

AMENDMENT OF POWER PURCHASE AGREEMENT

This AMENDMENT OF POWER PURCHASE AGREEMENT (this "Amendment") is made as of the Effective Date (defined below), by and between Pacific Gas and Electric Company ("Buyer") and Kiara Solar Inc., ("Seller"). Seller and Buyer are each considered a "Party", and collectively, the "Parties."

RECITALS

WHEREAS, the Parties entered into a Power Purchase Agreement on September 8, 2010 (hereinafter the "Power Purchase Agreement"); and

WHEREAS, the Parties wish to enter into an amendment to the Power Purchase Agreement as set forth below; and

WHEREAS, capitalized terms defined in the Power Purchase Agreement are used in this Amendment as defined in the Power Purchase 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 Power Purchase Agreement, is hereby amended as set forth herein, and shall be effective as of the last dated signature on the signature page hereto ("Effective Date").

- A. Add Definition 1.28: "CHP Facility" means a Project that (a) is a qualifying cogeneration facility as defined at 18 Code of Federal Regulations §292.205, (b) meets the definition of "cogeneration" under California Public Utilities Code (PU Code) Section 216.6, and (c) satisfies the greenhouse gas emissions performance standards set forth in PU Code Section 8341.
- B. Amendment to Section 2.4(b): Replace the words "three hundred (300)" with the words "three hundred and sixty (360)".
- C. Amendment to Section 3.1(f)(i): Replace the words "5.8 (five point eight)" with the words "6.8 (six point eight)".
- D. Amendment to Section 3.1(k)(viii): Replace the words "renewable energy credits" with the words "Renewable Energy Credits".
- E. Add Section 3.1(l)(vi): Section 3.1(l)(vi) shall be added with the following:
 "(vi) Seller agrees to (A) provide Buyer with all the Project information indicated in the "Cogeneration Data Reporting Form", attached as Appendix XVI hereto, and (B) submit a completed copy of the form to Buyer within 30 Business Days after the end of each calendar year, and within 30 Business Days of the expiration of the Term."
- F. Amendment to Section 3.4(b)(iii): Replace the number "5.8" with the number "6.8".
- G. Amendment to Section 3.7: Replace the entire section with the following:

“Outage Notification.

(a) CAISO Approval of Outage(s). Buyer is responsible for securing CAISO approvals for Project outages, including securing changes in its outage schedules when CAISO disapproves Buyer’s schedules or cancels previously approved outages. Buyer shall put forth commercially reasonable efforts to secure and communicate CAISO approvals for Project outages in a timely manner to Seller. Buyer is responsible for entering Project outages in the Scheduling and Logging system for the CAISO (SLIC).

(b) Planned Outages. During the Delivery Term, Seller shall notify Buyer of its proposed Planned Outage schedule for the Project for the following calendar year by complying with the Annual Forecast of Available Capacity described in 3.4(b)(iii)(A) and implementing the notification procedures set forth in Appendix VIII 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 Project 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 Project during a Planned Outage. Subject to Section 3.7(a), after any Planned Outage has been scheduled, at any time up to the commencement of work for the Planned Outage, Buyer may direct that Seller change its outage schedule as ordered by CAISO. For non-CAISO ordered changes to a Planned Outage schedule requested by Buyer, 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.

(c) Forced Outages. Seller shall notify Buyer of a Forced Outage within ten (10) minutes of the commencement of the Forced Outage and in accordance with the notification procedures set forth in Appendix VIII. Buyer shall put forth commercially reasonable efforts to submit such outages to CAISO.

(d) Prolonged Outages. Seller shall notify Buyer of a Prolonged Outage as soon as practicable in accordance with the notification provisions in Appendix VIII. Seller shall notify Buyer in writing when the Project is again capable of meeting its Contract Quantity on a *pro rata* basis also in accordance with the notification provisions in Appendix VIII. Seller shall not substitute Energy from any other source for the output of the Project during a Prolonged Outage.

(e) Force Majeure. Prior to the expiration of the of the second full Business Day subsequent to the 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 Project 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 Products that Seller fails to deliver or provide as a result of Force Majeure during the term of a Force Majeure.

(f) Communications with CAISO. Buyer or Third-Party SC, in coordination with 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.

