

**POWER PURCHASE AGREEMENT
BETWEEN BIG CREEK WATER WORKS, LTD. AND
PACIFIC GAS AND ELECTRIC COMPANY**

Pacific Gas and Electric Company, a California Corporation ("PG&E" or "Buyer"), and Big Creek Water Works, Ltd., a California Limited Partnership ("Seller"), hereby enter into this Power Purchase Agreement ("Agreement"). Seller and PG&E are sometimes referred to in this Agreement jointly as "Parties" or individually as "Party." In consideration of the mutual promises and obligations stated in this Agreement and its appendices, the Parties agree as follows:

1. DOCUMENTS INCLUDED; DEFINED TERMS

This Agreement includes the following appendices, which are specifically incorporated herein and made a part of this Agreement.

Appendix A - Definitions

Appendix B - Initial Energy Delivery Date Confirmation Letter

Appendix C - Time of Delivery (TOD) Periods and Factors

Appendix D - Scheduling Requirements

Appendix E - Notification Requirements for Outage and Generation Schedule Changes

Appendix F - Description of Facility

2. SELLER'S GENERATING FACILITY, PURCHASE PRICES AND PAYMENT

2.1 Facility. This Agreement governs PG&E's purchase of Product from the electrical generating facility described in this Section 2.1.

2.1.1 The Facility is located at Hyampom Road, Hyampom, CA 96046 in Trinity County, California.

2.1.2 The Facility is an existing 4.8 megawatt ("MW") hydroelectric facility located in Hyampom CA.

2.1.3 The Facility's primary fuel is water for hydroelectric power.

2.1.4 The Facility has a nameplate rating of 4,800 kilowatts ("kW"), at unity power factor at 60 degrees Fahrenheit at sea level and has a primary voltage level of 60 kilovolts ("kV"). Seller shall not modify the Facility to increase the nameplate rating without the prior written consent of PG&E.

2.1.5 The Facility is connected to the PG&E electric system at 60 kV.

2.1.6 The Facility's scheduled Commercial Operation Date is January 1, 2010.

2.1.7 A description of the Facility, including a summary of its significant components, a drawing showing the general arrangements of the Facility, and a single line diagram illustrating the interconnection of the Facility and loads with PG&E's electric distribution system, is attached and incorporated herein as Appendix F. The Delivery Point is the Price Node ("PNode") established by the CAISO as the high side of the Facility's busbar (currently defined as "BIGCRK_2_EXESWD").

2.1.8 The name and address PG&E uses to locate the electric service account(s) and premises used to interconnect the Facility with PG&E's distribution systems is:

Big Creek
Near Hyampom
County of Trinity

2.2 Transaction. During the Delivery Term of this Agreement, Seller shall sell and deliver, or cause to be delivered, and PG&E shall purchase and receive, or cause to be received, Product at the Delivery Point pursuant to Seller's election of a (check one): full buy/sell or excess sale arrangement as described in paragraphs 2.2.1 and 2.2.2 below. PG&E shall pay Seller the Contract Price, set forth in Section 2.4, in accordance with the terms hereof. In no event shall Seller have the right to procure the Product from sources other than the Facility for sale or delivery to PG&E under this Agreement. PG&E shall have no obligation to receive or purchase Product from Seller after the end of the Delivery Term.

2.2.1 Full Buy/Sell. Seller agrees to sell to PG&E the Facility's gross output in kilowatt-hours, net of Station Use and transformation and transmission losses to the Delivery Point into the PG&E system, together with all capacity and all ancillary products, services or attributes similar to the foregoing which are or can be produced by or associated with the Facility, including, without limitation, Renewable Energy Credits, Resource Adequacy Benefits and Green Attributes. Seller shall purchase all Energy required to serve the Facility's on-site load, net of station use, from PG&E pursuant to PG&E's applicable retail rate schedule.

2.2.2 Excess Sale. Seller agrees to sell to PG&E the Facility's gross output in kilowatt-hours, net of Station Use and any on-site use by Seller and transformation and transmission losses to the Delivery Point into the PG&E system. Seller agrees to convey to PG&E all Green Attributes and Resource Adequacy Benefits associated with the Energy sold to PG&E.

2.3 Delivery Term. The Seller shall deliver the Product from the Facility to PG&E for a period of twenty (20) Contract Years ("Delivery Term"), which shall commence on the first date on which Energy is delivered from the Facility to PG&E ("Initial Energy Delivery

Date”) under this Agreement and continue until the end of the last Contract Year unless earlier terminated by the terms of this Agreement. The Initial Energy Delivery Date shall occur only when all of the following conditions have been satisfied:

2.3.1 The Commercial Operation Date has occurred, if the Facility was not in operation prior to the Execution Date of this Agreement;

2.3.2 The Facility’s status as an Eligible Renewable Energy Resource, is demonstrated by Seller’s receipt of certification from the CEC and is registered in WREGIS;

2.3.3 As evidence of the Initial Energy Delivery Date, the Parties shall execute and exchange the “Initial Energy Delivery Date Confirmation Letter” attached hereto as Appendix B on the Initial Energy Delivery Date; and,

2.3.4 CPUC Approval has been obtained and Buyer receives a final and non-appealable order of the CPUC that finds that Buyer’s entry into this Agreement is reasonable and that payments to be made by Buyer hereunder are recoverable in rates.

2.4 Contract Price. PG&E shall pay Seller one hundred and thirteen dollars and ninety cents (\$113.90) for each megawatt hour (“MWh”) of Product as measured by Energy delivered to PG&E during the Delivery Term. Payment shall be adjusted by the appropriate Time of Delivery (“TOD”) factor listed in Appendix C.

2.5 Contract Price and Payments Before CPUC Approval. If all of the conditions of Section 2.3 have been satisfied, except Section 2.3.4 regarding CPUC Approval, Buyer agrees to purchase the Product from Seller under the following terms:

2.5.1 PG&E will calculate separate peak and off-peak prices to be paid for Product delivered during peak and off-peak periods. “Peak” is defined as the hours beginning at 6:00 a.m. and ending at 10:00 p.m. PPT Monday through Saturday excluding NERC Holidays, and “off-peak” is defined as all other hours. The pricing index, as described in Section 2.5.2, will define the actual peak and off-peak periods. Product delivered during the peak periods will be paid the peak price and Product delivered during the off-peak periods will be paid the off-peak price.

2.5.2 The pricing index used shall be the ICE Daily Indices, published by ICE. PG&E will pay for peak Product delivered based on the “NP15 EZ Gen DA LMP Peak” (average) price as posted in the ICE Day Ahead Power Price Report. PG&E will pay for off-peak Product delivered based on the “NP15 EZ Gen DA LMP Off-peak” (average) price as posted in the ICE Day Ahead Power Price Report. In the event the ICE Day Ahead Power Price Report is discontinued, the Parties will negotiate in good faith to agree on a successor index and methodology on which to base the calculations.

