

PACIFIC GAS AND ELECTRIC COMPANY
APPENDIX B
2011 AND 2012 CONTRACT AMENDMENTS

**SECOND AMENDMENT TO
CLIMATESMART™ PROGRAM
VERIFIED EMISSION REDUCTION
PURCHASE AND SALE AGREEMENT**

THIS SECOND AMENDMENT TO CLIMATESMART™ PROGRAM VERIFIED EMISSION REDUCTION PURCHASE AND SALE AGREEMENT (this “Second Amendment”) is made as of the date of the last signature set forth on the signature page of this Second Amendment (the “Execution Date”), by and between Pacific Gas and Electric Company, a California corporation (“Buyer”), and California Bioenergy LLC, a California limited liability company (“Seller”; with Buyer a “Party” and collectively, the “Parties”), with reference to that certain ClimateSmart™ Program Verified Emission Reduction Purchase and Sale Agreement (the “Agreement”) made and entered into between the Parties as of the Effective Date, as that term is defined in the Agreement, with reference to the following:

WHEREAS, the Parties wish to amend the Agreement on the terms set forth herein; and

WHEREAS, the Parties entered into a First Amendment to the Agreement on July 1, 2010 and upon the Execution Date of this Second Amendment, the Parties intend that this Second Amendment shall supersede and replace in its entirety the First Amendment and the First Amendment shall be of no further force or effect.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree to amend the Agreement as follows:

A. Definitions. The Agreement is amended as follows:

1. “Amounts” replaces in its entirety “Annual Amounts”, which is added to Section 1.1 as follows:

“Amounts” means the minimum cumulative number of VERs, which Seller shall generate, deliver and sell, and Buyer shall purchase, for a Reporting Year in accordance herewith and as set forth on Exhibit C.

2. The defined terms “Bidart” and “Bidart Lease” are amended in Section 1.1 as follows:

“Bidart” means, as applicable, Bidart Dairy II, LLC, Bidart Dairy III, LLC, or Lessor, as those terms are used in the respective Bidart Lease.

“Bidart Lease” means that certain Amended and Restated Lease and Feedstock Supply Agreement between California Bioenergy LLC (which was subsequently assigned to ABEC Bidart-Old River LLC) and Bidart dated on or about March 27, 2009 for the Old River Dairy and that certain Lease and Feedstock Supply Agreement dated on or about August 17, 2009 between ABEC Bidart-Stockdale LLC and Bidart for the Stockdale Dairy, both as the same may be amended and extended from time to time.

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3. “Dairies” shall replace in its entirety the term “Bidart Dairy” throughout the Agreement, is included within the meaning of the word “Project” and is added to Section 1.1 of the Agreement as follows:

“Dairies” means either the dairy located at 20400 Old River Road, Bakersfield, CA 93311 (“Old River Dairy”) and the dairy located at 25820 Stockdale Highway, Bakersfield, CA 93311 (“Stockdale Dairy”), both owned by Bidart.

B. Article 3. Sale and Transfer of VERs.

1. Sections 3.1.2(iii), 3.1.2(v) and 3.2.2. The words “Seventy-Five Thousand (75,000)” are deleted and replaced with “Forty-five Thousand (45,000)”.

C. Article 4. Certain Obligations Respecting Seller and the Project.

1. Section 4.2 is amended by inserting the following at the end of Section 4.2:

Notwithstanding anything to the contrary herein, in no event shall any consent granted by Buyer to Seller with respect to any assignment or other action by Seller or any Affiliate of Seller or any event with respect to the Bidart Lease, Bidart, or any Dairies excuse Seller’s performance hereunder, unless such consent specifically states that Seller’s performance is excused. Seller may extend the Guaranteed Commercial Operation Date one time only for each of the Dairies on a day for day basis for a certain number of days not to exceed a total of six (6) months, if Seller is unable to obtain interconnection agreements and Permits necessary for the construction and operation of each of the Dairies as a part of the Project due to delays beyond Seller’s reasonable control after Seller has used commercially reasonable efforts (including Seller’s timely filing of required documents and payment of all applicable fees) to obtain such interconnection agreements and Permits (“Interconnection or Permitting Delay”). If Seller claims an Interconnection or Permitting Delay, Seller shall provide Buyer with at least thirty (30) calendar days’ Notice prior to original date of the Guaranteed Commercial Operation Date set forth in Exhibit 4.2, which Notice must include (a) an identification of which of the Dairies requires the extension, and (b) information necessary for Buyer to verify the length and qualification of the extension. If Seller does not provide the Notice of a Interconnection or Permitting Delay at least thirty calendar (30) days prior to the original date of Guaranteed Commercial Operation Date of each of the Dairies, Seller’s right to request an Interconnection or Permitting Delay is waived, unless agreed to otherwise by Buyer.

2. Section 4.13 is amended by inserting the following paragraph at the end of Section 4.13:

Within twenty (20) Business Days of the Execution Date of the Second Amendment,

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and thereafter throughout the Term, the Parties shall execute and record, in the appropriate real property records of the counties in which the Stockdale Dairy is situated, a short form memorandum of lease substantially in the form of Exhibit 4.13 to provide constructive notice to third parties of Seller's obligations hereunder. Seller will not agree to and will not release such document during the Delivery Term without Buyer's prior written consent.

D. Article 6. Representations and Warranties.

1. Section 6.2.3 is amended and restated in its entirety as follows:

6.2.3 As of the Effective Date, the Amounts represent (a) Seller's best good faith estimate of all GHG Emission Reductions of the Project in each respective Reporting Year and (b) consistent with the requirements as stated in the Approved Methodologies.

2. Section 6.2.15 is amended and restated in its entirety as follows:

6.2.15 The Bidart Lease provides Seller or Seller's Affiliate acting on behalf of Seller in furtherance of Seller's obligations herein, entry, occupancy and access rights to all the real property on which the Project is situated and to which Seller, or Seller's Affiliate requires entry, occupancy and access rights necessary for Seller to perform its obligations hereunder. For purposes of this agreement Bidart and its Affiliates shall be deemed to be Affiliates of Seller.

E. Article 9. Events of Default; Termination

1. A new Section 9.6 is added as follows:

9.6 Termination to Transition to Compliance Market. Either Seller or Buyer may terminate this Agreement no earlier than January 1, 2015 without any further obligation to deliver or purchase any further VERs and without other further liability following such termination, by providing to the other Party Notice ("Notice to Transition"), if (i) Seller has sold, transferred and conveyed to Buyer the Amounts of VERs representing the cumulative minimum for Reporting Year 2014 as set forth in Exhibit C prior to the Notice to Transition; (ii) the applicable California Air Resources Board dairy methane protocol ("CARB Protocol") has not been approved by the CPUC for use by the ClimateSmart Program; and (iii) the Party providing the Notice to Transition can establish by written documentation to the other Party's reasonable satisfaction at the time of the Notice to Transition that further Delivery of VERs hereunder by Seller would render the Project ineligible to use the CARB Protocol for further development activities such as the ability sell carbon credits from the Dairies. For clarity, Seller cannot exercise this right to terminate solely for financial reasons (such as a higher price on the compliance market relative to the price in this Agreement).

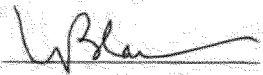
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EXECUTION COPY

- F. Exhibits: Exhibits A, B, C, 4.2, 4.2.1, 4.5.2, 4.12, 4.12.1, 4.12.2, 4.12.3, and 6.2.4 to the Agreement shall be deleted and replaced in the entirety with the Exhibits A, B, C, 4.2, 4.2.1, 4.5.2, 4.12, 4.12.1, 4.12.2, 4.12.3, and 6.2.4 attached hereto.
- G. Execution of this Second Amendment. Other than as specifically amended hereby, the Agreement remains in full force and effect, and unamended and the First Amendment shall be superseded in its entirety by this Second Amendment and the First Amendment shall be of no further force or effect.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be duly executed by its authorized representatives, as of the day and year written below.

CALIFORNIA BIOENERGY LLC, a PACIFIC GAS AND ELECTRIC COMPANY,
California limited liability company a California corporation

Signature: 
Name: NEIL BLACK
Title: PRESIDENT
Date: 12/19/12

Signature: 
Name: Fong Wan
Title: Senior VP, Energy Procurement
Date: 12/21/12

[SIGNATURE PAGE TO CALIFORNIA BIOENERGY AMENDMENT]

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EXHIBIT A

BILL OF SALE AND VERIFIED EMISSION REDUCTION
ATTESTATION FORM

Project Information

Company Name (“Seller”): California Bioenergy, LLC
 Addresses of Project: 20400 Old River Road, Bakersfield, CA, 93311
25820 Stockdale Highway, Bakersfield, CA 93314
 Location of Project: Kern County
 Contact Person: _____
 Telephone: _____
 Fax: _____
 Protocol (forest, methane, etc): Livestock Methane
 Project Attestation No.: _____
 Date Project was
 1st Operational (mm/yy) _____

VERs (mtCO2e)	NOx Emissions (if applicable)	SO ₂ Emissions (if applicable)	CO ₂ Emissions	Period of Production

Bill of Sale

Pursuant to that certain Verified Emission Reduction Purchase and Sale Agreement dated as of _____, 2009, as amended on _____ by and between Seller and Buyer, as the same shall be modified from time to time (the “VERPA”), Seller hereby sells, transfers and conveys to PG&E all right title and interest to the above VERs. Capitalized terms not define herein have the meaning given them in the VERPA.

By _____
 Its _____

Declaration

I, (print name and title) _____, declare that the Verified Emissions Reductions listed above were sold exclusively from Seller to Buyer.

I further declare that:

- 1) the Project Verified Emissions Reductions listed above have been validated and verified, respectively, according to an Approved Methodology by an Approved Verifier pursuant to the Verified Emissions Reduction Purchase Agreement in place between the Parties and all the Verified Emissions Reductions, the requirements of which Seller authorizes PG&E to disclose to third parties, including any emissions reduction credits or emissions allowances, represented by the Project listed above were transferred to PG&E;
- 2) the Verified Emissions Reductions were not sold, marketed or otherwise claimed by a third party;
- 3) Seller sold the Verified Emissions Reductions only once, to PG&E;
- 4) Seller’s full and exclusive ownership rights are not being disputed by another party;
- 5) the Verified Emissions Reductions were not used to meet any international federal, state or local requirement of any kind, or any emissions program, reporting, or requirements by Seller, nor to the best of my knowledge, by any other entity;
- 6) Seller’s representations and warranties set forth in that certain Verified Emissions Reduction Purchase Agreement between Seller and PG&E remain true and correct, except for the representations stated therein to be made only as of the Effective Date, and Seller authorizes PG&E to advise third parties of those representations and warranties in accordance with the terms of such agreement.

As an authorized agent of Seller, I attest that the above statements are true and correct.

Signature _____ Date _____

Printed Name _____

Place of Execution _____

EXHIBIT B

DESCRIPTION OF PROJECT AND PREMISES

The Project shall consist of the operation of two digester-based livestock manure management projects at:

1. Old River Dairy, 20400 Old River Road, Bakersfield, CA, 93311
2. Stockdale Dairy, 25820 Stockdale Highway, Bakersfield, CA 93311

The digester and appurtenances will be located on-premises at each of the Dairies. The legal description from the deed for the Old River Dairy is attached, starting on the next page with the legal description for the Stockdale Dairy following the legal description for the Old River Dairy.

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**LEGAL DESCRIPTION
FOR THE OLD RIVER DAIRY**

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Page 1

Escrow No. 667819 -MM

LEGAL DESCRIPTION EXHIBIT

SAID PARCELS ARE NOW KNOWN AS: PARCELS A, B, C, D, E, G and H of Lot Line Adjustment No. 77-00 as per that certain Certificate of Compliance recorded March 23, 2002 as Document No. 0204177901 of Official Records.

Except from Parcels A, B, C, D, E, G AND H of Lot Line Adjustment No. 77-00 all oil, gas and other minerals of whatsoever kind or character in or under or which may be produced from said land as excepted in the deed from Tennessee West, Inc., a Delaware corporation, recorded December 17, 1971 in Book 4611, Page 190 of Official Records.

THE GRANITOR MERRIN and its successors and assigns hereby retain a Non-exclusive Easement 100 feet wide, measured Southerly from the Northern boundary of Parcels H, C, B and A, to permit the Granitor and its successors and assigns to travel over and upon an existing roadway located within that easement; provided, however, that to the extent the Southern edge of the existing Kern Island Canal plus 20 feet south thereof running East to West, along said parcels is less than 100 feet from the Northern boundary of said parcels, then the lesser distance shall be the measure of Granitor's interest across said parcels.