(g) Changes to Operating Procedures. Notwithstanding any language to the contrary contained in Sections 3.4, 3.6, 3.7 or 3.8 or Appendix VIII, Seller understands and acknowledges that the specified access to data and installation and maintenance of weather stations, transmission and scheduling mechanisms, metering requirements, Outage Notification Procedures and operating procedures described in the above-referenced sections 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.”

H. Amendment to Section 3.9(c)(iii)(A): Replace the date “October 1, 2010” with the date “May 16, 2011”.

I. Amendment to Section 3.9(c)(iii)(A): In the last paragraph of this section replace the words “five hundred forty (540)” with the words “one hundred eighty (180).”

J. Amendment to Section 3.9(c)(iii)(A)(II): Replace the words “five hundred forty (540)” with the words “one hundred eighty (180).”

K. Amendment to Section 3.9(c)(iii)(B): Replace the year “2010” with the year “2011”.

L. Amendment to Section 4.1: Replace the chart with the following chart:

Contract Year	Contract Price (\$/MWh)
1	107.11
2	107.11
3	109.08
4	110.06
5	111.02
6	112.02
7	113.01
8	113.99
9	114.97
10	116.91
11	117.92
12	118.90
13	119.88
14	120.87
15	122.81

M. Amendment to Section 4.1: Replace the words “\$94/MWh (i.e. \$109/MWh - \$15/MWh)” with the words “\$92.11/MWh (i.e. \$107.11/MWh - \$15.00/MWh)”.

- N. Amendment to Section 8.4(a)(i): Replace the words “eighty seven thousand dollars (\$87,000.00)” with the words “one hundred two thousand dollars (\$102,000.00)”.
- O. Amendment to Section 8.4(a)(ii): Replace the words “four hundred ninety five thousand three hundred and two dollars (\$495,302.00)” with the words “five hundred eighty thousand six hundred ninety nine dollars (\$580,699.00)”.
- P. Amendment to Section 8.4(a)(iii): Replace both instances of the words “three million four hundred fourteen and eight hundred and seventy eight dollars (\$3, 414, 878.00)” with the words “four million three thousand six hundred fifty dollars (\$4,003,650.00)”.
- Q. Amendment to Section 8.4(a)(iii)(B): Replace the words “one million nine hundred fourteen and eight hundred and seventy eight dollars (\$1,914,878.00)” with the words “two million five hundred three thousand six hundred fifty dollars (\$2,503,650.00)”.
- R. Amendment to Section 10.2(b): Replace the words “renewable energy credits” with the words “Renewable Energy Credits”.
- S. Amendment to Section 10.2(c): Replace the words “fifty-eight thousand dollars for this 5.8 MW Project” with the words “sixty-eight thousand dollars for this 6.8 MW Project”
- T. Add Section 10.2(d): Section 10.2(d) shall be added with the following:
“(d) Further Supplement to Seller Representations and Warranties. Seller, and, if applicable, its successors, represents and warrants that the Project is a CHP Facility as of the Commercial Operation Date.”
- U. Add Section 10.3(b)(iii): Section 10.3(b)(iii) shall be added with the following:
“Seller covenants that it shall exercise commercially reasonable efforts to operate the Facility as a CHP Facility during the Term, including making or supporting filings in a timely manner with the FERC to maintain its cogeneration facility status in accordance with 18 CFR 292.205.”
- V. Replace Appendix III with the following:

Identify Milestone	Date for Completion
Site & Plant Control	November 2009 – Completed
Air Quality Permit Application	February 2010 - Completed
ESP Procurement	March 2010 -Completed
Interconnection Application	March 2010 - Completed
Authority to Construct - Air Quality Permit	October 2010 - Completed
Start Equipment Refurbishment	April 2011
Guaranteed Construction Start Date	May 16, 2011
Plant Ready for Operation	December 2011

Interconnection Complete	December 2011
Guaranteed Commercial Operation Date	December 31, 2011

W. Appendix IV: Replace the words “The nameplate capacity of the Project is 5.8 MW” with the words “The nameplate capacity of the Project is 6.8 MW.”

