

UNITED STATES SECURITIES AND EXCHANGE
COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 0-12627

Global Clean Energy Holdings, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation
or organization)

87-0407858

(IRS Employer Identification No.)

100 W. Broadway, Suite 650
Long Beach, California 90802

(Address of principal executive offices)

(310) 641-4234

(Registrant's telephone number)

(Former Name or Former Address, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.

Large accelerated filer

Non-accelerated filer

Accelerated Filer

Smaller reporting company

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: As of November 1, 2011, the issuer had 285,062,812 shares of common stock issued and outstanding.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

GLOBAL CLEAN ENERGY HOLDINGS, INC.

For the quarter ended September 30, 2011

FORM 10-Q

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PART I

ITEM 1. FINANCIAL STATEMENTS.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>September 30,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,743,989	\$ 1,096,618
Accounts receivable	28,889	6,428
Inventory	61,132	11,706
Other current assets	544,844	248,711
Total Current Assets	<u>2,378,854</u>	<u>1,363,463</u>
PROPERTY AND EQUIPMENT, NET	9,746,437	8,103,537
INVESTMENT HELD FOR SALE	278,552	292,350
DEFERRED GROWING COST	2,455,801	1,244,419
OTHER NONCURRENT ASSETS	<u>23,060</u>	<u>11,243</u>
TOTAL ASSETS	<u>\$ 14,882,704</u>	<u>\$ 11,015,012</u>
LIABILITIES AND EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 1,831,630	\$ 1,837,788
Accrued payroll and payroll taxes	1,806,892	1,686,465
Accrued interest payable	1,504,396	1,154,943
Accrued return on noncontrolling interest	2,497,008	1,452,744
Deferred revenue	208,329	-
Capital lease liability	59,298	47,139
Notes payable to shareholders	26,000	26,000
Convertible notes payable	193,200	193,200
Total Current Liabilities	<u>8,126,753</u>	<u>6,398,279</u>
LONG-TERM LIABILITIES		
Long term capital lease liability	42,285	98,372
Convertible notes payable	567,000	567,000
Mortgage notes payable	3,356,619	2,793,934
Total Long Term Liabilities	<u>3,965,904</u>	<u>3,459,306</u>
EQUITY (DEFICIT)		
Preferred stock - \$0.001 par value; 50,000,000 shares authorized Series B, convertible; 13,000 shares issued (aggregate liquidation preference of \$1,300,000)	13	13
Common stock, \$0.001 par value; 500,000,000 shares authorized; 285,062,812 and 270,464,478 shares issued and outstanding, respectively	285,063	270,464
Additional paid-in capital	24,193,216	23,580,630
Accumulated deficit	(27,572,946)	(26,933,430)
Accumulated other comprehensive loss	(32,829)	(2,195)
Total Global Clean Energy Holdings, Inc. Stockholders' Deficit	<u>(3,127,483)</u>	<u>(3,084,518)</u>
Noncontrolling interests	<u>5,917,530</u>	<u>4,241,945</u>
Total equity (deficit)	<u>2,790,047</u>	<u>1,157,427</u>
TOTAL LIABILITIES AND EQUITY (DEFICIT)	<u>\$ 14,882,704</u>	<u>\$ 11,015,012</u>

The accompanying notes are an integral part of these condensed unaudited consolidated financial statements

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenue	\$ 358,187	\$ 169,653	\$ 729,739	\$ 374,370
Operating Expenses				
General and administrative	549,870	654,336	1,639,064	1,906,328
Plantation operating costs	125,076	30,986	251,447	480,424
Total Operating Expenses	674,946	685,322	1,890,511	2,386,752
Loss from Operations	(316,759)	(515,669)	(1,160,772)	(2,012,382)
Other Income (Expenses)				
Interest income	29	37	77	64
Interest expense	(142,140)	(164,702)	(406,208)	(362,367)
Gain on settlement of liabilities	-	-	-	600,802
Foreign currency transaction adjustments	37,173	25,139	39,613	17,622
Total Other Income (Expenses)	(104,938)	(139,526)	(366,518)	256,121
Loss from Continuing Operations	(421,697)	(655,195)	(1,527,290)	(1,756,261)
Income (Loss) from Discontinued Operations	22,468	(39,778)	(9,746)	21,095
Net Loss	(399,229)	(694,973)	(1,537,036)	(1,735,166)
Less Net Loss Attributable to the Noncontrolling Interest	(213,099)	(412,686)	(897,521)	(1,153,379)
Net Loss attributable to Global Clean Energy Holdings, Inc.	\$ (186,130)	\$ (282,287)	\$ (639,515)	\$ (581,787)
Amounts attributable to Global Clean Energy Holdings, Inc. common shareholders:				
Loss from Continuing Operations	\$ (208,598)	\$ (242,509)	\$ (629,769)	\$ (602,882)
Income (Loss) from Discontinued Operations	22,468	(39,778)	(9,746)	21,095
Net Loss	\$ (186,130)	\$ (282,287)	\$ (639,515)	\$ (581,787)
Basic and Diluted Loss per Common Share:				
Loss from Continuing Operations	\$ (0.0007)	\$ (0.0009)	\$ (0.0023)	\$ (0.0023)
Income (Loss) from Discontinued Operations	0.0001	(0.0001)	(0.0000)	0.0001
Net Income(Loss) per Common Share	\$ (0.0006)	\$ (0.0010)	\$ (0.0023)	\$ (0.0022)
Basic and Diluted Weighted-Average Common Shares Outstanding	280,782,920	270,464,478	274,426,224	258,774,858

The accompanying notes are an integral part of these condensed unaudited consolidated financial statements

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30,	
	2011	2010
Cash Flows From Operating Activities		
Net loss	\$ (1,537,036)	\$ (1,735,166)
Adjustments to reconcile net loss to net cash used in operating activities:		
Foreign currency transaction gain	(39,613)	(17,622)
Gain on settlement of liabilities	-	(600,802)
Share-based compensation	69,858	95,642
Depreciation	201,419	172,838
Changes in operating assets and liabilities:		
Accounts receivable	(23,490)	118,360
Inventory	(55,781)	(157,231)
Other current assets	(352,003)	(50,117)
Deferred growing costs	(1,459,705)	(902,984)
Accounts payable and accrued expenses	501,093	635,454
Deferred revenue	208,329	-
Other noncurrent assets	9,497	-
Net Cash Used in Operating Activities	<u>(2,477,432)</u>	<u>(2,441,628)</u>
Cash Flows From Investing Activities		
Purchase of land	(178,459)	(715,658)
Plantation development costs	(2,127,735)	(609,260)
Purchase of property and equipment	(221,258)	(183,011)
Net Cash Used in Investing Activities	<u>(2,527,452)</u>	<u>(1,507,929)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of common stock for cash	500,000	500,000
Proceeds from exercise of warrants	56,700	-
Proceeds from issuance of preferred membership in GCE Mexico I, LLC	4,780,156	2,817,722
Proceeds from notes payable	562,685	742,652
Payments on capital leases	(34,505)	(478,726)
Proceeds from convertible notes payable	-	567,000
Net Cash Provided by Financing Activities	<u>5,865,036</u>	<u>4,148,648</u>
Effect of exchange rate changes on cash	<u>(212,781)</u>	<u>53,649</u>
Net Increase in Cash and Cash Equivalents	647,371	252,740
Cash and Cash Equivalents at Beginning of Period	1,096,618	833,584
Cash and Cash Equivalents at End of Period	<u>\$ 1,743,989</u>	<u>\$ 1,086,324</u>

Supplemental Disclosures of Cash Flow Information:

Cash paid for interest	\$ 56,755	\$ 157,581
Noncash Investing and Financing activities:		
Cashless exercise of Warrants	-	8,545
Accrual of return on noncontrolling interest	1,044,264	588,941
Plantation costs financed by accounts payable	-	32,497
Shares issued for services	13,125	-

The accompanying notes are an integral part of these condensed unaudited consolidated financial statements

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Note 1 – History and Basis of Presentation

History

The company was incorporated under the laws of the State of Utah on November 20, 1991. Effective as of August 6, 1992, the Company merged with and into WPI Pharmaceutical, Inc., a Utah corporation, pursuant to which WPI Pharmaceuticals, Inc. was the surviving corporation. Pursuant to the merger, the name of the surviving corporation was changed to Medical Discoveries, Inc. (“MDI”). MDI’s initial business purpose was the research and development of an anti-infection drug. In 2005, MDI acquired the assets and business associated with the SaveCream technology and carried on the research and development of this drug candidate. MDI made the decision in 2007 to discontinue further development of its drug candidates and sell the technologies.

On September 7, 2007, MDI entered into a share exchange agreement pursuant to which it acquired all of the outstanding ownership interests in Global Clean Energy Holdings, LLC, discussed further in Note 3. Global Clean Energy Holdings, LLC was an entity that had certain trade secrets, know-how, business plans, term sheets, business relationships, and other information relating to the start-up of a business related to the cultivation and production of seed oil from the seed of the Jatropha plant. With this transaction, MDI commenced the research and development of a business whose purpose is to provide feedstock oil intended for the production of bio-diesel.

On January 29, 2008, a meeting of shareholders was held and, among other things, the name Medical Discoveries, Inc. was changed to Global Clean Energy Holdings, Inc. (the “Company”).

Effective April 23, 2008, the Company entered into a limited liability company agreement to form GCE Mexico I, LLC (GCE Mexico) along with nine unaffiliated investors. The Company owns 50% of the common membership interest of GCE Mexico and five of the unaffiliated investors own the other 50% of the common membership interest. Additionally, a total of 1,000 preferred membership units were issued to two of the unaffiliated investors. GCE Mexico owns a 99% interest in its Mexican subsidiaries, Asideros Globales Corporativo (Asideros), Asideros 2, and Asideros 3, entities organized under the laws of Mexico, and the Company owns the remaining 1% directly. GCE Mexico was organized primarily to, among other things, acquire land in Mexico through subsidiaries for the cultivation of the Jatropha plant.

On July 2, 2009, the Company acquired 100% of the equity interests of Technology Alternatives, Limited (TAL), which has developed a farm in Belize for cultivation of the Jatropha plant. TAL has also developed a nursery capable of producing Jatropha seedlings and rooted cuttings, and provided technical advisory services for the propagation of the Jatropha plant.

In March 2010, the Company formed a wholly owned subsidiary, Global Energias Renovables (GER) which manages the company’s bio-fuels operations in Latin America.

On July 19, 2010, the reincorporation of the company from a Utah corporation to a Delaware corporation was completed, as approved by shareholders. In the reincorporation, each outstanding share of the company’s common stock was automatically converted into one share of common stock of the surviving Delaware corporation. In addition, the par value of the Company’s capital stock changed from no par per share to \$0.001 per share. The effects of the change in par value have been reflected retroactively in the accompanying condensed consolidated financial statements and notes thereto for all periods presented. The effect of retroactively applying the par value of \$0.001 per share resulted in reclassification of \$17,409,660 of common stock and \$1,290,722 of preferred stock as of December 31, 2008 to additional paid-in capital. The reincorporation did not result in any change in the company’s name, ticker symbol, CUSIP number, business, assets or operations. The management and Board of Directors of the company remained the same.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Principles of Consolidation

The consolidated financial statements include the accounts of Global Clean Energy Holdings, Inc., its subsidiaries, and the variable interest entities of GCE Mexico, and its Mexican subsidiaries (Asideros, Asideros 2 and Asideros 3). All significant intercompany transactions have been eliminated in consolidation.

Generally accepted accounting principles require that if an entity is the primary beneficiary of a variable interest entity (VIE), the entity should consolidate the assets, liabilities and results of operations of the VIE in its consolidated financial statements. Global Clean Energy Holdings, Inc. considers itself to be the primary beneficiary of GCE Mexico, and its Mexican subsidiaries, and accordingly, has consolidated these entities since their formation beginning in April 2008, with the equity interests of the unaffiliated investors in GCE Mexico presented as Noncontrolling Interests in the accompanying condensed consolidated financial statements.

Unaudited Interim Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these financial statements have been included and are of normal, recurring nature. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission. The results of operations for the nine months ended September 30, 2011, may not be indicative of the results that may be expected for the year ending December 31, 2011.

Accounting for Agricultural Operations

All costs incurred until the actual planting of the Jatropha Curcas plant are capitalized as plantation development costs, and are included in "Property and Equipment" on the balance sheet. Plantation development costs are being accumulated in the balance sheet during the development period and will be accounted for in accordance with accounting standards for Agricultural Producers and Agricultural Cooperatives. The direct costs associated with each farm and the production of the Jatropha revenue streams have been deferred and accumulated as a noncurrent asset, "Deferred Growing Costs", on the balance sheet. Other general costs without expected future benefits are expensed when incurred.

Profit/Loss per Common Share

Profit/Loss per share amounts are computed by dividing profit or loss applicable to the common shareholders of the Company by the weighted-average number of common shares outstanding during each period. Diluted profit or loss per share amounts are computed assuming the issuance of common stock for potentially dilutive common stock equivalents.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

All outstanding stock options, warrants, convertible notes, and convertible preferred stock are currently antidilutive and have been excluded from the calculations of diluted profit or loss per share at September 30, 2011 and 2010, as follows:

	<u>September 30,</u>	
	<u>2011</u>	<u>2010</u>
Convertible notes	19,028,671	19,028,671
Convertible preferred stock - Series B	11,818,181	11,818,181
Warrants	24,585,662	26,475,662
Compensation-based stock options and warrants	70,181,483	69,031,483
	<u>125,613,997</u>	<u>126,353,997</u>

Revenue Recognition

Revenue is recognized when all of the following criteria are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the seller's price to the buyer is fixed or determinable; collectability is reasonably assured; and title and the risks and rewards of ownership have transferred to the buyer. Value added taxes collected on revenue transactions are excluded from revenue and are included in accounts payable until remittance to the taxation authority.

Jatropha oil revenue - The Company's primary source of revenue will be crude Jatropha oil. Revenue will be recognized net of sales or value added taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognized when there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Advisory services revenue - The Company provides development and management services to other companies regarding their bio-fuels and/or feedstock-Jatropha development operations, on a fee for services basis. The advisory services revenue is recognized upon completion of the work in accordance with the separate contract.

Agricultural subsidies revenue - the Company receives agricultural subsidies from the Mexican government. Due to the uncertainty of these payments, the revenue is recognized when the payments are received.

Prior Period Reclassifications

Certain December 31, 2010 balances have been reclassified in the accompanying condensed consolidated financial statements to conform to the September 30, 2011 presentation. These reclassifications had no effect on the December 31, 2010 total equity or net loss.

New Accounting Guidelines

In June 2011, the FASB issued authoritative guidance requiring entities to report components of other comprehensive income in either a single continuous statement or in two separate, but consecutive statements of net income and other comprehensive income. Retrospective application will be required beginning in 2012. The company expects to be required to include in its financial statements the statement of comprehensive income beginning in the first quarter of 2012.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Note 2 – Going Concern Considerations

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying consolidated financial statements, the Company incurred a loss from continuing operations applicable to its common shareholders of \$629,769 and \$656,553 for the nine-months ended September 30, 2011 and during the year ended December 31, 2010 respectively, and has an accumulated deficit applicable to its common shareholders of \$27,572,946 at September 30, 2011. The Company also used cash in operating activities of \$2,477,431 and \$2,652,541 during the nine-month period ended September 30, 2011 and for the year ended December 31, 2010, respectively. At September 30, 2011, the Company has negative working capital of \$5,747,899 and a stockholders' deficit attributable to its stockholders of \$3,127,483. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company commenced its new business related to the cultivation and production of oil from the seed of the Jatropha plant in September 2007. Management plans to meet its cash needs through various means including securing financing, entering into joint ventures, and developing the current business model. In order to fund its new operations, the Company has received \$13,689,014 in capital contributions from the preferred membership interest in GCE Mexico I, LLC, has issued mortgages in the total amount of \$3,356,619 for the acquisition of land. The Company is developing the new business operation to participate in the rapidly growing bio-diesel industry. The Company continues to expect to be successful in this new venture, but there is no assurance that its business plan will be economically viable. The ability of the Company to continue as a going concern is dependent on that plan's success. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 3 – Jatropha Business Venture

The Company entered into the bio-fuels business in 2007 by acquiring certain trade secrets, know-how, business plans, term sheets, business relationships, and other information relating to the cultivation and production of seed oil from the Jatropha plant for the production of bio-diesel, and by entering into certain employment agreements and property management agreements. Subsequent to entering into these transactions, the Company identified certain real property in Mexico it believed to be suitable for cultivating the Jatropha plant. During 2008, GCE Mexico acquired the land in Mexico for the cultivation of the Jatropha plant. In July 2009, the Company acquired TAL, which had developed a farm in Belize for cultivation of the Jatropha plant and provided technical advisory services for the propagation of the Jatropha plant. In March 2010, the Company formed Asideros 2, a Mexican corporation, which has acquired additional land in Mexico adjacent to the land acquired by Asideros. All of these transactions are described in further detail in Note 1 above and in the remainder of the notes.