2.5.3 After CPUC Approval is obtained and all of the conditions of Section 2.3 are satisfied, Buyer shall calculate the difference between the payments made to Seller under this Section 2.5 and the payments Seller would have received under the price identified in Section 2.4. If in total the Seller was paid less under this Section 2.5 than Seller would have been paid under Section 2.4, Buyer shall pay the difference to the Seller within forty-

five (45) days of the date that all of the conditions in Section 2.3 are satisfied. If in total the Seller was paid more under this Section 2.5 than Seller would have been paid under Section 2.4, Seller shall refund the difference to the Buyer within forty-five (45) days of the date that all of the conditions in Section 2.3 are satisfied.

2.5.4 If CPUC Approval is not obtained and this Agreement is terminated pursuant to Sections 10.2.1.4 or 10.2.2.2, Seller shall retain all payments made or owed by Buyer under Sections 2.5.1 and 2.5.2.

2.6 Billing and Payment. At least fifteen (15) days before the Initial Energy Delivery Date and by providing written Notice to PG&E, Seller shall make a one-time election stating whether Seller elects, throughout the entire Delivery Term, for PG&E to pay by check or Automated Clearing House transfer.

2.6.1 Buyer Payment. On or about the twenty-fifth (25th) day of each month beginning with the second month of the first Contract Year, and every month thereafter, and continuing through and including the month following the end of the Delivery Term, Buyer shall pay Seller for any undisputed amounts due under this Agreement. If the payment date is not a Business Day, then such invoice or payment shall be provided on the next following Business Day. Any undisputed amounts not paid by the due date will be deemed delinquent and will accrue interest at the Late Payment Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full. Invoices may be sent by facsimile or e-mail.

2.6.2 Disputes and Adjustments of Invoices. In the event an invoice or portion thereof or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with Notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. In the event adjustments to payments are required as a result of inaccurate meter(s), Buyer shall use corrected measurements to recompute the amount due from Buyer to Seller for the Product delivered during the period of inaccuracy. The Parties agree to use good faith efforts to resolve the dispute or identify the adjustment as soon as possible. Upon resolution of the dispute or calculation of the adjustment, any required payment shall be made within fifteen (15) days of such resolution along with interest accrued at the Late Payment Rate from and including the due date, but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Late Payment Rate from and including the date of such overpayment, but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 2.6.2 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made.

2.7 Title and Risk of Loss. Title to and risk of loss related to the Energy produced from and capacity provided by the Facility shall transfer from Seller to PG&E at the Delivery Point. Seller warrants that it will deliver to PG&E all Product from the Facility free and clear

of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

2.8 No Additional Incentives. Seller agrees that during the Term of this Agreement, Seller shall not seek additional compensation or other benefits pursuant to the Self-Generation Incentive Program, as defined in CPUC Decision (“D.”) 01-03-073, the California Solar Initiative, as defined in CPUC D.06-01-024, PG&E’s net energy metering tariff, or other similar California ratepayer subsidized program relating to Energy production with respect to the Facility.

2.9 Private Energy Producer. Seller agrees to provide to Buyer copies of each of the documents identified in California Public Utilities Code Section 2821(d)(1), if applicable, as may be amended from time to time, as evidence of Seller’s compliance with Section 2821(d)(1). Such documentation shall be provided to Buyer within thirty (30) days of Seller’s receipt of written request for such documentation.

3. GREEN ATTRIBUTES; RESOURCE ADEQUACY BENEFITS

3.1 Green Attributes. Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

3.2 WREGIS. Prior to the Initial Energy Delivery Date, Seller shall register the Facility in WREGIS and take all other actions necessary to ensure that the Energy produced from the Facility is tracked for purposes of satisfying the California Renewables Portfolio Standard requirements, as may be amended or supplemented by the CPUC or CEC from time to time. Seller warrants that all it shall take all necessary steps to ensure the Renewable Energy Credits transferred to Buyer under this Agreement are tracked in WREGIS and transferred in a timely manner to Buyer through WREGIS for purposes of satisfying Buyer’s California Renewables Portfolio Standard Requirements, as may be amended or supplemented by the CPUC or CEC from time to time.

3.3 Resource Adequacy Benefits. Seller conveys to PG&E all Resource Adequacy Benefits attributable to the physical generating capacity of Seller’s Facility to enable PG&E to count such capacity towards PG&E’s resource adequacy requirement for purposes of California Public Utilities Code Section 380. Seller shall take all reasonable actions and execute documents and instructions necessary to enable Buyer to secure Resource Adequacy Benefits; Seller shall comply with all applicable reporting requirements.

4. REPRESENTATION AND WARRANTIES; COVENANTS

4.1 Representations and Warranties. On the Execution Date, each Party represents and warrants to the other Party that:

4.1.1 It is duly organized, validly existing and in good standing under the

Laws of the jurisdiction of its formation;

4.1.2 The execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Law, rule, regulation, order or the like applicable to it;

4.1.3 This Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

4.1.4 It is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

4.1.5 There have not been served a formal summons and complaint initiating litigation against it or any of its affiliates that could materially adversely affect its ability to perform its obligations under this Agreement; and,

4.1.6 It is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of, and understands and accepts, the terms, conditions and risks of this Agreement.

4.2 General Covenants. Each Party covenants that throughout the Term of this Agreement:

4.2.1 It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation;

4.2.2 It shall maintain (or obtain from time to time as required, including through renewal, as applicable) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and,

4.2.3 It shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Law, rule, regulation, order or the like applicable to it.

4.3 Seller Representation and Warranty and Covenant.

4.3.1 In addition to the representations and warranties specified in Section 4.1, Seller makes the following additional representations and warranties as of the Execution Date:

4.3.1.1 Seller has not received an incentive under the Self-Generation Incentive Program, as defined in CPUC D.01-03-073, or the California Solar Initiative, as defined in CPUC D.06-01-024.

4.3.1.2 Seller's execution of this Agreement will not violate Public Utilities Code Section 2821(d)(1) if applicable.

4.3.2 Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

5. GENERAL CONDITIONS

5.1 Facility Care, Interconnection and Transmission Service. Seller shall execute a Small Generator Interconnection Agreement with PG&E's Generation Interconnection Services Department and pay and be responsible for designing, installing, operating, and maintaining the Facility in accordance with all applicable laws and regulations and shall comply with all applicable PG&E, CAISO, CPUC and FERC tariff provisions, including applicable interconnection and metering requirements. Seller shall also comply with any modifications, amendments or additions to the applicable tariff and protocols. During the Delivery Term, Seller shall arrange and pay independently for any and all necessary costs under any interconnection agreement with PG&E. To make deliveries to PG&E, Seller must maintain an interconnection agreement with PG&E in full force and effect.

5.2 Metering Requirements. Seller shall comply with all applicable rules in installing a meter appropriate for deliveries pursuant to the full buy/sell arrangement selected in Section 2.2, above, which can be electronically read daily by: (a) a telephone and modem; (b) an analog or digital phone connection; or (c) an internet portal address for PG&E's Energy Data Services ("EDS"). Seller shall be responsible for procuring and maintaining the communication link to electronically retrieve this metering data.