X. Replace Appendix V with the following:

Contract Year	Contract Quantity (MWh)
1	50,515
2	50,654
3	50,515
4	50,515
5	49,920
6	50,654
7	50,515
8	50,515
9	50,515
10	50,059
11	50,515
12	50,515
13	50,515
14	50,654
15	49,920

Y. Replace Appendix VIII with the following:

APPENDIX VIII

NOTIFICATION REQUIREMENTS FOR AVAILABLE CAPACITY AND PROJECT OUTAGES

A. NOTIFICATION REQUIREMENTS FOR ROUTINE START-UP AND SHUTDOWNS

Prior to paralleling or after disconnecting from the electric system, notify the applicable Participating Transmission Owner’s (PTO) switching center

- Call the applicable Participating Transmission Owner’s (PTO) switching center and advise of the intent to parallel.

- Call the applicable Participating Transmission Owner's (PTO) switching center after the unit has been paralleled and report the parallel time and intended unit output.
- Call the applicable Participant Transmission Owner's (PTO) switching center after any routine separation.

B. SUBMISSION OF AVAILABLE CAPACITY AND PLANNED OUTAGES

1. Submit information by posting to PG&E's Power Procurement Information Center, which is located at www.pge.com under "B2B" at the bottom of the home page. After selecting "B2B" at the bottom of the page, select "Wholesale Power" in the center of the next page. Then select "Electric Procurement" along the left banner of the next page. 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.
2. If the website is unavailable, implement the procedures set forth below:
 - a. **For all email correspondence, enter the following in the email subject field: Delivery Date Range, Contract Name, Email Purpose (For example: "dd/mm/yyyy through dd/mm/yyyy XYZ Company Project #2 Daily Forecast of Available Capacity")**
 - b. For Annual Forecasts of Available Capacity, email to DAenergy@pge.com and [Bilat Settlements@pge.com](mailto:BilatSettlements@pge.com).
 - c. For Monthly and Daily Forecasts of Available Capacity, email to DAenergy@pge.com.
 - d. For Daily Forecasts of Available Capacity 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.
 - e. For Hourly Forecasts of Available Capacity, call PG&E's Real Time Desk at (415) 973-4500 and email to RealTime@pge.com.
 - f. For Planned Outages and Prolonged Outages, complete the specifics below and submit by email to PGOutageCoordination@pge.com, DAenergy@pge.com and Bilat_Settlements@pge.com.
 - i. ***Email subject Field: dd/mm/yyyy through dd/mm/yyyy XYZ Company Project #2 Outage Notification***
 - ii. ***Email body:***
 1. ***Type of Outage: Planned Outage, Forced Outage, Prolonged Outage***
 2. ***Start Date and Start Time***
 3. ***Estimated or Actual End Date and End Time***
 4. ***Date and time when reported to PG&E and name(s) of PG&E representative(s) contacted***

5. *Text description of additional information as needed, including, but not limited to, changes to a Planned Outage, Prolonged Outage or Forced Outage.*

C. FORCED OUTAGE REPORTING

1. Forced Outages – Seller shall notify PG&E Merchant Generation desk verbally within 10 minutes of event or as soon as reasonably possible, after the safety of all personnel and securing of all facility equipment.
 - a. Verbal notification shall include time of forced outage, cause, current availability and estimated return date and time.
 - b. After verbally notifying PG&E Merchant Generation desk of the forced outage, Seller shall also put forth commercially reasonable efforts to notify PG&E Settlements via PG&E’s electronic website “PPIC”.
 - c. If the “PPIC website is unavailable, submit the following information via email to Bilat_Settlements@pge.com.
 - i. *Email subject Field: dd/mm/yyyy through dd/mm/yyyy XYZ Company Project #2 Outage Notification*
 - ii. *Email body:*
 1. *Type of Outage: Planned Outage, Forced Outage, Prolonged Outage*
 2. *Start Date and Start Time*
 3. *Estimated or Actual End Date and End Time*
 4. *Date and time when reported to PG&E and name(s) of PG&E representative(s) contacted*
 5. *Text description of additional information as needed, including, but not limited to, changes to a Planned Outage, Prolonged Outage or Forced Outage.*

Z. Appendix XI: Replace the Delivery Address for Kiara Solar, Inc. with the following new address: 2410 Camino Ramon, Suite 139, San Ramon CA 94583. Replace the name Katie Scoville, katie@kiarasolar.com each time it appears with the name Peter Zanger, peter@kiarasolar.com. Replace the telephone number (925) 551-7777 each time it appears with (925) 244-1043.

