LEASE SCHEDULE NO. 2006-1 (TAX-EXEMPT)

Dated as of June 2, 2006

This Lease Schedule No. 2006-1 (this "Schedule") relates to the Master Photovoltaic Equipment Lease-Purchase Agreement referenced below and, together with the terms and conditions of the Master Lease incorporated herein by reference, constitutes a Lease. Unless otherwise defined herein, capitalized terms will have the same meaning ascribed to them in the Master Lease. All terms and conditions of the Master Lease are incorporated herein by reference.

Master Photovoltaic Equipment Lease-Purchase Agreement dated as of June 2, 2006.

1. Equipment Description. As used in the Lease, "Equipment" means all of the photovoltaic equipment and related property described in the Payment Schedule attached to this Schedule and all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.

2. Rent Payments; Lease Term; Authorized Users. The Rent Payments to be paid by Lessee to Lessor, the Lease Commencement Date of this Lease, the Term of this Lease and the Authorized Users, their respective Fair Locations and certain other information are set forth on the Payment Schedule attached to this Schedule.

3. Essential Use. Lessee represents that (a) the use of the Equipment is essential to Lessee’s and the Authorized Users’ proper, efficient and economic functioning or to the services that Lessee and the Authorized Users provide to the general public, (b) the Equipment will be used by Lessee and the Authorized Users only for the purpose of performing their respective governmental or proprietary functions consistent with the permissible scope of their respective authority and will not be used in a trade or business of any person or entity other than an Authorized User, and (c) the useful life of the Equipment is not less than the stated full Term of this Lease. Lessee and the Authorized Users have determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future.

4. Re-Affirmation of the Master Lease Representations, Warranties and Covenants. Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Lease (particularly Section 16 thereof) are true and correct as though made on the date of execution of this Schedule.
Case 3:11-cv-03768-JSC Document 1-2 Filed 08/01/11 Page 3 of 48

CALIFORNIA FAIRS FINANCING AUTHORITY, as Lessee

By: [Signature]
Name: J. Marcus Baker
Title: Executive Officer

NATIONAL CITY COMMERCIAL CAPITAL CORPORATION, as Lessor

By: [Signature]
Name: Vincent D. Rinaldi
Title: Funding Authority

Counterpart No. 1 of 3 manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.
PAYMENT SCHEDULE NO. 2006-1

Attached to and made a part of that certain Lease Schedule No. 2006-1 dated as of June 2, 2006 by and between National City Commercial Capital Corporation, as lessor, and California Fairs Financing Authority, as lessee.

Lease Commencement Date: June 2, 2006

1. FAIR LOCATION & DESCRIPTION OF EQUIPMENT:
   See Exhibits A-I to A-10, inclusive, attached hereto and made a part hereof by this reference.

2. LEASE PAYMENT SCHEDULE:
   (a) Total Amount Financed: $13,419,635
   (b) Payment Schedule for Capital Appreciation Lease: In accordance with Section 6.3 of the Master Lease that is incorporated into the Lessee of which this Payment Schedule is a part, the Total Amount Financed shall bear interest from the Lease Commencement Date identified above at the stated interest rate of five and fifteen-hundredths percent (5.15%) per annum, which shall accrue and be allocable to each Fair Location described under Paragraph 3 below from the Lease Commencement Date to the Equipment Acceptance Date for each such Fair Location on the amount described under the column titled "INITIAL PROJECT COST" and be added to such INITIAL PROJECT COST for purposes of the Lease. Within five (5) days after each such Equipment Acceptance Date, Lessor shall prepare and deliver the amortization schedule for each such Fair Location as provided in Section 6.3 of such Master Lease, which amortization schedule Lessee hereby agrees to pay in the amounts and on the dates provided therein.

3. AUTHORIZED USERS: The following information with respect to each of the Authorized Users is full, true and correct:

<table>
<thead>
<tr>
<th>NAME</th>
<th>FAIR AND LOCATION</th>
<th>INITIAL PROJECT COST</th>
<th>SELF-GENERATION INCENTIVE PAYMENT</th>
<th>NET PROJECT COST</th>
<th>PERCENTAGE OF FINANCING COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>#15 DAA</td>
<td>Kern County, Bakersfield</td>
<td>$1,653,110</td>
<td>$854,412</td>
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<tr>
<td>#18 DAA</td>
<td>Eastern Sierra Tri-County</td>
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<td>97,202</td>
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<tr>
<td>#21 DAA</td>
<td>The Big Fresno, Fresno</td>
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<tr>
<td>#27 DAA</td>
<td>Shasta District, Anderson</td>
<td>819,804</td>
<td>423,059</td>
<td>396,765</td>
<td>6.11%</td>
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<tr>
<td>#30 DAA</td>
<td>Tehama District, Red Bluff</td>
<td>542,829</td>
<td>307,032</td>
<td>235,797</td>
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<tr>
<td>#37 DAA</td>
<td>Santa Maria, Santa Maria</td>
<td>1,085,657</td>
<td>614,064</td>
<td>471,593</td>
<td>8.09%</td>
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<tr>
<td>#49 DAA</td>
<td>Lake County, Lakeport</td>
<td>390,092</td>
<td>236,724</td>
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<td>#50 DAA</td>
<td>Antelope Valley, Lancaster</td>
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<td>1,332,843</td>
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<td>County of Marin</td>
<td>Marin County, San Rafael</td>
<td>929,692</td>
<td>614,064</td>
<td>315,628</td>
<td>6.93%</td>
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Exhibit "2"
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<tr>
<th>NAME</th>
<th>FAIR AND LOCATION</th>
<th>INITIAL PROJECT COST</th>
<th>SELF-GENERATION INCENTIVE PAYMENT</th>
<th>NET PROJECT COST</th>
<th>PERCENTAGE OF FINANCING COSTS</th>
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<tr>
<td><strong>TOTALS:</strong></td>
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<td>$13,419,635</td>
<td>$7,592,272</td>
<td>$5,827,363</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

**CALIFORNIA FAIRS FINANCING AUTHORITY, as Lessee**

By: [Signature]
Name: J. Thomas Baker
Title: EXECUTIVE OFFICER

**NATIONAL CITY COMMERCIAL CAPITAL CORPORATION, as Lessor**

By: [Signature]
Name: Vincent D. Rinaldi
Title: Funding Authority
EXHIBIT A-1
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR THE 15TH DAA

• Install 252 Kyocera KC158G photovoltaic modules on the Sheep Show Ring to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 2000 amp, 120/208 volt Grandstand switchboard.

• Install 360 Kyocera KC158G photovoltaic modules on the Arts and Crafts Building #4 to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 600 amp, 120/208 volt Bollthouse switchboard.

• Install 252 Kyocera KC158G photovoltaic modules on the Beef Barns to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 800 amp, 120/208 volt Beef Barn switchboard.