5.3 Standard of Care. Seller shall: (a) maintain and operate the Facility and interconnection facilities, except facilities installed by PG&E, in conformance with all applicable laws and regulations and in accordance with good utility practices, as defined by PG&E's Wholesale Distribution Tariff and the CAISO Tariff, as they may be amended, supplemented or replaced (in whole or in part) from time to time ("Good Utility Practices"); (b) obtain any governmental authorizations and permits required for the construction and operation thereof; and (c) generate, schedule and perform transmission services in compliance with all applicable operating policies, criteria, rules, guidelines and tariffs and Good Utility Practices. Seller shall reimburse PG&E for any and all losses, damages, claims, penalties, or liability PG&E incurs as a result of Seller's failure to obtain or maintain any governmental authorizations and permits required for operation of the Facility throughout the Term of this Agreement.

5.4 Access Rights. PG&E, its authorized agents, employees and inspectors shall have the right to inspect the Facility on reasonable advance Notice during normal business hours and for any purposes reasonably connected with this Agreement or the exercise of any and all rights secured to PG&E by Law, or its tariff schedules, PG&E Interconnection Handbook and rules on file with the CPUC. PG&E shall make reasonable efforts to coordinate its emergency activities with the Safety and Security Departments, if any, of the Facility operator. Seller shall keep PG&E advised of current procedures for communicating with the Facility operator's Safety and Security Departments.

5.5 Protection of Property. Each Party shall be responsible for protecting its own facilities from possible damage resulting from electrical disturbances or faults caused by the operation, faulty operation, or non-operation of the other Party's facilities and such other Party shall not be liable for any such damages so caused.

5.6 PG&E Performance Excuse; Seller Curtailment.

5.6.1 PG&E Performance Excuse. PG&E shall not be obligated to accept or pay for Product from the Facility during a seller curtailment, as described in Section 5.6.2 subject to any limitations that may apply as specified in Section 5.6.2(iii), or Force Majeure, as defined in Appendix A.

5.6.2 Seller Curtailment. PG&E may require Seller to interrupt or reduce deliveries of Energy: (i) when necessary to construct, install, maintain, repair, replace, remove, or investigate any of its equipment or part of PG&E's transmission system or distribution system or facilities; (ii) if PG&E or the CAISO determines that curtailment, interruption, or reduction is necessary because of a System Emergency (as defined in the CAISO Tariff), Forced Outage, or Force Majeure; or (iii) if PG&E or the CAISO determines that interruption or delivery of Energy is required for compliance with Good Utility Practice however after fifty (50) hours of curtailment for Good Utility Practice in any given calendar year, PG&E shall not otherwise be excused from its obligation to accept or pay for Product provided by, or Product which could have been provided by, the Facility at the Contract Price.

5.7 Notices of Outages. Whenever possible, PG&E shall give Seller reasonable notice of the possibility that interruption or reduction of deliveries may be required.

5.8 Greenhouse Gas Emissions. During the Term, Seller acknowledges that a Governmental Authority may require Buyer to take certain actions with respect to greenhouse gas emissions attributable to the generation of Energy, including, but not limited to, reporting, registering, tracking, allocating for or accounting for such emissions. Promptly following Buyer's written request, Seller agrees to take all commercially reasonable actions and execute or provide any and all documents, information or instruments with respect to generation by the Facility reasonably necessary to permit Buyer to comply with such requirements, if any.

5.9 Credit And Collateral Requirements.

5.9.1 Delivery Term Security. Seller agrees to deliver to Buyer collateral to secure its obligations under this Agreement as follows:

5.9.1.1 Commencing with the Initial Energy Delivery Date, Buyer will withhold amounts from Seller's monthly invoices for Product delivered during the Delivery Term at the rate of \$10/MWh and accumulate these amounts towards Seller's Delivery Term Security until cash equal to five hundred thousand dollars (\$500,000.00) has been accumulated.

5.9.1.2 When Delivery Term Security pursuant to Section 5.9.1.1 in the amount of five hundred thousand dollars (\$500,000.00) has been accumulated, Buyer shall maintain this amount throughout the Delivery Term. If the Delivery Term Security is ever less than five hundred thousand dollars (\$500,000.00) because PG&E has drawn down on the Delivery Term Security pursuant to the terms of this Agreement, Buyer may withhold amounts from Seller's monthly invoices for Product delivered during the Delivery Term at the rate of \$10/MWh and accumulate these amounts towards Seller's Delivery Term Security until cash equal to five hundred thousand dollars (\$500,000.00) has been accumulated.

5.9.1.3 Buyer shall pay interest on cash held as Delivery Term Security, at the Interest Rate. Buyer shall pay Seller by check or Automated Clearing House on or before each Interest Payment Date the Interest Amount due to Seller for such Delivery Term Security.

5.9.2 Return of Delivery Term Security. Buyer shall return the unused portion of Delivery Term Security, including the payment of any interest due thereon, pursuant to Section 5.9.1.3 above, to Seller promptly after the following has occurred: (i) the Term of the Agreement has ended, or subject to Section 10.2, a Termination Event has occurred, as applicable; and (ii) all payment obligations of the Seller arising under this Agreement, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting). PG&E and Seller agree that irrespective of the fact that PG&E holds the Delivery Term Security, the Delivery Term Security is the property and asset of the Seller, not PG&E.

5.9.3 Letter of Credit. Seller may provide a Letter of Credit for five hundred thousand dollars (\$500,000.00) for Delivery Term Security in lieu of the cash provided under Section 5.9.1.

5.9.3.1 If Seller provides a Letter of Credit, then Seller shall renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and in accordance with this Agreement. In the event the issuer of such Letter of Credit (i) fails to maintain a Credit Rating of at least an A2 by Moody's and at least an A by S&P, (ii) indicates its intent not to renew such Letter of Credit, or (iii) fails to honor Buyer's properly documented request to draw on an outstanding Letter of Credit by such issuer, Seller shall cure such default by complying with either (A) or (B) below in an amount equal to the outstanding Letter of Credit, and by completing the action within five (5) Business Days after Buyer receives Notice of such refusal (all of which is

considered the "Cure"): (A) providing a substitute Letter of Credit that is issued by a qualified bank acceptable to Buyer, other than the bank failing to honor the outstanding Letter of Credit, or (B) posting cash.

5.9.3.2 In all cases, the reasonable costs and expenses of establishing, renewing, substituting, canceling, increasing, reducing, or otherwise administering the Letter of Credit shall be borne by Seller.

5.9.3.3 If Seller provides a Letter of Credit, Buyer shall return the unused portion of Delivery Term Security held in cash under Section 5.9.1 in the same amount as the Letter of Credit amount.

6. INDEMNITY

Each Party as indemnitor shall save harmless and indemnify the other Party, and the directors, officers, and employees of such other Party, against and from any and all loss and liability for injuries to persons including employees of either Party, and damages, including property of either Party, resulting from or arising out of: (a) the engineering, design, construction, maintenance, or operation of the indemnitor's facilities; or (b) the installation of replacements, additions, or betterments to the indemnitor's facilities. This indemnity and save harmless provision shall apply notwithstanding the active or passive negligence of the indemnitee. Neither Party shall be indemnified for liability or loss, resulting from its sole negligence or willful misconduct. The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity. This section shall remain in effect for twelve (12) months after the termination of this Agreement, as provided in Section 10.1, or for twelve months after the Early Termination Date, as provided in Section 10.3.1.