AA. Appendix XIV: Replace the words “Nameplate capacity of the Project is 5.8 MW” with the words “Nameplate capacity of the Project is 6.8 MW.”

BB. Replace Appendix XV with the following:

Contract Year	Contract Quantity (MWh)	GEP (90%) (MWh)	Generation in Annual Performance Measurement Period (MWh)	Annual GEP Shortfall (MWh)	Cumulative GEP Shortfall (MWh)	Event of Default Under Section 5.1(b)(vi)(B)
1	50,515	45,464	35,000	10,464	10,464	
2	50,654	45,589	55,000	-	10,464	
3	50,515	45,464	35,000	10,464	20,927	
4	50,515	45,464	50,000	-	20,927	
5	49,920	44,928	41,000	3,928	24,855	
6	50,654	45,589	55,000	-	24,855	
7	50,515	45,464	35,000	10,464	35,319	
8	50,515	45,464	44,000	1,464	36,782	
9	50,515	45,464	35,000	10,464	47,246	
10	50,059	45,053	40,000	5,053	52,299	Yes
11	50,515	45,464	35,000	10,464	62,762	Yes
12	50,515	45,464	55,000	-	62,762	Yes
13	50,515	45,464	49,000	-	62,762	Yes
14	50,654	45,589	49,000	-	62,762	Yes
15	49,920	44,928	35,000	9,928	72,690	Yes
Average	50,433					

Note: An Event of Default under Section 5.1(b)(vi)(B) occurs when the cumulative GEP Shortfall equals or exceeds the average Contract Quantity of 50,433 MWhs.

CC. Add Appendix XVI as follows:

APPENDIX XVI

Cogeneration Data Reporting Form

[Buyer's address]
 Buyer's telephone number and email address]

[PrevYear]

I. Name and Address of Project

Name: _____
 Street: _____
 City: _____ State: _____ Zip Code: _____

ID No.: _____ Generation Nameplate (KW): _____

II. In Operation: Yes No

III. Can your facility dump your thermal output directly to the environment? Yes No

IV. Ownership

	Name	Address	Ownership (%)	Utility
1	_____	_____	_____	Y N
2	_____	_____	_____	Y N
3	_____	_____	_____	Y N
4	_____	_____	_____	Y N
5	_____	_____	_____	Y N

V. [PrevYear] Monthly Operating Data

- Indicate the unit of measure used for your useful thermal output if other than mBTUs:
 BTUs _____ Therms _____ mMBTUs _____
- If Energy Input is natural gas, use the Lower Heating Value (LHV) as supplied by Gas Supplier.

	Useful Power Output (kWh)	Energy Input (Therms)*	Useful Thermal Energy Output (mBtu)
<i>JAN</i>			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			
Yearly Total			

- (1) Useful Power Output is the electric or mechanical energy made available for use from the facility.
- (2) The Primary Energy Source must be biomass, waste, renewable resources, or geothermal resources. Use Lower Heating Value (LHV)
- (3) The Supplementary Energy Source is the use of fossil fuel. Use Lower Heating Value (LHV)
- (4) Please use Total Energy Input to include all energy sources: primary, supplementary, and auxiliary power from outside the facility.

* Specify fuel types.

DD. Miscellaneous.

1. Effect of Amendment. The Power Purchase Agreement, as modified by this Amendment, remains in effect in accordance with its terms. If there is any conflict between the Power Purchase Agreement and this Amendment, this Amendment shall control.
2. Entire Agreement. This Amendment along with the Power Purchase Agreement constitute 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 Power Purchase Agreement.

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 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 facsimile 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 Agreement will not affect the validity or effectiveness of this Amendment.

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 Power Purchase 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.

KIARA SOLAR, INC., a Delaware Corporation

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

Signature: Bob Chaudhuri

Signature: Fong Wan

Name: Bob Chaudhuri

Name: Fong Wan

Title: Vice President

Title: Senior VP, Energy Procurement

Date: 5-20-2011

Date: 5/31/2011