Share Exchange Agreement

The Company entered into a share exchange agreement (the Global Agreement) pursuant to which the Company acquired all of the outstanding ownership interests in Global Clean Energy Holdings, LLC, a Delaware limited liability company (Global), on September 7, 2007 from Mobius Risk Group, LLC (Mobius) and from Richard Palmer (Mr. Palmer). Mr. Palmer owned a 13.33% equity interest in Mobius and became the Company's new President and Chief Operating Officer in September 2007 and its Chief Executive Officer in December 2007.

Mobius Consulting Agreement

Concurrent with the execution of the Global Agreement, the Company entered into a consulting agreement with Mobius pursuant to which Mobius agreed to provide consulting services to the Company in connection with the Company's new Jatropha biofuel feedstock business. The Company engaged Mobius as a consultant to obtain Mobius' experience and expertise in the feedstock/bio-diesel market to assist the Company and Mr. Palmer in developing this new line of operations for the Company. Mobius agreed to provide the following services to the Company: (i) manage and supervise a contemplated research and development program contracted by the Company and conducted by the University of Texas Pan American regarding the location, characterization, and optimal economic propagation of the Jatropha plant; and (ii) assist with the management and supervision of the planning, construction, and start-up of plant nurseries and seed production plantations in Mexico, the Caribbean or Central America.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

The original term of the agreement was twelve months. Under the agreement, Mobius was required to supervise the hiring of certain staff to serve in management and operations roles of the Company, or to hire such persons to provide similar services to the company as independent contractors. Mobius' compensation for the services provided under the agreement was a monthly retainer of \$45,000. The Company also reimbursed Mobius for reasonable business expenses incurred in connection with the services provided. The Company terminated the agreement in July 2008, with the termination to become effective August 2008. The Company had recorded liabilities to Mobius of \$322,897 for accrued, but unpaid, compensation and costs as of September 30, 2011 and December 31, 2010. However, the Company disputes these charges, and the additional amounts that Mobius claims that it is owed, and is currently in litigation with Mobius to resolve this liability.

LODEMO Agreement

On October 15, 2007, the Company entered into a service agreement with Corporativo LODEMO S.A DE CV, a Mexican corporation (the LODEMO Group), to provide services related to the establishment, development, and day-to-day operations of the Company's Jatropa Business in Mexico. The Company had agreed to pay the LODEMO Group a fixed fee per year of \$60 per hectare of land planted and maintained with minimum payments based on 10,000 hectares of developed land, to follow a planned planting schedule. The Agreement had a 20-year term but could be terminated or modified earlier by the Company under certain circumstances. In June 2009, the scope of work previously performed by LODEMO was reduced and modified based upon certain labor functions being provided internally by the Company and by Asideros, the Company's Mexican subsidiary, on a go-forward basis. This agreement was cancelled in 2009. As of September 30, 2011 and as of December 31, 2010, the Company's financial statement reflect that it owes the LODEMO Group \$251,500 for accrued, but unpaid, compensation and cost. The Company disputes the total of these charges and is currently in discussions with LODEMO to resolve this liability.

GCE Mexico I, LLC and Subsidiaries

GCE Mexico was organized primarily to facilitate the acquisition of the initial 5,000 acres of farm land (the Jatropa Farm) in the State of Yucatan in Mexico to be used primarily for the (i) cultivation of *Jatropha curcas*, (ii) the marketing and sale of the resulting fruit, seeds, or pre-processed crude Jatropa oil, whether as biodiesel feedstock, biomass or otherwise, and (iii) the sale of carbon value, green fuel value, or renewable energy credit value (and other similar environmental attributes) derived from activities at the Jatropa Farm.

Under the LLC Agreement, the Company owns 50% of the issued and outstanding common membership units of GCE Mexico. The remaining 50% of the common membership units was issued to five of the Investors. The Company and the other owners of the common membership interest were not required to make capital contributions to GCE Mexico.

In addition, two of the Investors agreed to invest in GCE Mexico through the purchase of preferred membership units and through the funding of the purchase of land in Mexico. An aggregate of 1,000 preferred membership units were issued to these two Investors who each agreed to make capital contributions to GCE Mexico in installments and as required, fund the development and operations of the Jatropa Farm. The preferred members have made capital contributions of \$4,780,156 and \$2,817,722 during the nine-month periods ended September 30, 2011 and 2010, respectively, and total contributions of \$13,689,014 have been received by GCE Mexico from these Investors since the execution of the LLC Agreement. The LLC Agreement calls for additional contributions from the Investors, as requested by management and as required by the operation in 2011 and the following years. These Investors are entitled to earn a preferential 12% per annum cumulative compounded return on the cumulative balance of their preferred membership interest. The preferential return totaled \$1,044,264 and \$588,941 during the nine-month periods ended September 30, 2011 and 2010, respectively, and totals \$2,497,008 since the execution of the LLC Agreement.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

The two investors holding preferred membership units also directly funded the purchase by Asideros I of approximately 5,000 acres of land in the State of Yucatan in Mexico by the payment of \$2,051,282. The land was acquired in the name of Asideros I and Asideros I issued a mortgage in the amount of \$2,051,282 in favor of these two investors. These two investors also directly funded the purchase by Asideros 2 of approximately 3,700 acres, and a second parcel by Asideros 2 of approximately 600 acres of land adjacent to the land owned by Asideros I by the total payment of \$963,382. The land was acquired in the name of Asideros 2 and Asideros 2 issued mortgages in the amount of \$963,382 in favor of these two investors. These mortgages bear interest at the rate of 12% per annum, payable quarterly. The Board has directed that this interest shall continue to accrue until such time as the Board determines that there is sufficient cash flow to pay all accrued interest. The initial mortgage, including any unpaid interest, is due in April 2018. The second mortgage, including any unpaid interest, is due in February 2020.

The net income or loss of the Mexican subsidiaries is allocated to its shareholders based on their respective equity ownership, which is 99% to GCE Mexico and 1% directly to the Company. GCE Mexico has no operations separate from its investments in the Mexican subsidiaries. According to the LLC Agreement of GCE Mexico, the net loss of GCE Mexico is allocated to its members according to their respective investment balances. Accordingly, since the common membership interest did not make a capital contribution, all of the losses have been allocated to the preferred membership interest. The noncontrolling interest presented in the accompanying condensed consolidated balance sheets includes the carrying value of the preferred membership interests and of the common membership interests owned by the Investors, and excludes any common membership interest in GCE Mexico held by the Company.

Technology Alternatives, Limited

On October 29, 2008, the Company entered into a stock purchase agreement with the shareholders of TAL, a company formed under the laws of Belize in Central America. Subsequently, the terms and conditions of the stock purchase agreement were modified prior to closing. The closing was primarily delayed to allow TAL to complete all required conditions for the closing. On July 2, 2009, all closing requirements were completed and the Company consummated the stock purchase agreement by issuing 8,952,757 shares of its common stock in exchange for 100% of the equity interests of TAL. TAL owns approximately 400 acres of land and has developed a Jatropha farm in stages over the last three years for the cultivation of the Jatropha plant. TAL developed a nursery capable of producing Jatropha seeds, seedlings and rooted cuttings. During 2009, TAL commenced selling seeds, principally to GCE Mexico.

In connection with the acquisition, certain payables to the former shareholders of TAL were renegotiated and converted into promissory notes in the aggregate principal amount of \$516,139 Belize Dollars (US \$268,036 based on exchange rates in effect at July 2, 2009). These notes payable to shareholders were interest free through September 30, 2009, and then bear interest at 8% per annum through the maturity date. The notes are secured by a mortgage on the land and related improvements. The notes, plus any related accrued interest, were due on July 15, 2011. The holders of these notes have not yet declared a formal default and have not taken any action to foreclose. The holders of the loans have previously voluntarily agreed to extend the maturity date of these loans.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
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The Company has again requested that the maturity date of these notes be extended in order to provide sufficient time for the orderly sale of the farm land. No assurance can, however, be given that the maturity date will be extended and that the four owners will not proceed with a foreclosure of their security. Should the former owners foreclose and sell the land in a foreclosure sale for less than the current market value, or for less than the amount owed to them under their promissory notes, the Company would lose its equity and investment in the Belizean Jatropa Farm.

During 2010, the Company ceased the TAL operations. The assets are reported as Investment Held for Sale.

Note 4 - Investment Held for Sale

As all of TAL's nursery capabilities have since been transferred to the Company's other operations in Tizimin, Mexico and the Company is in the process of selling the land. The net assets have been reclassified as Investment Held for Sale at December 31, 2010; the promissory notes are netted against the net assets. The Net Assets, measured at fair value as of September 30, 2011 were \$565,473 Belize Dollars (US \$278,552 based on exchange rates in effect at September 30, 2011).

Note 5 – Property and Equipment

Property and equipment are as follows:

	<u>September 30,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
Land	\$ 2,384,182	\$ 2,435,722
Plantation development costs	6,483,913	4,805,940
Plantation equipment	1,275,536	1,108,467
Office equipment	<u>111,434</u>	<u>89,721</u>
Total cost	10,255,065	8,439,850
Less accumulated depreciation	<u>(508,628)</u>	<u>(336,313)</u>
Property and equipment, net	<u>\$ 9,746,437</u>	<u>\$ 8,103,537</u>

Commencing in June 2008, Asideros I purchased certain equipment for purposes of rapidly clearing the land, preparing the land for planting, and actually planting the Jatropa trees. The Company has capitalized farming equipment and costs related to the development of land for farm use in accordance with generally accepted accounting principles for accounting by agricultural producers and agricultural cooperatives. Plantation equipment is depreciated using the straight-line method over estimated useful lives of 5 to 15 years. Depreciation expense has been capitalized as part of plantation development costs through the date that the plantation becomes commercially productive. The initial plantations were deemed to be commercially productive on October 1, 2009, at which date the Company commenced the depreciation of plantation development costs over estimated useful lives of 10 to 35 years, depending on the nature of the development. Developments and other improvements with indefinite lives are capitalized and not depreciated. Other developments that have a limited life and intermediate-life plants that have growth and production cycles of more than one year are being depreciated over their useful lives once they are placed in service. The land, plantation development costs, and plantation equipment are located in Mexico and in Belize.

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Note 6 – Accrued Payroll and Payroll Taxes

A significant portion of accrued payroll and payroll taxes relates to unpaid compensation for officers and directors that are no longer affiliated with the Company. Accrued payroll taxes will become due upon payment of the related accrued compensation.

Accrued payroll and payroll taxes are composed of the following:

	<u>September 30,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
Accrued payroll, vacation, and related payroll taxes for current officers	\$ 1,132,603	\$ 1,012,176
Former Chief Executive Officer, resigned 2007, including \$500,000 under the Release and Settlement Agreement	570,949	570,949
Other former officers and directors	77,750	77,750
Accrued payroll taxes on accrued compensation to former officers and directors	25,590	25,590
Accrued payroll and payroll taxes	<u>\$ 1,806,892</u>	<u>\$ 1,686,465</u>

On August 31, 2007, the Company entered into a Release and Settlement Agreement with Judy Robinett, the Company's then-current Chief Executive Officer. Under the agreement, Ms. Robinett agreed to, among other things, assist the Company in the sale of its legacy assets and complete the preparation and filing of the delinquent reports to the Securities and Exchange Commission. Under the agreement, Ms. Robinett agreed to (i) forgive her potential right to receive \$1,851,805 in accrued and unpaid compensation, unaccrued and pro-rata bonuses, and severance pay and (ii) the cancellation of stock options to purchase 14,000,000 shares of common stock at an exercise price of \$0.02 per share. In consideration for her services, the forgiveness of the foregoing cash payments, the cancellation of the stock options, and settlement of other issues, the Company agreed to, among other things, to pay Ms. Robinett \$500,000 upon the receipt of the cash payment under the agreement to sell the SaveCream Assets to Eucodis Pharmaceuticals Forschungs und Entwicklungs GmbH (Eucodis). Pursuant to this agreement, Ms. Robinett resigned on December 21, 2007. Despite the Company's efforts, the sale to Eucodis was never completed and Eucodis has since ceased operations. Accordingly, the conditions precedent to make the \$500,000 payment from the Eucodis proceeds described above has not been fulfilled, i.e., the Company's sale of the SaveCream Assets to Eucodis did not occur, and the Company does not believe that Ms. Robinett is entitled to this payment. Furthermore, the Company subsequently sold the SaveCream Assets to an unaffiliated third party on November 16, 2009.

There is an accrual of Director's fees included in the Accounts Payable balance as of September 30, 2011 and as of December 31, 2010 of \$209,000 and \$155,000, respectively.

Note 7 – Debt

Notes Payable to Shareholders

The Company has notes payable to certain shareholders in the aggregate amount of \$26,000 at September 30, 2011 and December 31, 2010. The notes originated between 1997 and 1999, bear interest at 12%, are unsecured, and are currently in default. Accrued interest on the notes totaled \$54,161 and \$43,278 at September 30, 2011 and December 31, 2010, respectively.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
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As more fully disclosed in Note 3 the Company has promissory notes to the former shareholders of TAL in the amount of \$526,462 Belize dollars, (US \$259,335 based on exchange rates in effect at September 30, 2011), including capitalized interest of \$10,322 Belize Dollars. These notes payable to shareholders were interest free through September 30, 2009, and then bear interest at 8% per annum through the maturity date. The notes are secured by a mortgage on the land and related improvements. The notes, plus any related accrued interest, were originally due on December 29, 2009, but the due date has been extended to July 15, 2011. Management has requested that the note holders again extend the maturity date of these notes to provide time for the disposition of this asset.

Convertible Notes Payable

In March 2010, the Company entered into a securities purchase agreement with the preferred members of GCE Mexico pursuant to which the Company issued senior unsecured convertible promissory notes in the original aggregate principal amount of \$567,000 and warrants to acquire an aggregate of 1,890,000 shares of the Company's common stock. The Convertible Notes mature on the earlier of (i) March 16, 2012, or (ii) upon written demand of payment by the note holders following the Company's default thereunder. The maturity date of the Convertible Notes may be extended by written notice made by the note holders at any time prior to March 16, 2012. Interest accrues on the convertible notes at a rate of 5.97% per annum, and is payable quarterly in cash, in arrears, on each nine-month anniversary of the issuance of the convertible notes. The Company may at its option, in lieu of paying interest in cash, pay interest by delivering a number of unregistered shares of its common stock equal to the quotient obtained by dividing the amount of such interest by the arithmetic average of the volume weighted average price for each of the five consecutive trading days immediately preceding the interest payment date. At any time following the first anniversary of the issuance of the Convertible Notes, at the option of the note holders, the outstanding balance thereof (including unpaid interest) may be converted into shares of the Company's common stock at a conversion price equal to \$0.03. The conversion price may be adjusted in connection with stock splits, stock dividends and similar events affecting the Company's capital stock. The convertible notes rank senior to all other indebtedness of the Company, and thereafter will remain senior or pari passu with all accounts payable and other similar liabilities incurred by the Company in the ordinary course of business. The Company may not prepay the convertible notes without the prior consent of the Investors.

The warrants have been exercised in the quarter ending September 30, 2011 and the proceeds from that purchase were used for general corporate purposes. All of the proceeds from the issuance of the original debt were allocated to the Convertible Notes. The Company used substantially all of the proceeds received from the sale of the convertible promissory notes to repay, in full, an outstanding promissory note in the amount of \$475,000, plus accrued interest of \$81,909.

The Company has other convertible notes payable to certain individuals in the aggregate amount of \$193,200 at September 30, 2011 and December 31, 2010. The notes originated in 1996, bear interest at 12%, are unsecured, and are currently in default. Each \$1,000 note is convertible into 667 shares of the Company's common stock. Accrued interest on the convertible notes totaled \$312,508 and \$295,167 at September 30, 2011 and December 31, 2010, respectively.

Mortgage Notes Payable

See discussion of the Mortgage Notes Payable in note 3 above.