7. LIMITATION OF DAMAGES

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 6 (INDEMNITY), IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE

OR PASSIVE. THE ABOVE NOTWITHSTANDING, TO THE EXTENT THAT PG&E FAILS TO PAY SELLER, PER THE TERMS OF THIS AGREEMENT, FOR PRODUCT DELIVERED, THEN SUCH AMOUNTS SHALL BE DEEMED ACTUAL DAMAGES.

8. **NOTICES**

Notices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail). Whenever this Agreement requires or permits delivery of a "Notice" (or requires a Party to "Notify"), the Party with such right or obligation shall provide a written communication in the manner specified below. A Notice sent by facsimile transmission or e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5 p.m. PPT (and if received after 5 p.m., on the next Business Day) and a Notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party unless it confirms a prior oral communication, in which case any such Notice shall be deemed received on the day sent. A Party may change its addresses by providing Notice of same in accordance with this provision. All written Notices shall be directed as follows:

TO PG&E: Pacific Gas and Electric Company
Attention: Manager, Contract Management
245 Market Street, Mail Code N12E
San Francisco, CA 94177-0001

TO SELLER: Big Creek Water Works, Ltd.
Attention: Brian Ring
Physical Address:
224 Kingsbury Grade
Stateline, NV 89449 Mailing Address:
P.O. Box 12219
Zephyr Cove, NV 89448

9. **INSURANCE**

9.1 General Liability Coverage.

9.1.1 Seller shall maintain during the performance hereof, General Liability Insurance of not less than one million dollars (\$1,000,000) if the Facility's nameplate is over 100 kW, five hundred thousand dollars (\$500,000) if the nameplate rating of the Facility is over 20 kW to 100kW or one hundred thousand dollars (\$100,000) if the nameplate rate of the Facility is 20 kW or below of combined single limit or equivalent for bodily injury, personal injury, and property damage as the result of any one occurrence.

9.1.2 General Liability Insurance shall include coverage for Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard,

Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations.

9.1.3 Such insurance shall provide for thirty (30) days written Notice to PG&E prior to cancellation, termination, alteration, or material change of such insurance.

9.2 Additional Insurance Provisions.

9.2.1 Evidence of coverage described above in Paragraph 9.1 shall state that coverage provided in primary and is not excess to or contributing with any insurance or self-insurance maintained by PG&E.

9.2.2 PG&E shall have the right to inspect or obtain a copy of the original policy(ies) of insurance.

9.2.3 Seller shall furnish the required certificates and endorsements to PG&E prior to the Initial Energy Delivery Date.

9.2.4 All insurance certificates, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Pacific Gas and Electric Company
c/o EXIGIS LLC
589 8th Avenue, Floor 8
New York, NY 10018
support@exigis.com (for electronic filing)

10. **TERM, DEFAULT, TERMINATION EVENT AND TERMINATION**

10.1 Term. The term of this Agreement shall commence upon execution by the duly authorized representatives of PG&E and Seller and continue until the end of the twentieth (20th) Contract Year unless terminated earlier as provided by the terms of this Agreement. All indemnity rights in Section 6 shall survive the termination of this Agreement for twelve (12) months.

10.2 Termination Event.

10.2.1 Buyer shall be entitled to terminate the Agreement upon the occurrence of any of the following:

10.2.1.1 The Facility has not achieved the Initial Energy Delivery Date within eighteen (18) months of the Execution Date of this Agreement.

10.2.1.2 Seller has not delivered Energy from the Facility to PG&E for a period of twenty four (24) consecutive months; however, if Seller is offline and is not

able to produce, but is not reasonably attempting to do that which is necessary to get back online in the eighteenth (18th) month of that twenty-four month period then Seller shall at the end of that 18th month be in default and Buyer shall be entitled to terminate this Agreement at that time.

10.2.1.3 Seller breaches its covenant to maintain its status as an ERR as set forth in Section 4.3.2 of this Agreement.

10.2.1.4 If CPUC Approval is not granted within two hundred and forty (240) days of the Execution Date.

10.2.2 Seller shall be entitled to terminate the Agreement upon the occurrence of any of the following:

10.2.2.1 If Buyer has failed to remit any sums owed hereunder to Seller, when due, and such failure is not remedied within thirty (30) calendar days after written notice hereof. This period shall be tolled to the extent that Buyer is unable to process such payments due to Force Majeure.

10.2.2.2 If CPUC Approval is not granted within two hundred and forty (240) days of the Execution Date.

10.3 Termination.

10.3.1 Declaration of a Termination Event. If a Termination Event has occurred, Buyer or Seller shall have the right to: (i) send Notice, designating a day, no earlier than five (5) days after such Notice is deemed to be received (as provided in Section 8) and no later than twenty (20) days after such Notice is deemed to be received (as provided in Section 8), as an early termination date of this Agreement ("Early Termination Date"); (ii) accelerate all amounts owing between the Parties; and (iii) terminate this Agreement and end the Delivery Term effective as of the Early Termination Date.

10.3.2 Obligations After Termination Event. Upon termination of this Agreement pursuant to Section 10.3.1, neither Party shall be under any further obligation, except with respect to the indemnity provision in Section 6, which shall remain in effect for a period of twelve (12) months following the Early Termination Date.

11. **SCHEDULING**

11.1 Scheduling Requirements. The Parties shall comply with all scheduling requirements identified in Appendix D.

11.2 CAISO Charges and Penalties.

11.2.1 CAISO Charge Obligations. PG&E and Seller shall cooperate to minimize CAISO delivery imbalances and any resulting fees, liabilities, assessments or similar charges assessed by the CAISO to the extent possible. All CAISO charges including charges and credits associated with Charge Codes 6475 Real-time Uninstructed Imbalance

Energy, 4506 Energy Transmission Services Deviation, and 4536 Market Usage Uninstructed Energy (or their successor CAISO Charges Codes) are "CAISO Charges." CAISO Charges shall not include CAISO Penalties. For each month during the Delivery Term, all CAISO Charges for that month shall be aggregated for a monthly total of CAISO Charges. If the monthly total CAISO Charges are eight thousand dollars (\$) or less, PG&E shall be responsible for paying the CAISO Charges for the month. If the monthly total CAISO Charges exceed eight thousand dollars (\$8,000), PG&E shall be responsible for paying the first eight thousand dollars (\$8,000) and Seller shall be responsible for paying all of the CAISO Charges for the month that exceed eight thousand dollars (\$8,000). If the monthly total CAISO Charges are a net credit (*i.e.*, payment) from the CAISO to the Scheduling Coordinator, PG&E shall be entitled to receive the net credit of CAISO Charges for the month. The following example is set forth for illustrative purposes, to show the calculation of CAISO Charges. Should Seller schedule in a day forty (40) MWh, and generate fifty (50) MWh, and the real-time locational margin price ("LMP") at which Buyer would be paid by the CAISO is \$25/MWh, then the CAISO Charge for that day would be a credit of $(\$25 \times 10 \text{ MWh}) - (\$1.61 \times 10)$ or \$233.90. However, if the subsequent day the Seller scheduled 40 MWh and generated only 30 MWh, and the real-time LMP at which Buyer would have to purchase energy for the CAISO is \$30.00/MWh, then the CAISO Charge for that day would be a charge of $(\$30 \times 10) + (\$1.61 \times 10)$ or \$316.10. One dollar and sixty-one cents (\$1.61) represents the current cost for Charge Codes 4506 and 4536. The negative and positive credits/charges offset partially, so that the aggregate CAISO Charge, in terms of calculation of the monthly total, for that two day period would be a net charge of \$82.20.