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BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 31
 THENCE S.00°21'46.8"W. ALONG THE EAST LINE OF THE SOUTHEAST
 QUARTER OF SAID SECTION 3 A DISTANCE OF 1246.830 FEET TO THE
 SOUTHWEST CORNER OF SAID SECTION 3; THENCE N.89°40'13.4"W.
 ALONG THE SOUTH LINE OF SAID SECTION 3 A DISTANCE OF 1284.812
 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 3; THENCE
 N.00°24'44"E. ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF
 SAID SECTION 3 A DISTANCE OF 2339.124 FEET TO THE WEST
 QUARTER CORNER OF SAID SECTION 3; THENCE S.49°45'00"E. ALONG
 THE EAST-MID-SECTION LINE OF SAID SECTION 3 A DISTANCE
 OF 1281.328 FEET TO THE POINT OF BEGINNING CONTAINING AN AREA
 OF 108.476 ACRES MORE OR LESS.

PARTICULARLY DESCRIBED AS FOLLOWS:
 THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF
 CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE
 THE SOUTH HALF OF SECTION 3, IN T.122S., R.27E., M.D.M., IN

PARCEL B:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 21
 THENCE S.00°19'38"W. ALONG THE EAST LINE OF THE SOUTHEAST
 QUARTER OF SAID SECTION 2 A DISTANCE OF 1234.87 FEET TO THE
 SOUTHWEST CORNER OF SAID SECTION 2; THENCE S.00°19'38.9"W.
 ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SECTION 11,
 T.122S., R.27E., M.D.M., A DISTANCE OF 2423.003 FEET; THENCE
 WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 11; THENCE
 N.80°23'02.3"E. ALONG THE WEST LINE OF THE NORTHWEST QUARTER
 OF SAID SECTION 11 A DISTANCE OF 2103.620 FEET TO THE
 NORTHWEST CORNER OF SAID SECTION 11; THENCE N.00°23'46.8"E.
 ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 2 A
 DISTANCE OF 2546.830 FEET TO THE WEST QUARTER CORNER OF SAID
 SECTION 2; THENCE S.88°37'00"E. ALONG THE EAST-WEST MID-
 SECTION LINE OF SAID SECTION 2 A DISTANCE OF 1265.487 FEET TO
 THE POINT OF BEGINNING CONTAINING AN AREA OF 608.757 ACRES,
 MORE OR LESS.

FOLLOWS:
 OFFICIAL PLAT THEREOF; MORE PARTICULARLY DESCRIBED AS
 COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE
 T.122S., R.27E., M.D.M., IN THE UNINCORPORATED AREA OF THE
 THE SOUTH HALF OF SECTION 2 AND A PORTION OF SECTION 11 IN

PARCEL A:

EXHIBIT 'A'

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BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 9; THENCE
 5.00 22.51.87W. ALONG THE EAST LINE OF THE NORTHEAST QUARTER
 OF SAID SECTION 9 A DISTANCE OF 2428.882 FEET; THENCE
 N. 88.53.127W. A DISTANCE OF 5178.693 FEET TO A POINT IN A
 LINE PARALLEL WITH AND 100.00 FEET DISTANT FROM THE WEST LINE
 OF THE NORTHEAST QUARTER OF SAID SECTION 9; THENCE
 N. 00.22.171E. ALONG SAID PARALLEL LINE A DISTANCE OF
 2463.318 FEET TO A POINT IN THE NORTH LINE OF SAID SECTION 9;
 THENCE S. 88.30.211E. ALONG THE NORTH LINE OF SAID SECTION 9 A
 DISTANCE OF 5178.693 FEET TO THE POINT OF BEGINNING CONTAINING
 AN AREA OF 290.793 ACRES MORE OR LESS.

A PORTION OF THE NORTH HALF OF SECTION 9; IN T.32S., R.21E.,
 M.D.M., IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN,
 STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF;
 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL D:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 4;
 THENCE S. 00.24.44W. ALONG THE EAST LINE OF THE SOUTHWEST
 QUARTER OF SAID SECTION 4 A DISTANCE OF 2539.524 FEET TO THE
 SOUTHWEST CORNER OF SAID SECTION 4; THENCE N. 88.30.211W.
 ALONG THE SOUTH LINE OF SAID SECTION 4 A DISTANCE OF 5178.693
 FEET TO A POINT IN A LINE PARALLEL WITH AND 100.00 FEET
 DISTANT FROM THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID
 SECTION 4; THENCE N. 00.22.171E. ALONG SAID PARALLEL LINE A
 DISTANCE OF 2534.689 FEET TO A POINT IN THE EAST-WEST
 MID-SECTION LINE OF SAID SECTION 4; THENCE S. 88.30.211E.
 ALONG SAID EAST-WEST MID-SECTION LINE A DISTANCE OF 5178.693
 FEET TO THE POINT OF BEGINNING CONTAINING AN AREA OF 301.679
 ACRES MORE OR LESS.

A PORTION OF THE SOUTH HALF OF SECTION 4, IN T.32S., R.21E.,
 M.D.M., IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN,
 STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF;
 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL C:

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BEGGINING AT THE NORTHEAST CORNER OF SAID SECTION 10;
 THENCE S.00°23'02.17"W. ALONG THE EAST LINE OF SAID SECTION 10
 A DISTANCE OF 2503.620 FEET; THENCE N.88°51'38.7"W. A DISTANCE
 OF 2284.367 FEET TO A POINT IN THE WEST LINE OF SAID SECTION
 10; THENCE N.00°22'51.6"E. ALONG THE WEST LINE OF THE
 NORTHEAST QUARTER OF SAID SECTION 10 A DISTANCE OF 1428.882
 FEET TO THE NORTHWEST CORNER OF SAID SECTION 10; THENCE
 S.89°40'13.4"E. ALONG THE NORTH LINE OF SAID SECTION 10 A
 DISTANCE OF 2284.022 FEET TO THE POINT OF BEGINNING
 CONTAINING AN AREA OF 299.162 ACRES MORE OR LESS.

MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREON;
 M.D.M., IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN;
 A PORTION OF THE NORTH HALF OF SECTION 10, IN T.22S., R.27E.,

PARCEL E:

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BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 5; THENCE
 N.00.23.17"E. ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF
 SAID SECTION 5 A DISTANCE OF 2228.376 FEET TO THE WEST QUARTER
 CORNER OF SAID SECTION 5; THENCE S.88.34.4"E. ALONG THE
 EAST-MID-SECTION LINE OF SAID SECTION 5 A DISTANCE OF
 3283.977 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 5;
 THENCE S.00.22.17"W. ALONG THE EAST LINE OF THE SOUTHWEST
 QUARTER A DISTANCE OF 2534.596 FEET TO THE SOUTHWEST CORNER
 OF SAID SECTION; THENCE N.88.30.22"W. ALONG THE SOUTH LINE OF
 SAID SECTION 5 A DISTANCE OF 5284.468 FEET TO THE POINT OF
 BEGINNING CONTAINING AN AREA OF 304.53 ACRES MORE OR LESS.

THE SOUTH HALF OF SECTION 5, IN T.12S., R.27E., M.D.M., IN
 THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF
 CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE
 PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL B:

CONTAINING AN AREA OF 111.671 ACRES MORE OR LESS.

EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED TO VINCENT
 ANTONIOVANNI, ET AL, BY DEED RECORDED DECEMBER 31, 1965
 IN THE OFFICE OF THE SAID COUNTY RECORDER IN BOOK 4930 OF
 OFFICIAL RECORDS AT PAGE 904.

POINT OF BEGINNING.
 BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 12; THENCE
 S.00.19.36.5"W. ALONG THE WEST LINE OF THE NORTHWEST QUARTER
 OF SAID SECTION 12 A DISTANCE OF 2493.009 FEET; THENCE
 S.88.33.12"E. A DISTANCE OF 2631.604 FEET TO A POINT IN THE
 NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 12; THENCE
 N.00.19.35"E. ALONG SAID MID-SECTION LINE A DISTANCE OF
 2463.654 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 12;
 THENCE N.87.33.31.8"W. ALONG THE NORTH LINE OF THE NORTHWEST
 QUARTER OF SAID SECTION 12 A DISTANCE OF 2432.376 FEET TO THE

A PORTION OF NORTHWEST QUARTER OF SECTION 12, IN T.12 S.,
 R.27E., M.D.M., IN THE UNINCORPORATED AREA OF THE COUNTY OF
 KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT
 THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL C:

11/18/2005 17:31 #126 P.007

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**LEGAL DESCRIPTION
FOR THE STOCKDALE DAIRY**

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LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Kern, Unincorporated Area, and described as follows:

Parcel 1: (APN: 104-280-07)

The East half of Section 33, Township 29 South, Range 25 East, Mount Diablo Meridian, in the Unincorporated Area, County of Kern State of California, as per Official Plat thereof.

Excepting therefrom the interest in a 20 foot strip of land along the South line of the Northeast quarter of said Section 33, for use as a right of way and easement for public road, as set forth in the Deed from Miller & Lux, recorded November 18, 1930, in Book 384, Page 195 of Official Records.

Excepting therefrom 1/4th of all oil, gas and other hydrocarbon substances and minerals in and under said land, as excepted in Deed from George H. Barnett, recorded March 5, 1959 in Book 3093, Page 252, of Official Records.

Also excepting therefrom 1/2 of all oil, gas and other hydrocarbon substances and minerals in and under said land as reserved in the Deed from Robert W. Curtis, Jr. and Elizabeth S. Curtis, his wife, dated October 30, 1963.

Also excepting herein 1/4th of all oil, gas and other hydrocarbon substances and minerals in and under said land, as set forth in Deed herein, as reserved by Loyd Lum in Deed dated September 21, 1973.

Parcel 2: (APN: 104-250-20)

The South 330 feet of the West 662.4 feet, more or less, of the East 1324.8 feet of the Southwest quarter of Section 28, Township 29 South, Range 25 East, Mount Diablo Meridian, in the Unincorporated Area of the County of Kern, State of California, according to the Official Plat thereof; by Certificate of Compliance recorded January 29, 1988 in Book 6089, Page 750 Official Records.

Excepting therefrom to Tenneco West, Inc., its successors and assigns forever, all oil, gas and other minerals contained within the property hereinabove described, whether now known to exist or hereafter discovered; all oil, gas and other mineral rights belonging or appertaining to said property; the exclusive right to prospect for, drill for, produce, mine, extract and remove oil, gas and other minerals upon, from and through said property; the exclusive right to inject in, store under and thereafter withdraw from said property oil, gas and other minerals and products thereof whether produced from said property or elsewhere; the exclusive right to drill and operate whatever wells, construct, install, operate, maintain and remove whatever other facilities and do whatever else may be reasonably necessary on and in said property for the full enjoyment and exercise of the rights so excepted and reserved; and the unrestricted right of ingress to and egress from said property for all such purposes; but Grantor and its successors and assigns shall compensate Grantee and its successors and assigns, upon demand, for any and all damages caused to improvements and growing crops upon said property by the enjoyment or exercise of the rights so excepted and reserved in Book 4472, Page 345, of Official Records.

Parcel 3: (APN: 104.280-24, 104-280-25 and 104-280-27)

Parcels A, C and D of Parcel Map No. 4286, in the Unincorporated Area of the County of Kern, State of California, as per Map filed November 9, 1977 in Book 19, Page 138 of Parcel Maps in the office of the
File Number: 205246 Page 3 of 17

County Recorder of said County..

Excepting therefrom an undivided 1/4th interest in and to a water well and appurtenances located within the Northerly 140.52 feet of the Easterly 300 feet of Parcel "D" of said Parcel Map No. 4286.

Also excepting therefrom an undivided 1/3rd interest in and to pipelines and appurtenant fixtures with the Northerly 10 feet of Parcels C and D of said Parcel Map No. 4286, and within the Easterly 10 feet of said Parcel Map No. 4286.

Also excepting therefrom an undivided 1/4th interest in and to that certain well and pumping plant situated in that portion of Parcel D of said Parcel Map No. 4286 which lies within the Northeast quarter of the Northeast quarter of the Southeast quarter of the Northwest quarter of Section 33, Township 29 South, Range 25 East, Mount Diablo Base and Meridian.

Also excepting therefrom all oil, gas and other minerals of every kind in or underlying said property, as reserved by Western Gulf Oil Co., a corporation, in Deed to J. E. Bussell and Susie S. Bussell, recorded August 26, 1941 in Book 1047, Page 166 of Official Records.

Parcel 4: (APN: 104-280-19)

Parcel 1 of Parcel Map, in the Unincorporated Area of the County of Kern, State of California, as per Parcel Map No. 1600, filed September 4, 1978 in Book 11, Page 69 of Parcel Maps, in the Office of the County Recorder of said County.