• Install 1,044 Kyocera KC158G photovoltaic modules on the Beef Barns to generate electricity. 792 modules will feed a Xantrex PV100S208, 100 kW inverter. 252 modules will feed a Xantrex PV30208, 30 kW inverter. Each inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switches will tie into Pacific Gas & Electric service at the 2000 amp, 120/208 volt SW Building #2 switchboard.

• Install 252 Kyocera KC158G photovoltaic modules on the Beef Barns to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 2000 amp, 120/208 volt SE Building #2 switchboard.

• Install 252 Kyocera KC158G photovoltaic modules on the Maintenance Buildings to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 400 amp, 120/208 volt Maintenance disconnect switch.
EXHIBIT A-2
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR THE 18TH DAA

- Install 224 Mitsubishi PV-MF170EB3 photovoltaic modules on the Grandstand to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Southern California Edison service at the 400 amp, 120/208 volt Grandstand switchboard.
EXHIBIT A-3
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR THE 21ST DAA

- Install 6,336 Kyocera KC158G photovoltaic modules on the Horse Barns to generate electricity. The modules will feed 8 Xantrex PV100S480, 100 kW inverters. Each inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switches will tie into a new 1200 amp switchboard. The switchboard will feed a 1000 KVA transformer which will tie into the Fairgrounds 12 kV distribution which will tie into Pacific Gas & Electric service at the 1200 amp, 12,000 volt Kings Canyon switchboard.
EXHIBIT A-4
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR THE 26TH DAA

• Install 360 Shell Solar Industries SQ165-PC photovoltaic modules on the Junior Barn to generate electricity. The modules will feed eight SMA America SB60004, 6 kW inverters. Each inverter will have a DC disconnect switch and AC circuit breaker. The AC circuit breakers will feed a 200 amp circuit breaker which will tie to a 50 kva transformer and the Fairgrounds 4.16 kV distribution system. The 4.16 kV distribution system ties into Pacific Gas & Electric service at the 600 amp, 4,160 volt Fairgrounds switchboard.
EXHIBIT A-5
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR THE 27TH DAA

- Install 630 Kaneka GSA211 photovoltaic modules on the Livestock Barns to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 400 amp, 120/208 volt Red Barn switchboard.

- Install 270 Kyocera KSI-167G photovoltaic modules on Fusaro Hall to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 1200 amp, 120/208 volt Building #2 switchboard.

- Install 432 Kyocera KSI-167G photovoltaic modules on the Grandstand to generate electricity. The modules will feed two Xantrex PV30208, 30 kW inverters. Each inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switches will tie into Pacific Gas & Electric service at the 1200 amp, 120/208 volt Grandstand switchboard.

- Install 486 Kyocera KSI-167G photovoltaic modules on the Livestock Barns to generate electricity. The modules will feed one Xantrex PV45208, 45 kW inverter and one Xantrex PV30208, 30 kW inverter. Each inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switches will tie into Pacific Gas & Electric service at the 1200 amp, 120/208 volt Livestock switchboard.
EXHIBIT A-6
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR THE 30TH DAA

- Install 792 Kyocera KC-158G photovoltaic modules on Beef Barns to generate electricity. The modules will feed a Xantrex PV100S208, 100 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 1200 AMP, 120/208 Fairgrounds switchboard.
EXHIBIT A-7
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR THE 37TH DAA

- Install 792 Kyocera KC-158G photovoltaic modules on the Roller Rink Building to generate electricity. The modules will feed a Xantrex PV100S208, 100 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 600 AMP, 277/480 Fairgrounds switchboard.

- Install 792 Kyocera KC-158G photovoltaic modules on Livestock Buildings to generate electricity. The modules will feed a Xantrex PV100S208, 100 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into the 1200 AMP, 120/208 switchboard S2. Switchboard S2 is fed by a 300 KWA transformer T2 which is fed by the Fairgrounds 4.16 kV distribution system. The Fairgrounds 4.16 kV distribution system ties into Pacific Gas & Electric at the 600 amp, 4,160 volt Carnival Area switchboard.
EXHIBIT A-8
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR THE 49TH DAA

- Install 195 ASE Americas, Inc. ASE-195 photovoltaic modules to generate electricity, 91 modules on the Grandstand and 104 on Fritch Hall. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 1600 AMP, 120/208 Grandstand switchboard.

- Install 242 ASE Americas, Inc. ASE-240 photovoltaic modules on Lewis Hall to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into service at the 1200 AMP, 120/208 Fritch Hall switchboard which ties into Pacific Gas & Electric service at the 1600 amp, 120/208 volt Exhibit Building switchboard.
EXHIBIT A-9
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR THE 50TH DAA

- Install 792 Kyocera KC158G photovoltaic modules on the Satellite Wagering Facility to generate electricity. The modules will feed a Xantrex PV100S298, 100 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Southern California Edison at the 1600 amp, 120/208 volt Satellite Wagering Facility switchboard.

- Install 792 Kyocera KC158G photovoltaic modules on the South Exhibit building to generate electricity. The modules will feed a Xantrex PV100S208, 100 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Southern California Edison at the 2000 amp, 120/208 volt South Concession Area switchboard.

- Install 792 Kyocera CK158G photovoltaic modules on the North Exhibit Building to generate electricity. The modules will feed a Xantrex PV100S208, 100 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Southern California Edison at the 2000 amp, 120/208 volt North Concession Area switchboard.

- Install 324 Kyocera KC158G photovoltaic modules on the North Exhibit Building to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Southern California Edison at the 2000 amp, 120/208 volt North Concession Area switchboard.

- Install 792 Kyocera KC158G photovoltaic modules on the Cattle & Sheep Barn to generate electricity. The modules will feed a Xantrex PV100S208, 100 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Southern California Edison at the 600 amp, 120/208 volt Cattle & Sheep Barn switchboard.

- Install 468 Kyocera KC158G photovoltaic modules on the Show Arena and Clock Tower to generate electricity. The modules feed two Xantrex PV30208, 30 kW inverters. Each inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switches will tie into Southern California Edison at the 600 amp, 120/208 volt Show Arena switchboard.

- Install 468 Kyocera KC158G photovoltaic modules on the Swine Barn to generate electricity. The modules will feed two Xantrex PV30208, 30 kW inverters. Each inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switches will tie into Southern California Edison at the 400 amp, 120/208 volt Swine Barn switchboard.