11.2.2 CAISO Penalties. Seller shall assume all liability and reimburse Buyer for any and all CAISO Penalties incurred by Buyer because of Seller's failure to perform any covenant or obligation set forth in this Agreement. Buyer shall assume all liability and reimburse Seller for any and all CAISO Penalties incurred by Seller as a result of Buyer's failure to perform any covenant or obligation set forth in this Agreement.

12. CONFIDENTIALITY

Seller authorizes PG&E to release to the CEC and/or the CPUC information regarding the Facility, including the Seller's name and location, and the size, location and operational characteristics of the Facility, the Term, the ERR type, the Initial Energy Delivery Date and the net power rating of the Facility, as requested from time to time pursuant to the CEC's or CPUC's rules and regulations.

13. ASSIGNMENT

Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof to its financing providers and the financing provider(s) shall assume the payment and performance obligations provided under this Agreement with respect to the transferring Party provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof.

The foregoing notwithstanding, no consent by Buyer shall be required for assignment to any entity controlled by Wayne L. Prim, Jr. or Wayne L. Prim.

14. GOVERNING LAW.

This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

15. SEVERABILITY

If any provision in this Agreement is determined to be invalid, void or unenforceable by the CPUC or any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

16. COUNTERPARTS

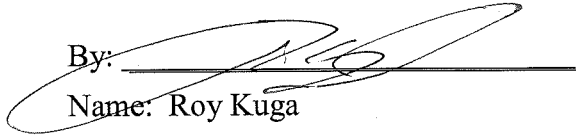
This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or PDF transmission will be deemed as effective as delivery of an originally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

17. GENERAL

No amendment to or modification of this Agreement shall be enforceable unless reduced to writing and executed by both Parties. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

PACIFIC GAS AND ELECTRIC COMPANY

By:  _____ Date: 12/8/09
Name: Roy Kuga
Title: Vice President, Energy Supply Management

SELLER

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

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

PACIFIC GAS AND ELECTRIC COMPANY

By: _____ Date: _____

Name: _____

Title: _____

SELLER

By:  _____

Date: 12/8/09

Name: BRIAN P. RING

Title: GENERAL COUNSEL

APPENDIX A

DEFINITIONS

“Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday, between the hours of 8:00 a.m. and 5:00 p.m. local time for the relevant Party’s principal place of business where the relevant Party in each instance shall be the Party from whom the Notice, payment or delivery is being sent.

“CAISO” means the California Independent System Operator Corporation or any successor entity performing similar functions.

“CAISO Charges” has the same meaning as set forth in Section 11.2.1.

“CAISO Penalties” means any fees, liabilities, assessments, or similar charges assessed by the CAISO for (a) violation of the CAISO Tariff and all applicable protocols, WECC rules or CAISO operating instructions or orders or (b) as a result of a Party’s failure to follow Good Utility Practices. In either case “CAISO Penalties” do not include the costs and charges related to scheduling and imbalances as addressed in Section 11.2.1 of this Agreement.

“CAISO Tariff” means the CAISO FERC Electric Tariff, Third Replacement Volume No. 1, as amended from time to time.

“California Renewables Portfolio Standard” means the renewable energy program and policies established by Senate Bill 1038 and 1078, codified in California Public Utilities Code Sections 399.11 through 399.20 and California Public Resources Code Sections 25740 through 25751, as such provisions may be amended or supplemented from time to time.

“CEC” means the California Energy Commission or its successor agency.

“Commercial Operation Date” means the date on which the Facility is operating and is in compliance with applicable interconnection and system protection requirements, and able to produce and deliver Energy to PG&E pursuant to the terms of this Agreement.

“Contract Price” means the price set forth in Section 2.4.

“Contract Year” means a period of twelve (12) consecutive months with the first Contract Year commencing on the first day of the month immediately following the Initial Energy Delivery Date and each subsequent Contract Year commencing on the anniversary of the Initial Energy Delivery Date.

“CPUC” means the California Public Utilities Commission, or successor entity.

“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

(a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer's administration of the Agreement; and

(b) finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 *et seq.*), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by Standard & Poor's Financial Services, LLC or its successor ("S&P") or Moody's Investor Services, Inc. or its successor ("Moody's"). If ratings by S&P and Moody's are not equivalent, the lower rating shall apply.

"Delivery Point" means the point of interconnection identified in Section 2.1.7.

"Delivery Term" has the same meaning as set forth in Section 2.3.

"Delivery Term Security" means the security that Seller is required to maintain, as specified in Section 5.9, to secure performance of its obligations during the Delivery Term.

"Eligible Renewable Energy Resource" or "ERR" has the meaning set forth in Public Utilities Code Sections 399.12 and California Public Resources Code Section 25741, as either code provision may be amended or supplemented from time to time.

"Energy" means three-phase 60-cycle alternating current electric energy measured in MWh and net of auxiliary loads and station electrical uses (unless otherwise specified).

"Energy Forecast" means the amount of electric Energy that is forecasted by Seller to be generated from the Facility on an hourly basis.

"Event of Default" used in Section 4.3.2 has the same meaning as a Termination Event.

"Execution Date" means the latest signature date found at the end of the Agreement.

"Facility" means the generating facility described in Section 2.1.

"FERC" means the Federal Energy Regulatory Commission or any successor government agency.

"Forced Outage" means any unplanned reduction or suspension of the electrical output from the Facility resulting in the unavailability of the Facility, in whole or in part, in response to a

mechanical, electrical, or hydraulic control system trip or operator-initiated trip in response to an alarm or equipment malfunction and any other unavailability of the Facility for operation, in whole or in part, for maintenance or repair that is not a scheduled maintenance outage and not the result of Force Majeure.

“Force Majeure” means any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (ii) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures to prevent or avoid such event or mitigate the effect of such event on such Party’s ability to perform its obligations under this Agreement and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (iii) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Party seeking to have its performance obligations excused thereby. Force Majeure shall not be based on: (a) PG&E’s inability economically to use or resell the Energy or capacity purchased hereunder; (b) Seller’s ability to sell the Energy, capacity or other benefits produced by or associated with the Facility at a price greater than the price set forth in this Agreement, (c) Seller’s inability to obtain approvals of any type for the construction, operation, or maintenance of the Facility; (d) Seller’s inability to obtain sufficient fuel to operate the Facility, except if Seller’s inability to obtain sufficient fuel is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iii) of this definition of Force Majeure; (e) a Forced Outage except where such Forced Outage is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iii) of this definition of Force Majeure; (f) a strike or labor dispute limited only to Seller, Seller’s affiliates, the engineering, procurement, and construction contractor or subcontractors thereof; or (g) any equipment failure not caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iii) of this definition of Force Majeure.

“Good Utility Practice” has the same meaning as set forth in Section 5.3(a).