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Note 8 – Changes in Equity (Deficit)

A summary of the composition of Equity (Deficit) of the Company at September 30, 2011 and 2010, and the changes during the nine months then ended is presented in the following table:

	Total Global Clean Holdings, Inc. stockholders' equity (deficit)	Noncontrolling interest	Total equity (deficit)
Balance at December 31, 2010	\$ (3,084,518)	\$ 4,241,945	\$ 1,157,427
Issuance of common stock	557,326	-	557,326
Capital contribution from noncontrolling interest	-	4,780,156	4,780,156
Share-based compensation	69,858	-	69,858
Accrual of preferential return for the noncontrolling interest	-	(1,044,264)	(1,044,264)
Net loss	(639,515)	(897,521)	(1,537,036)
Other comprehensive loss	(30,634)	(1,162,786)	(1,193,420)
Balance at September 30, 2011	<u>\$ (3,127,483)</u>	<u>\$ 5,917,530</u>	<u>\$ 2,790,047</u>

Common Stock

On April 25, 2011 an accredited investor in the Company exercised a Warrant for 945,000 shares at \$0.03 per share for net cash proceeds paid to the Company of \$28,350. The proceeds from this sale were used for general corporate purposes.

On May 31, 2011 an accredited investor in the Company exercised a Warrant for 945,000 shares at \$0.03 per share for net cash proceeds paid to the Company of \$28,350. The proceeds from this sale were used for general corporate purposes.

In July, 2011 the Company entered into a stock purchase agreement whereby the Company agreed to issue and sell 10,000,000 shares of the Company's common stock at a price of \$0.04 per share, for an aggregate purchase price of \$400,000, which was paid in cash.

In August, 2011, the Company entered into a stock purchase agreement whereby the Company agreed to issue and sell 2,083,334 shares of the Company's common stock at a price of \$0.048 per share, for an aggregate purchase price of \$100,000, which was paid in cash.

On July, 2011, the Company entered into a stock purchase agreement whereby the Company agreed to issue 625,000 shares of the Company's common stock for services rendered.

Note 9 – Stock Options and Warrants

Stock Options and Compensation-Based Warrants

The Company has three incentive stock option plans wherein 44,000,000 shares of the Company's common stock are reserved for issuance there under. The Company granted stock options during the year ended December 31, 2010 to acquire 12,000,000 shares of the Company's common stock to the Company's Chief Executive Officer. During the year ended December 31, 2010, the Company also issued compensation-based stock warrants to an investment banking firm to acquire 7,700,000 shares of the Company's common stock at \$0.0325 per share, and compensation-based warrants to purchase 250,000 shares of common stock to a law firm. Effective April 1, 2010, the Company appointed Martin Wenzel to its board of directors. Mr. Wenzel was granted an option to purchase 500,000 shares of the Company's common stock at an exercise price of \$0.01 per share. The option vests over ten equal monthly installments commencing May 1, 2010 and expires on April 1, 2015.

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On July 19, 2010, the stockholders approved the 2010 Stock Incentive Plan. The granting of options and other stock awards is an important incentive tool for the Company's employees, officers and directors. The 2010 Plan provides a means by which employees, directors and consultants of the Company may be given an opportunity to benefit from increases in the value of our common stock, and to attract and retain the services of such persons. All of our employees, directors and consultants are eligible to participate in the 2010 Plan. The total number of shares of common stock which may be offered, or issued as restricted stock or on the exercise of options or Stock Appreciation Rights (SARs) under the Plan shall not exceed twenty million (20,000,000) shares of common stock. The shares subject to an option or SAR granted under the Plan that expire, terminate or are cancelled unexercised shall become available again for grants under this Plan. If shares of restricted stock awarded under the Plan are forfeited to the Company or repurchased by the Company, the number of shares forfeited or repurchased shall again be available under the Plan. Where the exercise price of an option is paid by means of the optionee's surrender of previously owned shares of common stock or the Company's withholding of shares otherwise issuable upon exercise of the option as may be permitted herein, only the net number of shares issued and which remain outstanding in connection with such exercise shall be deemed "issued" and no longer available for issuance under this Plan. No eligible person shall be granted options or other awards during any twelve-month period covering more than Five Hundred Thousand (500,000) shares of common stock.

No income tax benefit has been recognized for share-based compensation arrangements. The Company has recognized plantation development costs totaling \$124,565 related to a liability that was satisfied by the issuance of warrants in 2008. Otherwise, no share-based compensation cost has been capitalized in the condensed consolidated balance sheet.

A summary of the status of options and compensation-based warrants at September 30, 2011, and changes during the nine months then ended is presented in the following table:

	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at December 31, 2010	69,531,483	\$ 0.03	5.1 years	\$ 450,970
Granted	1,350,000	0.02		-
Exercised	-	-		-
Expired	<u>(700,000)</u>	0.05		-
Outstanding at September 30, 2011	<u>70,181,483</u>	0.03	4.4 years	\$ 1,052,704
Exercisable at September 30, 2011	<u>55,118,983</u>	\$ 0.03	3.4 years	\$ 776,954

At September 30, 2011, options to acquire 80,000 shares of common stock have no stated contractual life. The fair value of other stock option grants and compensation-based warrants is estimated on the date of grant or issuance using the Black-Scholes option pricing model. 1,350,000 options were issued in the nine-month period ended September 30, 2011 and 13,650,000 options and 1,890,000 warrants were issued in the nine-month period ended September 30, 2010. The weighted-average assumptions used for the stock options granted and compensation-based warrants issued during the nine months ended September 30, 2011 were risk-free interest rate of 1.20%, volatility of 170%, expected life of 5.0 years, and dividend yield of zero. The assumptions employed in the Black-Scholes option pricing model include the following; the expected life of stock options represents the period of time that the stock options granted are expected to be outstanding prior to exercise; the expected volatility is based on the historical price volatility of the Company's common stock; the risk-free interest rate represents the U.S. Treasury constant maturities rate for the expected life of the related stock options; the dividend yield represents anticipated cash dividends to be paid over the expected life of the stock options; the intrinsic values are based on a September 30, 2011 closing price of \$0.04 per share.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Share-based compensation from all sources recorded during the nine months ended September 30, 2011 and 2010 was \$69,858 and \$95,642, respectively, and is reported as general and administrative expense in the accompanying condensed consolidated statements of operations. As of September 30, 2011, there is approximately \$39,595 of unrecognized compensation cost related to stock-based payments that will be recognized over a weighted average period of approximately 1.23 years.

Stock Warrants

A summary of the status of the warrants outstanding at September 30, 2011, and changes during the three months then ended is presented in the following table:

	Shares Under Warrant	Weighted Average Exercise Price
Outstanding at December 31, 2010	26,475,662	\$ 0.01
Issued	-	
Exercised	(1,890,000)	0.03
Expired	-	
Outstanding at September 30, 2011	<u>24,585,662</u>	\$ 0.01

Note 10 - Discontinued Operations

Pursuant to accounting rules for discontinued operations, the Company has classified all gain, revenue and expense related to the operations, assets, and liabilities of its biopharmaceutical business as discontinued operations. For the nine-month period ended September 30, 2011 and year ended December 31, 2010, Income from Discontinued Operations consists of the foreign currency transaction gains related to current liabilities associated with the discontinued operations that are denominated in Euros.

Note 11 – Subsequent Events

In October, 2011, the two investors holding preferred membership units directly funded the purchase by Asideros 3 of approximately 6,000 acres of land in the State of Yucatan in Mexico by the payment of \$2,436,707. The land was acquired in the name of Asideros 3 and Asideros 3 issued a mortgage totaling \$2,436,707 in favor of these two investors. There was a \$341,955 mortgage recognized as of September 30, 2011 related to the down payment on the purchase. The mortgage bears interest at the rate of 12% per annum, payable quarterly. The Board has directed that this interest shall continue to accrue until such time as the Board determines that there is sufficient cash flow to pay all accrued interest. The mortgage, including any unpaid interest, is due in October, 2021.

ITEM 2. MANAGERMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This Report, including any documents which may be incorporated by reference into this Report, contains "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "Forward-Looking Statements" for purposes of these provisions, including our plans to cultivate, produce and market non-food based feedstock for applications in the bio-fuels market, any projections of revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All Forward-Looking Statements included in this document are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any Forward-Looking Statement. In some cases, Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "estimates," "potential," or "continue," or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the Forward-Looking Statements contained herein are reasonable, there can be no assurance that such expectations or any of the Forward-Looking Statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Forward-Looking Statements. Future financial condition and results of operations, as well as any Forward-Looking Statements are subject to inherent risks and uncertainties, including any other factors referred to in our press releases and reports filed with the Securities and Exchange Commission. All subsequent Forward-Looking Statements attributable to the company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional factors that may have a direct bearing on our operating results are described under "Risk Factors" and elsewhere in this report.

Introductory Comment

Throughout this Quarterly Report on Form 10-Q, the terms "GCEH," "we," "us," "our," and "our company" refer to Global Clean Energy Holdings, Inc., a Delaware corporation (which used to be a Utah corporation until July 19, 2010), formerly known as Medical Discoveries, Inc., and, unless the context indicates otherwise, also includes all of this company's U.S. and foreign wholly-owned subsidiaries through which this company conducts certain of its operations. To the extent applicable, depending on the context of the disclosure, the terms "we," "us," "our," and "our company" may also include GCE Mexico I, LLC, a Delaware limited liability company that we manage, and in which we own approximately 50% of the common membership interests.

Global Clean Energy Holdings, Inc. is not related to, or affiliated in any manner with "Global Clean Energy, Inc.," an unaffiliated public company. Readers are cautioned to confirm the entity that they are evaluating or in which they are making an investment before completing any such investment.

Overview

Global Clean Energy Holdings, Inc. (“GCEH”) is a California-based energy agri-business focused on the development of non-food based bio-fuel feedstock. GCEH is focusing on the commercialization of oil and biomass derived from the seeds of *Jatropha curcas* (“Jatropha”) - a native non-edible plant indigenous to many tropical and sub-tropical regions of the world, including Mexico, the Caribbean and Central America. Jatropha oil is high-quality plant oil used as a direct replacement for fossil fuels or as feedstock for the production of high quality first and second generation biofuels like bio-diesel, renewable diesel or bio-jet, which are direct replacements for diesel fuel and jet fuel.

Our business plan and current principal business activities include the planting, cultivation, harvesting and processing of Jatropha to generate plant based oils and biomass for use as replacements for fossil fuels. Our strategy is to leverage our agricultural operations management experience and specifically our Jatropha based bio-fuels knowledge, experience and capabilities through the following means:

- Own and operate Jatropha farms for our own account.
- Own, operate and manage Jatropha farms through joint ownership agreements. We currently operate two farms located in Mexico under joint ownership arrangements: the first farm comprises 5,149 acres; the second farm, consisting of 3,700 acres. The first farm is fully planted. We anticipate that the second farm will substantially be planted by the end of the fourth quarter of 2011. In October, through our joint venture, we have also acquired land (4800 acres) that is located in Mexico near our other two farms. We intend to commence developing this land into a third Jatropha farm in 2012.
- Provide Jatropha farm development and management services to third party owners of Jatropha farms. We currently provide such development and advisory services with respect to Jatropha farms located in the Caribbean, Mexico, Central America and Africa, and plan to expand this initiative.
- Provide turnkey franchise operations for individuals and/or companies that wish to establish Jatropha farms in suitable geographical areas.

In addition to generating revenues from the sale of non-food based plant oils and biomass, our goal is to monetize the carbon credits from the farms we own and manage. Under the 1997 Kyoto Protocol, a worldwide carbon credit trading market has been established where sellers sell their excess carbon credits and buyers purchase the carbon credits they need to meet their greenhouse gas reduction requirements. We have commenced the certification process necessary to sell carbon credits, and in July 2011 we engaged a consulting firm to assist us with a feasibility study for developing carbon credits in a variety of markets. However, to date, we have not yet made any carbon credit sales.

Organizational History/Current Operations

This company was originally incorporated under the laws of the State of Utah on November 20, 1991. In 2007, we entered into bio-fuels business. On July 19, 2010, we changed our state of incorporation to the State of Delaware.

Our bio-fuels operations in Latin America are managed through our wholly owned subsidiary in Mexico, Globales Energia Renovables. Our principal farming operations are conducted on our two farms, consisting of an aggregate of 8,849 acres located near the town of Tizimin in the State of Yucatan, Mexico. The following is a summary of certain factors relevant to an understanding of the operations of the Tizimin farms:

1. The Jatropha plants in a portion of our first 5,149 acre farm in Mexico have now matured sufficiently to produce seeds. The trees that were initially planted after we commenced operations in Mexico in October 2009 are now starting to mature. As a result, we anticipate that harvests of Jatropha seeds will commence and increase in 2012 and thereafter, increasing our future revenues from our Mexican operations.
2. Our Mexican operations are eligible for agricultural and other subsidies provided to certain farming operations by the federal government of Mexico. The total expected incentives from inception through 2011 for Asideros 1 is \$ 1,120,820 and for Asideros 2 is \$589,520. To date we have received \$922,000 and expect to receive the balance in 2011 and 2012. These subsidies help defray some of the initial start-up costs that we have incurred in establishing these farms.
3. We continue to operate two nurseries for new Jatropha trees in the Tizimin Mexico area, which provide seedlings for our new farm and any additional farms that we acquire or develop in the future. We can also sell seedlings from these nurseries to other Jatropha farmers or developers.
4. Fruit and seed handling, oil extraction facilities, germplasm resources, and livestock (sheep) capabilities are all being expanded in anticipation of our growing Jatropha operations. Oil extraction facilities are currently located on-site and we expect to relocate them to a new industrial site.
5. Our Mexican farms are being developed for the purpose of producing feedstock for bio-fuels from Jatropha seeds. However, our development and cultivation of these farms has also enabled us to generate ancillary revenues from these operations. For example, we have received revenue from the sale of biomass (waste wood removed from our farms as the land is prepared for Jatropha planting), sales of sheep that graze on our lands and control weeds, and the sale of the presscake from the Jatropha seeds which remains after oil extraction.
6. Total capital paid for land, and for expenses and operations, since inception, for the two operating farms in the Tizimin area (through September 30, 2011) was \$13,689,014.

7. We recently agreed to provide advisory services related to the development of Jatropha farms in the Caribbean. In the quarter ended September 30, 2011, we recognized \$90,859 of farm advisory revenues from the services related to the Caribbean development. In connection with providing these services, we anticipate leasing five hectares of land in the Caribbean on which we will provide these Jatropha development and evaluation services. We have also received \$208,329 of additional fees for the Caribbean services, which fee will not be recognized for accounting purposes until the land acquisition (or lease) has been signed in accordance with the terms of the services contract. We have also been providing advisory services related to potential use of Jatropha oil in Tanzania and in the U.S.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States require management to make estimates and assumptions that affect the reported assets, liabilities, sales and expenses in the accompanying financial statements. Critical accounting policies are those that require the most subjective and complex judgments, often employing the use of estimates about the effect of matters that are inherently uncertain.

Agricultural Producer. All costs incurred until the actual planting of Jatropha are capitalized as plantation development costs, and are included in "Property and Equipment" on the balance sheet. Plantation development costs are being accumulated in the balance sheet during the development period and will be accounted for in accordance with accounting standards for Agricultural Producers and Agricultural Cooperatives. The direct costs associated with each farm and the production of the Jatropha revenue streams have been deferred and accumulated as a noncurrent asset and are included in "Deferred Growing Costs" on the balance sheet. Other general costs without expected future benefits are expensed when incurred.

Certain other critical accounting policies, including the assumptions and judgments underlying them, are disclosed in Note A to the Consolidated Financial Statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

Results of Operations

Revenues. During the three and nine months ended September 30, 2011 we recognized revenue of \$358,187 and \$729,739 as compared with \$169,653 and \$374,370 for the same period in 2010. The revenues that we generated in 2011 and 2010 represented (i) fees for Jatropha related advisory services we rendered to third parties, (ii) subsidies from Government agencies, and (iii) sales of Jatropha oil and Jatropha seeds and other products (waste wood, Jatropha seed husks, etc.). The Jatropha plants that we have planted over the last three years are maturing and starting to produce commercial quantities of Jatropha fruit that will be harvested as available. The increase in revenues compared with the same period in 2010 is the result of the receipt of government subsidies, an increase in our Jatropha farm advisory services to third parties and, increased revenues generated from the sale of our Jatropha farm products. Our goal is to increase the amount of advisory and management services that we render to third parties in 2011 and beyond. In addition, some of the Jatropha trees that we first planted are maturing, and we anticipate that sales of Jatropha seeds will become a material source of revenues for our Mexican operations.

General and Administrative Expenses. Our general and administrative expenses related to the three and nine months ended September 30, 2011 were \$549,870 and \$1,639,064 compared to \$654,336 and \$1,906,328 for the same period in 2010. General and administrative expense principally includes officer compensation; outside services, such as legal, accounting, and consulting expenses; share-based compensation; and other general expenses such as insurance, occupancy costs, travel, etc. The net decrease in general and administrative expenses for the nine months ended September 30, 2011, compared to the prior year was principally the result of bonuses being accrued in the prior year. No such bonuses were accrued or paid in 2011. This decrease in general and administrative expenses was partially offset by an increase in administrative staffing and other administrative costs related to, and as a result of the continuing expansion of operations of our Tizimin farms.