- Install 324 Kyocera KC158G photovoltaic modules on the Maintenance Building to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Southern California Edison at the 400 amp, 120/208 volt Maintenance Building switchboard.
EXHIBIT A-10
(TO PAYMENT SCHEDULE NO. 2006-1)

DESCRIPTION OF THE PROJECT FOR MARIN COUNTY

- Install 1,584 Kyocera KC-158G photovoltaic modules on the Exhibition Building to generate electricity. The modules will feed two Xantrex PV100S480, 100 kW inverters. Each inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switches will tie into Pacific Gas & Electric service at the 1200 AMP, 277/480 volt Exhibit Building switchboard.
PHOTOVOLTAIC EQUIPMENT USE AGREEMENT

This PHOTOVOLTAIC EQUIPMENT USE AGREEMENT (this "Use Agreement") is entered into as of July 2, 2006, by and between the CALIFORNIA FAIRS FINANCING AUTHORITY, a joint powers authority and separate public entity of the State of California (the "Authority"), and the 49TH DISTRICT AGRICULTURAL ASSOCIATION, a state institution of the State of California (the "Fair Entity").

WHEREAS, the Authority is acquiring and financing the photovoltaic equipment and related property described in Exhibit 1 attached hereto (the "Equipment") from National City Commercial Capital Corporation, as lessor (the "Lessor"), under that certain Master Photovoltaic Equipment Lease-Purchase Agreement dated as of June 2, 2006, and Lease Schedule No. 2006-1 thereto dated as of June 2, 2006 and incorporating the terms and conditions thereof (collectively, the "Financing Lease"), between the Lessor and the Authority, as lessee, a copy of which has been made available to the Fair Entity; and

WHEREAS, the Fair Entity would like to use the Equipment and have the Authority install the Equipment at various locations on the Fair Entity's fairgrounds (the "Fairgrounds"), and the Authority is willing to install the Equipment for the Fair Entity on the Fairgrounds for purposes of this Use Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and the Fair Entity hereby agree as follows:

Section 1. Use of the Equipment; Subordination. (a) The Authority hereby licenses to the Fair Entity the use of the Equipment on the Fairgrounds for the Term hereafter provided.

(b) This Use Agreement and the Fair Entity’s rights hereunder shall at all times be subject and subordinate to the Financing Lease, without the need for any further act or agreement by the Fair Entity.

(c) In connection with the financing of the Equipment, the Authority has pledged to the Lessor as security for payment and performance of the Authority’s obligations under the Financing Lease all of the Authority’s rights and interests under this Use Agreement, including the right to receive the user fees, late charges and other amounts payable hereunder, and the self-generation incentive payments to be paid with respect to the Equipment to be used hereunder, to which pledge and security the Fair Entity hereby agrees and consents. To secure payment of its user fees to the Authority, the Fair Entity hereby grants a first priority security interest to the Authority in and to the self-generation incentive payments that are payable with respect to the Equipment to be used hereunder and consents to the pledge and security interest granted by the Authority in and to such self-generation incentive payments to the Lessor as security for the payments under the Financing Lease.

(d) The Fair Entity hereby acknowledges that the Equipment to be installed on the Fairgrounds is subject to a first priority security interest granted by the Authority in favor of the
Lessor. The Fair Entity hereby waives any right or interest in the Equipment other than its rights to use and enjoy the Equipment in accordance with the terms of this Use Agreement for the Term hereof.

Section 2. Installation of the Equipment. The Authority shall install the Equipment at the locations on the Fairground described in Exhibit 1 attached hereto.

Section 3. Term. The term of this Use Agreement (the "Term") shall commence as of the date first above written and end on the date on which the Financing Lease terminates in accordance with Section 3 thereof.

Section 4. User Fees; Late Charges; Other Payments. (a) The Fair Entity shall pay to the Authority an amount equal to $317,266.05 (representing the Authority's cost to acquire and install the Equipment, including any reimbursed amounts, to be used under this Use Agreement) plus interest accruing thereon from the Lease Commencement Date under the Financing Lease at the rate of five and fifteen hundredths percent (5.16%) per annum, which amount shall be payable in installments commencing on the first day of the first month after the date on which the Equipment subject to this Use Agreement has been accepted by the Authority for purposes of the Financing Lease (the "Equipment Acceptance Date"). Such installments shall be payable in such amounts and on such dates as are provided in the amortization schedule that is required to be prepared and delivered pursuant to the Financing Lease within five (5) days after the Equipment Acceptance Date. The amortization schedule so provided by the Authority shall be conclusive and binding on the Fair Entity (absent manifest error).

(b) So long as the Fair Entity has the right to beneficial use and enjoyment of the Equipment, the obligations of the Fair Entity to pay user fees, late charges and other amounts under this Use Agreement, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional under any and all circumstances subject to the terms and conditions of this Use Agreement and without notice or demand by the Authority or the Lessor, notwithstanding any dispute between the Authority and the Fair Entity or any other person. The Fair Entity shall not assert any right of set-off, counterclaim or abatement against its obligation to pay user fees under this Use Agreement except as expressly provided in the next succeeding paragraph.

(c) If there is substantial interference with or loss of the Fair Entity’s beneficial use or enjoyment of the Equipment under this Use Agreement, user fees, late charges and other amounts due hereunder shall be abated in the same proportion that the portion of such Equipment is unavailable for the Fair Entity’s beneficial use or enjoyment bears to the entire Equipment subject to this Use Agreement. The Fair Entity hereby waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all right to terminate this Use Agreement by virtue of any such interference, and this Use Agreement shall continue in full force and effect. The Fair Entity shall notify the Authority in writing of any threat to its use or enjoyment of the Equipment within 10 days after it learns of such threat. The obligation to pay full user fees, late charges and other amounts due hereunder shall recommence as of the date the Fair Entity has regained beneficial use and enjoyment of the Equipment, and the provisions of this Use Agreement, including (without limitation) dates on which user fees are due, shall be
extended for a period equal to the period the obligation to make user fees, late charges and other amounts due was abated under this Use Agreement.

(d) The Fair Entity shall be entitled to prepay user fees, in whole or in part, to the same extent and on the same conditions as the Authority is entitled to prepay Rent Payments in accordance with the Financing Lease.

(e) The Fair Entity shall pay a late charge to the Authority equal to five percent (5%) of the monthly installment for any monthly installment that is paid more than ten days after its due date.

(f) The Fair Entity hereby covenants to take such action as is necessary under the laws applicable to the Fair Entity to budget for and include and maintain funds sufficient and available to discharge its obligation to pay user fees, late charges and other amounts due under this Use Agreement in each of its fiscal years during the Term hereof. The covenants on the part of the Fair Entity herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the duty of each and every public official of the Fair Entity to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the Fair Entity to carry out and perform the covenants and agreements in this Use Agreement to be carried out and performed by the Fair Entity.

(g) The user fees, late charges and other amounts that are due and payable under this Use Agreement for each fiscal year of the Fair Entity during the Term hereof shall constitute the total fees and charges for such fiscal year and shall be paid by the Fair Entity for and in consideration of the right to use and enjoy the Equipment during each such fiscal year for which said user fees are to be paid.