Excepting therefrom all oil, gas and other minerals of every kind in or underlying said property, as reserved by Western Gulf Oil Co., a corporation, in Deed to J. E. Bussell and Susie S. Bussell, recorded August 26, 1941 in Book 1047, Page 166 of Official Records.

Parcel 5: (APN: 104-280-01 and 104-280-02)

The Northwest ¼ of the Northwest ¼ of Section 33, Township 29 South, Range 25 East, Mount Diablo Base and Meridian in the Unincorporated Area of the County of Kern, State of California, as per the Official Plat thereof on file in the Office of the Surveyor General.

Excepting therefrom an undivided 1/4th interest in and to that certain well and pumping plant site situated in the Southeast quarter of the Southeast quarter of the Northwest quarter of the Northwest quarter of Section 33, Township 29 South, Range 25 East, Mount Diablo Base and Meridian.

Also excepting therefrom all oil, gas and other minerals of every kind in or underlying said land as reserved by Western Gulf Oil Company, a corporation, in Deed recorded August 26, 1941 in Book 1047, Page 166 of Official Records.

Parcel 6: (APN: 104-250-21)

The South 330 feet of the West 1324.8 feet of the Southwest quarter of Section 28, Township 29 South, Range 25 East, Mount Diablo Meridian.

Excepting therefrom to Tenneco West, Inc., its successors and assigns forever, all oil, gas and other minerals contained within the property hereinabove described, whether now known to exist or hereafter discovered; all oil, gas and other mineral rights belonging or appertaining to said property; the exclusive right to prospect for, drill for, produce, mine, extract and remove oil, gas and other minerals upon, from and through said property; the exclusive right to inject in, store under and thereafter withdraw from said property oil, gas and

other minerals and products thereof whether produced from said property or elsewhere; the exclusive right to drill and operate whatever wells, construct, install, operate, maintain and remove whatever other facilities and do whatever else may be reasonably necessary on and in said property for the full enjoyment and exercise of the rights so excepted and reserved; and the unrestricted right of ingress to and egress from said property for all such purposes; but Grantor and its successors and assigns shall compensate Grantee and its successors and assigns, upon demand, for any and all damages caused to improvements and growing crops upon said property by the enjoyment or exercise of the rights so excepted and reserved in Book 4472, Page 345, of Official Records.

(End of Legal Description)

EXHIBIT C

Reporting Year	Amount	Cumulative Minimum	Price
2013	1,250	1,250	\$11.10/metric ton
2014	13,000	14,250	\$11.10/metric ton
2015	15,000	29,250	\$11.10/metric ton
2016	15,750	45,000	\$11.10/metric ton
Total Contracted VERs		45,000	

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EXHIBIT 4.2

MILESTONES

Stockdale Dairy

Guaranteed Commercial Operation Date: April 1, 2013

Old River Dairy

Guaranteed Commercial Operation Date: August 15, 2014

EXHIBIT 4.2.1

SELLER'S CERTIFICATE OF COMMERCIAL OPERATION
FORM OF CERTIFICATION

This certification ("Certification") is delivered by California Bioenergy, LLC ("Seller") to Pacific Gas and Electric Company ("Buyer") in accordance with the terms of that certain Verified Emission Reduction Purchase and Sale Agreement dated _____, 2009 as amended on _____ ("Agreement") by and between Seller and Buyer. All initially capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement. Seller hereby certifies and represents to Buyer that:

For Guaranteed Commercial Operation Date Certification:

As contemplated by Section 4.1 of the Agreement, (i) the Project is operating and able to deliver Contracted VERs, and (ii) Seller and the Project are registered with the CAR Database.

California Bioenergy, LLC

By: _____
Printed Name: _____
Title: _____
Date: _____

EXHIBIT 4.5.2
FINANCIAL PLAN

- (i) The sale of VERs will provide revenue, which along with additional sources of revenue will cover expenses and debt service, while providing an acceptable return to Seller.
- (ii) If not for the sale of VERs, Seller would not be pursuing the Project.
- (iii) As such, the sale of VERs will allow for this Project to occur.
- (iv) Project funding is expected to be provided by vendor financing and equity investors, to be repaid per (i) above.
- (v) Because the sale of VERs is not expected to generate sufficient revenue to support the Project, other activities including the sale of electricity and RECs are planned to provide additional sources of revenue.

EXHIBIT 4.12

BUYER CONTRACTOR REQUIREMENTS

1. Equal Employment Opportunity. With reference to Executive Order No. 11246, 41 CFR Part 60-1, Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin and further that Seller shall take affirmative action to ensure that applicant and employees are treated without regard to their race, color, religion, sex, or national origin.
2. Certificate of Nonsegregated Facilities. With reference to 41 CFR 60 1.8, Seller (a) will not maintain or provide segregated facilities for its employees and (b) will not permit its employees to perform their services at any location under Seller's control, where segregated facilities are maintained.
3. Affirmative Action Contracts. With reference to 41 CFR Part 60-4, Seller will comply with all applicable procedures for soliciting and awarding federal or federally assisted construction contracts.
4. Listing of Employment Openings. With reference to Executive Order 11701, Seller will list employment openings with the Employment Development Department in accordance with the Vietnam Era Veterans Readjustment Assistance Act of 1974 and Executive Order 11701. The affirmative action clause set forth in 41 CFR 60-250.5 is incorporated herein by reference.
5. Employment of the Handicapped. With reference to the Rehabilitation Act of 1973, 41 CFR Part 60 741, the affirmative action clause and the regulations contained in 41 CFR 60 741.4, and Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps, are incorporated herein by reference.
6. Filing Program Summaries and Preparing Affirmative Action Plans. With reference to Executive Order 11246, 41 CFR Part 60 2, if Seller has 50 or more employees, Seller shall file appropriate affirmative action program summaries in accordance with existing regulations and develop and maintain a current written affirmative action compliance program at each of its establishments.
7. Vietnam Veterans Readjustment Assistance Act of 1974. Seller shall take affirmative action to employ and advance in employment qualified special disabled veterans, veterans of the Vietnam era and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. All regulations pertaining to the employment of disabled veterans and veterans of the Vietnam era are incorporated by reference herein.

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8. Americans with Disabilities Act. With reference to 42 U.S.C. §§ 12101, et seq.: Seller agrees that, to the extent it may be applicable to this Agreement, Seller shall comply with the Americans with Disabilities Act.

9. Notification of Employee Rights Concerning Payment of Union Dues. To the extent required by Executive Order 13201, Seller agrees to comply with the provisions of 29 CFR Part 470.

10. Buyer's Policies. Seller agrees to comply, and to require all subcontractors to comply, with Buyer's Supplier Diversity Purchasing policy, as set forth in Exhibit 4.12.1. Seller shall provide to each prospective subcontractor a copy of Exhibit 4.12.1. In addition, if the Price exceeds \$500,000, Seller must comply with the Policy Regarding Utilization of Small Business Concerns and Small Disadvantaged Business Concerns, as set forth in Exhibit 4.12.2. Seller's subcontracting plan for its performance hereunder must include provisions for implementing the terms prescribed in such Exhibits. Seller shall act in accordance with the subcontracting plan in the performance of the Project and in the award of all subcontracts.

11. Conflict of Interest/Business Ethics. Seller shall exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with Buyer's interest. During the Delivery Term, Seller or its employees will not accept any employment or engage in any work which creates a conflict of interest with Buyer or in any way compromises the Project. Seller or its employees shall not offer or cause to be offered gifts, entertainment, payments, loans and/or other services, benefits or considerations of more than a nominal value to Buyer's employees, their families, vendors, subcontractors and other third parties. Seller shall immediately notify Buyer of any and all violations of this Section upon becoming aware of such violation.

12. Safety. Seller shall plan and conduct all work relating to the Project to safeguard persons and property from injury. Seller shall direct the performance of the Project activity in compliance with reasonable safety and work practices and with all applicable federal, state, and local laws, rules, and regulations, including but not limited to "Occupational Safety and Health Standards" promulgated by the U.S. Secretary of Labor and the California Division of Occupational Safety and Health.

13. Drug and Alcohol Abuse and Testing Policies. To the extent it may be applicable to this Agreement, Seller shall comply with the U.S. Department of Transportation's (DOT) regulations for commercial motor vehicle drivers, 49 CFR 382, Controlled Substances and Alcohol Use and Testing. Seller shall establish and maintain a drug and alcohol testing program for drivers of commercial motor vehicles consistent with 49 CFR Part 40, Procedures for Transportation Workplace Drug Testing Programs. Seller shall ensure that any subcontractor performing any portion of the Project under this Agreement that is regulated by 49 CFR 382 shall also have a drug and alcohol testing program that complies with applicable DOT requirements. Buyer, the CPUC, DOT and appropriate agencies shall have, during the Delivery Term and for two years thereafter, access at all reasonable times to Seller's drug and alcohol testing program records for the purpose of monitoring compliance with DOT regulations. Seller shall ensure that any subcontractor performing any portion of the Project regulated by 49 CFR

{00125118.DOC;14}2

Part 382 under this Agreement shall also provide access to its drug and alcohol testing program records to Buyer's authorized representatives, the California Public Utilities Commission, DOT and appropriate agencies for the purpose of monitoring compliance with DOT regulations. Failure to comply with this Section may, at Buyer's option, result in cancellation or termination of existing contracts and the loss of opportunity to bid on future contracts.

14. Injury and Illness Prevention Program. Seller represents and warrants that it has an effective Injury and Illness Prevention Program which meets the requirements of all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code. Seller shall ensure that any subcontractor hired by Seller to perform any portion of the Project shall also have an effective Injury and Illness Prevention Program. The attached Compliance Certificate (Exhibit 4.12.3) shall be executed by the person with the authority and responsibility for implementing and administering such Injury and Illness and Prevention Program.

15. Compliance with Employment Requirements. Seller shall comply with all federal, state and local laws and regulations applicable to the Project and to all aspects of the employment relationships between Seller and its employees assigned to the Project. Seller shall hold Buyer harmless from any liability, fine or penalty incurred as a result of Seller's failure to comply with applicable legal and regulatory requirements.

16. Job Tracking. Seller shall track and provide to Buyer data on how many jobs are created by the construction and operation of the Project, the nature of such jobs, and what skill sets are needed to fill the jobs. Seller shall report this data to Buyer upon request, but no more than once per calendar year.

EXHIBIT 4.12.1

BUYER'S SUPPLIER DIVERSITY PURCHASING POLICY

SELLER AND SUBCONTRACTORS OF ALL TIERS MUST COMPLY WITH PG&E'S SUPPLIER DIVERSITY SOURCING POLICY IN THE AWARD OF ALL SUBCONTRACTS AND SUB-SUBCONTRACTS. This policy requires that Women, Minority, and Disabled Veteran Business Enterprises (WMDVBEs) shall have the maximum practicable opportunity to participate in the performance of Work. WMDVBEs must be verified pursuant to the procedures prescribed in Section 2 of CPUC General Order 156.

1. Seller shall provide to each prospective subcontractor a copy of this Exhibit.
2. Seller shall provide a separate, signed subcontracting plan consisting of a specific list of subcontractors that will participate in the performance of the Work and a statement setting forth Seller's goals for WMDVBE subcontracting of all tiers and setting forth such additional good faith efforts Seller and subcontractors will employ to increase the participation of WMDVBE in the performance of the Work.
3. No later than the 15th of each month, Seller shall submit its subcontracting spend with women, minority, and service disabled veteran owned suppliers using PG&E's electronic reporting system located at: <https://www.pgesupplierdiversity.com/pge/login.asp> To establish a user ID, Seller shall request via email to: supplierdiversityteam@pge.com
4. If the Price exceeds \$500,000, Seller must comply with the Policy Regarding Utilization of Small Business Concerns and Small Disadvantaged Business Concerns, as described in Exhibit 14.1.2. The Subcontracting Plan for these contracts must include provisions for implementing the terms prescribed in Exhibit 14.1.2.
 - a. Small Business, and Small Disadvantaged Business Subcontracting Plans are not required for small business contractors, personal service contracts, contracts that will be performed entirely outside of the United States and its territories, or modifications to existing contracts which do not contain subcontracting potential.
 - b. Seller shall act in accordance with the Subcontracting Plan in the performance of the Agreement and in the award of all subcontracts.
5. **Seller's supplier diversity subcontracting goal for this Agreement is 0%. The Seller's supplier diversity goal shall be reported as Seller's spending with verified WMDVBE subcontractors on PG&E work under this Agreement).**
6. These requirements and Seller's response will be incorporated into the Agreement.