“Governmental Authority” means any federal, state, local, or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering

the Earth's climate by trapping heat in the atmosphere;¹ (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

"ICE" means Intercontinental Commodity Exchange.

"Initial Energy Delivery Date" has the meaning set forth in Section 2.3.

"Interest Amount" means, with respect to an Interest Period, the amount of interest calculated as follows: (i) the sum of (a) the principal amount of Delivery Term Security in the form of cash held by Buyer during that Interest Period, and (b) the sum of all accrued and unpaid Interest Amounts accumulated prior to such Interest Period; (ii) multiplied by the Interest Rate in effect for that Interest Period; (iii) multiplied by the number of days in that Interest Period; (iv) divided by 360.

"Interest Payment Date" means the last Business Day of each calendar year.

"Interest Period" means the monthly period beginning on the first day of each month and ending on the last day of each month.

"Interest Rate" means the rate per annum equal to the "Monthly" Federal Funds Rate (as reset on a monthly basis based on the latest month for which such rate is available) as reported in Federal Reserve Bank Publication H.15-519, or its successor publication.

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

“Late Payment Rate” means the rate per annum equal to the “Monthly” Wall Street Journal Prime Rate (as reset on a monthly basis based on the latest month for which such rate is available).

“Law” means any statute, law, treaty, rule, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Execution Date, and which becomes effective during the Delivery Term; or any binding interpretation of the foregoing.

“Letter(s) of Credit” means one or more irrevocable, non-transferable standby letters of credit issued by (a) a U.S. commercial bank or (b) a U.S. branch of a foreign commercial bank with sufficient assets in the United States, as determined by Buyer, with either such bank having a Credit Rating of at least A from S&P or A2 from Moody’s, in a form acceptable to Buyer, at Buyer’s reasonable discretion.

“MW” means megawatts.

“NERC Holidays” mean the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Three of these days, Memorial Day, Labor Day, and Thanksgiving Day occur on the same day each year. Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the 4th Thursday in November. New Year’s Day, Independence Day, and Christmas Day, by definition, are predetermined dates each year. However, in the event they occur on a Sunday, the “NERC Holiday” is celebrated on the Monday immediately following that Sunday. However, if any of these days occur on a Saturday, the “NERC Holiday” remains on that Saturday.

“Notice” has the same meaning as set forth in Section 8.

“PPT” means Prevailing Pacific Time.

“Planned Outage” means the removal of equipment from service availability for inspection and/or general overhaul of one or more major equipment groups. To qualify as a Planned Outage, the maintenance: (a) must actually be conducted during the Planned Outage, and in Seller’s sole discretion must be of the type that is necessary to reliably maintain the Facility; (b) cannot be reasonably conducted during Facility operations; and (c) causes the generation level of the Facility to be reduced by at least ten percent (10%) of the Facility capacity identified in Section 2.1.2.

“Product” means the Energy, capacity and all ancillary products, services or attributes similar to the foregoing which are or can be produced by or associated with the Facility, including, without limitation, renewable attributes, Renewable Energy Credits, Resource Adequacy Benefits and Green Attributes.

“Project” for purposes of the definition of “Green Attributes” and Sections 3.1 and 4.3.2 of the Agreement, the word “project” or “Project” shall have the same meaning as the term “Facility.”

“Prolonged Outage” is any period of more than thirty (30) consecutive days during which the Facility is or will be unable, for whatever reason, to provide at least sixty percent (60%) of the Facility capacity identified in Section 2.1.2.

“Renewable Energy Credit(s)” has the meaning set forth in Public Utilities Code Section 399.12(g), as may be amended from time to time or as further defined or supplemented by Law.

“Resource Adequacy Benefits” means the rights and privileges attached to the Facility that satisfy any entity’s resource adequacy obligations, as those obligations are set forth in any Resource Adequacy Rulings and shall include any local, zonal or otherwise locational attributes associated with the Facility.

“Resource Adequacy Rulings” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031 and any subsequent CPUC ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable Governmental Authority, as such decisions, rulings, laws, rules or regulations may be amended or modified from time-to-time during the Delivery Term.

“Scheduling Coordinator” or “SC” means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff, for the purposes of undertaking the functions specified in “Responsibilities of a Scheduling Coordinator”, of the CAISO Tariff, as amended from time to time.

“Station use” means energy consumed within the Facility’s electric energy distribution system as losses, as well as energy used to operate the Facility’s auxiliary equipment. The auxiliary equipment may include, but is not limited to, forced and induced draft fans, cooling towers, boiler feeds pumps, lubricating oil systems, plant lighting, fuel handling systems, control systems, and sump pumps.

“Term” has the same meaning as set forth in Section 10.1

“Termination Event” shall mean any of the events identified in Section 10.2.

“Third-Party SC” means a qualified third party designated by Buyer to provide the Scheduling Coordinator functions for the Facility pursuant to this Agreement.

“WREGIS” means the Western Renewable Energy Generating Information System or any successor renewable energy tracking program.

APPENDIX B

INITIAL ENERGY DELIVERY DATE CONFIRMATION LETTER

In accordance with the terms of that certain Power Purchase Agreement dated _____ (“Agreement”) by and between Pacific Gas and Electric Company (“PG&E”) and Big Creek Water Works, Ltd. (“Seller”), dated _____, 2009, this letter serves to document that: (i) the conditions precedent to the occurrence of the Initial Energy Delivery Date specified in Section 2.3 of the Agreement have been satisfied; and (ii) Seller has scheduled and PG&E has received the Energy, as specified in the Agreement, as of this _____ day of _____, 2009. This letter shall confirm the Initial Energy Delivery Date, as defined in the Agreement, as the date referenced in the preceding sentence.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below:

By: Big Creek Water Works, Ltd.

By: Pacific Gas and Electric Company

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX C
TIME OF DELIVERY (TOD) PERIODS & FACTORS

Monthly Period	Super-Peak¹	Shoulder²	Night³
Jun – Sep	2.01	1.14	0.72
Oct.- Dec., Jan. & Feb.	1.09	.96	0.78
Mar. – May	1.13	0.86	0.63

1. Super-Peak (5x8) = HE (Hours Ending) 13 – 20 (PPT), Monday - Friday (*except* NERC Holidays) in the applicable Monthly Period.
2. Shoulder = HE 7 - 12, 21 and 22 PPT Monday - Friday (*except* NERC Holidays); and HE 7 - 22 PPT Saturday, Sunday and *all* NERC holidays in the applicable Monthly Period.
3. Night (7x8) = HE 1 - 6, 23 and 24 PPT all days (*including* NERC Holidays) in the applicable Monthly Period.