(h) The Fair Entity hereby agrees to pay its pro rata share, based on its percentage of financing costs relating to the Equipment as a portion of all photovoltaic equipment financed by the Authority under the Financing Lease, to assure that amounts are available to the Authority at any time to pay or prepay Rent Payments when due in accordance with the terms of the Financing Lease. The Authority’s determination of the Fair Entity’s percentage of financing costs and the amount to be paid by the Fair Entity pursuant to this subsection shall be conclusive against the Authority and the Fair Entity (absent manifest error).

(i) The Fair Entity hereby expressly acknowledges and agrees that its obligation to pay user fees, late charges and other amounts payable hereunder is, and shall be construed to be, absolute and unconditional as herein provided regardless of whether any self-generation incentive payments with respect to the Equipment are in fact paid by Pacific Gas and Electric Company or Southern California Edison Company (as the case may be). Any shortfall in the amount of any such self-generation incentive payments shall not reduce the Fair Entity’s obligation to pay user fees, late charges or any other amounts under this Use Agreement.

Section 5. Title to the Equipment. Title to the Equipment shall be and remain at all times in the Authority during the Term of this Use Agreement. Nothing in this Use Agreement shall vest in the Fair Entity any right or title in or to the Equipment other than the right to use and
enjoy the Equipment on the terms and conditions provided in this Use Agreement for the Term hereof.

Section 6. Use and Maintenance of Equipment. The Fair Entity shall use the Equipment for the production of energy. The Fair Entity shall not sublet or lend any Equipment or permit it to be used by anyone other than the Fair Entity and its employees. The Fair Entity shall keep the Equipment in good condition and repair.

Section 7. Risk of Loss. The Authority retains all risks of loss or damage to the Equipment from any cause whatsoever as provided in the Financing Lease; provided, however, that the Fair Entity shall also obtain and maintain, at its expense, such property damage and public liability insurance as the Authority shall require and the Fair Entity customarily maintains with respect to the Fairgrounds and improvements thereon, including the Equipment subject to this Use Agreement. The proceeds of the insurance relating to the Equipment shall be used by the Authority to either replace the Equipment or prepay its Rent Payments under the Financing Lease, which shall be applied as a credit against the user fees that the Fair Entity is to pay under this Use Agreement. The Fair Entity shall not be relieved of its obligations to user fees under this Use Agreement because of inadequate insurance coverage or proceeds to completely pay for loss of or damage to the Equipment.

Section 8. Access to Equipment. The Authority shall have access to the Fairgrounds for the purpose of installing, inspecting, maintaining, repairing, modifying, improving or removing the Equipment. The Lessor shall have access to the Fairgrounds for the purpose of de-installing and repossessing the Equipment and otherwise exercising its remedies with respect to the Equipment upon the occurrence of an Event of Default under the Financing Lease or hereunder.

Section 9. Taxes. The Fair Entity shall be responsible for all property taxes associated with the Equipment.

Section 10. Assignment and Subletting. The Fair Entity may not assign or transfer this Use Agreement, the Equipment or any rights to the Equipment without the prior written consent of the Authority and the Lessor.

Section 11. Events of Default; Remedies. (a) The occurrence of any one or more of the following events shall constitute an “Event of Default” under this Use Agreement: (i) the Fair Entity fails to pay user fees (or any other payment) as it becomes due in accordance with the terms of this Use Agreement and any such failure continues for ten (10) days after the due date thereof; (ii) the Fair Entity fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Use Agreement and such failure is not cured within thirty (30) days after receipt of written notice thereof by the Authority or the Lessor; or (iii) the Fair Entity applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of the Fair Entity or of all or a substantial part of its assets, or a petition for relief is filed by or against the Fair Entity under any federal or state bankruptcy, insolvency, moratorium or similar law.

Exhibit "3"
(b) Upon the occurrence of an Event of Default under this Use Agreement, the Authority or the Lessor (as the Authority's assignee for this purpose) shall have the right, at its sole option and without any further demand or notice, to take any one or more remedial steps as may be customary for similar obligations as this Use Agreement and as are otherwise provided or permitted by law.

Section 12. Attorney's Fees. If any controversy, claim or dispute arises relating to this Use Agreement, the prevailing party shall recover its expenses, costs and reasonable attorneys' fees from the losing party, in addition to any other relief to which that party may be entitled.

Section 13. Entire Agreement. This Use Agreement supersedes all prior and contemporaneous agreements, representations and understanding of the parties with respect to the subject matter hereof.

Section 14. Amendment. No supplement, modification or amendment of this Use Agreement shall be binding unless executed in writing by both parties and consented to by the Lessor.

Section 15. Waiver. No waiver of any of the provisions of this Use Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

Executed as of the date first set forth above.

CALIFORNIA FAIRS FINANCING AUTHORITY

By: 
J. Thomas Baker
Executive Officer
1776 Tribute Road, Suite 220
Sacramento, California 95815

49TH DISTRICT AGRICULTURAL ASSOCIATION

By:  
Richard Pershing
Name: Chief Executive Officer
Title:  

ATTEST:

By:  
William Koegel
Name: President of Board
Title:  

Exhibit "3"
EXHIBIT 1

DESCRIPTION OF THE PROJECT FOR THE 49TH DAA

- Install 195 ASE Americas, Inc. ASE-195 photovoltaic modules to generate electricity, 91 modules on the Grandstand and 104 on Fritch Hall. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 1600 AMP, 120/208 Grandstand switchboard.

- Install 242 ASE Americas, Inc. ASE-240 photovoltaic modules on Lewis Hall to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into service at the 1200 AMP, 120/208 Fritch Hall switchboard which ties into Pacific Gas & Electric service at the 1600 amp, 120/208 volt Exhibit Building switchboard.
LEASE SCHEDULE NO. 2006-2

(TAXABLE 501(c)(3) NON-PROFIT)

Dated as of June 2, 2006

This Lease Schedule No. 2006-2 (this “Schedule”) relates to the Master Photovoltaic Equipment Lease-Purchase Agreement referenced below and, together with the terms and conditions of the Master Lease incorporated herein by reference, constitutes a Lease. Unless otherwise defined herein, capitalized terms will have the same meaning ascribed to them in the Master Lease. All terms and conditions of the Master Lease are incorporated herein by reference.

Master Photovoltaic Equipment Lease-Purchase Agreement dated as of June 2, 2006.

1. Equipment Description. As used in the Lease, “Equipment” means all of the photovoltaic equipment and related property described in the Payment Schedule attached to this Schedule and all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.

2. Rent Payments; Lease Term; Authorized Users. The Rent Payments to be paid by Lessee to Lessor, the Lease Commencement Date of this Lease, the Term of this Lease and the Authorized Users, their respective Fair Locations and certain other information are set forth on the Payment Schedule attached to this Schedule.