Plantation Operating Costs. For the three and nine months ended September 30, 2011, we recorded Plantation Operating Costs from the operations of the farms of \$125,076 and \$251,447, as compared with \$30,986 and \$480,424 in the same period in 2010. Even though operations have expanded, the decrease is related to better farm efficiency and more cost being deferred into the long term asset "Deferred Growing Cost". As costs related to the cultivation of the trees increase and are capitalized until the trees are mature, the Plantation Operating Costs may continue to decrease.

Other Income/Expense. The principal component of Other Income/Expense for the current period is accrued mortgage interest. Interest expense for the three and nine months ended September 30, 2011, was \$142,140 and \$406,208, compared to \$164,702 and \$362,367 for the three and nine ended September 30, 2010, respectively. As of September 30, 2011, we owned 8,850 acres of land in Mexico that is subject to interest bearing mortgages. Because we purchased additional land late in the first quarter of 2010, we did not pay interest on the additional mortgages during the entire first quarter of 2010.

Income (Loss) from Discontinued Operations. During the three and nine months ended September 30, 2011, we recognized a gain from discontinued operations of \$22,468 and a loss for the nine month period of \$9,746, compared to a loss from discontinued operations of \$39,778 and a gain of \$21,095 for the comparable period in 2010. The income or loss from discontinued operations for the three and nine months ended September 30, 2011 and 2010 principally relates to foreign currency exchange rate gains or losses on liabilities associated with our former bio-pharmaceutical business, which are denominated in euros.

Net loss attributable to the non-controlling interest. Effective April 23, 2008, we entered into a limited liability company agreement to form GCE Mexico I, LLC, a Delaware limited liability company ("GCE Mexico"), with six investors (collectively, the "Investors"). GCE Mexico I acquired the two Mexican farms through two Mexico subsidiaries, referred to as Asideros 1 and Asideros 2. Under GCE Mexico I, LLC's operating agreement, the net loss allocated from Asideros 1 and Asideros 2 to GCE Mexico I, LLC is then further allocated to the members of GCE Mexico I, LLC according to the investment balances. We own 50% of the common membership interests in GCE Mexico I, LLC. Accordingly, since the common membership interest did not make a direct capital contribution, all of the losses allocated to GCE Mexico have been further allocated to the preferred membership interest. The net loss attributable to the non-controlling interest in the accompanying Consolidated Statement of Operations represents the allocation of the net loss of GCE Mexico I, LLC to the preferred membership interests.

Net income/loss attributable to Global Clean Energy Holdings, Inc. The Company recorded net loss of \$186,130 and \$639,515 for the three and nine months ended September 30, 2011, as compared to a net loss of \$282,287 for the three month period and net loss of \$581,787 for the same nine-month period in 2010. The Company incurred a net loss because our general and administrative expenses and our plantation operating costs exceed our revenues. In addition, we will continue to accrue interest on the mortgages that encumber the Tizimin, Mexico, farms. Until our farm revenues and advisory fees collectively exceed these expenses, we will continue to operate at a net loss. Although we anticipate that revenues from both our Jatropha operations and our advisory services will increase, we are unable to forecast if, or when such revenues will exceed our operating expenses.

Liquidity and Capital Resources

As of September 30, 2011, we had \$1,743,989 in cash or cash equivalents and had a working capital deficit of \$5,747,899, as compared with \$1,096,618 in cash and a working capital deficit of \$5,034,816 as of December 31, 2010. However, \$508,143 of our cash/cash equivalent balances as of September 30, 2011 represent funds to be used for general corporate purposes, with the remaining balance anticipated to be used in the operations of the Tizimin, Mexico farms owned by that joint venture. As a result, the GCE Mexico I, LLC funds will not be available to us for our working capital or other purposes, and are not available to us to reduce our indebtedness. In order to fund our short-term working capital needs, we will have to obtain additional funding from the sale of additional securities, additional borrowings, or from an increase in operating revenues. Outstanding indebtedness at September 30, 2011 totaled \$12,092,657. The existence of the foregoing working capital deficit and liabilities is expected to negatively impact our ability to obtain future equity or debt financing and the terms on which such additional financing, if available, can be obtained.

To date, we have funded our corporate overhead and other public company costs and expenses from (i) the sale of securities, (ii) monthly payments we receive from our GCE Mexico I, LLC joint venture, and (iii) fees we receive for providing Jatropha related advisory services to third parties. In July 2011, we received \$500,000 from the sale of shares of common stock. In addition, during the nine-month period ended September 30, 2011, we received overhead reimbursements of \$204,952 from GCE Mexico I, LLC and advisory fees of \$373,588 from third party advisory service clients. The foregoing cash receipts, together with additional fees and other revenues expected to be received from advisory services provided during the next twelve months are expected to be sufficient to fund our working capital needs for the next twelve months. We anticipate that we will continue to generate advisory service fees in the near term. However, we do not have any long-term consulting agreements in place, nor do we have sufficient financial resources to fully fund our business plan (which includes the purchase of our own Jatropha farms and other capital outlays). Accordingly, no assurance can be given that our expenses will not exceed our current projections or that all projected revenues will be received and, therefore, that we will, in fact, have sufficient financial resources to fund our near-term operations.

Our business plans contemplates that we will significantly expand our Jatropha business and operations (including establishing additional Jatropha farms that are owned and operated by us for our own account in Mexico and other locations). Although we anticipate that revenues from the Jatropha farms we currently own through our GCE Mexico I, LLC joint venture in Mexico will commence by the end of 2011 and increase significantly thereafter, net cash generated from those operations will first have to be used to repay the capital contributed by our joint venture investors (plus their preferred return), for a combined total of \$16,186,022 as of September 30, 2011. As a result, the improving operations of the Mexico farms will not produce short-term cash for us that we can use for our business plan, for working capital purposes, or for the acquisition of additional Jatropha farms. Because of our negative working capital position, we currently do not have the funds necessary to acquire and cultivate additional farms for our own account. Accordingly, in order to increase our farm ownership and operations, we will have to obtain significant additional capital through the sale of equity and/or debt securities, the forward sale of Jatropha oil and carbon offset credits, and from other financing activities, such as strategic partnerships and joint ventures.

Effective July 2, 2009, we purchased all of the outstanding capital stock of Technology Alternatives Limited, a company formed under the laws of Belize ("TAL"), from its four shareholders. TAL owned and operated a 400-acre farm in subtropical Belize, Central America. The Belize farm currently is inactive, and we are currently evaluating the future use and/or disposition of this farm, including the possible sale of this asset. Jatropha research efforts that were conducted in Belize have now been centralized at our farms near Tizimin, Mexico.

Under the Stock Purchase Agreement, as amended, in consideration for the purchase of all of the shares of TAL, (i) promissory notes were issued by TAL to the four former owners as evidence of its indebtedness to them in the aggregate amount of \$516,139 Belize Dollars (US \$268,036 based on exchange rates in effect at July 2, 2009), and (ii) an aggregate of 8,952,757 unregistered shares of our common stock were issued to the four former owners. The promissory notes matured on July 15, 2011, and we did not repay the loans. The noteholders have not formally declared a default, nor have they taken any action to foreclose on the land. Management has requested that the note holders again extend the maturity date of these notes to provide us with sufficient time for the orderly disposition of this asset. Since the TAL promissory notes are secured by a mortgage on the 400-acre farm, our failure to pay these notes upon their maturity could result in the loss of that farm and our investment in the Belizean Jatropha farm. If we are able to sell the 400-acre land at the expected current fair market value, we anticipate that we will be able to fully repay the loans and realize a return on our investment.

While we have commenced negotiations with various third parties to obtain additional funding from strategic partnerships and for the sale of carbon credits, no assurance can be given that we will be able to enter into any agreements to obtain funding, sell carbon credits or form additional strategic partnerships. We have submitted an application for funding to the Overseas Private Investment Corporation ("OPIC"), an agency of the United States government that helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, and assists the private sector in managing risks associated with foreign direct investment. The Company is applying to OPIC for up to \$19 million of loans to fund the expansion of our existing Jatropha farms in Mexico. We anticipate that a decision will be made regarding the OPIC application by the middle of 2012. However, the Company can make no assurance if the OPIC application will be approved or when, if ever, such funding will be made available.

We presently do not have any available credit, bank financing or other external sources of liquidity. In the absence of additional outside funding (including from OPIC, proceeds from the sale of our securities or entering into other joint venture relationships), we do not have the ability to expand our business or acquire our own Jatropha farms. If we issue additional equity or debt securities to fund our future capital needs, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. Should we not be able to increase the amount of revenues we receive from our advisory services and/or raise additional debt or equity funding, we will have to scale back our current and proposed operations or take other actions to preserve our on-going operations.

On December 22, 2009, we sold all patents, rights, and data associated with our legacy pharmaceutical assets for 350,000 Euros and a revenue sharing arrangement that could pay up to 2,000,000 Euros should such legacy pharmaceutical assets ever be commercialized by the buyer. Although we are hopeful that the legacy pharmaceutical assets will be commercialized, no assurance can be given if or when any additional cash will be provided to the Company from the pharmaceutical assets that we sold. We will continue to maintain a security interest in such assets until the final 2,000,000 Euro payment is made to the Company, if ever. This contingent right to receive future payments will not affect our short-term liquidity position.

Inflation and changing prices have had no effect on our continuing operations over our two most recent fiscal years.

We have no off-balance sheet arrangements as defined in Item 303(a) of Regulation S-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file with, or submit to, the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our chief executive and financial officers, as appropriate, to allow timely decisions regarding required disclosure. As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive and financial officers, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our chief executive and financial officers concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Based upon our evaluation, we also concluded that there was no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

Not applicable

ITEM 1A. RISK FACTORS.

Information regarding risk factors appears under “Risk Factors” included in Item 1A, Part I, and under Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K for the year ended December 31, 2010. Except as set forth below, there have been no material changes from the risk factors previously disclosed in the above-mentioned periodic report.

Foreclosure of Belizean Jatropa Farm. We currently owe the four former owners or our 400-acre farm in Belize, Central America, loans in the aggregate amount of \$516,139 Belize Dollars (US \$256,356 based on exchange rates in effect at November 1, 2011), which loans are secured by a lien on the 400-acre farm. We are currently considering an orderly disposition of this land that will enable us to repay the loans and realize a gain on our investment. However, the promissory notes matured and were due and payable on July 15, 2011. We did not repay these loans, and these loans are now in default. The holders of these notes have not yet declared a formal default and have not taken any action to foreclose. The holders of the loans have previously voluntarily agreed to extend the maturity date of these loans, and we have again requested that the maturity date of these notes be extended in order to provide us with sufficient time for the orderly sale of the farm land. No assurance can, however, be given that the maturity date will be extended and that the four owners will not proceed with a foreclosure of their security. Should the former owners foreclose and sell the land in a foreclosure sale for less than the current market value, or for less than the amount owed to them under their promissory notes, we would lose our equity and our investment in the Belizean Jatropa farm.

Agricultural Risks – General. Agricultural operations generate a large portion of the Company’s revenues. Agriculture operations are subject to a wide variety of risks including product pricing due to variations in supply and demand, weather, disease, input costs and product yield.

The Company’s Agricultural Assets Are Concentrated and the Effects of Adverse Weather Conditions Can Be Magnified. The Company’s agricultural operations are concentrated in the center of the Yucatan peninsula, near Tizimin, Mexico. All of these areas are subject to occasional periods of drought, excess rain, flooding, and possible Hurricanes. Jatropa trees require water in different quantities at different times during the growth cycle. Accordingly, too much or too little water at any given point can adversely impact production. While the Company attempts to mitigate controllable weather risks through water management and variety selection, its ability to do so is limited. The Company’s operations in Mexico are also subject to the risk of hurricanes. Hurricanes have the potential to destroy crops and impact Jatropa production through the loss of fruit and destruction of trees either as a result of high winds or through the spread of windblown disease. Because our agricultural properties are located in relative close proximity to each other, the impact of adverse weather conditions may be magnified in the Company’s results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

During the three-month period ended September 30, 2011 we effected the following sales of unregistered shares that were not previously reported in a Current Report on Form 8-K.

On July 22, 2011, we sold 10,000,000 shares of common stock to two accredited investors at \$.04 per share for net cash proceeds of \$400,000. The sale of the shares was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended.

On August 25, 2011 we sold 2,083,334 shares of common stock to one accredited investor at \$.048 per share for net cash proceeds of \$100,000. The sale of the shares was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable

ITEM 4. REMOVED AND RESERVED.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

- 10.17 Limited Liability Company Agreement of GCE Mexico I, LLC, a Delaware Limited Liability Company, dated April 23, 2008
- 10.19 Sale and Asset Purchase Agreement, dated November 16, 2009, between Global Clean Energy Holdings, Inc., MDI Oncology, Inc., and Curadis GmbH
- 10.23 Stock Purchase Agreement, dated March 30, 2010, between Global Clean Energy Holdings, Inc. and certain investors named therein (filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K filed on March 31, 2010, and incorporated herein by reference)
- 10.24 Office Lease, dated as of May 24, 2010, between Global Clean Energy Holdings, Inc. and Danari Broadway, LLC

31.1	Rule 13a-14(a) Certification, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Rule 13a-14(a) Certification, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Link base
101.DEF	XBRL Taxonomy Extension Definition Link base Document
101.LAB	XBRL Taxonomy Extension Label Link base Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 9, 2011

GLOBAL CLEAN ENERGY HOLDINGS, INC.

By: /s/ BRUCE K. NELSON

Bruce K. Nelson
Chief Financial Officer

**LIMITED LIABILITY COMPANY AGREEMENT
OF
GCE MEXICO I, LLC
A DELAWARE LIMITED LIABILITY COMPANY**

THE SECURITIES REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, SUCH QUALIFICATION AND REGISTRATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS AGREEMENT IS FURTHER SUBJECT TO OTHER RESTRICTIONS, THE TERMS AND CONDITIONS WHICH ARE SET FORTH IN THIS AGREEMENT.

LIMITED LIABILITY COMPANY AGREEMENT

OF

GCE MEXICO I, LLC

A DELAWARE LIMITED LIABILITY COMPANY

This Limited Liability Company Agreement is made as of April 23, 2008, by and among Stewart Resnick and Lynda Resnick, as trustees of the Stewart and Lynda Resnick Revocable Trust dated December 27, 1998, as amended, Selim Zilkha, as trustee of the Selim K. Zilkha Trust, Michael Zilkha, as trustee of the DMZ 2000 Trust, Michael Zilkha, as trustee of the LLZ 2000 Trust, Nadia Z. Wellisz, as trustee of the JW 2000 Trust, Nadia Z. Wellisz, as trustee of the DW 2000 Trust and Global Clean Energy Holdings, Inc., a Utah corporation, with reference to the following facts:

A. The parties desire to form GCE Mexico I, LLC as a limited liability company under the laws of the State of Delaware and, to that end, have filed a Certificate of Formation for the Company with the Delaware Secretary of State.

B. The parties now desire to adopt a limited liability company agreement to govern their respective rights and obligations as members and as the manager of the Company.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt of which is acknowledged, the parties agree that the following shall be the Limited Liability Company Agreement of the Company.

ARTICLE I

DEFINITIONS

When used in this Agreement, the following terms have the following meanings:

1.1 Act means the Limited Liability Company Act of the State of Delaware.

1.2 Adjusted Capital Account of a Member means the Capital Account of that Member increased by the Member's share of Company Minimum Gain and Member Minimum Gain.

1.3 Adjusted Capital Contribution of a Member means the excess of (a) that Member's Capital Contribution to the Company, over (b) the Distributions to the Member under Section 6.10(b) and the Distributions under Section 10.5(a) that shall constitute return of capital Distributions. Distributions to a Member under Section 10.5(a) first shall constitute return of capital Distributions to the extent that these Distributions reduce the Member's Adjusted Capital Contribution to an amount not less than zero, and thereafter Distributions under Section 10.5(a) shall constitute Distributions of Unpaid Preferred Return to the extent that these Distributions reduce the Member's Unpaid Preferred Return to an amount not less than zero.

1.4 Affiliate of a Member or Manager means (a) a Person directly or indirectly (through one or more intermediaries) controlling, controlled by or under common control with that Member or Manager; (b) an officer, director, trustee, partner, member or immediate family member of that Member or Manager; or (c) a member of the immediate family of an officer, director, trustee, partner or member of that Member or Manager; provided, however, that (i) neither the Company nor any of its Subsidiaries will be deemed an Affiliate of a Member or Manager and (ii) neither a Member nor a Manager nor any of their respective Affiliates will be deemed an Affiliate of the Company or any of the Company's Subsidiaries. For these purposes 'control' means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

1.5 AGC means ASIDEROS GLOBALES CORPORATIVO, a wholly-owned Subsidiary of the Company formed under the laws of Mexico.

1.6 Agreement means this Limited Liability Company Agreement of GCE Mexico I, LLC, as originally executed and as amended from time to time.