APPENDIX D**SCHEDULING REQUIREMENTS**

1. Designation of Scheduling Coordinator. At least ninety (90) days before the beginning of the Delivery Term, Seller shall take all actions and execute and deliver to Buyer all documents necessary to authorize or designate Buyer, or Third-Party SC, as Seller's Scheduling Coordinator, and Buyer or Third-Party SC, as applicable, shall take all actions and execute and deliver to Seller or CAISO all documents necessary to become and act as Seller's Scheduling Coordinator. If Buyer designates a Third-Party SC, then Buyer shall give Seller Notice of such designation at least ten (10) Business Days before the Third-Party SC assumes Scheduling Coordinator duties hereunder, and Seller shall be entitled to rely on such designation until it is revoked or a new Third-Party SC is appointed by Buyer upon similar Notice. Buyer shall be fully responsible for all acts and omissions of Third-Party SC and for all cost, charges and liabilities incurred by Third-Party SC to the same extent that Buyer would be responsible under this Agreement for such acts, omissions, costs, charges and liabilities if taken, omitted or incurred by Buyer directly. Seller shall not authorize or designate any other party to act as Scheduling Coordinator, nor shall Seller perform, for its own benefit, the duties of Scheduling Coordinator unless Buyer is negligent in performing its duties as Scheduling Coordinator on a consistent basis. If required, Seller shall designate another Scheduling Coordinator during the Delivery Term, and shall comply with the requirements in this Appendix D, Section 4. Seller, at its own expense, shall be responsible for complying with all applicable contractual, metering and interconnection requirements necessary for PG&E to act as Seller's Scheduling Coordinator.

2. Buyer's Responsibilities as Scheduling Coordinator. Buyer or Third-Party SC shall comply with all obligations as Seller's Scheduling Coordinator under the CAISO Tariff and shall conduct all Scheduling in full compliance with the terms and conditions of this Agreement, the applicable CAISO Tariff, and CAISO protocols and scheduling practices for Energy.

3. Energy Forecast. Seller shall use commercially reasonable efforts to accurately develop an Energy Forecast for the Facility and to transmit such information in a format reasonably acceptable to Buyer. Buyer and Seller shall agree upon reasonable changes to the requirements and procedures set forth below in this Appendix D from time-to-time, as necessary to comply with CAISO Tariff changes, accommodate changes to their respective generation technology and organizational structure and address changes in the operating and scheduling procedures of Buyer, Third-Party SC (if applicable) and the CAISO, including but not limited to automated forecast and outage submissions.

(a) Monthly Energy Forecast. Ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide to Buyer and Third-Party SC (if applicable) a non-binding forecast of the hourly Energy Forecast for each day of the following month in a form reasonably acceptable to Buyer (the "Monthly Energy Forecast").

(b) Daily Updates to the Energy Forecast. During each month of the Delivery Term, if the hourly Energy Forecast for any hour differs in a commercially substantial

manner relative to the forecast for such hour provided for that day in the Monthly Energy Forecast, whether due to Forced Outage, Force Majeure or other cause, Seller or Seller's agent shall use commercially reasonable efforts to provide a revised day ahead Energy Forecast (the "Day-Ahead Energy Forecast") to Buyer or Third-Party SC (as applicable) via Buyer's internet site, for each affected day no later than fourteen (14) hours before the beginning of the "Preschedule Day" (as defined by the WECC) for such affected day. The current industry standard Preschedule Day timetable in the WECC is as follows:

- (1) Monday – Preschedule Day for Tuesday
- (2) Tuesday – Preschedule Day for Wednesday
- (3) Wednesday – Preschedule Day for Thursday
- (4) Thursday – Preschedule Day for Friday and Saturday
- (5) Friday – Preschedule Day for Sunday and Monday

As an example, if the Day-Ahead Energy Forecast is for Tuesday and requires a revision, the revised Energy Forecast would be due by 10 a.m. on the preceding Sunday. Likewise, a revision for Sunday or Monday would be due by 10 a.m. on the preceding Thursday.

Exceptions to this standard Monday through Friday Preschedule Day timetable are presently set forth by the WECC in order to accommodate holidays, monthly transitions and other events. Exceptions are posted on the WECC website (www.wecc.biz) under the document title, "Prescheduling Calendar."

If the Energy Forecast for any hour differs in a commercially substantial manner relative to the forecast for such hour provided for that day in the Monthly Energy Forecast, whether due to Forced Outage, Force Majeure or other cause, less than fourteen (14) hours prior to the Preschedule Day but prior to the CAISO deadline for Day-Ahead Schedules, then Seller or Seller's agent shall use commercially reasonable efforts to Notify Buyer of such change by telephone (at Buyers' discretion) and shall send a revised Notice to Buyer's Internet site. Such Notices shall contain information regarding the beginning date and time of the event resulting in the change in Energy Forecast, the expected end date and time of such event, the expected Energy Forecast in MW, and any other necessary information.

Day-Ahead Trading Desk
Primary Telephone: (415) 973-6222
Backup Telephone: (415) 973-4500

If Seller does not provide Buyer with a Day-Ahead Energy Forecast, then until Seller provides a Day-Ahead Energy Forecast, Buyer may rely on the most recent Day-Ahead Energy Forecast or the Monthly Energy Forecast submitted by Seller to Buyer, as appropriate in Buyer's sole discretion.

(c) Hourly Updates to the Energy Forecast. During each month of the Delivery Term, if the hourly Energy Forecast for any hour differs in a commercially substantial manner relative to the forecast for such hour in either the Monthly Energy Forecast or the updated daily Energy Forecast, whether due to Forced Outage, Force Majeure or other cause, Seller shall Notify Buyer of such changes in Energy Forecast as soon as reasonably possible,

but no later than one (1) hour before Buyer or Third-Party SC (as applicable) is required to submit Hour-Ahead schedules to the CAISO. Energy Forecast changes after one (1) hour before the CAISO deadline for Hour-Ahead Schedules, but before the CAISO Hour-Ahead deadline, shall also be reported by Seller to Buyer as soon as reasonably possible. Such Notices shall contain information regarding the beginning date and time of the event resulting in the change in Energy Forecast, the expected end date and time of such event, the expected Energy Forecast in MW, and any other information reasonably requested by Buyer. With respect to any Forced Outage, Seller shall use commercially reasonable efforts to Notify Buyer of such outage immediately following Seller Energy Forecast notification to the CAISO via SLIC, if applicable and Seller shall follow PG&E's Outage Notification Procedures in Appendix E. Seller shall inform Buyer of any developments that will affect either the duration of such outage or the availability of the Facility during or after the end of such outage. These Notices and changes to Energy Forecast shall be communicated by telephone (at Buyer's discretion) to Buyer's Hour-Ahead Trading Desk and shall be sent to Buyer's internet site:

Hour-Ahead Trading Desk
Primary Telephone: (415) 973-4500

4. Replacement of Scheduling Coordinator.

(a) At least ninety (90) days prior to the end of the Delivery Term, or as soon as practicable before the date of any termination of this Agreement prior to the end of the Delivery Term, Seller shall take all actions necessary to terminate the designation of Buyer or the Third-Party SC, as applicable, as Seller's SC. These actions include: (i) submitting to the CAISO a designation of a new SC for Seller to replace Buyer or the Third-Party SC (as applicable); (ii) causing the newly-designated SC to submit a letter to the CAISO accepting the designation; and (iii) informing Buyer and the Third-Party SC (if applicable) of the last date on which Buyer or the Third-Party SC (as applicable) will be Seller's SC.

