSESSOR'S PLATS MONTEREY COUNTY".

LOTS 3, 4, 5, 6, 8 AND 9 OF SECTION 7, TOWNSHIP 24 SOUTH, RANGE 16 EAST, MOUNT DIABLO MERIDIAN.

LOTS 2, 3, 4, 5, 6 AND THE NORTH HALF (N ½) OF LOTS 8 AND 9 OF SECTION 18, TOWNSHIP 24 SOUTH, RANGE 16 EAST, MOUNT DIABLO MERIDIAN.

PARCEL THREE:

THE NORTHWEST QUARTER (NW ¼) AND THE SOUTHWEST QUARTER (SW ¼) OF SECTION 13, TOWNSHIP 24 SOUTH, RANGE 15 EAST, MOUNT DIABLO MERIDIAN.

EXCEPTING THEREFROM THAT PORTION OF THE SOUTHWEST QUARTER (SW ¼) OF SECTION 13 CONVEYED TO DAVID GREENWIG AND H.H. CAHILL, AND H.W. PARKERSON, AS TRUSTEES OF REDMOND SCHOOL DISTRICT BY DEED RECORDED OCTOBER 10, 1893 IN BOOK 41 OF DEEDS, PAGE 252, MONTEREY COUNTY RECORDS.

LOTS 3, 4, 5 AND 6, SECTION 3, TOWNSHIP 24 SOUTH, RANGE 15 EAST, MOUNT DIABLO MERIDIAN.

EXCEPTING THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN AND TO THE PROCEEDS OF ANY OIL, GAS, OR MINERALS PRODUCED IN COMMERCIAL QUANTITIES, AS RESERVED IN THE DEED FROM ERNEST R. HOFFMANN, ET AL., RECORDED MARCH 1, 1948 IN VOLUME 1040 OF OFFICIAL RECORDS, AT PAGE 494, MONTEREY COUNTY RECORDS.

PARCEL FOUR:

LOTS 2, 3, 4 AND 6 OF SECTION 2, TOWNSHIP 24 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ALL MINERAL RIGHTS ON, IN AND UNDER THE HEREINABOVE DESCRIBED LANDS, INCLUDING ALL HYDROCARBONS, MINERALS, PLACER MINERALS AND LODGE MINERALS CONVEYED IN THAT CERTAIN DEED RECORDED SEPTEMBER 10, 1957 IN BOOK 1815 OF OFFICIAL RECORDS, AT PAGE 391, AND RESERVED IN THOSE CERTAIN DEEDS RECORDED DECEMBER 24, 1958 IN BOOK 1920 OF OFFICIAL RECORDS, AT PAGES 579 AND 582, AND ON MARCH 26, 1965 IN REEL 396 OF OFFICIAL RECORDS, AT PAGE 1037, MONTEREY COUNTY RECORDS.

PARCEL FIVE:

SOUTH HALF OF SOUTHEAST QUARTER AND SOUTHEAST QUARTER OF SOUTHWEST QUARTER OF SECTION 12; THE EAST HALF OF SECTION 13; ALL IN TOWNSHIP 24 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN.

LOT 7 OF SECTION 7, TOWNSHIP 24 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN.

EXCEPT ONE-HALF OF OIL, GAS, MINERALS OR OTHER HYDROCARBONS AS RESERVED IN DEEDS FROM IRENE HANCOCK, ET AL RECORDED DECEMBER 30, 1958 IN BOOK 1920, PAGE

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579, MONTEREY COUNTY RECORDS AND RECORDED DECEMBER 30, 1958 IN BOOK 1920, PAGE 582, MONTEREY COUNTY RECORDS.

ALSO EXCEPT 25% OF ALL OIL, GAS, MINERALS OR OTHER HYDROCARBONS IN, ON AND UNDER THE HEREIN DESCRIBED PROPERTY AS EXCEPTED AND RESERVED IN DEED RECORDED MARCH 26, 1965 IN REEL 396, PAGE 1037, MONTEREY COUNTY RECORDS.