Pacific
Gas and
Electric

List of Subcontractors and Disbursement Record

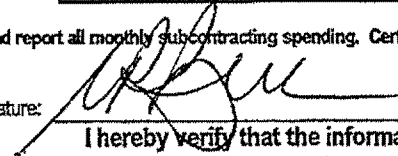
EXHIBIT []

Prime Contractor/Supplier:	Name of Preparer:
PG&E Contract Number (if any):	Telephone: ()
PG&E Project/Product:	E-Mail:

Name of Subcontractor (1)	WMD/BE Status Code (2)	V (3)	NV (4)	Address (5)	Description of Work (6)	Estimated Amount to be Paid to Subcontractors (7)
NONE AT THIS TIME						
Total Estimated Amount to be Paid to Subcontractor(s)						

This form is used for bid purposes only. Please visit www.pgesupplierdiversity.com to register and report all monthly subcontracting spending. Certifications of subcontractors are to be submitted at time of bidding.

Signature:



Date

12/19/2012

I hereby verify that the information in this report is true and accurate to the best of my knowledge

B-26

- * Refer to Instructions/Codes/Definitions on back.
- ** V = Subcontractor is a **verified** diverse supplier certified by a certifying agency.
- *** NV = Subcontractor is **not verified**.

STEP-BY-STEP INSTRUCTIONS

01-5873 (Rev 10/06)
Page 2 of 2

1. Complete column numbers 1-7 and return this form with your bid proposal.
2. Please attach copies of diverse Subcontractors certifications with your bid proposal.

DEFINITIONS AND CODES

WBE -----Women Business Enterprise: A business enterprise that is at least 51 percent owned by a woman or women, or, in the case of any publicly-owned business, at least 51 percent of the stock of which is owned by one or more women, and whose management and daily business operations are controlled by one or more of those individuals

MBE-----Minority Business Enterprise: A business enterprise that is at least 51 percent owned by a minority group or groups, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more minority-group individuals, and whose management and daily business operations are controlled by one or more of those individuals.

Minority Status:	001 African American Male 002 African American Female 003 Asian Pacific American Male 004 Asian Pacific American Female 005 Native American Male 006 Native American Female 007 Hispanic American Male	008 Hispanic American Female 009 Caucasian Male 010 Caucasian Female 011 Multi- Status 012 Other Groups 013 Small Business Enterprise 014 Service Disabled Veteran Business Enterprise
-------------------------	--	--

- African Americans** Persons having origins in any black racial groups of Africa.
- Asian Pacific Americans** Persons having origins in Asia or the Indian Subcontinent, including, but not limited to, persons from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territory of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan, India, Pakistan, and Bangladesh.
- Native Americans** Persons having origin in any of the original peoples of North America or the Hawaiian Islands, in particular, American Indians, Eskimos, Aleuts, and Native Hawaiians.
- Hispanic Americans** All persons of Mexican, Puerto Rican, Cuban, South or Central American, Caribbean, or other Spanish culture or origin.
- Caucasian** Includes all people of European and North African descent.
- Multi-Status** An enterprise that is wholly owned and controlled by a combination of minorities or women but whose majority ownership (at least 51%) is not vested with any one of these individuals.
- Other Groups** Groups whose members are found to be socially and economically disadvantaged by the Small Business Administration pursuant to Section 8 (d) of the Small Business Act as amended (15 U.S.C. 637 (d)), or by the Secretary of Commerce pursuant to Section 5 of Executive Order 11625.

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Small Business Enterprise (SBE) A business defined pursuant to Section 3 of the Small Business Act (SBA) and relevant regulations pursuant thereto. If unsure, please contact your local Small Business Administration office for clarification.

Service Disabled Veterans Business Enterprise (DVBE) Has the same meaning as defined in subdivision (g) of the Military and Veterans Code and must meet the "Control" and "Operate" criteria. An enterprise which is 51 percent owned, or the stock is 51 percent owned, by one or more disabled veterans.

EXHIBIT 4.12.2

**BUYER'S POLICY REGARDING UTILIZATION OF SMALL BUSINESS CONCERNS
AND SMALL DISADVANTAGED BUSINESS CONCERNS**

The following policy shall be adhered to in the performance of this Agreement:

- a. It is Buyer's policy that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in performing contracts let by Buyer, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is Buyer's further policy that prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals.
- b. Seller hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. Seller further agrees to cooperate in any studies or surveys as may be conducted by Buyer as may be necessary to determine the extent of Seller's compliance with this clause.
- c. As used in this Exhibit, the term "small business concern" shall mean a small business as defined in Section 3 of the Small Business Act of 1953 (15 United States Code §632) and relevant regulations promulgated pursuant thereto. The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern (1) which is at least 51 percent unconditionally owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 percent of the stock of which is unconditionally owned by one or more socially and economically disadvantaged individuals; and (2) whose management and daily business operations are controlled by one or more of such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one of these entities which has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and which meets the requirement of 13 CFR part 124. Seller shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, and other minorities, or any other individual found to be disadvantaged by the United States Small Business Administration pursuant to Section 8(a) of the Small Business Act of 1953 (15 United States Code §637(a)). Seller shall presume that socially and economically disadvantaged entities also include Indian Tribes and Native Hawaiian Organizations.
- d. Seller acting in good faith may rely on written representations by its subcontractors regarding their status as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals. Notwithstanding

this provision of the federal statute, all WMDVBE subcontractors must be verified pursuant to the procedures prescribed in Section 2 of CPUC General Order 156, as such procedures may be amended periodically.

EXHIBIT 4.12.3

**INJURY AND ILLNESS PREVENTION PROGRAM
Compliance Certificate**

The undersigned Chairman and Chief Executive Officer of California Bioenergy LLC (Seller) hereby certifies to PG&E as follows:

1. That Seller has an effective Injury and Illness Prevention Program which meets the requirements of all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code and that any Subcontractor hired by Seller to perform any portion of the Work under this Agreement has an effective Injury and Illness Prevention Program; and
2. That he or she is the person with the authority and responsibility for implementing and administering Seller's Injury and Illness Prevention Program.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate on 12/19/2012

CALIFORNIA BIOENERGY, LLC



N. Ross Buckenham
Chairman and Chief Executive Officer

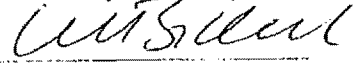
EXHIBIT 6.2.4

ACKNOWLEDGMENT
OF
EXCLUSIVE OWNERSHIP OF SUBJECT VERS
BY

ABEC Bidart-Old River, LLC, Bidart Family Partnership, L.P. and Bidart Dairy II, LLC
For the Old River Dairy

1. The Bidart Family Partnership, L.P. ("Bidart LP") is the sole owner of the fee simple interest in the premises on which the Bidart Dairy operates (the "Premises").
2. Bidart LP has leased the Premises to Bidart Dairy II, LLC ("Bidart LLC"), which operates the Bidart Dairy, pursuant to that certain lease dated October 25, 2002 (the "Master Lease").
3. Bidart LLC has leased the Premises to California Bioenergy, LLC ("CBE") pursuant to that certain Amended and Restated Lease and Feedstock Supply Agreement between Seller and Bidart dated on or about March 26, 2009 (the "Lease") which Lease was subsequently assigned by CBE to ABEC Bidart-Old River, LLC ("ABEC Old River") on June 14, 2012.
4. ABEC Old River, Bidart LP and Bidart LLC understand and acknowledge that California Bioenergy, LLC ("CBE") and Pacific Gas and Electric Company ("PG&E") have entered into that certain Verified Emission Reduction Purchase and Sale Agreement dated on or about April 2, 2009 ("VERPA"), pursuant to which CBE has agreed to sell to PG&E certain Verified Emission Reductions generated by a project operated by CBE on the Premises ("Subject VERS").
5. ABEC Old River, Bidart LP and Bidart LLC acknowledge that CBE is the owner of the Subject VERS and, as between ABEC Old River, Bidart LLC, Bidart LP and CBE, CBE has the sole right to sell the Subject VERS.

Bidart Family Partnership, L.P.


 By: _____
 Its: PARTNER
 Date: 12/14/12

ABEC Bidart-Old River, LLC

By: _____
 Its: _____
 Date: _____

Bidart Dairy II, LLC

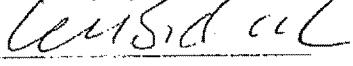

 By: _____
 Its: PARTNER
 Date: 12/14/12

EXHIBIT 6.2.4

ACKNOWLEDGMENT
OF
EXCLUSIVE OWNERSHIP OF SUBJECT VERS
BY

ABEC Bidart-Old River, LLC, Bidart Family Partnership, L.P. and Bidart Dairy II, LLC
For the Old River Dairy

1. The Bidart Family Partnership, L.P. ("Bidart LP") is the sole owner of the fee simple interest in the premises on which the Bidart Dairy operates (the "Premises").
2. Bidart LP has leased the Premises to Bidart Dairy II, LLC ("Bidart LLC"), which operates the Bidart Dairy, pursuant to that certain lease dated October 25, 2002 (the "Master Lease").
3. Bidart LLC has leased the Premises to California Bioenergy, LLC ("CBE") pursuant to that certain Amended and Restated Lease and Feedstock Supply Agreement between Seller and Bidart dated on or about March 26, 2009 (the "Lease") which Lease was subsequently assigned by CBE to ABEC Bidart-Old River, LLC ("ABEC Old River") on June 14, 2012.
4. ABEC Old River, Bidart LP and Bidart LLC understand and acknowledge that California Bioenergy, LLC ("CBE") and Pacific Gas and Electric Company ("PG&E") have entered into that certain Verified Emission Reduction Purchase and Sale Agreement dated on or about April 2, 2009 ("VERPA"), pursuant to which CBE has agreed to sell to PG&E certain Verified Emission Reductions generated by a project operated by CBE on the Premises ("Subject VERs").
5. ABEC Old River, Bidart LP and Bidart LLC acknowledge that CBE is the owner of the Subject VERs and, as between ABEC Old River, Bidart LLC, Bidart LP and CBE, CBE has the sole right to sell the Subject VERs.

Bidart Family Partnership, L.P.

By: _____
Its: _____
Date: _____

Bidart Dairy II, LLC


By: _____
Its: _____
Date: _____

ABEC Bidart-Old River, LLC

By: _____
Its: _____
Date: _____

By: AMERICAN BIOGAS ELECTRIC COMPANY LLC
THE SOLE MEMBER OF
ABEC BIDART-OLD RIVER LLC

By: CALIFORNIA BIOENERGY LLC
THE SOLE MEMBER OF
AMERICAN BIOGAS ELECTRIC COMPANY LLC

By: 

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NEIL BLACK
PRESIDENT
CALIFORNIA BIOENERGY LLC
12/19/12

ACKNOWLEDGMENT
OF
EXCLUSIVE OWNERSHIP OF SUBJECT VERS
BY

ABEC Bidart-Stockdale LLC, Bidart Dairy II, LLC and Bidart Dairy III, LLC
For the Stockdale Dairy

1. Bidart Dairy III LLC ("Bidart Dairy III") is the sole owner of the fee simple interest in the premises on which the Bidart Stockdale Dairy operates (the "Premises").
2. Bidart Dairy III has leased the Premises to Bidart Dairy II, LLC ("Bidart LLC"), which operates the Bidart Stockdale Dairy, pursuant to that certain 2007 lease (the "Master Lease").
3. Bidart Dairy III and Bidart LLC have leased the Premises to ABEC Bidart-Stockdale LLC ("ABEC Stockdale") pursuant to that certain Lease and Feedstock Supply Agreement by and among Bidart Dairy II, Bidart LLC and ABEC Stockdale dated on or about August 17, 2009 (the "Lease").
4. ABEC Stockdale, Bidart Dairy III and Bidart LLC understand and acknowledge that California Bioenergy, LLC ("CBE") and Pacific Gas and Electric Company ("PG&E") have entered into that certain Verified Emission Reduction Purchase and Sale Agreement dated on or about April 2, 2009, as amended ("VERPA"), pursuant to which CBE has agreed to sell to PG&E certain Verified Emission Reductions generated by a project operated by CBE on the Premises ("Subject VERS").
5. ABEC Stockdale, Bidart Dairy III and Bidart LLC each acknowledge that CBE is the owner of the Subject VERS and, as between ABEC Stockdale, Bidart LLC, Bidart Dairy III and CBE, CBE has the sole right to sell the Subject VERS.