1.7 Applicable Purchase Price has the meaning specified in Section 5.3(d).

1.8 Bankruptcy of a Person means the institution of any proceedings under any federal or state law for the relief of debtors, including the filing by or against that Person of a voluntary or involuntary case under the federal bankruptcy law, which proceedings, if involuntary, are not dismissed within sixty (60) days after their filing; an assignment of the property of that Person for the benefit of creditors; the appointment of a receiver, trustee or conservator of any substantial portion of the assets of that Person, which appointment, if obtained ex parte, is not dismissed within sixty (60) days thereafter; the seizure by a sheriff, receiver, trustee or conservator of any substantial portion of the assets of that Person; the failure by that Person generally to pay its debts as they become due within the meaning of Section 303(h)(1) of the United States Bankruptcy Code, as determined by the Bankruptcy Court; or that Person's admission in writing of its inability to pay its debts as they become due.

1.9 Bona Fide Offer means an offer in writing to a Member offering (subject to no financing contingencies) to purchase all or any part of that Member's Membership Interest or any interest therein and setting forth all of the material terms and conditions of the proposed purchase from an offeror who is ready, willing and able to consummate the purchase and who is neither the Company nor an Affiliate of that Member.

1.10 Board means the Board of Directors of the Company established pursuant to Section 5.1(a) and consisting of all of the Board Members.

1.11 Board Member means each member of the Board appointed by the Members pursuant to Section 5.1(a).

1.12 Budget means the budget for the operations of the Company and its Subsidiaries for a Fiscal Year, including without limitation, clearing, planting and farm management and all activities relating thereto (but excluding the cost of acquiring any real estate), setting forth month by month information for such Fiscal Year. The initial Budget approved by the Members is attached hereto as Exhibit B.

1.13 Business Day means any day of the year in which banks are not required or authorized to close in Los Angeles, California.

1.14 Capital Account of a Member means the capital account of that Member determined from the inception of the Company strictly in accordance with the rules set forth in Section 1.704-1(b)(2)(iv) of the Treasury Regulations. In the event that assets of the Company other than cash are distributed to a Member in kind, Capital Accounts shall be adjusted for the hypothetical 'book' gain or loss that would have been realized by the Company if the distributed assets had been sold for their Fair Market Values in a cash sale (in order to reflect unrealized gain or loss). In the event of the liquidation of the Company, Capital Accounts shall be adjusted for the hypothetical 'book' gain or loss that would have been realized by the Company if all Company assets had been sold for their Fair Market Values in a cash sale (in order to reflect unrealized gain or loss). In the event of the liquidation of the Company, Capital Accounts shall be adjusted for the hypothetical book gain or loss that would have been realized by the Company if all Company assets had been sold for their Fair Market Values in a cash sale (in order to reflect unrealized gain or loss). There shall be only one Capital Account for each Member, regardless of whether the Member owns more than one class of interest in the Company.

1.15 Capital Contribution of a Member, at any particular time, means the amount of money or property which that Member has theretofore contributed to the capital of the Company.

1.16 Certificate of Formation means the Certificate of Formation of the Company as filed under the Act with the Delaware Secretary of State.

1.17 Closing has the meaning specified in Section 7.8.

1.18 Code means the Internal Revenue Code of 1986.

1.19 Common Member means a Member who holds Common Units.

1.20 Common Unit means a unit of Membership Interest having the rights and obligations specified with respect to Common Units in this Agreement.

1.21 Company means GCE Mexico I, LLC, a Delaware limited liability company.

1.22 Company Minimum Gain with respect to any taxable year of the Company means the partnership minimum gain of the Company as determined for book purposes and computed strictly in accordance with the principles of Section 1.704-2(d) of the Treasury Regulations.

1.23 Distributable Cash at any time means that portion of the cash then on hand or in bank accounts of the Company which the Board deems available for distribution to the Members, taking into account (a) the amount of cash required for the payment of all current expenses, liabilities and obligations of the Company (whether for expense items, capital expenditures, improvements, retirement of indebtedness or otherwise), including, without limitation, all accrued interest and any other amounts payable under the Land Acquisition Loans, and (b) the amount of cash necessary to establish prudent reserves for the payment of future capital expenditures, improvements, retirements of indebtedness, amounts that will become payable under the Land Acquisition Loans, operations and contingencies, known or unknown, liquidated or unliquidated, including, but not limited to, liabilities which may be incurred in litigation and liabilities undertaken pursuant to the indemnification provisions of this Agreement. Notwithstanding anything in this Agreement to the contrary, Distributable Cash shall be computed so that, after the distribution of Distributable Cash under Sections 6.10(a) and (b), one dollar of cash of the Company shall be applied to the Land Acquisition Loans and shall be treated as current indebtedness of the Company for every one dollar of Distributable Cash available for distribution to Members under Section 6.10(c); this sentence shall apply until all principal, accrued interest and other amounts payable under the Land Acquisition Loans have been paid.

1.24 Distribution means the transfer of money or property by the Company to one or more Members without separate consideration.

1.25 Economic Interest means a share, expressed as a percentage, of one or more of the Company's Net Profits, Net Losses, Tax Credits, Distributable Cash or other Distributions, but does not include any other rights of a Member, including, without limitation, the right to vote or participate in the management of the Company or the right to information concerning the business and affairs of the Company.

1.26 Economic Risk of Loss means the economic risk of loss within the meaning of Section 1.752-2 of the Treasury Regulations.

1.27 Exculpatory Liability means a liability that is treated as an exculpatory liability pursuant to Part V.B of Treasury Decision 8385, 56 Federal Register 66978-66995 (December 27, 1991).

1.28 Fair Market Value means, with respect to an asset or group of assets, the price at which that asset or group of assets would be sold for cash payable at closing between a willing buyer and a willing seller, each having reasonable knowledge of all relevant facts concerning the asset or group of assets and neither acting under any compulsion to buy or sell.

1.29 Fiscal Year means the Company's fiscal year, which shall be the calendar year.

1.30 Former Member has the meaning specified in Section 8.2.

1.31 Former Members Interest has the meaning specified in Section 8.2.

1.32 GCE means Global Clean Energy Holdings, Inc. or any permitted successor-in-interest to some or all of its Membership Interest.

1.33 GCE ROFO Notice has the meaning specified in Section 7.6(b).

1.34 GCE ROFR Notice has the meaning specified in Section 7.6(b).

1.35 Land Acquisition Loan has the meaning specified in Section 3.2(a).

1.36 Lender has the meaning specified in Section 3.2(b).

1.37 Manager shall mean GCE or any successor manager approved by the Preferred Members pursuant to Section 5.2(e) or unanimously approved by all of the Board Members.

1.38 Member means each Person who (a) is an initial signatory to this Agreement, has been admitted to the Company as a Member in accordance with the Certificate of Formation or this Agreement or is a transferee of a Member who has become a Member in accordance with ARTICLE VII, and (b) has not suffered a Membership Termination Event or Transferred its entire Membership Interest in accordance with the provisions of ARTICLE VII.

1.39 Member IP has the meaning specified in Section 5.8(b).

1.40 Member Minimum Gain has the meaning given to the term partner nonrecourse debt minimum gain in Section 1.704-2(i) of the Treasury Regulations.

1.41 Member Nonrecourse Debt means any partner nonrecourse liability or partner nonrecourse debt under Section 1.704-2(b)(4) of the Treasury Regulations. Subject to the foregoing, it means any Company liability to the extent the liability is nonrecourse for purposes of Section 1.1001-2 of the Treasury Regulations, and a Member (or related Person within the meaning of Section 1.752-4(b) of the Treasury Regulations) bears the Economic Risk of Loss under Section 1.752-2 of the Treasury Regulations because, for example, the Member or related Person is the creditor or a guarantor.

1.42 Member Nonrecourse Deductions means the Company deductions, losses and Code Section 705(a)(2)(B) expenditures, as the case may be (as computed for book purposes), that are treated as deductions, losses and expenditures attributable to Member Nonrecourse Debt under Section 1.704-2(i)(2) of the Treasury Regulations.

1.43 Membership Interest means a Member's total interest as a member of the Company, including that Member's share of the Company's Net Profits, Net Losses, Distributable Cash or other Distributions, its right to inspect the books and records of the Company and its right, to the extent specifically provided in this Agreement, to participate in the business, affairs and management of the Company and to vote or grant consent with respect to matters coming before the Company.

1.44 Membership Termination Event with respect to any Member means one or more of the following: the insanity, permanent disability, withdrawal, resignation, Bankruptcy, dissolution or an attempted Transfer of a Member's Membership Interest or Economic Interest which is not made in accordance with the provisions of ARTICLE VII.

1.45 Net Profits and Net Losses mean, for each Fiscal Year of the Company, the net income or net loss, respectively, of the Company. For this purpose, income shall refer to all items (other than Capital Contributions) that increase capital accounts under Treasury Regulations Section 1.704-1(b)(2)(iv) (such as book gain and income), and loss shall refer to all items (other than Distributions) that decrease capital accounts under Treasury Regulations Section 1.704-1(b)(2)(iv) (such as book deduction and loss). Notwithstanding the foregoing, all items specially allocated under Sections 6.1 through 6.7 shall be excluded from the computation of Net Profits and Net Losses.

1.46 Nonrecourse Deductions in any fiscal period means the amount of Company book deductions that are characterized as nonrecourse deductions under Treasury Regulations Section 1.704-2(b) of the Treasury Regulations.

1.47 Non-Transferring Member has the meaning specified in Section 7.6(a).

1.48 Notice has the meaning specified in Section 7.7(a).

1.49 Offering Member(s) has the meaning specified in Section 7.7(a).

1.50 Other Member(s) has the meaning specified in Section 7.7(a).

1.51 Percentage Interest means the percentage interest of a Member with respect to Common Units set forth opposite the name of that Member in Exhibit A, as such percentage may be adjusted from time to time pursuant to the provisions of this Agreement.

1.52 Person means any entity, corporation, company, association, joint venture, joint stock company, partnership (whether general, limited or limited liability), trust, limited liability company, real estate investment trust, organization, individual (including any personal representative, executor or heir of a deceased individual), nation, state, government (including any agency, department, bureau, board, division or instrumentality thereof), trustee, receiver or liquidator.

1.53 Preferred Member means a Member who holds Preferred Units.

1.54 Preferred Return of a Preferred Member means a cumulative preferential rate of return in an amount equal to twelve percent (12%) per annum (compounded annually on January 1 of each year), prorated for fractional periods, on the amount of that Member's Adjusted Capital Contribution. The Preferred Return shall be computed on the basis of a computational year of 360 days comprised of equal months of 30 days each. Contributions shall not bear the Preferred Return for the day on which funds are contributed to the Company; however, funds distributed to Members that reduce a Member's Adjusted Capital Contribution shall bear the Preferred Return for the day on which those funds are distributed to the Member.

1.55 Preferred Unit means a unit of Membership Interest having the rights and obligations specified with respect to Preferred Members and Preferred Units in this Agreement.

1.56 Project means the acquisition by the Company, whether directly or indirectly through one or more Subsidiaries, of up to 2,100 hectares of land located in the State of Yucatan, in Mexico to be used primarily for planting, growing and harvesting *Jatropha curcas*, and the marketing, distribution and sale of the resulting fruit, seeds, or pre-processed Crude *Jatropha* Oil, as biodiesel feedstock, biomass or otherwise, and the sale or utilization of environmental attributes relating thereto, including without limitation, carbon value, green fuel value, or renewable energy credit value.

1.57 Purchase Price has the meaning specified in Section 7.7(a)

1.58 Resnick Trust means the Stewart and Lynda Resnick Revocable Trust dated December 27, 1998, as amended, or any permitted successor-in-interest to some or all of its Membership Interest.

1.59 Resnick/Zilkha Members has the meaning specified in Section 7.6(b).

1.60 ROFO Notice has the meaning specified in Section 7.6(a).

1.61 ROFR Notice has the meaning specified in Section 7.6(a).

1.62 Subsidiary means with respect to any Person, any corporation, association, joint venture, partnership, limited liability company or other business entity (whether now existing or hereafter organized) of which at least a majority of the voting stock or other ownership interests having ordinary voting power for the election of directors (or the equivalent) is, at the time as of which any determination is being made, owned or controlled by such Person or one or more subsidiaries of such Person or by such Person and one or more subsidiaries of such Person.

1.63 Tax Credits means all credits against income or franchise taxes and credits allowable to Members under state, federal or other tax statutes.

1.64 Tax Matters Partner means the Member appointed pursuant to the provisions of Section 9.3 to serve as the tax matters partner of the Company for purposes of Sections 6221-6233 of the Code. Initially, the Tax Matters Partner shall be GCE.

1.65 Transfer means, with respect to a Membership Interest or any interest therein, the sale, assignment, transfer, disposition, pledge, hypothecation or encumbrance thereof, whether direct or indirect, voluntary, involuntary or by operation of law, and whether or not for value, of (a) all or any part of that Membership Interest or interest therein or (b) in the case of GCE, a controlling interest in any Person which directly or indirectly through one or more intermediaries holds GCE's Membership Interest or interest therein.

1.66 Transferring Member has the meaning specified in Section 7.6(a).

1.67 Treasury Regulations means the regulations of the United States Treasury Department pertaining to the income tax.

1.68 Units means either Common Units and/or Preferred Units.

1.69 Unpaid Preferred Return of a Member means the excess of (i) the Preferred Return of the Member accrued to date over (ii) the sum of all Distributions to the Member under Section 6.10(a) and the Distributions to the Member under Section 10.5(a) that shall constitute return of capital Distributions. Distributions to a Member under Section 10.5(a) first shall constitute return of capital Distributions to the extent that these Distributions reduce the Member's Adjusted Capital Contribution to an amount not less than zero, and thereafter Distributions under Section 10.5(a) shall constitute Distributions of Unpaid Preferred Return to the extent that these Distributions reduce the Member's Unpaid Preferred Return to an amount not less than zero.

1.70 Zilkha Members means the Zilkha Trust, DMZ 2000 Trust, LLZ 2000 Trust, JW 2000 Trust and DW 2000 Trust, or any permitted successor-in-interest to some or all of any of their Membership Interests.

1.71 Zilkha Transferor has the meaning specified in Section 7.5(a)

1.72 Zilkha Trust means the Selim K. Zilkha Trust or any permitted successor-in-interest to some or all of its Membership Interest.

References in this Agreement to Articles, Sections, Exhibits and Schedules, shall be to the Articles, Sections, Exhibits and Schedules of this Agreement, unless otherwise specifically provided; all Exhibits and Schedules to this Agreement are incorporated herein by reference; any of the terms used in this Agreement may, unless the context otherwise requires, be used in the singular or the plural and in any gender depending on the reference; the words herein, hereof and hereunder and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; and except as otherwise specified in this Agreement, all references in this Agreement (a) to any Person shall be deemed to include such Person's permitted heirs, personal representatives, successors and assigns; and (b) to any agreement, any document or any other written instrument shall be a reference to such agreement, document or instrument together with all exhibits, schedules, attachments and appendices thereto, and in each case as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof; and (c) to any law, statute or regulation shall be deemed references to such law, statute or regulation as the same may be supplemented, amended, consolidated, superseded or modified from time to time.

ARTICLE II

ORGANIZATIONAL MATTERS

2.1 Name. The name of the Company shall be GCE MEXICO I, LLC. The business of the Company may be conducted under that name or, upon compliance with applicable law, under any other name that the Board deems appropriate or advisable.

2.2 Term. The term of the Company's existence commenced upon the filing of its Certificate of Formation with the Delaware Secretary of State on February 27, 2008 and shall continue until such time as it is terminated pursuant to ARTICLE X.

2.3 Office and Agent. The principal office of the Company shall be at 6033 W. Century Blvd., Suite 1090, Los Angeles, California 90045 or at such other place as the Board may determine from time to time. The Company may also have such offices within and without the State of California as the Board may from time to time determine. The name and business address of the Company's agent for service of process in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the city of Wilmington, County of New Castle, or as may otherwise be determined by the Board from time to time.

2.4 Purpose of Company. The Company may engage in any lawful activity for which a limited liability company may be organized under the Act; however, its primary purpose shall be to engage in the Project to establish a commercial product focused on the growing of the *Jatropha curcas* to supply crude *Jatropha* oil suitable for use as a biodiesel feedstock and to take all actions relating thereto. Notwithstanding the foregoing, the Company shall not engage in any business unrelated to the Project or in furtherance of the purposes of the Company, unless the Board consents thereto.