PARCEL SIX:

LOTS 4, 5 AND 6 OF SECTION 14, TOWNSHIP 24 SOUTH, RANGE 15 EAST, M. D. B. & M.

PARCEL SEVEN:

LOTS 3, 7 AND THE WEST HALF (W1/2) OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 14, TOWNSHIP 24 SOUTH, RANGE 15 EAST, M. D. B. & M.

PARCEL EIGHT:

LOT 1 AND THE SOUTHEAST QUARTER (SE1/4) OF THE NORTHEAST QUARTER (NE1/4) AND THE EAST HALF (E1/2) OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 14, TOWNSHIP 24 SOUTH, RANGE 15 EAST, M. D. B. & M.

PARCEL NINE:

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PARCEL 10:

LOT 7 AND THE SOUTH OF LOTS 8 AND 9 OF SECTION 18, TOWNSHIP 24 SOUTH, RANGE 16 EAST, M. D. B. & M.

EXCEPT ONE HALF OF ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES AS RESERVED IN DEEDS RECORDED DECEMBER 30, 1958 IN BOOK 1920, PAGE 579 AND BOOK 1920 PAGE 582 OF OFFICIAL RECORDS.

PARCEL 11:

LOTS 3, 4, 5, 6 AND THE NORTH 12.12 ACRES OF LOT 7 AND THE NORTH 65.29 ACRES OF LOT 8, OF SECTION 19, TOWNSHIP 24 SOUTH, RANGE 16 EAST, M. D. B. & M.

PARCEL 12:

LOTS 9 AND 10, AND THE SOUTH 14.71 ACRES OF LOT 8, AND THE SOUTH 7.36 ACRES OF LOT 7, SECTION 19, TOWNSHIP 24 SOUTH, RANGE 16 EAST, M. D. B. & M.

PARCEL 13:

LOTS 3, 4, 5, 6, 7, 8, 9, SOUTH HALF OF LOT 2, THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER, AND THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 30, LOT 1 OF SECTION 31, LOTS 1 AND 2 OF SECTION 32, M. D. B. & M.

APN: 143-011-001 through 143-011-003 (Affects: Parcel One); 423, 191-037, 423-191-038, 423-191-39, 424-181-012, 424-181-014, 424-181-016, 424-181-018, 424-191-015, 424-191-016, 424-201-007, and 424-201-010 (Affects: Parcel Two); 424-181-013, 424-181-36, and 424-181-37

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Order Number: 4009-4000883
Page Number: 24

(Affects: Parcel Three); 424-181-015 (Affects: Parcel Four); 424-181-038 and 424-201-009
(Affects: Parcel Five); 424-181-034 (Affects: Parcel Six); 424-181-035 (Affects: Parcels Seven and
Eight); 424-201-011 (Affects Parcel 10); 424-211-001 (Affects Parcel 11); 424-211-004 (Affects
Parcel 12) and 424-211-025 (Affects Parcel 13)