Bidart Dairy III LLC

ABEC Bidart-Stockdale LLC



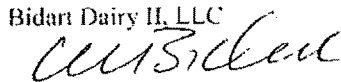
By:
Its: PARTNER

By:
Its:

Date: 12/18/12

Date: _____

Bidart Dairy II, LLC



By:
Its: PARTNER

Date: 12/18/12

ACKNOWLEDGMENT
OF
EXCLUSIVE OWNERSHIP OF SUBJECT VERS
BY
ABEC Bidart-Stockdale LLC, Bidart Dairy II, LLC and Bidart Dairy III, LLC
For the Stockdale Dairy

1. Bidart Dairy III LLC ("Bidart Dairy III") is the sole owner of the fee simple interest in the premises on which the Bidart Stockdale Dairy operates (the "Premises").
2. Bidart Dairy III has leased the Premises to Bidart Dairy II, LLC ("Bidart LLC"), which operates the Bidart Stockdale Dairy, pursuant to that certain 2007 lease (the "Master Lease").
3. Bidart Dairy III and Bidart LLC have leased the Premises to ABEC Bidart-Stockdale LLC ("ABEC Stockdale") pursuant to that certain Lease and Feedstock Supply Agreement by and among Bidart Dairy II, Bidart LLC and ABEC Stockdale dated on or about August 17, 2009 (the "Lease").
4. ABEC Stockdale, Bidart Dairy III and Bidart LLC understand and acknowledge that California Bioenergy, LLC ("CBE") and Pacific Gas and Electric Company ("PG&E") have entered into that certain Verified Emission Reduction Purchase and Sale Agreement dated on or about April 2, 2009, as amended ("VERPA"), pursuant to which CBE has agreed to sell to PG&E certain Verified Emission Reductions generated by a project operated by CBE on the Premises ("Subject VERS").
5. ABEC Stockdale, Bidart Dairy III and Bidart LLC each acknowledge that CBE is the owner of the Subject VERS and, as between ABEC Stockdale, Bidart LLC, Bidart Dairy III and CBE, CBE has the sole right to sell the Subject VERS.

Bidart Dairy III LLC

ABEC Bidart-Stockdale LLC

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

Bidart Dairy II, LLC

By: AMERICAN BIOGAS ELECTRIC COMPANY LLC
THE MANAGING MEMBER OF
ABEC BIDART-STOCKDALE LLC
By: CALIFORNIA BIOENERGY LLC
THE SOLE MEMBER OF
AMERICAN BIOGAS ELECTRIC COMPANY LLC

By: _____
Its: _____
Date: _____

By: Neil Black

{00125118.DOC;14}

NEIL BLACK
PRESIDENT
CALIFORNIA BIOENERGY LLC
12/19/12



Contract Change Order

This is Change Order ("CO") No. 3 to Contract No. 2500261954 dated November 23, 2009 between the below-named Contractor ("Contractor"), City of Arcata, and Pacific Gas and Electric Company ("PG&E"), a California corporation with its headquarters located at 77 Beale Street, San Francisco, California 94105. Contractor shall perform all Work under this Contract, as amended by this Change Order, pursuant to and in accordance with the terms and conditions of the Contract.

Contractor's Legal Name:	City of Arcata	This Contract Change Order consists of 5 page(s).
Contractor's Address:	736 F Street; Attention: City Manager Arcata, CA 95521	
Project Name:	ClimateSmart Program - Verified Emission Reduction Purchase and Sale Agreement (VERPA) - City of Arcata	
Job Location:	The Premises (as defined in the "Agreement")	

CHANGES: The Parties hereby modify the Contract referenced above as follows:

Change 1: Clarification and updates to Definitions and Milestones in Attachment 1 "3rd Amendment to ClimateSmart Program Verified Emission Reduction Purchase and Sale Agreement (VERPA)".

ATTACHMENTS: The following are attached to this Contract Change Order and incorporated herein by this reference.

Attachment No. 1: 3rd Amendment to ClimateSmart Program - Verified Emission Reduction Purchase and Sale Agreement - City of Arcata

PRICING CHANGES:	Previous Total Contract Value:	\$425,000.00
	Addition or Deduction:	\$Nil
	Revised Total Contract Value:	\$425,000.00

All other terms and conditions of the Contract, as it may have been amended by previous Contract Change Order(s), if any, shall remain the same.

THE PARTIES, BY SIGNATURE OF THEIR AUTHORIZED REPRESENTATIVES, HEREBY AGREE TO THE TERMS OF THIS CONTRACT CHANGE ORDER.

PACIFIC GAS AND ELECTRIC COMPANY		CONTRACTOR: CITY OF ARCATA	
Signature		Signature	
Name	Michael Forman	Name	Randal J. Mendosa
Title	Supervisor, Category Sourcing (Environmental Services)	Title	City Manager
Date	12/22/2011	Date	12-20-11

62-4675 (12-1-08)

Sourcing

Approved as to Form:

Nancy Diamond, City Attorney



ADMINISTRATION			
PG&E Negotiator	Robert Parkhurst	Contractor Representative	Randal J. Mendosa
Phone	415-973-1470	Phone	(707) 822-5953
Email:	KTP8@pge.com	Email:	rmendosa@cityofarcata.org
Accounting Reference			

INTERNAL PG&E USE ONLY		
Distribution Date		
Distribution of Copies	<input checked="" type="checkbox"/> Document Services (Signed Original Copy) Mail Code N5D 245 MARKET ST., SAN FRANCISCO	<input checked="" type="checkbox"/> Contractor (Signed Original Copy)
	<input type="checkbox"/> Work Supervisor	<input checked="" type="checkbox"/> Manager Robert Parkhurst
	<input type="checkbox"/> Invoice Approver	<input type="checkbox"/> Supervisor
	<input type="checkbox"/> V.P.	<input checked="" type="checkbox"/> Sourcing/ Purchasing Michael Forman
	<input type="checkbox"/> Director	<input type="checkbox"/> Law

**THIRD AMENDMENT TO
CLIMATESMART™ PROGRAM
VERIFIED EMISSION REDUCTION
PURCHASE AND SALE AGREEMENT**

THIS THIRD AMENDMENT TO CLIMATESMART™ PROGRAM VERIFIED EMISSION REDUCTION PURCHASE AND SALE AGREEMENT (this "Amendment") is made as of the date of the last signature set forth on the cover page of this Amendment, by and between Pacific Gas and Electric Company, a California corporation ("Buyer"), and City of Arcata, a California municipal corporation ("Seller"; with Buyer a "Party" and collectively, the "Parties"), with reference to that certain ClimateSmart™ Program Verified Emission Reduction Purchase and Sale Agreement dated as of the Effective Date as that term is defined in the Agreement, as amended on March 17, 2010 and December 14, 2010 (collectively the "Agreement") made and entered into between the Parties, with reference to the following:

WHEREAS, the Parties wish to amend the Agreement on the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree to amend the Agreement as follows:

A. Definitions.

1. The following defined terms are added to Section 1.1 of the Agreement:

"Revised Project Listed with CAR" means the Project CAR submittal form has been provided to CAR by Seller and accepted by CAR pursuant to CAR Protocols.

2. The following defined terms shall be deleted and replaced in their entirety with the following:

"CAR Protocols" means Version 3.2 of the Forest Project Protocols, Verification Protocols, and Project Implementation Agreements promulgated by CAR on or before August 31, 2010, and other protocols, rules, reporting protocols and requirements, and online tools promulgated or published by CAR.

"Guaranteed Milestone" means the Project Start Date, Project Listed with CAR, Revised Project Listed with CAR, Project Registered with CAR, and Project Verification Report Delivered to CAR.

B. Article 3.

1. Section 3.2.1 shall be deleted and replaced in its entirety with the following:

3.2.1 During the Delivery Term, Seller shall deliver to Buyer all of the Contracted VERs in the Annual Amounts set forth in Exhibit C for the Reporting Years 2009, 2010 and 2011 no later than April 30, 2012 and for the Reporting Year 2012 by April

15, 2013, along with the following: (i) the applicable Verification Report, (ii) written evidence of the delivery of Contracted VERs to Buyer in CAR, (iii) an Attestation, and (iv) an invoice for the Contracted VERs.

2. Section 3.3.2 shall be deleted and replaced in its entirety with the following:

3.3.2 Prepayment. As prepayment for Contracted VERs, Buyer shall pay to Seller within twenty (20) Business Days after the Effective Date Fifty Thousand Dollars (\$50,000) ("Prepayment") towards delivery of the Contracted VERs, which Prepayment shall be applied to payment due from Buyer pursuant to Section 3.3.1 for the Annual Amount due for Reporting Year 2009. In the event that Seller does not deliver the Annual Mount due for Reporting Year 2009 by April 30, 2012, then Seller shall repay to Buyer the total Prepayment by May 15, 2012 from Seller's revenue fund. Between April 15, 2010 and May 15, 2012, the Prepayment will accrue interest at the Interest Rate with such interest and the Prepayment payable on May 15, 2012. Seller's failure to repay the Prepayment and all accrued interest by May 15, 2012 is an Event of Default by Seller and thereafter the total aggregate amount of Prepayment and prior accrued interest would accrue interest at the lesser of (a) the Interest Rate plus six (6) percent per annum or the (b) the highest interest rate permitted under applicable Law until repaid.

- C. Exhibit 4.2: Exhibit 4.2 to the Agreement shall be deleted and replaced in the entirety with the Exhibit 4.2 attached hereto:
- D. Execution of this Amendment. Other than as specifically amended hereby, the Agreement remains in full force and effect, unamended.

In WITNESS WHEREOF, each Party has caused this Amendment to be duly executed by its authorized representative as of the date set forth on the cover page of this Amendment.

EXHIBIT 4.2

MILESTONES

Project Start Date	January 1, 2009
Project Listed with CAR	December 07, 2009
Revised Project Listed with CAR	No later than December 5, 2011
Seller to submit modeling package to Approved Verifier	No later than December 12, 2011
Project Verification Report Delivered to CAR	No later than February 15, 2012
Project Registered with CAR	No later than March 30, 2012



Contract Change Order

This is Change Order ("CO") No. 1 to Contract No. 2500261954 dated 3/17/10 between the below-named Contractor ("Contractor"), City of Arcata, and Pacific Gas and Electric Company ("PG&E"), a California corporation with its headquarters located at 77 Beale Street, San Francisco, California 94105. Contractor shall perform all Work under this Contract, as amended by this Change Order, pursuant to and in accordance with the terms and conditions of the Contract.

Contractor's Legal Name:	City of Arcata	This Contract Change Order consists of ^{XX} 4 page(s).
Contractor's Address:	736 F Street, Attn: City Manager Arcata, CA 95521	
Project Name:	ClimateSmart Verified Emission Reduction Purchase and Sale Agreement (VERPA) - City of Arcata	
Job Location:	The Premises (as defined in the "Agreement")	

CHANGES: The Parties hereby modify the Contract referenced above as follows:

In accordance with the attached letter, the following changes are made:

Extending the Guaranteed Milestones and the date in Section 3.3.2 by which the City of Arcata ("Seller") must deliver the Annual Amount for Reporting Year 2009 pursuant to our Verified Emission Reduction Purchase Agreement dated November 23, 2009 ("Agreement").

ATTACHMENTS: The following are attached to this Contract Change Order and incorporated herein by this reference.

Attachment No. 1 - Letter Dated March 17, 2010 amending the November 23, 2009 Verified Emission Reduction Purchase and Sale Agreement between the City of Arcata and Pacific Gas and Electric Company -

PRICING CHANGES:	Previous Total Contract Value:	\$425,000.00
	Addition or Deduction:	\$0.00
	Revised Total Contract Value:	\$425,000.00

All other terms and conditions of the Contract, as it may have been amended by previous Contract Change Order(s), if any, shall remain the same.

THE PARTIES, BY SIGNATURE OF THEIR AUTHORIZED REPRESENTATIVES, HEREBY AGREE TO THE TERMS OF THIS CONTRACT CHANGE ORDER.

PACIFIC GAS AND ELECTRIC COMPANY		CONTRACTOR: City of Arcata	
Signature		Signature	
Name	J. Michael Forman	Name	Randal J. Mendosa
Title	Category Sourcing Supervisor	Title	City Manager
Date	2/11/2011	Date	3/17/2010 2-4-11

62-4675 (12-1-08)

Sourcing

Approved as to Form

City Attorney



Change Order No. 1

Contract No. 2500261954

~~xxxxxxx~~
Randal J. Mendosa

Robert Parkhurst Page 2 of 4

ADMINISTRATION			
PG&E Negotiator	Robert Parkhurst	Contractor Representative	Randal J. Mendosa
Phone	415-973-1470	Phone	(707) 822-5953
Email:	RTP8@pge.com	Email:	rmendosa@cityofarcata.org
Accounting Reference			

INTERNAL PG&E USE ONLY		
Distribution Date		
Distribution of Copies	<input type="checkbox"/> Document Services (Signed Original Copy) Mail Code N5D 245 MARKET ST., SAN FRANCISCO	<input type="checkbox"/> Contractor (Signed Original Copy)
	<input type="checkbox"/> Work Supervisor	<input type="checkbox"/> Manager
	<input type="checkbox"/> Invoice Approver	<input type="checkbox"/> Supervisor
	<input type="checkbox"/> V.P.	<input type="checkbox"/> Sourcing/ Purchasing
	<input type="checkbox"/> Director	<input type="checkbox"/> Law



*Pacific Gas and
Electric Company*

CHANGE ORDER NO. 1
CONTRACT NO. 2500261954
PAGE 3 OF 4

VIA FACSIMILE AND U.S. MAIL
CONFIDENTIAL

77 Beale Street
P.O. Box 770000
San Francisco, CA 94177

415.973.7000

March 17, 2010

Beckie Menten
Energy Program Specialist
Environmental Services Department
City of Arcata
736 F Street
Arcata, CA 95521

RE: Contract 2500261954 – Extension of Guaranteed Milestones

Dear Ms. Menten:

I am writing as the Designated Representative of Pacific Gas and Electric Company ("PG&E") to extend the Guaranteed Milestones and the dates in Section 3.3.2 by which the City of Arcata ("Seller") must deliver the Annual Amount for Reporting Year 2009 and perform other obligations, pursuant to our Verified Emission Reduction Purchase Agreement dated November 23, 2009 ("Agreement"). All capitalized terms used but not defined herein shall have the meanings provided to them in the Agreement.