2.5 Intent. It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a partnership for Federal and state income tax purposes. It also is the intent of the Members that the Company not be operated or treated as a partnership for purposes of Section 303 of the United States Bankruptcy Code. No Member shall take any action inconsistent with that express intent.

2.6 Formation Expenses. GCE shall be responsible for and shall pay all fees and expenses incurred by it in connection with the formation of the Company, including, without limitation, all legal and accounting fees and expenses incurred by it in connection with the negotiation, preparation, execution and delivery of this Agreement. The Company shall pay, or reimburse the Resnick Trust and the Zilkha Trust for the payment of, fees and expenses incurred by the Resnick Trust and the Zilkha Trust in connection with the formation of the Company, including, without limitation, all legal and accounting fees and expenses incurred by them in connection with the negotiation, preparation, execution and delivery of this Agreement. The Company shall pay all filing fees, minimum franchise or other similar taxes and other governmental charges incident to its formation and qualification to do business.

ARTICLE III
CAPITAL CONTRIBUTIONS

3.1 Units.

(a) Authorized Units. The authorized Units which the Company has authority to issue consists of 1,000 authorized Common Units, and 1,000 authorized Preferred Units. The ownership by a Member of Units shall entitle such Member to allocations of Net Profit and Net Loss and other items and Distributions as set forth in ARTICLE VI hereof. On the date hereof, the Company has issued to each of the Members the number of Common Units and Preferred Units set forth opposite the Member's name on Exhibit A attached hereto.

(b) Capital Contributions.

(i) Common Units. No Capital Contribution is required with respect to the issuance of Common Units.

(ii) Preferred Units. With respect to the Preferred Units, each Preferred Member shall make Capital Contributions, up to the aggregate amount set forth on Exhibit A attached hereto, as described in this paragraph. At least ten (10) Business Days prior to the commencement of any calendar quarter, the Manager shall provide written notice to each Preferred Member of the funds necessary for the Company's operations, as reflected in the then current Budget approved by the Board, for such quarter. At least three (3) Business Days prior to the commencement of such quarter, each Preferred Member shall make a Capital Contribution in immediately available funds to the Company in an amount equal to fifty percent (50%) of the necessary funds set forth in such notice; provided, however, that, notwithstanding anything to the contrary contained herein, (A) the aggregate Capital Contribution obligation for each Preferred Member under this subparagraph shall not exceed \$1,116,312 and (B) in the event of a conflict between the amount of funds requested in the notice and the amount of funds reflected in the then current Budget approved by the Board, the Capital Contribution obligations for a Preferred Member with respect to such request shall be limited to fifty percent (50%) of the lesser of the two amounts.

(iii) Additional Capital Contributions. No Member shall be required to make any Capital Contributions other than as described in this Section 3.1. To the extent approved by the Board, from time to time, the Members may be permitted to make additional Capital Contributions if and to the extent they so desire, and if the Members determine that such additional Capital Contributions are necessary or appropriate for the conduct of the Company's business. In that event, the Members shall have the opportunity, but not the obligation, to participate in such additional Capital Contributions on a pro rata basis in accordance with their Percentage Interests, and such Percentage Interests and Sections 6.8, 6.9 and 6.10 shall be modified in such manner as agreed to by the Board and the Members.

(iv) Each Member shall receive a credit to its Capital Account in the amount of any capital which it contributes to the Company. The Board shall update Exhibit A from time to time to credit each Member with the amount of any additional Capital Contributions hereafter made by such Member and additional Units issued to such Members.

(c) Unit Rights. Each class of Units, and each Unit in a class, shall have the rights and obligations described in this Agreement, including without limitation, with respect to Capital Account balances, allocations of Net Profit and Net Loss, Distributions, approval rights, Transfer restrictions and purchase and sale rights and obligations.

3.2 Loans.

(a) Loans for Land Acquisition. Each of the Resnick Trust and the Zilkha Trust shall lend up to \$1,026,000 to AGC to be used solely for the purpose of purchasing land necessary for the Project (each, a Land Acquisition Loan) upon the satisfaction of all of the following terms and conditions: (a) the Board has authorized AGC to execute and deliver an agreement for the acquisition of real estate for the Project, (b) the Manager has given each of the Resnick Trust and the Zilkha Trust at least ten (10) Business Days prior written notice of the expected closing date for such acquisition and the amount of funds necessary for AGC to satisfy its obligations under such acquisition agreement, (c) AGC has executed and delivered to the Resnick Trust and the Zilkha Trust the promissory note and mortgage in the form of Exhibit C, and D, respectively, attached hereto; provided, however, that (i) the interest payable under such Land Acquisition Loans shall be twelve percent (12%) per annum, compounded annually on January 1 of each year, prorated for fractional periods, computed on the basis of a computational year of 360 days comprised of equal months of 30 days each, with no interest accruing for the day on which the loan is made, but with interest accruing for the day on which the loan is paid, (ii) the promissory note shall contain a due on sale clause and accelerate upon a default under the note or GCE's purchase of the Membership Interests of the Resnick Trust or the Zilkha Trust, and (iii) the maturity date shall be ten (10) years after the date of such Land Acquisition Loans. Provided that such terms and conditions have been satisfied, each of the Resnick Trust and the Zilkha Trust shall, on the expected closing date, make a Land Acquisition Loan to AGC in immediately available funds in an amount equal to fifty percent (50%) of the necessary funds set forth in such notice; provided, however, that, notwithstanding anything to the contrary contained herein, the obligation for each of the Resnick Trust and the Zilkha Trust to make a Land Acquisition Loan under this Section shall not exceed \$1,026,000.

(b) Treatment of Loans. To the fullest extent permitted by law, all principal, interest, costs and expenses due and payable by the Company to the Members or Affiliates thereof in repayment of loans shall be treated in the same manner as liabilities payable to unaffiliated creditors of the Company and shall be paid and taken into account, as such, before any Distributions of Distributable Cash are made to the Members. Without limiting the foregoing, the Members acknowledge that any Member or Affiliate of a Member (Lender) who loans money to the Company shall have rights, the exercise of which will be in conflict with the Company's best interests. In that regard, the Members hereby authorize, agree and consent to the Lender's exercise of any of Lender's rights under any promissory note, deed of trust, security agreement or other loan document, even though the Lender's exercise of those rights may be detrimental to the Company or the Company's business. Further, the Members agree that any Lender's proper exercise of the rights shall not be deemed a breach of that Lender's fiduciary duties (if any) to the Company.

3.3 Capital Accounts. The Company shall establish and maintain an individual Capital Account for each Member.

3.4 No Priorities of Members; No Withdrawals of Capital. Except as otherwise specified in ARTICLE VI, ARTICLE X and in the Act, no Member shall have a priority over any other Member as to any Distribution, whether by way of return of capital or by way of profits, or as to any allocation of Net Profits or Net Losses. No Member shall have the right to withdraw or reduce its Capital Contributions in the Company except as a result of the dissolution of the Company or as otherwise provided in the Act, and, except as provided in Section 10.3, no Member shall have the right to demand or receive property other than cash in return for its Capital Contributions or Membership Interest.

3.5 No Interest on Capital Contributions. No Member shall be entitled to receive any interest on its Capital Contributions; it being acknowledged that the Preferred Return does not constitute interest. This Section shall not restrict the right of any member to receive interest on loans made to the Company by such Member.

ARTICLE IV

MEMBERS

4.1 Limited Liability. Except as required under the Act or as expressly set forth in this Agreement, no Member shall be personally liable for any debt, obligation or liability of the Company, whether that liability or obligation arises in contract, tort or otherwise.

4.2 Admission of Additional Members. Subject to compliance with applicable law and the approval of the Board, additional Members may be admitted to the Company from time to time upon such terms and conditions as the Board may determine, and any such additional Members shall be granted Membership Interests and may participate in the management, Distributable Cash, Net Profits, Net Losses, Tax Credits and other Distributions of the Company on such terms as the Board may fix; provided, however, that if such terms may require amendment to this Agreement, all of the Members must also consent to such amendment.

4.3 Withdrawal. No Member may withdraw or resign from the Company except with the prior written consent of the other Members which consent may be given or withheld, conditioned or delayed in the other Members sole discretion. Any such permitted withdrawal or resignation of a Member shall constitute a Membership Termination Event, and upon the occurrence thereof, that Member's Membership Interest may, at the election of the holders of a majority of the Units held by all other Members, either be converted to a bare Economic Interest or purchased as provided in Section 8.2. In addition, such Member will be liable to the Company and the other Members for all damages suffered by the Company and the other Members as a result of such withdrawal.

4.4 Members Are Not Agents. No Member, acting solely in its capacity as a Member, may be an agent of the Company, nor may any Member, in that capacity, bind or execute any instrument on behalf of the Company without the prior written consent of the Manager.

4.5 Meetings of Members; Written Consent. Meetings of the Members shall be held at such times and places within or without the State of California as the Members may fix from time to time, but, in any event, any Member may call a special meeting of the Members upon fourteen (14) days prior written notice to the other Members. No annual, regular or special meetings of Members are required, but if such meetings are held, they shall be conducted pursuant to the Act. Members may participate in any meeting through the use of conference telephones or similar communications equipment as long as all Members participating can hear one another. A Member so participating is deemed to be present in person at the meeting. Any action which may be taken by the Members at a meeting may also be taken without a meeting, if a consent in writing setting forth the action so taken is signed by all the Members. A consent transmitted by electronic transmission by a Member or other Person authorized to act for that Member shall be deemed to be written and signed by that Member for these purposes, and the term electronic transmission means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process. Except where any of the Preferred Members have been given the right to act alone, the affirmative unanimous vote of all the Members shall be required for the Members to approve any action. The Zilkha Members shall vote as a block.

4.6 Member Approvals. Except where this Agreement requires the consent or approval of all of the Members, the consent or approval of the Members shall occur at such time as Members holding at least a majority of the Units in each class have given their consent or approval. Except where this Agreement requires the consent or approval of all of the Members of a class of Units, the consent or approval of Members holding a class of Units shall occur at such time as Members holding at least a majority of the Units in such class have given their consent or approval

ARTICLE V

MANAGEMENT AND CONTROL OF THE COMPANY

5.1 Board of Directors.

(a) Election and Term of Board. The business and affairs of the Company shall be managed under the direction of the Board which shall be constituted in accordance with this Section 5.1. The expression of any power or authority of the Board in this Agreement shall not in any way limit or exclude any other power or authority of the Board which is not specifically or expressly set forth in this Agreement. The Members shall designate the members of the Board (the Board Members) as follows: two (2) Board Members shall be designated by GCE and two (2) Board Members shall be designated by the Preferred Members, with each of the Resnick Trust and the Zilkha Trust having the right to designate one (1) Board Member; provided, however, that (a) if GCE shall be removed as the Manager pursuant to Section 5.2(e), the Board Members designated by GCE shall thereupon be deemed removed as Board Members and GCE shall have no further right to designate Board Members, or (b) if a Member's Membership Interest is converted to an Economic Interest, whether as a result of a Membership Termination Event, a Transfer to a Person who is not then admitted as a substituted Member or otherwise, any Board Member designated by such Member shall be deemed removed and such Member or its successor or transferee shall have no further right to designate any Board Member. Subject to the foregoing, each of GCE and the Preferred Members shall have the right to change the identity of the Board Member appointed by it at any time and for any reason, by written notice to the other Member, and each Board Member so appointed shall serve in that capacity until he or she resigns or is removed by the Member which appointed him or her, in its absolute discretion. Initially, Richard Palmer and Bruce K. Nelson shall be the Board Members appointed by GCE, and Stewart A. Resnick and Selim Zilkha shall be the Board Members appointed by the Preferred Members.

(b) Meetings of the Board. Meetings of the Board may be called at any time, upon five (5) Business Days prior notice, by any Board Member or by the Manager; provided, however, that in case of an emergency such meeting may be called on one (1) Business Day s notice. Unless the Board agrees otherwise, such meetings shall be held at the principal offices of the Company. A notice of a meeting need not specify the purpose of that meeting, and notice of the meeting need not be given to any Board Member who signs a waiver of notice, a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting the lack of notice prior to the commencement of the meeting. Any Board Member may grant any other Board Member a proxy to act in his or her place at any meeting of the Board. Board Members may participate in any meeting of the Board by means of conference telephones or similar communications equipment so long as all Board Member participating can hear one another. A Board Member so participating is deemed to be present at the meeting. The affirmative unanimous vote of all Board Members in office shall be required for the Board to approve any action.

(c) Written Consent. Any action which may be taken by the Board Members at a meeting may also be taken without a meeting, if a consent in writing setting forth the action so taken is signed by all the Board Members. A consent transmitted by electronic transmission by a Board Member or other Person authorized to act for that Board Member shall be deemed to be written and signed by that Board Member for these purposes, and the term electronic transmission means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

(d) Standard of Care. Every Board Member shall discharge his or her duties in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Company and its Members; provided, however, that Board Members may, in their sole discretion, take actions which are in the best interests of the Member who appointed them regardless of whether such action is in the best interest of the Company or the other Members.

(e) Limitation of Liability. Except as otherwise prohibited by the Act, a Board Member shall not be liable, responsible or accountable for damages or otherwise to the Company for any action taken or failure to act on behalf of the Company within the scope of the authority conferred on the Board Members by this Agreement, by law or by the Members, unless such action or omission is performed or omitted fraudulently or constitutes willful misconduct or gross negligence. In no event shall the Board Members be liable to the Company, the Members or any of their respective Affiliates or constituent owners for any consequential, indirect, incidental or special damages arising from their acts or omissions.

(f) Reliance. In performing their duties, the Board Members shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, of any attorney, independent accountant or other Person as to matters which the Board Members believe to be within such Person's professional or expert competence unless the Board Members have actual knowledge concerning the matter in question that would cause such reliance to be unwarranted.

(g) Devotion of Time. The Board Members shall not be obligated to devote all of their time or business efforts to the affairs of the Company.

(h) Actions Requiring Board Approval. Without limiting the matters or actions that must be approved by the Board, the approval of the Board shall be required for any of the following actions:

(i) other than the declaration and payment of the Preferred Return, the declaration or payment of any Distributions on any Membership Interests;

(ii) the sale, exchange or other disposition of all, or substantially all, of the assets of the Company or any of its Subsidiaries occurring as part of a single transaction or plan, or in a series of transactions, except in the orderly liquidation and winding up of the business of the Company and its Subsidiaries upon its duly authorized dissolution;

(iii) the merger of the Company or any of its Subsidiaries with another limited liability company or a corporation, general partnership, limited partnership or other Person;

(iv) except to secure a Land Acquisition Loan, the encumbrance of any significant asset of the Company or any of its Subsidiaries, including without limitation, any real property owned by the Company or any of its Subsidiaries;

(v) any issuance of Membership Interests or any increase or decrease in the number of authorized Membership Interests or any redemption or repurchase of Membership Interests;

(vi) any change to the rights, preferences, and privileges of any class of Membership Interests or issuance of any Membership Interests;

(vii) any increase or decrease in the size of the Board;

(viii) the approval of the Budget and any changes in any line item of the Budget (except for changes that move line items between categories in the Budget as long as such change does not increase the Budget or alter the overall Budget); provided, however, that if the Board does not approve a Budget for a new Fiscal Year, the Budget for such year shall be the same as the then current Budget as adjusted to reflect increases for increased government assessments, cost increases under existing contracts and other increases consistent with the increase in consumer prices over the prior Fiscal Year which occurred for the area in which the Company operates as such increases in consumer prices are determined by a governmental agency or other Person approved by the Board;

(ix) the admission of another Person as a Member of the Company;

(x) any alteration of the primary purpose of the Company as set forth in Section 2.4;

(xi) any decision to place the Company or any of its Subsidiaries into Bankruptcy; or

(xii) any amendment to the Certificate of Formation or this Agreement.

5.2 Manager.

(a) Management by Manager. Subject to the other provisions of this Agreement, the day-to-day operations of the Company shall be managed by one (1) Manager within the parameters set forth in the Budget and by the Board. The initial Manager is GCE, who hereby accepts such appointment. The Manager may at any time be replaced by a unanimous vote of the Board Members. Additionally, the Preferred Members may remove and replace the Manager in accordance with Section 5.2(c). The Manager is hereby designated as a manager pursuant to Section 18-402 of the Delaware Act. Notwithstanding the foregoing, the Manager shall owe the Company the duties of loyalty and due care of the type owed by the officers of a corporation to such corporation and its stockholders under the Laws of the State of Delaware.

(b) Duties of the Manager. The Manager shall undertake all actions approved by the Board and shall cause the Preferred Return to be paid annually to the Preferred Members to the extent that Distributable Cash exists and payment of the Preferred Return is not then prohibited under this Agreement or law or any third party agreement approved by the Board.