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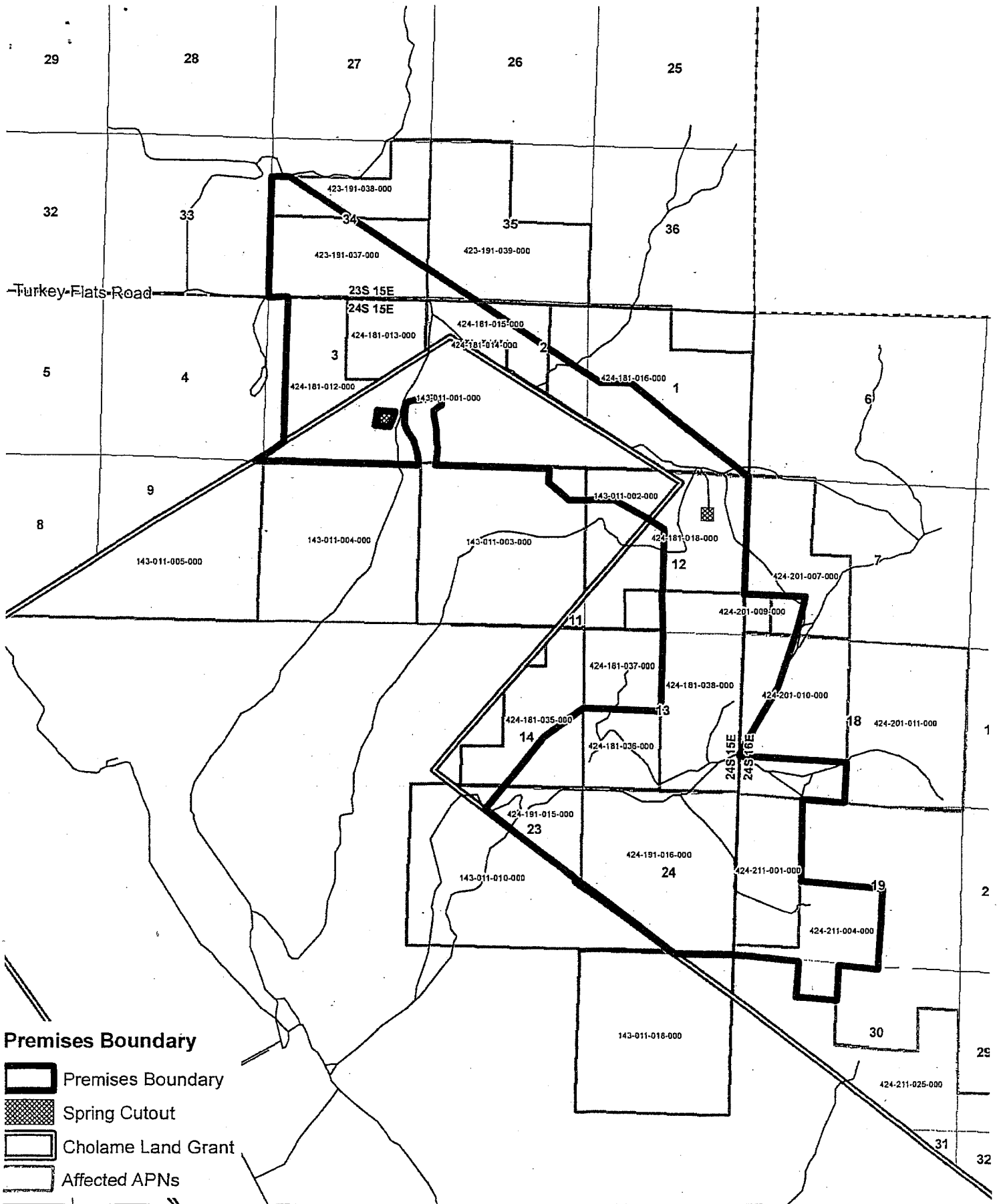
Exhibit A-2





Depiction of the Premises

[See Attached]

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[Exhibit A-2]



- Premises Boundary**
-  Premises Boundary
 -  Spring Cutout
 -  Cholame Land Grant
 -  Affected APNs

**California Flats
Depiction of the Premise**

0 0.5 1

Exhibit B-1

Legal Description of the Land containing the Access Easements

In San Luis Obispo County:

Beginning at State Highway #41 thence in a northerly direction continuing through portions of Sections 6, 7, 8, 17 and 18 in Township 25 South, Range 16 East Mount Diablo Base and Meridian, to the Southerly line of the County of Monterey.

In Monterey County:

From the San Luis Obispo County- Monterey County border line thence northerly through portions of Sections 18, 19, 29, 30, 31, and 19 in Township 24 South Range 16 East, and Sections 1, 2, 3, 11, 12, 13, 14, 23, 24, 34 and 35 of Township 24 South, Range 15 East of Mount Diablo Base and Meridian.