3. Essential Use. Lessee represents that (a) the use of the Equipment is essential to Lessee’s and the Authorized Users’ proper, efficient and economic functioning or to the services that Lessee and the Authorized Users provide to the general public, (b) the Equipment will be used by Lessee and the Authorized Users only for the purpose of performing their respective governmental or proprietary functions consistent with the permissible scope of their respective authority and will not be used in a trade or business of any person or entity other than an Authorized User, and (c) the useful life of the Equipment is not less than the stated full Term of this Lease. Lessee and the Authorized Users have determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future.

4. Re-Affirmation of the Master Lease Representations, Warranties and Covenants. Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Lease (particularly Section 16 thereof) are true and correct as though made on the date of execution of this Schedule.
CALIFORNIA FAIRS FINANCING AUTHORITY,  
as Lessee

By:  G. Thomas Baker  
Name:  J. Thomas Baker  
Title:  Executive Officer

NATIONAL CITY COMMERCIAL CAPITAL CORPORATION, as Lessor

By:  [Signature]  
Name:  Vincent D. Rinaldi  
Title:  Funding Authority

Counterpart No. 1 of 3 manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.
PAYMENT SCHEDULE A-1

Attached to and made a part of that certain Lease Schedule No. 2006-2 dated as of June 2, 2006 by and between National City Commercial Capital Corporation, as lessor, and California Fairs Financing Authority, as lessee.

Lease Commencement Date: June 2, 2006

1. **FAIR LOCATION & DESCRIPTION OF EQUIPMENT:**
   See Exhibits A-1 and A-2 attached hereto and made a part hereof by this reference.

2. **LEASE PAYMENT SCHEDULE:**
   (a) **Total Amount Financed:** $4,383,582
   (b) **Payment Schedule for Capital Appreciation Lease:** In accordance with Section 6.3 of the Master Lease that is incorporated into the Lease of which this Payment Schedule is a part, the Total Amount Financed shall bear interest from the Lease Commencement Date identified above at the stated interest rate of seven and two thousand eight hundred seventy-eight thousandths percent (7.2878%) per annum, which shall accrue and be allocable to each Fair Location described under Paragraph 3 below from the Lease Commencement Date to the Equipment Acceptance Date for each such Fair Location on the amount described under the column titled "INITIAL PROJECT COST" and be added to such INITIAL PROJECT COST for purposes of the Lease. Within five (5) days after each such Equipment Acceptance Date, Lessor shall prepare and deliver the amortization schedule for each such Fair Location as provided in Section 6.3 of such Master Lease, which amortization schedule Lessee hereby agrees to pay in the amounts and on the dates provided therein.

3. **AUTHORIZED USERS:** The following information with respect to each of the Authorized Users is full, true and correct:

<table>
<thead>
<tr>
<th>NAME</th>
<th>FAIR AND LOCATION</th>
<th>INITIAL PROJECT COST</th>
<th>SELF-GENERATION INCENTIVE PAYMENT</th>
<th>NET PROJECT COST</th>
<th>PERCENTAGE OF FINANCING COSTS</th>
</tr>
</thead>
<tbody>
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<td><strong>TOTALS:</strong></td>
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<td><strong>$2,655,619</strong></td>
<td><strong>$1,727,963</strong></td>
<td></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Exhibits: "A"
CALIFORNIA FAIRS FINANCING AUTHORITY, as Lessee

By: [Signature]
Name: [Name]
Title: [Title]

NATIONAL CITY COMMERCIAL CAPITAL CORPORATION, as Lessor

By: [Signature]
Name: [Name]
Title: [Title]

Exhibit "4"
EXHIBIT A-1
(TO PAYMENT SCHEDULE NO. 2006-2)

DESCRIPTION OF THE PROJECT FOR THE EL DORADO COUNTY FAIR ASSOCIATION, INC.

- Install 792 Kyocera KC-158G photovoltaic modules on the Livestock Barn to generate electricity. The modules will feed a Xantrex PV100S208, 100 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into the 800 amp, 120/208 volt Livestock switchboard which is fed by a 225 KVA transformer, fed by the Fair’s 4.16 kV distribution system. The Fairgrounds distribution ties into Pacific Gas & Electric service at the 600 amp, 4,160 volt Main switchboard.

- Install 360 Kyocera KC-158G photovoltaic modules on the Livestock Barns to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 400 AMP, 120/208 School switchboard.
EXHIBIT A-2
(TO PAYMENT SCHEDULE NO. 2006-2)

DESCRIPTION OF THE PROJECT FOR SONOMA COUNTY FAIR & EXPOSITION, INC.

- Install 1,548 Kaneka GSA 211 photovoltaic modules on the Grandstand to generate electricity. 936 modules will feed a Xantrex PV45208, 45 kW inverter. 612 modules will feed a Xantrex PV30208, 30 kW inverter. Each inverter will have an isolation transfer and 1 DC disconnect switch. Both inverters will feed into 1 AC disconnect switch which will tie into Pacific Gas & Electric service at the 1200 amp, 120/208 volt Grandstand switchboard.

- Install 224 Mitsubishi PV-MF170EB3 photovoltaic modules on the Cattle & Sheep Barn to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC Disconnect switch will tie into Pacific Gas & Electric service at the 1000 amp, 120/208 volt Cattle & Sheep Barn switchboard.

- Install 1,554 Sharp ND-167 photovoltaic modules on the Cattle & Sheep Barn to generate electricity. The modules will feed two Xantrex PV100S480, 100 kW inverters. Each inverter will have an isolation transformer and 1 DC disconnect switch. Both inverters will feed into 1 AC disconnect switch which will tie into Pacific Gas & Electric service at the 1000 amp, 277/480 volt Satellite Wagering Facility switchboard.

- Install 224 Mitsubishi PV-MF170EB3 photovoltaic modules on the Grandstand to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC Disconnect switch will tie into Pacific Gas & Electric service at the 400 amp, 120/208 volt Concession switchboard.

- Install 224 Mitsubishi PV-MF170EB3 photovoltaic modules on the Grandstand to generate electricity. The modules will feed six PV Powered LLC PVP-5200, 5.2 kW inverters. Each inverter will have a DC disconnect switch and AC circuit breaker. The AC circuit breakers will feed a 200 amp circuit breaker which will tie into Pacific Gas & Electric service at the 400 amp, 120/240 volt Restaurant switchboard.

- Install 360 Kyocera KC158G photovoltaic modules on the Maintenance Building to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC Disconnect switch will tie into Pacific Gas & Electric service at the 800 amp, 120/208 volt Fairground switchboard.

- Install 1,584 Kyocera KC158G photovoltaic modules on the Grandstand to generate electricity. The modules will feed two Xantrex PV100S208, 100 kW inverters. Each inverter will have an isolation transformer and 1 DC disconnect switch. Both inverters will feed into 1 AC disconnect switch which will tie into Pacific Gas & Electric service at the 2000 amp, 120/208 volt Exhibit Building switchboard.