Except for situations in which this Agreement provides for the Manager to act in a certain manner or the approval of the Members or the Board is specifically required by the Act, the Certificate of Formation or this Agreement, the Manager shall have full, complete and exclusive authority, power and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters, to supervise, direct and control the actions of the officers, if any, of the Company and to perform any and all other actions customary or incident to the management of the Company's business, property and affairs. Subject to the foregoing, the Manager shall control and direct the administration of the business and affairs of the Company in accordance this Agreement and with sound business practice, taking such steps as are necessary or appropriate in its reasonable judgment to conserve and enhance the value and profitability of the Company's business, property and affairs. The Manager shall be serving in a fiduciary role for all of the Members and shall seek to obtain the best possible terms and conditions for the Project in connection with the sale of all off-take from the Project, including, without limitation, controlling and managing the monetization of all potential revenue sources from the Project or the Company's operations, including but not limited to fruit, seeds, pre-processed crude Jatropa oil, biomass, and by-product, press cake and hulls revenue and carbon credits.

Without limiting any of the other duties of the Manager described in this Agreement, the duties of the Manager shall include, among other things, responsibility for identifying the land, aggregating, negotiating the purchase, managing the Project development process and the Company on a day-to-day basis, including, but not limited to the following: (i) providing Jatropha seedlings/rootstock from existing GCE plantings, nurseries, or seed stocks; (ii) sourcing additional seeds from suppliers; (iii) overseeing any additional nursery construction and operations; (iv) managing land clearing, planting, harvesting and maintenance of the plantation (all or parts of which may be accomplished through GCE employees or through sub contractors subject to the payment restrictions set forth herein); (v) leasing or building storage facilities for seed and finished product; (vi) coordinating and managing all logistics relating to the Company's operations; (vii) managing all sales efforts; (viii) negotiating all off-take agreements and (ix) preparing and submitting the Budget as described in Section 5.2(c).

(c) Budget. At least two (2) months prior to the commencement of each Fiscal Year (other than the Company's initial Fiscal Year), the Manager shall prepare and deliver to each Board Member a proposed Budget for such Fiscal Year. Such proposed Budget shall be in the form of Exhibit B, provided, however, that if the Preferred Members request that the proposed Budget be prepared in a different form, the Manager shall prepare the proposed Budget in such form. If the Board does not approve a proposed Budget, the Manager shall promptly revise the proposed Budget to reflect comments received from Board Members and submit such revised Budget to the Board Members for approval.

(d) Liability of Manager. The Manager shall not be liable to the Company or to any Member for any losses or damages suffered by them, except as the result of the Manager's fraud, deceit, gross negligence, reckless or intentional misconduct, embezzlement, breach of fiduciary duty, knowing violation of law or breach of this Agreement or any other obligations of the Manager hereunder (whether committed knowingly, negligently or otherwise) or as a result of an act from which the Manager derives an improper personal benefit.

(c) Removal of Manager. The Manager may be removed or replaced by holders of all of the Preferred Units at any time or from time to time, without liability to the Company or any of its Members, for fraud, deceit, gross negligence, reckless or intentional misconduct, embezzlement, breach of a fiduciary duty, a material violation of law or a breach of this Agreement, any act from which the Manager derives an improper personal benefit, a breach of the Manager's obligations hereunder (which shall include, without limitation, taking any action not authorized under this Agreement), the Manager's failure to operate the Company within the budgetary guidelines established by the Board and such failure has a material adverse effect on the Company, the inability of Richard Palmer or his assignee to render services on behalf of the Manager and the failure of GCE to obtain a replacement acceptable to the holders of the Preferred Units within thirty (30) days, or a dissolution, merger, liquidation or bankruptcy of the Manager. If the Manager is so removed or replaced, the Preferred Members shall have the right under Section 5.3 to purchase the Common Units and all of the Membership Interest owned by the Manager or to require the Manager to purchase all of the Units and Membership Interests held by the Resnick Trust and the Zilkha Members.

5.3 Buy-Sell Rights Upon Removal of GCE as Manager.

(a) Buy-Sell Right. If GCE is removed as the Manager pursuant to Section 5.2(e), then the Preferred Members may, at any time within ninety (90) calendar days after such removal, elect to either purchase the Membership Interest of GCE or to sell the Membership Interests of the Resnick Trust and the Zilkha Members to GCE upon the terms and conditions set forth herein; provided that such election by the Preferred Members shall not give rise to any purchase right afforded to GCE pursuant to Section 7. To exercise such right, the Preferred Members shall deliver written notice to GCE of their intention to exercise such right; provided, however, that the Preferred Members shall not be required to state in such notice whether they have elected to sell the Membership Interests of the Resnick Trust and the Zilkha Members to GCE or to purchase the Membership Interest of GCE.

(b) Suspension of Exercise of Buy-Sell Right. If GCE disputes the basis for its removal as the Manager pursuant to Section 5.2(e), GCE shall initiate an arbitration proceeding pursuant to Section 13.3 no later than 110 days following such removal. The failure to so initiate such proceeding during such period, or the termination of such proceeding by GCE, shall constitute an irrevocable waiver and release by GCE of, and an absolute bar against the exercise by GCE of, any right, remedy, or claim regarding its removal as the Manager. If an arbitration proceeding is so initiated within such period, then the exercise of the rights under this Section 5.3 shall be suspended until the earlier of the termination or dismissal of the proceeding or the rendering of a decision by the arbitrator. If the arbitrator finds that the removal of the Manager was not in accordance with Section 5.2(e), then any exercise of the rights under Section 5.3 with respect to such removal shall be considered void and of no force or effect.

(c) Determination of Fair Market Value of the Company. If the Members are unable to agree upon a purchase price for the respective Membership Interests within thirty (30) calendar days following the delivery of the notice of exercise (or if an arbitration proceeding as to the removal is initiated by GCE pursuant to Section 5.3(b), within thirty (30) calendar days following the termination or dismissal of such proceeding or the rendering of a decision by the arbitrator), they shall within the next thirty (30) calendar days agree upon the selection of an appraiser to value the Fair Market Value of the Company as of the date of removal (or other repurchase event). If no agreement can be reached as to the selection of an appraiser, the Preferred Members shall promptly choose one appraiser by notice to GCE and GCE shall promptly choose one appraiser by notice to the Preferred Members; provided, however, that all appraisers selected by the parties shall be reasonably experienced in valuing interests in businesses similar to the business then conducted by the Company. Each appraiser shall, within twenty (20) calendar days after his or her appointment, prepare an appraisal of the Fair Market Value of the Company as of the date of removal (or other repurchase event). In making the appraisal, the appraisers shall be obligated to take into account the value of comparable companies if known, and the present value of future cash flows to be derived from the existing assets of the Company and its Subsidiaries. The arithmetic average of the two appraisals shall be the Fair Market Value of the Company.

If either GCE or the Preferred Members fail to appoint an appraiser within thirty (30) calendar days after the lapse of the initial thirty (30) calendar day period referred to above, then the appraiser appointed by the party which does appoint an appraiser shall alone determine the Fair Market Value of the Company as of the date of removal (or other repurchase event), and its appraisal shall govern. Each party shall compensate the appraiser appointed by that party.

(d) Applicable Purchase Price. Within thirty (30) calendar days of such determination of the Fair Market Value of the Company, the Company's accountants shall prepare a schedule setting forth the amounts that would be distributed to each of the Members on the assumption that the Company completes a sale of its assets for, and receives cash equal to, such Fair Market Value as of the date of the notice, pays all outstanding obligations and customary closing and transaction costs that would have been likely to have been incurred if the Company was sold for such Fair Market Value, dissolves and then distributes the remaining balance to the Members in accordance with the terms of this Agreement. The amount that would be so distributed to each such Member shall be the purchase price (the Applicable Purchase Price) for such Member's Membership Interest under this Section.

(e) Election. Within ten (10) calendar days of the determination of such Applicable Purchase Price, the Preferred Members shall notify GCE in writing as to whether they elect to purchase GCE's Membership Interest, or elect to require GCE to purchase the Membership Interests of the Resnick Trust and the Zilkha Members, for the Applicable Purchase Price; provided, however, that, notwithstanding anything to the contrary set forth in this Agreement: (i) the Applicable Purchase Price payable by any Member hereunder shall be reduced by an amount equal to all indebtedness then owed by the selling Member to that purchaser (without regard to whether or not such indebtedness is then due and payable in whole or in part); (ii) if GCE's Membership Interest is being purchased as a result of a breach of this Agreement by GCE, the Applicable Purchase Price payable by any Preferred Member hereunder shall be reduced by an amount equal to the damages suffered by that purchaser as a result of the breach; (iii) if at least five (5) Business Days prior to the Closing, GCE initiates an arbitration proceeding pursuant to Section 13.3 with respect to the amount of damages, then instead of withholding the amount of the damages from the payment of the purchase price, the Preferred Members shall at the Closing deposit the amount of the reduction for damages in an escrow which shall provide for the release of the funds to the Preferred Members if the arbitration is dismissed or terminated or otherwise in accordance with the findings of the arbitrator, and for all interest and earnings on such funds to be paid to the Preferred Members, and (iv) if the Preferred Members elect to require GCE to purchase the Membership Interests of the Resnick Trust and the Zilkha Members, then GCE must also cause AGC to pay to the Resnick Trust and the Zilkha Trust at the Closing all principal, accrued interest and other amounts payable under the Land Acquisition Loans; provided, however, if within ten (10) Business Days of the delivery of the notice from the Preferred Members, GCE provides written notice to the Preferred Members that the board of directors of GCE has made a good faith determination that GCE is unable to pay, or finance the payment of, the Applicable Purchase Price and cause AGC to pay to the Resnick Trust and the Zilkha Trust at the Closing all principal, accrued interest and other amounts payable under the Land Acquisition Loans, then the Preferred Members may elect to (A) dissolve the Company, (B) instead purchase the Membership Interests of GCE for the Applicable Purchase Price, or (C) cancel the exercise of its buy-sell rights under this Section 5.3, and any election by the Preferred Members shall be without prejudice to any right or remedy of the Preferred Members with respect to GCE.

5.4 Transactions between the Company and the Manager or its Affiliates. Subject to the terms and provisions of this Agreement, the Manager may provide, or cause the Company to engage one or more of its Affiliates to provide, any or all goods and/or services required by the Company or its Subsidiaries in the conduct of its business, provided that the Manager has first notified each of the Board Members in writing that the Manager or any of its Affiliates may be providing such goods and/or services to the Company or its Subsidiaries and the Board has approved the terms and conditions of any such engagement or the Budget expressly approved by the Board contains a line-item reflecting payments to the Manager or its Affiliates for such good or services.

5.5 Officers of the Company.

(a) Appointment of Officers. The Manager may, at its discretion, appoint officers of the Company at any time to conduct, or to assist the Manager in the conduct of, the day-to-day business and affairs of the Company. The officers of the Company may include a Chairperson, a President or Chief Executive Officer, one or more Senior Vice Presidents, one or more Vice Presidents, a Secretary, one or more Assistant Secretaries, a Chief Financial Officer, a Treasurer, one or more Assistant Treasurers and a Comptroller. The officers shall serve at the pleasure of the Manager, subject to all rights, if any, of an officer under any contract of employment; provided, however, that the Manager shall not enter into any employment agreement with an officer without the prior approval of the Board. Any individual may hold any number of offices. If a Manager is not an individual, that Manager's officers may serve as officers of the Company if appointed by the Manager. The officers shall exercise such powers and perform such duties as are typically exercised by similarly titled officers in a corporation and as shall be determined from time to time by the Manager, but subject in all instances to the supervision and control of the Manager.

(b) Signing Authority of Officers. The officers, if any, shall have such authority to sign checks, instruments and other documents on behalf of the Company as may be delegated to them by the Manager.

5.6 Limitations on Power of Manager and Officers. Notwithstanding any other provision of this Agreement, however, neither the Manager nor any officer of the Company or any of its Subsidiaries shall have any power or authority to approve or cause the Company or any of its Subsidiaries to engage in any of the following, without first obtaining the unanimous vote or written consent of all Board Members:

(a) entering into any contract with a supplier, customer, or partner that imposes material restrictions or limitations on the conduct of the Company or a Subsidiary such as, but not limited to, exclusivity provisions and non-compete provisions;

(b) entering into any contract that may restrict the payment of the Preferred Return;

(c) any borrowing of money (it being acknowledged that incurring customary trade payables in the ordinary course of business which when incurred are expected to be paid when due shall not be considered the borrowing of money), other than pursuant to Section 3.2, which, after giving effect to the borrowing, causes the Company or a Subsidiary to have more than \$25,000 in principal amount of borrowings outstanding;

(d) any loan by the Company or a Subsidiary to any Person, any guaranty by the Company or a Subsidiary of any other Person s obligations or any investment by the Company or a Subsidiary in the business of any other Person;

(e) any transaction between the Company or a Subsidiary and a Member or Manager or any Affiliate of a Member or Manager, or any transaction between the Company or a Subsidiary and any Person in which a Member or Manager or any Affiliate of a Member or Manager has a material financial interest;

(f) any act which would make it impossible to carry on the ordinary business of the Company or a Subsidiary;

(g) the formation by the Company or a Subsidiary of any Subsidiary;

(h) the formation of any joint venture or any investment by the Company or a Subsidiary in another Person; or

(i) any other act for which the approval of the Board is required under this Agreement.

5.7 Competing Activities. No Manager, Board Member or Member shall be obligated to present any prospective project, business venture, investment opportunity or economic advantage to the Company or any other Members, even if the opportunity is one of the character that, if presented to the Company or the other Members, could be taken by the Company or the other Members, and each Member shall have the right to hold any such prospective project, business venture, investment opportunity or economic advantage for its own account or to recommend the same to Persons other than the Company or the other Members. The Manager, Board Member, Members and their respective officers, directors, shareholders, partners, members, managers, agents, employees and Affiliates may engage or invest in, independently or with others, any business activity of any type or description, including without limitation those that might be the same as or similar to the Company's business and that might be in direct or indirect competition with the Company. Neither the Company nor the other Members shall have the right in or to such other ventures or activities or to the income or proceeds derived therefrom.

5.8 Intellectual Property.

(a) Company Intellectual Property. The Company shall, directly or indirectly through Subsidiaries, own all of the rights and assets of the Project, including, but not limited to land, equipment, seed procurement contracts, Jatropha oil off-take contracts, biomass sales and/or carbon credit sales agreements, as well as all intellectual property, whether patentable or not, created, developed, discovered, invented or acquired by the Company or any of its Subsidiaries relating to the Project. Any intellectual property created, developed, discovered or invented by GCE or its Affiliates or employees in connection with the performance of duties by or on behalf of GCE under this Agreement shall be considered developed by the Company and shall belong to the Company. GCE or its Affiliates or employees shall execute such intellectual property assignment documents as may be necessary from time to time to vest the Company with title to all such intellectual property rights. Each Member shall have a non-transferable, non-exclusive, perpetual, non-sublicensable (other than to the Member's Affiliates) royalty-free license to use any intellectual property rights owned by the Company, which license shall survive the termination of a Member's Membership Interest or a dissolution of the Company.

(b) Member Intellectual Property. The Members acknowledge that, absent a separate written agreement between the Company and any of its Members, the Company shall have no rights to any intellectual property created, developed, discovered, invented or acquired by any of the Members or any intellectual property of another Person (other than the Company) which is used by such Member with the consent of such Person (any such intellectual property is referred to as Member IP) without regard to whether any Member IP may be similar to intellectual property developed by the Company or its Subsidiaries. Member IP shall remain the property of the applicable Member and not the Company, notwithstanding that a Member may license or otherwise permit the Company to use Member IP. Any Member IP provided by a Member to the Company for its use may be used by the Company on a royalty free basis.

5.9 Payments to the Manager and Others. The Company is authorized to pay any Person remuneration or reimbursement for goods and services provided to the Company; provided, however, that the Manager and its Affiliates shall be entitled to receive only the following remuneration or reimbursement:

(a) No Management Fee. The Manager shall not be entitled to any management fee or other compensation for its services as the Manager.

(b) Services Performed by Members or Affiliates. The Company shall pay the Members and their Affiliates for services rendered or goods provided by them to the Company to the extent that those Members or Affiliates are not required to render such services or goods themselves without charge to the Company, and to the extent that the fees paid to those Members or Affiliates do not exceed the fees that would be payable to independent responsible third parties that are willing to perform those services or provide those goods; provided, however, that in the case of the Manager or its Affiliates, the payment of such fees also is authorized under Section 5.4.