Considering the challenges faced by the Seller in getting its Project verified under the Climate Action Reserve's ("CAR") Forest Project Protocol 3.1, PG&E is willing to extend some of the Project's Guaranteed Milestones and other dates as provided below:

1. "Project Registered with CAR" from March 1, 2010 to December 31, 2010 in Exhibit 4.2;
2. "Project Verification Report Delivered to CAR" from February 19, 2010 to December 31, 2010 in Exhibit 4.2;
3. Seller's obligation to deliver the Annual Amount for Reporting Year 2009 from April 15, 2010 to April 15, 2011 in Section 3.3.2; and
4. Seller's obligation to repay the Prepayment from May 15, 2010 to May 15, 2011 in Section 3.3.2.

By executing this letter agreement, the Parties agree to amend the dates in Exhibit 4.2 with the dates in items 1 and 2 above and amend the dates in Section 3.3.2 with the dates from items 3 and 4 above.



*Pacific Gas and
Electric Company*

CHANGE ORDER NO. 1
CONTRACT NO. 2500261954
PAGE 4 OF 4

Beckie Menten
March 17, 2010
Page 2

No provision of the Agreement other than the terms addressed in this letter agreement shall be deemed modified, amended, waived, or otherwise affected by this letter agreement.

PG&E requests that Seller confirm its agreement to the foregoing by executing this letter agreement, faxing an executed copy to me at (415) 973-0230, and returning the original, executed letter agreement to me at the above-referenced address.

Do not hesitate to contact me with any questions.

Very truly yours,

Robert T. Parkhurst
Manager, Climate Protection and Analysis

cc: Anna Capelle
Karen Diemer
Mark Andre



Contract Change Order

This is Change Order ("CO") No. 3 to Contract No. 2500281654 dated December 18, 2009 between the below-named Contractor ("Contractor"), a California Corporation, and Pacific Gas and Electric Company ("PG&E"), a California corporation with its headquarters located at 77 Beale Street, San Francisco, California 94105. Contractor shall perform all Work under this Contract, as amended by this Change Order, pursuant to and in accordance with the terms and conditions of the Contract.

Contractor's Legal Name:	Recology Yuba Sutter	This Contract Change Order consists of 7 page(s).
Contractor's Address:	3001 North Levee Road Marysville, CA 95901	
Project Name:	ClimateSmart Program	
Job Location:	Vacaville, CA	

CHANGES: The Parties hereby modify the Contract referenced above as follows:

Change No. 1: Amendment to ClimateSmart Verified Emission Reduction Purchase and Sale Agreement (VERPA) is added to contract to update the VERPA dated December 18, 2009.

ATTACHMENTS: The following are attached to this Contract Change Order and incorporated herein by this reference.

Attachment No. 1: Amendment to Verified Emission Reduction Purchase and Sale Agreement (VERPA) replace the side guys on Str.#1/32, a three column lattice tower on the Malin-Round Mountain 500kV line owned by PacifiCorp

PRICING CHANGES:	Previous Total Contract Value:	\$430,300.00
	Addition or Deduction:	\$Nil
	Revised Total Contract Value:	\$430,300.00

All other terms and conditions of the Contract, as it may have been amended by previous Contract Change Order(s), if any, shall remain the same.

THE PARTIES, BY SIGNATURE OF THEIR AUTHORIZED REPRESENTATIVES, HEREBY AGREE TO THE TERMS OF THIS CONTRACT CHANGE ORDER.

PACIFIC GAS AND ELECTRIC COMPANY		CONTRACTOR: RECOLOGY YUBA SUTTER	
Signature		Signature	
Name	J. Michael Forman	Name	George P. McGrath
Title	Supervisor, Category Sourcing (Environmental Services)	Title	Executive Vice President & COO
Date	4/30/2012	Date	

62-4675 (12-1-08)

Sourcing



ADMINISTRATION			
PG&E Negotiator	Robert Parkhurst	Contractor Representative	
Phone	415-973-1470	Phone	
Email:	RTP8@pge.com	Email:	
Accounting Reference			

INTERNAL PG&E USE ONLY			
Distribution Date			
Distribution of Copies	<input checked="" type="checkbox"/> Document Services (Signed Original Copy) Mail Code N5D 245 MARKET ST., SAN FRANCISCO	<input checked="" type="checkbox"/> Contractor (Signed Original Copy)	
	<input checked="" type="checkbox"/> Work Supervisor Robert Parkhurst	<input type="checkbox"/> Manager	
	<input type="checkbox"/> Invoice Approver Karen Gouveia	<input type="checkbox"/> Supervisor	
	<input type="checkbox"/> V.P.	<input checked="" type="checkbox"/> Sourcing/ Purchasing J. Michael Forman	
	<input type="checkbox"/> Director	<input type="checkbox"/> Law	

**AMENDMENT TO
CLIMATESMART™ PROGRAM
VERIFIED EMISSION REDUCTION
PURCHASE AND SALE AGREEMENTS**

THIS AMENDMENT TO CLIMATESMART™ PROGRAM VERIFIED EMISSION REDUCTION PURCHASE AND SALE AGREEMENTS (this "Amendment") is made as of the date of the last signature set forth on the cover page of this Amendment, by and among Pacific Gas and Electric Company, a California corporation ("Buyer"), Recology Hay Road Landfill, Inc., a California corporation ("RHR"), and Recology Yuba-Sutter, a California corporation ("RYS") (with RYR and RHR each a "Seller" and collectively, the "Sellers"; with Buyer a "Party" and collectively, the "Parties"), with reference to those certain ClimateSmart™ Program Verified Emission Reduction Purchase and Sale Agreements dated as of the Effective Date as that term is defined in each of the Agreements, as amended, by and between Buyer and RYS and by and between Buyer and RHR (each an "Agreement" and collectively the "Agreements") made and entered into between the Parties. All capitalized terms herein shall have the meanings assigned to them in the Agreement, unless otherwise defined in this Amendment.

WHEREAS, RHR has agreed to sell VERS totaling 90,750 mtCO₂e to Buyer pursuant to the Agreement and RYS has agreed to sell VERS totaling of 47,000 mtCO₂e to Buyer pursuant to the Agreement;

WHEREAS, RHR has delivered and sold to Buyer VERs in the amount of 1,087 mtCO₂e from Reporting Year 2009 and 41,793 mtCO₂e from Reporting Year 2010 pursuant to the Agreement;

WHEREAS, RHR and RYS remain obligated to deliver and sell to Buyer VERs in the amount of 94,870 mtCO₂e on a total aggregated basis pursuant to the Agreements ("Remaining VERs"); and

WHEREAS, the Parties would like to amend the Agreements to allow RHR and/or RYS to deliver the Remaining VERs to Buyer by April 15, 2014.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree to amend the Agreements as follows:

1. Governing Terms. In the event of a conflict between a provision in an Agreement and a provision of this Amendment, the provisions of the Amendment shall control; except that, in each case, the terms of an Agreement shall govern where a more specific commercial provisions regarding time, place and manner of performance, or procedural terms, excluding price and quantity which shall be governed by this Amendment.

2. Sale and Transfer of Remaining VERS.

(a) Delivery Fulfillment. Notwithstanding Sections 3.1 and 3.2 in the Agreements, RHR and/or RYS shall deliver the Remaining VERs generated during the Reporting Years and for the Prices set forth on Appendix I attached hereto; provided that the Remaining VERs are delivered no later than April 15, 2014. RHR and RYS shall cooperate and coordinate with each

other (i) as to the sale and delivery of the Remaining VERs to Buyer and (ii) to ensure that Sellers do not deliver to Buyer more VERs than the Remaining VERs. Except as specifically provided for in this Amendment, Sellers are not relieved of their respective obligations under each of the Agreements and Sellers agree that they shall be jointly and severally liable to Buyer for each and every duty and obligation in this Amendment.

(b) Payment. Buyer shall pay the Price corresponding to Reporting Year in which the Remaining VER was generated as set forth in Appendix I for a delivered Remaining VER to the Seller which actually delivers the Remaining VER to Buyer. Each Seller releases Buyer from all liability for making payment to the other Seller pursuant to this Amendment. Buyer shall have no obligation to pay a Seller for any VERs which are not delivered or which exceed the amount of the Remaining VERs. Each Seller has no obligation to deliver any VERs to Buyer which exceed the amount of the Remaining VERs.

(c) Status of Remaining VERs. Upon a Seller's delivery of a Remaining VER in accordance with this Amendment, such Remaining VER shall be deemed to be "Contracted VERs" for purposes of the Agreement, including all rights and obligations of the Parties.

(d) Excess VERs. Section 3.6 (Right to Purchase Excess VERs) in each of the Agreements shall be deleted in their entirety.

3. Miscellaneous.

(a) Effect of Amendment. Each of the Agreements, as modified by this Amendment, remains in effect in accordance with its terms.

(b) Entire Agreement. This Amendment along with each Agreement constitutes the entire agreement between the Parties relating to the subject matter thereof and shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter thereof.

(c) Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Amendment. Any term and provision of this Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Amendment or any part hereof.

(d) Counterparts. This Amendment may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Amendment. Delivery of an executed counterpart of this Amendment by fax will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Amendment by facsimile will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Amendment will not affect the validity or effectiveness of this Amendment.

EXECUTION COPY

(e) Any Amendments or Modifications. This Amendment may only be amended or modified in writing signed by each of the Parties.

(f) Cooperation. The Parties will take such further action and execute such further assurances, documents and certificates as either Party may reasonably request to effectuate the purposes of this Agreement.

(g) Independent Parties. Nothing herein creates or shall be deemed to create a partnership, joint venture, principal- agent relationship, or any other representative relationship of any type between any Party and any other Party or among the Parties.

EXECUTION COPY

In WITNESS WHEREOF, each Party has caused this Amendment to be duly executed by its authorized representative as of the date set forth on the cover page of this Amendment.

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APPENDIX I

REMAINING VERS

94,870 mtCO₂e is the amount of Remaining VERS which Sellers are to collectively generate, deliver and sell and Buyer is to purchase during the Term in the following Reporting Years according to the following Prices.

