

## **FIRST AMENDMENT TO POWER PURCHASE AGREEMENT**

This FIRST AMENDMENT TO POWER PURCHASE AGREEMENT (this "Amendment") is made as of the Effective Date (defined below), by and between Pacific Gas and Electric Company ("Buyer") and Sand Drag LLC ("Seller" and collectively with Buyer, the "Parties"). Buyer and Seller are Parties to that certain Purchase Agreement by and between the Parties dated, December 24, 2009 (the "Agreement").

### **RECITALS**

WHEREAS, the Parties have heretofore entered into the Agreement; and

WHEREAS, the Parties wish to amend the Agreement as set forth below; and

WHEREAS, capitalized terms defined in the Agreement are used in this Amendment as defined in the Agreement,

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

### **AGREEMENT**

The Agreement is hereby amended, and shall be effective on as of the last dated signature on the signature page hereto ("Effective Date") as follows:

- A. Amendment to Definition of "Agreement": The following sentence shall be inserted as the last sentence of the defined term "Agreement" in Section 1.3:

For purposes of Section 3.1(k)(viii), the word "contract" shall have the meaning set forth in this definition.

- B. Amendment to Definition of "Construction Start Date": The reference to Appendix VI-A is changed to Appendix VI-B.

- C. Amendment to Section 3.1(k):

1. The following sentence shall be inserted into the first paragraph of Section 3.1(k) before the sentence "In addition:":

Seller shall be deemed to have satisfied the warranty in Section 3.1(k)(viii); provided that Seller fulfills its obligations under Sections 3.1(k)(i) through (vii) below.

2. The following sentence shall be inserted as Section 3.1(k)(viii):

Seller warrants that all necessary steps to allow the renewable energy credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.

- C. Amendment to Section 10.2(b): The following shall be inserted as the second paragraph in Section 10.2(b) of the Agreement as follows:

Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the renewable energy credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. 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.

- D. Amendment to Appendix VI:

1. The first sentence of item 4 of Appendix VI shall be replaced in its entirety with the following:

“A statement signed by the manufacturer of the solar panels or the EPC Contractor that solar panel commissioning is complete for those solar panels that have achieved Solar Panel Mechanical Completion.”

2. The document attached hereto as Attachment 1 is added to the Agreement as Appendix VI-B.

- E. Amendment to Appendix V:

The following sentence shall be inserted to Appendix V immediately following the title of Appendix V (“DELIVERY TERM CONTRACT QUANTITY SCHEDULE”):

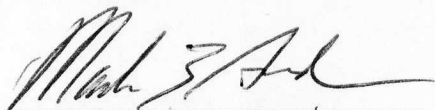
“All Contract Quantities listed in the schedule immediately below are measured in kilowatt hours (kWh).”

F. Miscellaneous.

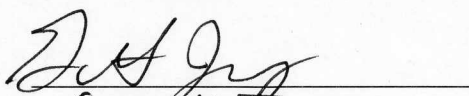
1. Effect of Amendment. The Agreement, as modified by this Amendment, remains in effect in accordance with its terms. If there is any conflict between the Agreement and this Amendment, this Amendment shall control.
2. Entire Agreement. This Amendment along with the Agreement constitutes the entire agreement 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.
3. Governing Law. This Amendment shall be governed by Section 10.12 of the Agreement. The Parties agree to comply with Article Twelve of the Agreement with respect to any dispute relating to this Amendment.
4. 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 Agreement. 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.
5. Counterparts. This Amendment may be executed in counterparts, each of which is an original and all of which constitute one and the same instrument. A signature provided via facsimile or in a .PDF document sent via e-mail shall have the same effect as an original.
6. Any Amendments or Modifications. This Amendment may only be amended or modified in writing signed by each of the Parties.

IN WITNESS WHEREOF, the Parties have caused this Amendment to the Agreement to be duly executed by its authorized representatives, as of the day and year written below. This Amendment shall not become effective as to either Party unless and until executed by both Parties.

**SAND DRAG LLC**, a Delaware limited liability company

By:   
Name: MARK E. ANDERSON  
Title: PRESIDENT  
Date: 6-23-2010

**PACIFIC GAS AND ELECTRIC COMPANY**  
a California corporation

By:   
Name: Garrett DeLong  
Title: Senior Director  
Date: 6-29-10

ATTACHMENT 1

APPENDIX VI

FORMS OF CERTIFICATION

B. APPENDIX VI-B

FORM OF CERTIFICATION FOR CONSTRUCTION START DATE

This certification ("Certification") is delivered by Sand Drag LLC ("Seller") to Pacific Gas and Electric Company ("Buyer") in accordance with the terms of that certain Power Purchase Agreement dated December 24, 2009 ("Agreement") by and between Seller and Buyer. All 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 the Construction Start Date has been achieved on \_\_\_\_\_.

Seller attaches hereto a copy of the Final Notice to Proceed that Seller delivered to the EPC Contractor.

SAND DRAG LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_