- Install 360 Kyocera KC158G photovoltaic modules on the Grandstand to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC Disconnect switch will tie into Pacific Gas & Electric service at the 400 amp, 120/208 volt Administration switchboard.
PHOTOVOLTAIC EQUIPMENT USE AGREEMENT

This PHOTOVOLTAIC EQUIPMENT USE AGREEMENT (this "Use Agreement") is entered into as of Sept. 19, 2006, by and between the CALIFORNIA FAIRS FINANCING AUTHORITY, a joint powers authority and separate public entity of the State of California (the "Authority"), and SONOMA COUNTY FAIR AND EXPOSITION, INC., a nonprofit corporation duly organized and existing under the laws of the State of California (the "Fair Entity").

WHEREAS, the Authority is acquiring and financing the photovoltaic equipment and related property described in Exhibit I attached hereto (the "Equipment") from National City Commercial Capital Corporation, as lessor (the "Lessor"), under that certain Master Photovoltaic Equipment Lease-Purchase Agreement dated as of June 2, 2006, and Lease Schedule No. 2006-2 thereto dated as of June 2, 2006 and incorporating the terms and conditions thereof (collectively, the "Financing Lease"), between the Lessor and the Authority, as lessee, a copy of which has been made available to the Fair Entity; and

WHEREAS, the Fair Entity would like to use the Equipment and have the Authority install the Equipment at various locations on the Fair Entity's fairgrounds (the "Fairgrounds"), and the Authority is willing to install the Equipment for the Fair Entity on the Fairgrounds for purposes of this Use Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and the Fair Entity hereby agree as follows:

Section 1. Use of the Equipment; Subordination. (a) The Authority hereby licenses to the Fair Entity the use of the Equipment on the Fairgrounds for the Term hereafter provided.

(b) This Use Agreement and the Fair Entity's rights hereunder shall at all times be subject and subordinate to the Financing Lease, without the need for any further act or agreement by the Fair Entity.

(c) In connection with the financing of the Equipment, the Authority has pledged to the Lessor as security for payment and performance of the Authority's obligations under the Financing Lease all of the Authority's rights and interests under this Use Agreement, including the right to receive the user fees, late charges and other amounts payable hereunder, and the self-generation incentive payments to be paid with respect to the Equipment to be used hereunder, to which pledge and security the Fair Entity hereby agrees and consents. To secure payment of its user fees to the Authority, the Fair Entity hereby grants a first priority security interest to the Authority in and to the self-generation incentive payments that are payable with respect to the Equipment to be used hereunder and consents to the pledge and security interest granted by the Authority in and to such self-generation incentive payments to the Lessor as security for the payments under the Financing Lease.

(d) The Fair Entity hereby acknowledges that the Equipment to be installed on the Fairgrounds is subject to a first priority security interest granted by the Authority in favor of the
Lessor. The Fair Entity hereby waives any right or interest in the Equipment other than its rights to use and enjoy the Equipment in accordance with the terms of this Use Agreement for the Term hereof.

Section 2. Installation of the Equipment. The Authority shall install the Equipment at the locations on the Fairground described in Exhibit 1 attached hereto.

Section 3. Term. The term of this Use Agreement (the “Term”) shall commence as of the date first above written and end on the date on which the Financing Lease terminates in accordance with Section 3 thereof.

Section 4. User Fees; Late Charges; Other Payments. (a) The Fair Entity shall pay to the Authority an amount equal to $3,170,769.47 (representing the Authority’s cost to acquire and install the Equipment, including any reimbursed amounts, to be used under this Use Agreement) plus interest accruing thereon from the Lease Commencement Date under the Financing Lease at the rate of 7.2878% per annum, which amount shall be payable in installments commencing on the first day of the first month after the date on which the Equipment subject to this Use Agreement has been accepted by the Authority for purposes of the Financing Lease (the “Equipment Acceptance Date”). Such installments shall be payable in such amounts and on such dates as are provided in the amortization schedule that is required to be prepared and delivered pursuant to the Financing Lease within five (5) days after the Equipment Acceptance Date. The amortization schedule so provided by the Authority shall be conclusive and binding on the Fair Entity (absent manifest error).

(b) The obligations of the Fair Entity to pay user fees, late charges and other amounts under this Use Agreement, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional under any and all circumstances subject to the terms and conditions of this Use Agreement and without notice or demand by the Authority or the Lessor, notwithstanding any dispute between the Authority and the Fair Entity or any other person. The Fair Entity shall not assert any right of set-off, counterclaim or abatement against its obligation to pay user fees under this Use Agreement.

(c) The Fair Entity shall be entitled to prepay user fees, in whole or in part, to the same extent and on the same conditions as the Authority is entitled to prepay Rent Payments in accordance with the Financing Lease.

(d) The Fair Entity shall pay a late charge to the Authority equal to five percent (5%) of the monthly installment for any monthly installment that is paid more than ten days after its due date.

(e) The Fair Entity hereby agrees to pay its pro rata share, based on its percentage of financing costs relating to the Equipment as a portion of all photovoltaic equipment financed by the Authority under the Financing Lease (which percentage of financing costs equals 82.02%), to assure that amounts are available to the Authority at any time to pay or prepay Rent Payments when due in accordance with the terms of the Financing Lease. The Authority’s determination of the Fair Entity’s percentage of financing costs and the amount to be paid by the Fair Entity.
pursuant to this subsection shall be conclusive against the Authority and the Fair Entity (absent manifest error).

(f) The Fair Entity hereby expressly acknowledges and agrees that its obligation to pay user fees, late charges and other amounts payable hereunder is, and shall be construed to be, absolute and unconditional as herein provided regardless of whether any self-generation incentive payments with respect to the Equipment are in fact paid by Pacific Gas and Electric Company or Southern California Edison Company (as the case may be). Any shortfall in the amount of any such self-generation incentive payments shall not reduce the Fair Entity's obligation to pay user fees, late charges or any other amounts under this Use Agreement.

Section 5. Title to the Equipment. Title to the Equipment shall be and remain at all times in the Authority during the Term of this Use Agreement. Nothing in this Use Agreement shall vest in the Fair Entity any right or title in or to the Equipment other than the right to use and enjoy the Equipment on the terms and conditions provided in this Use Agreement for the Term hereof.

Section 6. Use and Maintenance of Equipment. The Fair Entity shall use the Equipment for the production of energy. The Fair Entity shall not sublet or lend any Equipment or permit it to be used by anyone other than the Fair Entity and its employees. The Fair Entity shall keep the Equipment in good condition and repair.