<u>Reporting Year</u>	<u>Price</u>
2010	\$9.23
2011	\$9.23
2012	\$9.23
2013	\$9.23

**AMENDMENT NUMBER TWO TO
CLIMATESMART™ PROGRAM
VERIFIED EMISSION REDUCTION
PURCHASE AND SALE AGREEMENT**

THIS AMENDMENT NUMBER TWO TO CLIMATESMART™ PROGRAM VERIFIED EMISSION REDUCTION PURCHASE AND SALE AGREEMENT (this “Second Amendment”) is made as of the date of the last signature set forth on the signature page of this Second Amendment (the “Second Amendment Effective Date”) by and between Pacific Gas and Electric Company, a California corporation (“Buyer”), Recology Hay Road Landfill, Inc., a California corporation (“RHR”), and Recology Yuba-Sutter, a California corporation (“RYS”) (with RYS and RHR each a “Seller” and collectively, the “Sellers”; with Buyer a “Party” and collectively, the “Parties”), with reference to that those Climatesmart™ Program Verified Emission Reduction Purchase and Sale Agreements made and entered into between the Parties as of the Effective Date as defined in each of the Agreements, as amended by that certain Amendment to Climatesmart™ Program Verified Emission Reduction Purchase and Sale Agreement dated as of the date of the last signature set forth on the cover page thereof (each an “Agreement” and collectively the “Agreement”), with reference to the following:

WHEREAS, RHR and RYS have agreed to sell VERs totaling 137,750 mtCO₂e to Buyer pursuant to the Agreement;

WHEREAS, Sellers have additional VERs that Sellers would like to sell to Buyer and Buyer would like to purchase;

WHEREAS, Buyer has indicated its interest in purchasing an option from Sellers to purchase additional VERs on the terms set forth herein, which exercise of an option shall be subject to further Buyer review and approval; and

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the Parties agree to amend the Agreements as follows:

1. Governing Terms. In the event of a conflict between a provision in an Agreement and a provision of this Second Amendment, the provisions of the Second Amendment shall control; except that, in each case, the terms of an Agreement shall govern with respect to more specific commercial provisions regarding time, place and manner of performance, or procedural terms, excluding price and quantity which shall be governed by this Second Amendment. Capitalized terms not otherwise defined herein shall have the respective meaning given in the Agreement.
2. Purchase and Sale of Additional VERs.

a. Sellers hereby agree to sell, transfer and convey to Buyer all of their right, title and interest in and to Ten Thousand (10,000) VERs which have been or

will be generated by the Projects during the Delivery Term in addition to the Remaining VERs (“Additional Purchased VERs”) for a total purchase price of Forty-Five Thousand Dollars (\$45,000.00) (“Additional Purchase Price”), which equals Four Dollars and Fifty Cents (\$4.50) per Additional Purchased VER.

b. RHR and RYS shall cooperate and coordinate with each other (i) as to the sale and delivery of the Additional Purchased VERs to Buyer and (ii) to ensure that Sellers do not deliver to Buyer more VERs than the Additional Purchased VERs and the Remaining VERs. Except as specifically provided for in this Second Amendment, Sellers are not relieved of their respective obligations under each of the Agreements and Sellers agree that they shall be jointly and severally liable to Buyer for each and every duty and obligation in this Second Amendment.

c. Sellers shall deliver the Additional Purchased VERs in the manner specified in Sections 3.2.1. and 3.2.2 of the Agreements not later than April 15, 2014.

d. Buyer shall pay the Additional Purchase Price in accordance with Sections 3.3 of the Agreements to the Seller which actually delivers the Additional Purchased VERs to Buyer. Each Seller releases Buyer from all liability for making payment to the other Seller pursuant to this Second Amendment. Buyer shall have no obligation to pay a Seller for any Additional Purchased VERs which are not delivered or which exceed the amount of the Additional Purchased VERs. Each Seller has no obligation to deliver any VERs to Buyer which exceed the amount of the Additional Purchased VERs.

3. First Option for VERs.

a. Sellers hereby grant to Buyer the option, but not the obligation (the “First Option”), to purchase up to an additional One Thousand Eight Hundred (1,800) VERs which have been or will be generated by the Projects during the Delivery Term in addition to the Remaining VERs, the Second Optioned VERs and the Additional Purchased VERs (“First Optioned VERs”) for a purchase price of Five Dollars (\$5.00) per First Optioned VER (“First Optioned VER Purchase Price”).

b. In consideration of the granting of the First Option by Sellers, Buyer shall pay a one-time single payment of One Thousand Eight Hundred Dollars (\$1,800.00) (“First Option Premium”) to RHR within ten (10) days of the Second Amendment Effective Date.

c. The term of the First Option shall begin on the Second Amendment Effective Date and terminate on June 30, 2017 (“First Option Expiration Date”), unless the First Option is duly exercised pursuant to this Second Amendment.

d. In the event Buyer fails to make timely payment of the First Option Premium in accordance with this Second Amendment, the First Option shall terminate with ten (10) Business Days’ Notice from a Seller to Buyer and none of the Parties shall

have any liability to the other with respect to the First Option.

e. The First Option Premium, when and if paid, shall be deemed to be consideration for the granting of the First Option by Sellers. On expiration of the term of the First Option without Buyer's exercise or with Buyer's First Option Partial Exercise, as provided in this Second Amendment, Sellers shall retain the First Option Premium if Sellers are not in default of the Agreements or this Second Amendment. In the event the First Option is exercised by Buyer in accordance this Second Amendment, the First Option Premium shall be credited toward the amount of the First Optioned VERs Purchase Price payable by Buyer following its exercise of the First Option.

f. To exercise the First Option, Buyer shall give Notice to Sellers of its intent to exercise the First Option in whole or in part. Buyer may elect to purchase only a portion of the First Optioned VERs under the First Option and retain the right to purchase the remaining First Optioned VERs at any time prior to the First Option Expiration Date (a "First Option Partial Exercise"). In the event of a First Option Partial Exercise, Buyer shall give Notice of the number of First Optioned VERs that Buyer intends to purchase. If Buyer has not exercised the First Option on or before the First Option Expiration Date with respect to all of the First Optioned VERs, then the First Option and all rights and obligations of Sellers and Buyer hereunder, including but not limited to Buyer's right to purchase remaining First Optioned VERs in the case of a First Option Partial Exercise, shall automatically and immediately expire and terminate without Notice and none of the Parties shall have any further liability to the other.

g. Purchase of First Optioned VERs. If Buyer exercises the First Option in accordance with this Second Amendment, then the following shall occur:

i. Sellers shall Deliver the First Optioned VERs in the amount set forth in Buyer's Notice of exercise and as specified in Sections 3.1 and 3.2 of the Agreements not later than thirty (30) days following Notice by Buyer; and Buyer shall pay Sellers the First Optioned VERs Purchase Price for each First Optioned VERs less the First Option Premium Price, if such premium has not previously been credited in a prior exercise of the First Option ("First Option Total Consideration") in accordance with Section 3.3 of the Agreements; and

ii. Buyer shall pay the First Option Total Consideration to the Seller which actually delivers the First Optioned VERs to Buyer. Each Seller releases Buyer from all liability for making any payment to the other Seller pursuant to this Second Amendment. Buyer shall have no obligation to pay a Seller for any First Optioned VERs which are not delivered or which exceed the amount of the First Optioned VERs. Each Seller has no obligation to deliver any VERs to Buyer which exceeds the amount of the First Optioned VERs.

4. Second Option for VERs.

a. In addition to the First Option, Sellers hereby grant to Buyer the

option, but not the obligation (the “Second Option”), to purchase any or part of additional VERs which have been or will be generated by the Projects during the Delivery Term in addition to the Remaining VERs, the First Optioned VERs and the Additional Purchased VERs (“Second Optioned VERs”) for a purchase price of Five Dollars (\$5.00) per Second Optioned VER (“Second Optioned VER Purchase Price”). As of the Second Amendment Effective Date, Sellers estimate that the total number of Second Optioned VERs is approximately twenty thousand to twenty-four thousand (20,000 to 24,000) VERs. Sellers shall provide Buyer with Notice of (i) further estimates of the total number of Second Optioned VERs no later than January 31, 2013 and January 31, 2014 and (ii) the total number of Second Optioned VERs by no later than April 15, 2014.

b. In consideration of the granting of the Second Option by Sellers, Buyer shall pay a one-time single payment of Twelve Thousand Dollars (\$12,000.00) (“Second Option Premium”) to RHR within ten (10) days of the Second Amendment Effective Date.

c. The term of the Second Option shall begin on the Second Amendment Effective Date and terminate on June 30, 2014 (“Second Option Expiration Date”), unless the Second Option is duly exercised pursuant to this Second Amendment.

d. In the event Buyer fails to make timely payment of the Second Option Premium in accordance with this Second Amendment, the Second Option shall terminate with ten (10) Business Days’ Notice from a Seller to Buyer and none of the Parties shall have any liability to the other with respect to the Second Option.

e. The Second Option Premium, when and if paid, shall be deemed to be consideration for the granting of the Second Option by Sellers. On expiration of the term of the Second Option without Buyer’s exercise or with Buyer’s Second Option Partial Exercise, as provided in this Second Amendment, Sellers shall retain the Second Option Premium if Sellers are not in default of the Agreements or this Second Amendment. In the event the Second Option is exercised by Buyer in accordance this Second Amendment, the Second Option Premium shall be credited toward the amount of the Second Optioned VERs Purchase Price payable by Buyer following its exercise of the Second Option.

f. To exercise the Second Option, Buyer shall give Notice to Sellers of its intent to exercise the Second Option in whole or in part. Buyer may elect to purchase only a portion of the Second Optioned VERs under the Second Option and retain the right to purchase the remaining Second Optioned VERs at any time prior to the Second Option Expiration Date (a “Second Option Partial Exercise”). In the event of a Second Option Partial Exercise, Buyer shall give Notice of the number of Second Optioned VERs that Buyer intends to purchase. If Buyer has not exercised the Second Option on or before the Second Option Expiration Date with respect to all of the Second Optioned VERs, then the Second Option and all rights and obligations of Sellers and Buyer hereunder, including but not limited to Buyer’s right to purchase remaining Second Optioned VERs in the case of a Second Option Partial Exercise, shall

automatically and immediately expire and terminate without Notice and none of the Parties shall have any further liability to the other.

g. Purchase of Second Optioned VERs. If Buyer exercises the Second Option in accordance with this Second Amendment, then the following shall occur:

i. Sellers shall Deliver the Second Optioned VERs in the amount set forth in Buyer's Notice of exercise and as specified in Sections 3.1 and 3.2 of the Agreements not later than thirty (30) days following Notice by Buyer; and Buyer shall pay Sellers the Second Optioned VERs Purchase Price for each Second Optioned VERs less the Second Option Premium Price, if such premium has not previously been fully credited in a prior exercise of the Second Option ("Second Option Total Consideration") in accordance with Section 3.3 of the Agreements; and


ii. Buyer shall pay the Second Option Total Consideration to the Seller which actually delivers the Second Optioned VERs to Buyer. Each Seller releases Buyer from all liability for making any payment to the other Seller pursuant to this Second Amendment. Buyer shall have no obligation to pay a Seller for any Second Optioned VERs which are not delivered or which exceed the amount of the Second Optioned VERs that Buyer has exercised. Each Seller has no obligation to deliver any VERs to Buyer which exceeds the amount of the Second Optioned VERs exercised by Buyer.


[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be duly executed by its authorized representatives, as of the day and year written below.


RECOLOGY HAY ROAD LANDFILL, INC.,
a California corporation

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

Signature: 
Name: PAUL YAMAMOTO
Title: GROUP VICE PRESIDENT
Date: 12-19-12

Signature: 
Name: Fong Wan
Title: Senior VP, Energy Procurement
Date: 12-21-12

RECOLOGY YUBA-SUTTER, a California
corporation

Signature: 
Name: GEORGE P. McGRATH
Title: EXEC. V.P. & C.O.O
Date: 12/17/12

[SIGNATURE PAGE TO RECOLOGY SECOND AMENDMENT]



Contract Change Order

This is Change Order ("CO") No. 4 to Contract No. 2500038028 dated February 27, 2008 between the below-named Contractor ("Contractor"), California Non-Profit Corporation, and Pacific Gas and Electric Company ("PG&E"), a California corporation with its headquarters located at 77 Beale Street, San Francisco, California 94105. Contractor shall perform all Work under this Contract, as amended by this Change Order, pursuant to and in accordance with the terms and conditions of the Contract.

Contractor's Legal Name: The Conservation Fund

This Contract Change Order consists of 7 page(s).

Contractor's Address: P.O. Box 5326
Larkspur, CA 94977

Project Name: ClimateSmart Project - Verified Emission Reductions

Job Location: PG&E Service Territory

CHANGES: The Parties hereby modify the Contract referenced above as follows:

1. PG&E to purchase Thirty Three Thousand Eight Hundred Seventy Nine (33,879) metric tons of carbon offsets for a total purchase price of Two Hundred Seventy One Thousand Thirty Two Dollars (\$271,032) or Eight Dollars (\$8.00)/metric ton.
2. Allow PG&E to purchase an option on One Hundred Twenty Thousand (120,000) metric tons of carbon offsets for a total payment of One Hundred Twenty Thousand Dollars (\$120,000). If PG&E elects to exercise this option, PG&E will pay Eight Dollars and Fifty Cents (\$8.50) per metric ton, including the One Dollar (\$1.00) per metric ton premium. Option expires on June 30, 2012.
3. Provide an option to purchase Sixty Thousand (60,000) metric tons of carbon offsets for a total premium payment of Sixty Thousand Dollars (\$60,000) by May 31, 2011. If PG&E elects to exercise this option, PG&E will pay Eight Dollars and Fifty Cents (\$8.50) per metric ton, including the One Dollar (\$1.00) per metric ton premium. Option expires on June 30, 2012.
4. Releases The Conservation Fund from its right of first refusal obligation, under which the fund was required to offer to sell excess carbon offsets from the projects identified in the Agreement to PG&E before attempting to sell such offsets to any third party.
5. Change the Invoice Instructions on the Contract to read: Submit ORIGINAL invoice to: PG&E, Attn: Robert Parkhurst, 77 Beale Street, Room 2403, Mail Code: B24A, San Francisco, CA 94105 in lieu of the address currently shown on the Contract.