(b) Buyer shall submit, or if applicable cause the Third-Party SC to submit, a letter to the CAISO identifying the date on which Buyer (or Third-Party SC, as applicable) resigns as Seller's SC on the first to occur of either: (i) thirty (30) days prior to the end of the Delivery Term; or (ii) the date of any early termination of this Agreement.

5. Authorized Representative. Each Party shall provide Notice to the other Party of the person(s) authorized to schedule or dispatch order for the delivery of the Product or acceptance of the Product or make other Notices on behalf of such Party and specify the scope of their individual authority and responsibilities, and may change its designation of such person(s) from time to time in its sole discretion by providing Notice.

6. Recording. Unless a Party expressly objects to a recording at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording of all telephone conversations between Buyer's employees or representatives performing a Scheduling Coordinator function and any representative of Seller. The Parties agree that any such recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement. Each Party

waives any further Notice of such monitoring or recording, and agrees to Notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees.

APPENDIX E

NOTIFICATION REQUIREMENTS FOR OUTAGE AND GENERATION
SCHEDULE CHANGES

1. CAISO Approval of Outage(s). Seller is responsible for securing CAISO approvals for Facility outages, including securing changes in its outage schedules when CAISO disapproves Seller's schedules or cancels previously approved outages. Seller shall communicate any CAISO-required changes to Buyer in a timely manner, in accordance with this Appendix E, Sections 7 and 8.

2. Planned Outages. Seller shall Notify Buyer of its proposed Planned Outage schedule for the Facility for the following calendar year no later than August 1st of each year during the Delivery Term. The Planned Outage schedule is subject to Buyer's approval, which approval may not be unreasonably withheld or conditioned. Seller shall also confirm or provide updates to Buyer regarding the Planned Outage no later than fourteen (14) days prior to each Planned Outage. Seller shall not conduct Planned Outages during the months of January, June through September, and December. During all other months, Seller shall not schedule Planned Outages without the prior written consent of Buyer, which consent may not be unreasonably withheld or conditioned. Seller shall contact Buyer with any requested changes to the Planned Outage schedule if Seller believes the Facility must be shut down to conduct maintenance that cannot be delayed until the next scheduled Planned Outage consistent with Good Utility Practices. Seller shall not change its Planned Outage schedule without Buyer's approval, not to be unreasonably withheld or conditioned. Seller shall not substitute Energy from any other source for the output of the Facility during a Planned Outage. After any Planned Outage has been scheduled, at any time up to the commencement of work for the Planned Outage, Buyer may request that Seller change its outage schedule. Seller shall Notify Buyer of any incremental costs associated with such schedule change and an alternative schedule change, if any, that would entail lower incremental costs. If Buyer agrees to pay the incremental costs, Seller shall use commercially reasonable efforts to accommodate Buyer's request.

3. Prolonged Outages. Seller shall Notify Buyer of a Prolonged Outage as soon as practicable in accordance with the provisions in this Appendix E, Sections 7 and 8. Seller shall not substitute Energy from any other source for the output of the Facility during a Prolonged Outage.

4. Force Majeure. Within forty-eight (48) hours of commencement of an event of Force Majeure, the non-performing Party shall provide the other Party with oral Notice of the event of Force Majeure, and within two (2) weeks of the commencement of an event of Force Majeure the non-performing Party shall provide the other Party with Notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure claim. Failure to provide timely Notice constitutes a waiver of a Force Majeure claim. Seller shall not substitute Products from any other source for the output of the Facility during an outage resulting from Force Majeure. The suspension of performance due to a claim of Force Majeure must be of no greater scope and of no longer duration than is required by the Force Majeure. Buyer shall not be required to make any payments for any

Product that Seller fails to deliver or provide as a result of Force Majeure during the term of a Force Majeure.

5. Communications with CAISO. Seller shall be responsible for all outage coordination communications with CAISO outage coordination personnel and CAISO operations management, including submission to CAISO of updates of outage plans, submission of clearance requests, and all other outage-related communications. Seller shall timely provide Buyer with copies of all outage plans and clearance requests submitted to CAISO, and shall promptly inform Buyer of all clearance approvals and disapprovals and other communications with CAISO pertaining to the status of planned or in-progress Facility outages. Seller shall maintain a summary of clearance information associated with all current and planned maintenance, including information on then current outages, and make this available to Buyer upon request. If either Party receives information through CAISO regarding maintenance that will directly affect the Facility, it will provide this information promptly to the other Party.

6. Changes to Operating Procedures. Seller understands and acknowledges that the specified transmission and scheduling mechanisms, metering requirements, Outage Notification Procedures and operating procedures described therein are subject to change by Buyer from time to time and, upon receipt of Notice of any such changes, Seller agrees to work in good faith to implement any such changes as reasonably deemed necessary by Buyer; provided that such change does not result in an increase cost of performance to Seller hereunder other than *de minimis* amounts.

7. Notification Requirements for Start-Up and Shutdown. Prior to paralleling to or after disconnecting from the electric system, Seller should always follow the balancing authority rules and Notify Seller's designated balancing authority control center as follows:

Call the balancing authority control center to parallel before any start-up

Call the balancing authority control center again with parallel time after start-up.

Call the balancing authority control center after any separation and report the separation time as well as the date and time estimate for return to service.

8. Submission of Energy Forecast And Facility Outages. Seller shall:

(a) Submit information by posting to PG&E's Power Procurement Information Center, which is located at www.pge.com under "For My Business." After selecting "Wholesale Power" on the right side of the page, select "Electric Procurement" along the left banner. After selecting the Power Procurement Information Center icon in the middle of the page, you will be required to enter a username and password, which will be assigned to you by PG&E's Bilateral Settlements Group.

If the website is unavailable, implement the procedures set forth below:

For all email correspondence, enter the following in the email subject field:
Delivery Date Range, Contract Name, Email Purpose (For example:

“dd/mm/yyyy - dd/mm/yyyy XYZ Company Project #2 daily Energy Forecast”)

For Monthly Energy Forecast and daily updates to Energy Forecast, email to DAenergy@pge.com.

For daily updates to Energy Forecast after fourteen (14) hours before the WECC Preschedule Day, but before the CAISO deadline for submitting Day-Ahead Schedules, call primary phone 415.973.6222 or backup phone 415.973.4500. Also send email to DAenergy@pge.com.

For hourly updates to the Energy Forecast, call PG&E’s Hour-ahead Trading Desk at 415.973.4500 and email to RealTime@pge.com.

For project outages, complete the specifics below and submit by email to DAenergy@pge.com and Bilat_Settlements@pge.com

Email subject Field: dd/mm/yyyy – dd/mm/yyyy XYZ Company Project #2 Outage Notification

Email body:

Type of Outage: Planned Outage, Forced Outage, Prolonged Outage

Start Date and Start Time

Estimated or Actual End Date and End Time

Date and time when reported to PG&E and name(s) of PG&E representative(s) contacted

Text description of additional information as needed, including, but not limited to, changes to a Planned Outage or Prolonged Outage required by the CAISO.

APPENDIX F DESCRIPTION OF FACILITY

10/19/2009 09:27 5386474749 GLENBROOK CAPITAL PAGE 02/02
 AUG-19-2000 00:00P FROM: NORTHSTATE ELECT & C 538-474-1168 10:5474749 P.2