Section 7. Risk of Loss. The Authority retains all risks of loss or damage to the Equipment from any cause whatsoever as provided in the Financing Lease; provided, however, that the Fair Entity shall also obtain and maintain, at its expense, such property damage and public liability insurance as the Authority shall require and the Fair Entity customarily maintains with respect to the Fairgrounds and improvements thereon, including the Equipment subject to this Use Agreement. The proceeds of the insurance relating to the Equipment shall be used by the Authority to either replace the Equipment or prepay its Rent Payments under the Financing Lease, which shall be applied as a credit against the user fees that the Fair Entity is to pay under this Use Agreement. The Fair Entity shall not be relieved of its obligations to user fees under this Use Agreement because of inadequate insurance coverage or proceeds to completely pay for loss of or damage to the Equipment.

Section 8. Access to Equipment. The Authority shall have access to the Fairgrounds for the purpose of installing, inspecting, maintaining, repairing, modifying, improving or removing the Equipment. The Lessor shall have access to the Fairgrounds for the purpose of de-installing and repossessing the Equipment and otherwise exercising its remedies with respect to the Equipment upon the occurrence of an Event of Default under the Financing Lease or hereunder.

Section 9. Taxes. The Fair Entity shall be responsible for all property taxes associated with the Equipment.
Section 10. Assignment and Subletting. The Fair Entity may not assign or transfer this Use Agreement, the Equipment or any rights to the Equipment without the prior written consent of the Authority and the Lessor.

Section 11. Events of Default; Remedies. (a) The occurrence of any one or more of the following events shall constitute an “Event of Default” under this Use Agreement: (i) the Fair Entity fails to pay user fees (or any other payment) as it becomes due in accordance with the terms of this Use Agreement and any such failure continues for ten (10) days after the due date thereof; (ii) the Fair Entity fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Use Agreement and such failure is not cured within thirty (30) days after receipt of written notice thereof by the Authority or the Lessor; or (iii) the Fair Entity applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of the Fair Entity or of all or a substantial part of its assets, or a petition for relief is filed by or against the Fair Entity under any federal or state bankruptcy, insolvency, moratorium or similar law.

(b) Upon the occurrence of an Event of Default under this Use Agreement, the Authority or the Lessor (as the Authority’s assignee for this purpose) shall have the right, at its sole option and without any further demand or notice, to take any one or more remedial steps as may be customary for similar obligations as this Use Agreement and as are otherwise provided or permitted by law.

Section 12. Attorney’s Fees. If any controversy, claim or dispute arises relating to this Use Agreement, the prevailing party shall recover its expenses, costs and reasonable attorneys’ fees from the losing party, in addition to any other relief to which that party may be entitled.

Section 13. Entire Agreement. This Use Agreement supersedes all prior and contemporaneous agreements, representations and understandings of the parties with respect to the subject matter hereof.

Section 14. Amendment. No supplement, modification or amendment of this Use Agreement shall be binding unless executed in writing by both parties and consented to by the Lessor.

Section 15. Waiver. No waiver of any of the provisions of this Use Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
Executed as of the date first set forth above.

CALIFORNIA FAIRS FINANCING AUTHORITY

By: [Signature]
J. Thomas Baker
Executive Officer
1776 Tribute Road, Suite 220
Sacramento, California 95815

SONOMA COUNTY FAIR AND EXPOSITION, INC.

By: [Signature]
Carol J. Oakley
Title: CEO

ATTEST:

By: [Signature]
Bev Palm
Title: Secretary
EXHIBIT 1

DESCRIPTION OF THE PROJECT FOR SONOMA COUNTY FAIR & EXPOSITION, INC.

- Install 1,548 Kaneka GSA 211 photovoltaic modules on the Grandstand to generate electricity. 936 modules will feed a Xantrex PV45208, 45 kW inverter. 612 modules will feed a Xantrex PV30208, 30 kW inverter. Each inverter will have an isolation transfer and 1 DC disconnect switch. Both inverters will feed into 1 AC disconnect switch which will tie into Pacific Gas & Electric service at the 1200 amp, 120/208 volt Grandstand switchboard.

- Install 224 Mitsubishi PV-MF170EB3 photovoltaic modules on the Cattle & Sheep Barn to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC Disconnect switch will tie into Pacific Gas & Electric service at the 1000 amp, 120/208 volt Cattle & Sheep Barn switchboard.

- Install 1,554 Sharp ND-167 photovoltaic modules on the Cattle & Sheep Barn to generate electricity. The modules will feed two Xantrex PV100S480, 100 kW inverters. Each inverter will have an isolation transformer and 1 DC disconnect switch. Both inverters will feed into 1 AC disconnect switch which will tie into Pacific Gas & Electric service at the 1000 amp, 277/480 volt Satellite Wagening Facility switchboard.

- Install 224 Mitsubishi PV-MF170EB3 photovoltaic modules on the Grandstand to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC Disconnect switch will tie into Pacific Gas & Electric service at the 400 amp, 120/208 volt Concession switchboard.

- Install 224 Mitsubishi PV-MF170EB3 photovoltaic modules on the Grandstand to generate electricity. The modules will feed six PV Powered LLC PVP-5200, 5.2 kW inverters. Each inverter will have a DC disconnect switch and AC circuit breaker. The AC circuit breakers will feed a 200 amp circuit breaker which will tie into Pacific Gas & Electric service at the 400 amp, 120/240 volt Restaurant switchboard.

- Install 360 Kyocera KC158G photovoltaic modules on the Maintenance Building to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC Disconnect switch will tie into Pacific Gas & Electric service at the 800 amp, 120/208 volt Fairground switchboard.

- Install 1,584 Kyocera KC158G photovoltaic modules on the Grandstand to generate electricity. The modules will feed two Xantrex PV100S208, 100 kW inverters. Each inverter will have an isolation transformer and 1 DC disconnect switch. Both inverters will feed into 1 AC disconnect switch which will tie into Pacific Gas & Electric service at the 2000 amp, 120/208 volt Exhibit Building switchboard.

Exhibit "5"

78
- Install 360 Kyocera KC158G photovoltaic modules on the Grandstand to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC Disconnect switch will tie into Pacific Gas & Electric service at the 400 amp, 120/208 volt Administration switchboard.
LEASE SCHEDULE NO. 2006-3

(TAXABLE OTHER NON-PROFIT)

Dated as of June 2, 2006

This Lease Schedule No. 2006-3 (this “Schedule”) relates to the Master Photovoltaic Equipment Lease-Purchase Agreement referenced below and, together with the terms and conditions of the Master Lease incorporated herein by reference, constitutes a Lease. Unless otherwise defined herein, capitalized terms will have the same meaning ascribed to them in the Master Lease. All terms and conditions of the Master Lease are incorporated herein by reference.

Master Photovoltaic Equipment Lease-Purchase Agreement dated as of June 2, 2006.

1. Equipment Description. As used in the Lease, “Equipment” means all of the photovoltaic equipment and related property described in the Payment Schedule attached to this Schedule and all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.

2. Rent Payments; Lease Term; Authorized Users. The Rent Payments to be paid by Lessee to Lessor, the Lease Commencement Date of this Lease, the Term of this Lease and the Authorized Users, their respective Fair Locations and certain other information are set forth on the Payment Schedule attached to this Schedule.