ATTACHMENTS: The following are attached to this Contract Change Order and incorporated herein by this reference.
Attachment No. 1 "Amendment No. 4 to ClimateSmart Program VERPA (Garcia River Forest Project)"

PRICING CHANGES:	Previous Total Contract Value:	\$8,900,000.00
	Addition or Deduction:	\$390,312 (if all Options exercised: \$1,800,312)
	Revised Total Contract Value:	\$9,290,312.00 (if all Options exercised: \$10,700,312)

All other terms and conditions of the Contract, as it may have been amended by previous Contract Change Order(s), if any, shall remain the same.

THE PARTIES, BY SIGNATURE OF THEIR AUTHORIZED REPRESENTATIVES, HEREBY AGREE TO THE TERMS OF THIS CONTRACT CHANGE ORDER.

PACIFIC GAS AND ELECTRIC COMPANY		CONTRACTOR: THE CONSERVATION FUND	
Signature		Signature	
Name	J. Michael Forman	Name	ELIZABETH G. ENGLE
Title	Supervisor, Category Sourcing - Environmental Services	Title	ASSISTANT SECRETARY/ASSOCIATE COUNSEL
Date	4/12/2011	Date	4/12/11



ADMINISTRATION			
PG&E Negotiator	Robert Parkhurst	Contractor Representative	
Phone	415-973-1470	Phone	
Email:	RTP0@pge.com	Email:	
Accounting Reference			

INTERNAL PG&E USE ONLY			
Distribution Date			
Distribution of Copies	<input checked="" type="checkbox"/> Document Services (Signed Original Copy) Mail Code N5D 245 MARKET ST., SAN FRANCISCO	<input checked="" type="checkbox"/> Contractor (Signed Original Copy)	
	<input type="checkbox"/> Work Supervisor	<input type="checkbox"/> Manager	
	<input checked="" type="checkbox"/> Invoice Approver Robert Parkhurst	<input type="checkbox"/> Supervisor	
	<input type="checkbox"/> V.P.	<input checked="" type="checkbox"/> Sourcing/Purchasing J. Michael Forman	
	<input type="checkbox"/> Director	<input type="checkbox"/> Law	

**AMENDMENT NUMBER THREE TO
CLIMATESMART™ PROGRAM
VERIFIED EMISSION REDUCTION
PURCHASE AND SALE AGREEMENT**
(Purchase and Sale of, and Option for, Excess VERs and Release from Right of First Refusal)

THIS AMENDMENT NUMBER THREE TO CLIMATESMART™ PROGRAM VERIFIED EMISSION REDUCTION PURCHASE AND SALE AGREEMENT (Purchase and Sale of, and Option for Excess VERs and Release from Right of First Refusal) (this "Third Amendment") is made as of the date of the last signature set forth on the cover page of this Third Amendment (the "Third Amendment Effective Date") by and between Pacific Gas and Electric Company, a California corporation ("Buyer"), and The Conservation Fund, a Maryland non-profit corporation ("Seller"; with Buyer a "Party" and collectively, the "Parties"), with reference to that certain CLIMATESMART™ PROGRAM VERIFIED EMISSION REDUCTION PURCHASE AND SALE AGREEMENT made and entered into between the Parties as of the Effective Date as defined therein, as amended by that certain AMENDMENT NUMBER ONE TO CLIMATESMART™ PROGRAM VERIFIED EMISSION REDUCTION PURCHASE AND SALE AGREEMENT and AMENDMENT NUMBER TWO TO CLIMATESMART™ PROGRAM VERIFIED EMISSION REDUCTION PURCHASE AND SALE AGREEMENT each dated as of the date of the last signature set forth on the respective cover page thereof (collectively the "Agreement"), with reference to the following:

WHEREAS, Section 3.6 of the Agreement grants Buyer a right of first refusal to purchase Excess VERs, which are to be tendered by Seller pursuant to an Excess VERs Notice;

WHEREAS, the Parties have mutually agreed to amend the Agreement to release Seller from its right of first refusal obligations pursuant to Section 3.6 of the Agreement;

WHEREAS, in exchange for releasing Seller from the right of first refusal, Seller has agreed that Buyer shall have the right, but not the obligation to purchase from Seller the additional GHG Emissions Reductions capable of becoming VERs from the Project and meeting all the requirements of the Agreement ("Additional VERs") in the amount and for the Reporting Year specified in this Third Amendment, pursuant to the two options set forth in this Third Amendment; and

WHEREAS, Seller has agreed to sell Thirty-Three Thousand Eight Hundred Seventy-Nine (33,879) Additional VERs to Buyer pursuant to the terms of this Third Amendment;

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the Parties agree to this Third Agreement as if the Agreement was fully set forth herein, with the following specific additions or changes thereto solely for purposes of this Third Amendment.

A. Amendment to Section 3.6 (Right of First Refusal for Excess VERs) of the Agreement.

The Parties agree to amend the Agreement by deleting in its entirety Section 3.6 of the Agreement, Right of First Refusal for Excess VERs, and replacing the terms in such section with the following:

"Reserved."

B. Purchase and Sale of Additional VERs.

1. Seller hereby agrees to sell, transfer and convey to Buyer all of its right, title and interest in and to Thirty-Three Thousand Eight Hundred Seventy-Nine (33,879) Additional VERs from Reporting Years 2008, 2009 and/or 2010 ("2011 Purchased VERs") for a total purchase price of Two Hundred Seventy-One Thousand Thirty Two Dollars (\$271,032) ("2011 Purchase Price").

2. Seller shall deliver the 2011 Purchased VERs in the manner specified in Section 3.2 of the Agreement not later than May 31, 2011.

3. Buyer shall pay Seller the 2011 Purchase Price not later than thirty (30) days following the Seller's delivery of the 2011 Purchased VERs to Buyer's Account.

C. Option for Additional VERs.

1. Seller hereby grants to Buyer the option, but not the obligation (the "First Option"), to purchase an additional One Hundred Twenty Thousand (120,000) VERs from Reporting Years 2009, 2010 and/or 2011 ("First Optioned VERs") for a total purchase price of up to One Million Twenty Thousand Dollars (\$1,020,000) ("First Optioned VERs Purchase Price"), which equals \$8.50 per First Optioned VER.

2. In consideration of the granting of the First Option by Seller, Buyer shall pay Seller One Hundred Twenty Thousand Dollars (\$120,000), which equals \$1.00 per First Optioned VER, concurrent with the Buyer's payment of the 2011 Purchase Price ("First Option Premium").

3. The term of the First Option shall begin on the Third Amendment Effective Date and terminate on June 30, 2012, unless the First Option is duly exercised pursuant to Section C.6, below or earlier terminated pursuant to Section C.4 below.

4. In the event Buyer fails to make timely payment of the 2011 Purchase Price and First Option Premium in accordance with Section B.3 and Section C.2, above, the First Option shall terminate with ten (10) Business Days Notice from Seller to Buyer and neither Party shall have any liability to the other with respect to the First Option.

5. The First Option Premium, when and if paid, shall be deemed to be consideration solely for the granting of the First Option by Seller. On expiration of the First Option without Buyer's exercise or with Buyer's Partial Exercise, as defined in Section C.6 below, Seller shall retain the First Option Premium if Seller is not in default of the Agreement or this Third Amendment. In the event the First Option is exercised by Buyer in accordance with

Section C.6, below, the First Option Premium shall be credited toward the First Optioned VERs Purchase Price.

6. To exercise the First Option, Buyer shall give Notice to Seller of its intent to exercise the First Option in whole or in part. Buyer may elect to purchase only a portion of the First Optioned VERs under the First Option and retain the right to purchase the remaining First Optioned VERs at any time prior to the June 30, 2012 expiration date of the First Option (a "Partial Exercise"). In the event of a Partial Exercise, Buyer shall give Notice of the number of First Optioned VERs that Buyer intends to purchase and pay the pro rata portion of the First Optioned VERs Purchase Price pursuant to Section D.2 below. If Buyer (a) has not exercised the First Option on or before June 30, 2012 or (b) has exercised a Partial Exercise without purchasing all of the First Optioned VERs, then in either case the First Option and all rights and obligations of Seller and Buyer hereunder, including but not limited to Buyer's right to purchase remaining First Optioned VERs in the case of a Partial Exercise, shall automatically and immediately expire and terminate without notice and neither Party shall have any liability to the other.

D. Purchase of First Optioned VERs.

1. If Buyer exercises the First Option in accordance with Section C, Seller shall Deliver the First Optioned VERs as specified in Section 3.2 of the Agreement not later than thirty (30) days following Notice by Buyer.

2. If Buyer exercises the First Option in whole in accordance with Section C, Buyer shall pay Seller the First Optioned VERs Purchase Price less the First Option Premium Price, which equates to Nine Hundred Thousand Dollars (\$900,000), not later than thirty (30) days following the Seller's Delivery of the First Optioned VERs to Buyer. In the case of multiple Partial Exercises, in accordance with Section C, Buyer shall pay Seller the pro rata portion of the First Optioned Purchase Price less the pro rata portion of the First Option Premium Price for the First Optioned VERs purchased in connection with the applicable Partial Exercise.

B. Option Right and Second Option for Additional VERs.

1. Seller hereby grants Buyer the right ("Option Right") to an option, but not an obligation, (the "Second Option") to purchase an additional Sixty Thousand (60,000) Additional VERs from Reporting Years 2009, 2010 and/or 2011 ("Second Optioned VERs") for a total purchase price of Five Hundred Ten Thousand Dollars (\$510,000) ("Second Optioned VERs Purchase Price"), subject to Section E.2 below. The Third Option shall not be effective unless and until Buyer exercises the Option Right in accordance with Section E.2 below.

2. The term of the Option Right shall begin on the Third Amendment Effective Date and terminate on May 31, 2011, unless terminated earlier by Buyer. In order to exercise the Option Right, Buyer shall provide Notice to Seller of its intent to exercise the Option Right and pay the Second Option Premium no later than May 31, 2011. If Buyer fails to provide Notice to Seller on or prior to the May 31, 2011 deadline and to pay in accordance with the preceding

sentence, then the Second Option and all rights and obligations of Seller and Buyer hereunder shall automatically and immediately expire and terminate without notice and neither Party shall have any liability to the other with respect to the Second Option.

3. Upon Buyer's exercise of the Option Right in accordance with Section E.2 above and in consideration of the granting of the Second Option by Seller, Buyer shall pay Seller Sixty Thousand Dollars (\$60,000) ("Second Option Premium") no later than May 31, 2011.

4. The term of the Second Option shall begin on the Second Option Effective Date and terminate on June 30, 2012, unless the Second Option is duly exercised pursuant to Section E.7, below or earlier terminated pursuant to Section E.5 below.

5. In the event Buyer fails to make timely payment of the Second Option Premium in accordance with Section E.2, above, the Second Option shall terminate with ten (10) Business Days Notice from Seller to Buyer and neither Party shall have any liability to the other with respect to the Second Option.

6. The Second Option Premium, when and if paid, shall be deemed to be consideration solely for the granting of the Second Option by Seller. On expiration of the Second Option without Buyer's exercise, Seller shall retain the Second Option Premium if Seller is not in default of the Agreement or this Third Amendment. In the event the Second Option is exercised by Buyer in accordance with Section E.7, below, the Second Option Premium shall be credited toward the Second Optioned VERs Purchase Price.

7. If Buyer has exercised the Option Right, then to exercise the Second Option, Buyer shall give Notice to Seller of its intent to exercise the Second Option. If the Second Option is not exercised on or before June 30, 2012, then the Second Option and all rights and obligations of Seller and Buyer hereunder shall automatically and immediately expire and terminate without notice and neither Party shall have any liability to the other with respect to the Second Option.

F. Purchase of Second Optioned VERs.

1. If Buyer exercises the Second Option in accordance with Section E., Seller shall Deliver the Second Optioned VERs as specified in Section 3.2 of the Agreement not later than thirty (30) days following Notice by Buyer.

2. If Buyer exercises the Second Option in accordance with Section E, Buyer shall pay Seller the remainder of the Second Optioned VERs Purchase Price to Four Hundred Fifty Thousand Dollars (\$450,000) not later than thirty (30) days following the Seller's Delivery of Second Optioned VERs to Buyer.

G. Integration. Except as expressly set forth herein, the purchase and sale of the 2011 Purchased VERs, the First Optioned Excess VERs, the Second Option Right and Second Option VERs shall in all respects be subject to the terms and conditions of this Third Amendment and the Agreement.

In WITNESS WHEREOF, each Party has caused this Third Amendment to be duly executed by its authorized representative as of the Third Amendment Effective Date.