[Exhibit B-1]

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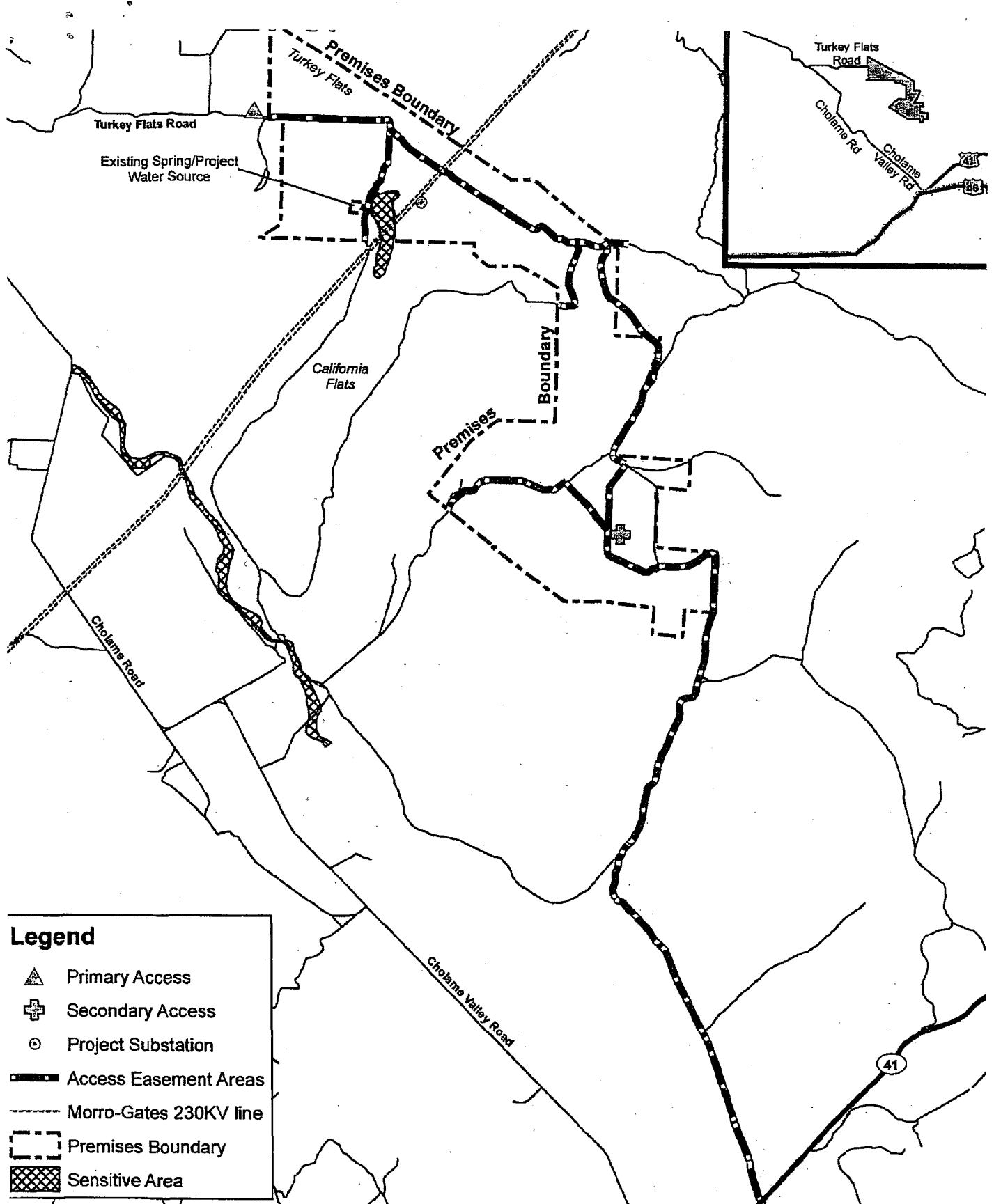
Exhibit B-2

Depiction of the Access Easements

[See Attached]

[Exhibit B-2]

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California Flats Sol

Depiction of Access Easement

Exhibit A-2 - modified for purposes of the men

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