3. Essential Use. Lessee represents that (a) the use of the Equipment is essential to Lessee’s and the Authorized Users proper, efficient and economic functioning or to the services that Lessee and the Authorized Users provide to the general public, (b) the Equipment will be used by Lessee and the Authorized Users only for the purpose of performing their respective governmental or proprietary functions consistent with the permissible scope of their respective authority and will not be used in a trade or business of any person or entity other than an Authorized User, and (c) the useful life of the Equipment is not less than the stated full Term of this Lease. Lessee and the Authorized Users have determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future.

4. Re-Affirmation of the Master Lease Representations, Warranties and Covenants. Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Lease (particularly Section 16 thereof) are true and correct as though made on the date of execution of this Schedule.
CALIFORNIA FAIRS FINANCING AUTHORITY,  
as Lessee

By: ________
Name: __________
Title: __________

NATIONAL CITY COMMERCIAL CAPITAL CORPORATION, as Lessor

By: ________
Name: __________
Title: __________

Counterpart No. 1 of 3 manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.
PAYMENT SCHEDULE A-1

Attached to and made a part of that certain Lease Schedule No. 2006-3 dated as of June 2, 2006 by and between National City Commercial Capital Corporation, as lessor, and California Fairs Financing Authority, as lessee.

Lease Commencement Date: June 2, 2006

1. **FAIR LOCATION & DESCRIPTION OF EQUIPMENT:**
   See Exhibits A-1 to A-4, inclusive, attached hereto and made a part hereof by this reference.

2. **LEASE PAYMENT SCHEDULE:**
   (a) Total Amount Financed: $3,196,783
   (b) Payment Schedule for Capital Appreciation Lease: In accordance with Section 6.3 of the Master Lease that is incorporated into the Lease of which this Payment Schedule is a part, the Total Amount Financed shall bear interest from the Lease Commencement Date identified above at the stated interest rate of seven and two thousand eight hundred seventy-eight percent (7.2878%) per annum, which shall accrue and be allocable to each Fair Location described under Paragraph 3 below from the Lease Commencement Date to the Equipment Acceptance Date for each such Fair Location on the amount described under the column titled "INITIAL PROJECT COST" and be added to such INITIAL PROJECT COST for purposes of the Lease. Within five (5) days after each such Equipment Acceptance Date, Lessor shall prepare and deliver the amortization schedule for each such Fair Location as provided in Section 6.3 of such Master Lease, which amortization schedule Lessee hereby agrees to pay in the amounts and on the dates provided therein.

3. **AUTHORIZED USERS:** The following information with respect to each of the Authorized Users is full, true and correct:

<table>
<thead>
<tr>
<th>NAME</th>
<th>FAIR AND LOCATION</th>
<th>INITIAL PROJECT COST</th>
<th>SELF-GENERATION INCENTIVE PAYMENT</th>
<th>NET PROJECT COST</th>
<th>PERCENTAGE OF FINANCING COSTS</th>
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</thead>
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<tr>
<td>Madera</td>
<td>Chowchilla-Madera County, Chowchilla</td>
<td>$ 499,738</td>
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<td>151,807</td>
<td>15.58%</td>
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<td>National Orange Show</td>
<td>2,155,728</td>
<td>1,228,131</td>
<td>927,597</td>
<td>54.36%</td>
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Exhibit "G"
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<tr>
<th>Name</th>
<th>FAIR AND LOCATION</th>
<th>SELL-GENERATION</th>
<th>NET PROJECT COST</th>
<th>PERCENTAGE OF FINANCING COSTS</th>
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<td>INITIAL PROJECT COST</td>
<td>INCENTIVE PAYMENT</td>
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<td>$1,498,020</td>
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**CALIFORNIA FAIRS FINANCING AUTHORITY, as Lessee**

By: [Signature]
Name: [Name]
Title: [Title]

**NATIONAL CITY COMMERCIAL CAPITAL CORPORATION, as Lessor**

By: [Signature]
Name: [Name]
Title: [Title]
EXHIBIT A-1
(TO PAYMENT SCHEDULE NO. 2006-3)

DESCRIPTION OF THE PROJECT
FOR THE
CHOWCHILLA-MADERA COUNTY LIVESTOCK ASSOCIATION

- Install 360 Kyocera KC-158G photovoltaic modules on Grandstand to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 800 AMP, 120/208 Grandstand switchboard.

- Install 360 Kyocera KC-158G photovoltaic modules on Livestock Barns to generate electricity. The modules will feed a Xantrex PV45208, 45 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 400 AMP, 120/208 Swimming Pool switchboard.
EXHIBIT A-2
(TO PAYMENT SCHEDULE NO. 2006-3)

DESCRIPTION OF THE PROJECT FOR THE NAPA COUNTY FAIR ASSOCIATION

- Install 224 Mitsubishi PV-MF170EB3 photovoltaic modules on the Livestock Arena to generate electricity. The modules will feed a Xantrex PY30480, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 100 AMP, 277/480 volt Golf Course Pump Starter.

- Install 224 Mitsubishi PV-MF170EB3 photovoltaic modules on the Grandstand to generate electricity. The modules will feed a Xantrex PV30280, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Pacific Gas & Electric service at the 1200 AMP, 120/280 volt Tubbs Building switchboard.
EXHIBIT A-3
(to Payment Schedule No. 2006-3)

Description of the Project for the National Orange Show Corporation

- Install 2,896 Mitsubishi PV-MF170EB3 photovoltaic modules on the Agriculture, Banquet Hall and Restaurant Buildings to generate electricity. The modules will feed four PV100S208, 100 kW inverters. Each inverter will have an isolation transformer and 1 DC disconnect switch. Three inverters will feed into a 1000 amp, 240 volt AC disconnect switch, which will tie into the Banquet Hall 300 KVA transformer which ties into the Fairground 4.16 distribution system. One inverter will feed into a 350 amp, 240 volt AC disconnect switch which will tie into the Restaurant 300 KVA transformer which ties into the fairgrounds 4.16 kV distribution system. The Fairground 4.16 kV distribution ties into Southern California Edison Service at the 1200 amp, 4,160 volt Main switchboard.
EXHIBIT A-4
(TO PAYMENT SCHEDULE NO. 2006-3)

DESCRIPTION OF THE PROJECT
FOR THE LODI GRAPE FESTIVAL & NATIONAL WINE SHOW ASSOCIATION, INC.

- Install 336 Evergreen EC-120-GL photovoltaic modules on Jackson Hall to generate electricity. The modules will feed a Xantrex PV30208, 30 kW inverter. The inverter will have an isolation transformer, 1 DC and 1 AC disconnect switch. The AC disconnect switch will tie into Lodi Electric service at the 600 AMP, 120/208 Jackson Hall switchboard.