



Energy Procurement
Contract Management

245 Market Street, N12E
San Francisco, CA 94105-1702

Mailing Address
Mail Code N12E
Pacific Gas and Electric Company
P. O. Box 770000
San Francisco, CA 94177-0001

March 1, 2010

Luke Miller
Vecino Vineyards LLC.
14100 Powerhouse Rd
Potter Valley, CA 95469

Subject: Letter Agreement Extending QF Contract Log No. 04H052

The purpose of this letter agreement ("Extension Agreement") is to set forth the terms and conditions under which the QF Contract Log No. **04H052** (the "QF Contract") (dated **4/10/1985**, with an expiration date of **3/27/2010**) between Pacific Gas and Electric Company ("PG&E") and **Vecino Vineyards LLC.** ("Seller") (Collectively, the "Parties") will be extended pursuant to California Public Utilities Commission ("CPUC") Decision No. 07-09-040 (the "Decision"). Pursuant to the Decision, an agreement to extend the QF Contract must extend all the terms of the QF Contract except those terms setting forth (i) the prices to be paid under the contract and (ii) the start and end dates of the contract. Therefore, the Parties agree as follows.

1. Rates. For the term of this Extension Agreement, PG&E will pay Seller the current as-delivered capacity price as specified in the Decision, subject to the capacity payment provisions of the QF Contract. PG&E's short-run avoided cost of energy ("SRAC energy") price (the "Applicable Energy Price") will be calculated by PG&E in accordance with the CPUC-approved Market Index Formula pursuant to the Decision and implemented as detailed in PG&E's Advice Letter 3180-E and Resolution E-4246. There shall be no performance bonus payments under this Extension Agreement.

2. Term. The term (Term) of this Extension Agreement is for 1 year commencing on the Effective Date. This Extension Agreement shall become effective on the first day after the expiration date of the QF Contract ("Effective Date") and shall remain in effect for the Term, subject to the earlier occurrence of one of the following: (i) the date that is 60 days following the date a new standard form of contract for QFs is available to be executed by Seller; (ii) the date Seller executes the new form of standard contract for qualifying facilities as approved by the CPUC; or (iii) the effective date of a CPUC decision revoking the extension requirement set forth in the Decision; or (iv) upon mutual written consent with 60 days written notice. As of midnight on the day following the earliest of the afore-mentioned dates, this Extension Agreement shall terminate automatically and neither Party shall have any further obligations under either the QF Contract or this Extension Agreement except for payments already owing at the time of such termination.


3. No Other Changes. All other provisions of the QF Contract shall remain in effect for the term of this Extension Agreement.


The Parties acknowledge their agreement to this Extension Agreement by their signatures below.

Agreed to and Accepted:

Vecino Vineyards LLC.

**PACIFIC GAS AND ELECTRIC
COMPANY**

By: 
Print Name: Michael L. Miller
Title: Manager
Date: 3/3/2010

By: 
Print Name: Marina Monardi
Title: Director
Date: March 12 2010