(c) Expenses. Subject to Section 5.10, the Company shall reimburse the Manager, Members and their respective Affiliates for all reasonable out-of-pocket costs and expenses incurred by them in connection with the business and affairs of the Company, as well as organizational expenses incurred by them to form the Company and to prepare the Certificate of Formation; provided, however, that (i) such costs and expenses are consistent with the Budget approved by the Board, (ii) the Company shall pay, or reimburse the Resnick Trust and the Zilkha Trust for the payment of, any legal and accounting fees incurred by them in connection with the preparation and negotiation of this Agreement, but GCE shall be solely responsible for the payment of its legal and accounting fees, (iii) GCE shall be solely responsible for the payment of any broker s, finders or comparable fees and costs relating to the formation, structuring and initial funding of the Company or the acquisition of any land by the Company or any Subsidiary, and (iv) unless expressly approved by the Board or in the Budget approved by the Board, the Manager and its Affiliates shall not be reimbursed by the Company for (A) any salaries, compensation or fringe benefits of directors, officers or employees of the Manager or their Affiliates or (B) any overhead expenses of the Manager or its Affiliates including, without limitation, rent and general office expenses.

5.10 GCE Obligations for Public Company Compliance. GCE represents and warrants to the other Members that it is a publicly held company and that GCE presently intends to consolidate the financial results of the Company with its financial results and that of its Subsidiaries. GCE acknowledges that (a) as a publicly held company, GCE may need the financial results of the Company to be audited and/or to institute accounting or operating procedures or controls to satisfy applicable laws, rules, regulations or listing requirements, and (b) if GCE were not a publicly held company, the Company would not incur costs with respect to an audit or such procedures or controls. GCE agrees that GCE shall be solely responsible for, and shall pay directly, any audit costs, costs of establishing any such accounting procedures or controls and any other costs which the Company would not otherwise incur but for such laws, rules, regulations or listing requirements; provided, however, that to the extent that such costs are not capable of being paid directly by GCE, GCE shall promptly reimburse the Company for such costs. By way of example only, if an employee of the Company spends 50% of his time with respect to monitoring or complying with such procedures or controls, the Company would pay the employee his or her customary compensation and GCE would reimburse the Company for 50% of the cost thereof (including all the cost of all related benefits and taxes).

ARTICLE VI

ALLOCATIONS OF NET PROFITS, NET LOSSES AND DISTRIBUTIONS

6.1 Minimum Gain Chargeback. In the event that there is a net decrease in the Company Minimum Gain during any taxable year, the minimum gain chargeback described in Sections 1.704-2(f) and (g) of the Treasury Regulations shall apply.

6.2 Member Minimum Gain Chargeback. If during any taxable year there is a net decrease in Member Minimum Gain, the partner minimum gain chargeback described in Section 1.704-2(i)(4) of the Treasury Regulations shall apply.

6.3 Qualified Income Offset. Any Member who unexpectedly receives an adjustment, allocation or Distribution described in subparagraphs (4), (5) or (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations, which adjustment, allocation or distribution creates or increases a deficit balance in that Member's Capital Account, shall be allocated items of book income and gain in accordance with the provisions of the qualified income offset as described in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

6.4 Nonrecourse Deductions. Nonrecourse Deductions shall be allocated to the Members in proportion to their Percentage Interests.

6.5 Member Nonrecourse Deductions. Member Nonrecourse Deductions shall be allocated to the Members as required in Section 1.704-2(i)(1) of the Treasury Regulations in accordance with the manner in which the Members bear the burden of an Economic Risk of Loss corresponding to the Member Nonrecourse Deductions.

6.6 Income from Exculpatory Liabilities. Any allocations of items of book income or gain attributable to an Exculpatory Liability as contemplated by Part V.B of Treasury Decision 8385, 56 Federal Register 66978-66995 (December 27, 1991), shall be allocated to the Members who have received prior allocations of book deductions and losses allocable to the Exculpatory Liability, in accordance with the ratio of such prior allocations of book deductions and losses that have not been previously charged back by this Section 6.6.

6.7 Losses from Exculpatory Liabilities. Any allocations of items of book loss or deduction attributable to an Exculpatory Liability as contemplated by Part V.B of Treasury Decision 8385, 56 Federal Register 66978-66995 (December 27, 1991), shall be allocated to the Members in accordance with their Percentage Interests.

6.8 Allocation of Net Profits. The Net Profits for each fiscal period of the Company shall be allocated to the Members in accordance with the following order of priority:

(a) first, to those Members with negative Adjusted Capital Accounts, among them in proportion to the ratio of the negative balances in their Adjusted Capital Accounts, until no Member has a negative Adjusted Capital Account;

(b) second, to those Members whose Adjusted Capital Contributions are in excess of their Adjusted Capital Accounts, among them in accordance with the ratio of these excesses, until all of these excesses have been eliminated;

(c) third, to those Members for whom the sum of their Adjusted Capital Contributions and their Unpaid Preferred Returns are in excess of their Adjusted Capital Accounts, among them in accordance with the ratio of these excesses, until all of these excesses have been eliminated; and

(d) finally, to the Members in proportion to their Percentage Interests.

6.9 Allocation of Net Losses. Net Losses for each fiscal period of the Company shall be allocated to the Members:

(a) first, to those Members whose Adjusted Capital Accounts are in excess of the sum of their Adjusted Capital Contributions and their Unpaid Preferred Returns, among them in accordance with the ratio of these excesses, until all of these excesses have been eliminated.

(b) second, to those Members whose Adjusted Capital Accounts are in excess of their Adjusted Capital Contributions, among them in accordance with the ratio of these excesses, until all of these excesses have been eliminated; and

(c) third, to those Members whose Adjusted Capital Accounts are greater than zero, among them in accordance with the ratio of their positive Adjusted Capital Account balances, until no Member has a positive Adjusted Capital Account.

6.10 Distribution of Assets by the Company. Subject to applicable law and any limitations contained elsewhere in this Agreement, the Board (and only the Board) may elect from time to time to cause the Company to distribute Distributable Cash to the Members, which Distributions shall be in the following order of priority:

(a) first, to the Members with Unpaid Preferred Returns, in proportion to their Unpaid Preferred Return until each Member's Unpaid Preferred Return has been reduced to zero;

(b) second, to those Members with positive Adjusted Capital Contributions, in proportion to their positive Adjusted Capital Contributions, until each Member's Adjusted Capital Contribution has been reduced to zero; and

(c) third, to the Members in proportion to their Percentage Interests.

6.11 Allocation of Net Profits and Losses in Respect of a Transferred Interest. If any Membership Interest is Transferred or is increased or decreased by reason of the admission of a new Member or otherwise during any Fiscal Year, the varying interests rule shall be applied to allocate each item of income, gain, loss, and deduction on a pro rata basis based on the percentage that the number of days before the increase and decrease (including the day of increase or decrease) constitutes as a percentage of the number of days during the year.

6.12 Tax Allocation Matters.

(a) Contributed or Revalued Property. Each Member's allocable share of the taxable income or loss of the Company, depreciation, depletion, amortization and gain or loss with respect to any contributed property, or with respect to revalued property where the Company's property is revalued pursuant to Paragraph (b)(2)(iv)(f) of Section 1.704-1 of the Treasury Regulations, shall be determined in accordance with the traditional method as set forth in Section 1.704-3(b) of the Treasury Regulations.

(b) Recapture Items. In the event that the Company has taxable income that is characterized as ordinary income under the recapture provisions of the Code, then Sections 1.1245-1(e) and 1.1250-1(f) of the Treasury Regulations shall apply, and in the event that the Company has taxable income that is characterized as unrecaptured Section 1250 gain under Section 1(h)(6) of the Code, then the principles of such Treasury Regulations shall apply.

6.13 Order of Application. To the extent that any allocation, Distribution or adjustment specified in any of the preceding Sections of this ARTICLE VI affects the results of any other allocation, Distribution or adjustment required herein, the allocations, Distributions and adjustments specified in the following Sections shall be made in the priority listed:

- (a) Section 6.10.
- (b) Section 6.1.
- (c) Section 6.2.
- (d) Section 6.3.
- (e) Section 6.4.
- (f) Section 6.5.
- (g) Section 6.6.
- (h) Section 6.7.

(i) Section 6.8.

(j) Section 6.9.

(k) Section 10.5.

These provisions shall be applied as if all Distributions and allocations were made at the end of the Company's Fiscal Year. Where any provision depends on the Capital Account of any Member, that Capital Account shall be determined after the operation of all preceding provisions for the Fiscal Year.

6.14 Allocation of Liabilities. Each Member's interest in partnership profits for purposes of determining that Member's share of excess nonrecourse liabilities of the Company as used in Section 1.752-3(a)(3) of the Treasury Regulations, shall be equal to that Member's Percentage Interest.

6.15 Form of Distribution. Except as provided in Section 10.3, no Member, regardless of the nature of its Capital Contribution, has the right to demand and receive any Distribution from the Company in any form other than money unless it is approved by the Board. No Member may be compelled to accept from the Company a Distribution of any asset in kind in lieu of a proportionate Distribution of money being made to other Member(s), and except upon a dissolution and the winding up of the Company, no Member may be compelled to accept a Distribution of any asset in kind.

ARTICLE VII

TRANSFER OF INTERESTS

7.1 Transfer of Interests. Except as permitted in Section 5.3 and this ARTICLE VII, no Member or holder of an Economic Interest shall be entitled to Transfer all or any part of its Membership Interest or Economic Interest except with the prior written consent of all Members, which consent may be given or withheld, conditioned or delayed (as allowed by this Agreement or the Act) as such Members may determine in their sole and absolute discretion. Any attempted Transfer in violation of this Article VII shall be null and void ab initio, and the transferee shall not become a Member or holder of an Economic Interest. If, for any reason, a court refuses to enforce the foregoing provision then, upon any such Transfer of a Membership Interest or part thereof in violation of this ARTICLE VII, the transferee shall only be entitled to become a holder of an Economic Interest to the extent of the Membership Interest attempted or purported to be Transferred to it in violation of this Agreement. After the consummation of any permitted Transfer of all or any part of a Membership Interest, the Membership Interest so Transferred shall continue to be subject to the terms and provisions of this Agreement, and any further Transfers shall be required to comply with the terms and provisions of this Agreement.

7.2 Permitted Transfers. Notwithstanding anything to the contrary contained herein and subject to compliance with Section 7.3 below, a Member may transfer all, but not part, of its Membership Interest or Economic Interest (a) upon the death of such Member or the trustee(s) of such Member, to the respective heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of such Member or trustee(s) of such Member or to a trust created under such trustee(s) will, or (b) to one of its Affiliates or to a trust, foundation or another entity that is created pursuant to the estate planning of a Member or the trustee(s) of a Member. In addition, the Zilkha Members and the Resnick Trust can Transfer its Membership Interest to the other at any time.

7.3 Admission of Transferee. Notwithstanding anything in this Agreement to the contrary, no transferee of the whole or any part of a Membership Interest shall become a substituted Member in the place of its transferor unless all of the following conditions are satisfied:

(a) The Transferring Member and the transferee execute and acknowledge such other instrument or instruments as the other Members may deem necessary or desirable to effectuate the admission, including the written acceptance and adoption by the transferee of all of the terms and conditions of this Agreement as the same may have been amended, and the spouse or registered domestic partner, if any, of the transferee executes and delivers to the Manager a Consent substantially in the form of Exhibit E; and

(b) The transferee pays to the Company a transfer fee which is sufficient, in the reasonable discretion of the other Members, to cover all expenses incurred by the Company in connection with the Transfer and substitution.

7.4 Further Restrictions on Transfers. In addition to any other restrictions found in this Agreement, no Member may Transfer its Membership Interest or any part thereof: (a) without compliance with the Securities Act of 1933, the California Corporate Securities Law of 1968 and any other applicable securities laws, or (b) if the Transfer could result in the termination of the Company for federal or state income tax purposes or the Company not being classified as a partnership for federal or state income tax purposes. In addition, GCE cannot elect to purchase Membership Interests pursuant to Section 7.6(a) or 7.7 unless it is able to cause AGC to pay to the Resnick Trust and the Zilkha Trust at the Closing all principal, accrued interest and other amounts payable under the Land Acquisition Loans.

7.5 Member Transfer Rights.

(a) Resnick Trust and Zilkha Members Transfer Rights. Except as permitted by Section 7.2, if the Resnick Trust desires to Transfer all or any part of its Membership Interest, it must first offer such Membership Interests to the Zilkha Trust in accordance with the procedures set forth in Section 7.6(a). If any Zilkha Member desires to transfer all or all or any part of its Membership Interest (the Zilkha Transferor), it must first offer such Membership Interest to the Resnick Trust in accordance with the procedures set forth in Section 7.6(a). If the Resnick Trust or the Zilkha Trust, as applicable, does not exercise its right to purchase such offered Membership Interest, the Resnick Trust or the Zilkha Transferor, as applicable, must then offer such Membership Interest to GCE in accordance with the procedures set forth in Section 7.6(a).

(b) GCE Transfer Rights. Except as permitted by Section 7.2, GCE may not Transfer all or any part of its Membership Interest for the three year period following the date hereof. After the third anniversary of the date hereof, if GCE desires to Transfer all or any part of its Membership Interest, GCE must first offer such Membership Interest to the other Members in accordance with the procedures set forth in Section 7.6(b).

7.6 Member Transfer Procedures.

(a) Resnick Trust and Zilkha Members Transfer Procedures. If the Resnick Trust or a Zilkha Transferor desires to Transfer all or any part of its Membership Interests (the Transferring Member) to a third party under Section 7.5(a) above, then the Transferring Member shall give written notice to the Zilkha Trust or the Resnick Trust, as applicable (the Non-Transferring Member), which notice shall (i) if the Transfer is pursuant to a Bona Fide Offer, set forth the terms of such Bona Fide Offer and the identity of the offeror(s) (the ROFR Notice) or (ii) if the Transfer is not pursuant to a Bona Fide Offer, set forth the offered Membership Interest and the cash price and other terms upon which it proposes to Transfer such offered Membership Interest (the ROFO Notice). The Non-Transferring Member shall have ten (10) calendar days from the date of receipt of the ROFR Notice or ROFO Notice, as applicable, to notify the Transferring Member in writing whether the Non-Transferring Member agrees to purchase all of such offered Membership Interests upon the terms specified in the ROFR Notice or ROFO Notice, as applicable. In the event that the Non-Transferring Member does not elect to purchase the offered Membership Interests, then the Transferring Member shall deliver the ROFR Notice or ROFO Notice, as applicable, to GCE and GCE shall have (10) calendar days following its receipt of such notice to elect to purchase all, but not part, of the offered Membership Interest upon the terms specified in the ROFR Notice or ROFO Notice, as applicable. If GCE does not elect to purchase all of the offered Membership Interest, then the Transferring Member may, if otherwise permitted by this Agreement, sell all, but not part, of the offered Membership Interest to a third party upon the terms set forth in the ROFR Notice or ROFO Notice, as applicable, within ninety (90) calendar days after the date of the termination of GCE's rights under this Section 7.6(a); provided, however, that the Transferring Member may not sell any of the offered Membership Interest to any third party or GCE on terms which are more favorable than those offered to the Non-Transferring Member under a ROFR Notice or ROFO Notice, as applicable, without again complying with the provisions of this Section 7.6(a).

(b) GCE Transfer Procedures. If GCE desires to Transfer all or any part of its Membership Interest to a third party under Section 7.5(b) above (i) pursuant to a Bona Fide Offer, GCE shall give written notice to the other Members (the Resnick/Zilkha Members), setting forth in full the terms of such Bona Fide Offer and the identity of the offeror(s) (GCE ROFR Notice) or (ii) not pursuant to a Bona Fide Offer, GCE shall give written notice to the Resnick/Zilkha Members, setting forth the offered Membership Interest and the cash price and other terms upon which GCE proposes to Transfer such offered Membership Interest (the GCE ROFO Notice). The Resnick/Zilkha Members shall then have the right and option, for a period ending ten (10) calendar days following its receipt of the GCE ROFR Notice or GCE ROFO Notice, as applicable, to elect to purchase all, but not part, of the offered Membership Interest, pro rata in accordance with the ratio of their Percentage Interests, at the purchase price and upon the terms specified in the GCE ROFR Notice or GCE ROFO Notice, as applicable. If all the Resnick/Zilkha Members do not elect to purchase the entire balance of the offered Membership Interest, then the Resnick/Zilkha Members electing to purchase shall have the right and option, for a period of ten (10) calendar days thereafter and pro rata in accordance with the ratio of their Units, to elect to purchase the balance of the offered Membership Interest available for purchase. If the Resnick/Zilkha Members do not elect to purchase all of the offered Membership Interest, the Resnick/Zilkha Members shall not have a right to purchase the offered Membership Interest and GCE may, if otherwise permitted under this Agreement, Transfer all, but not part of, the offered Membership Interest to a third party upon the terms set forth in the GCE ROFR Notice or GCE ROFO Notice, as applicable, within ninety (90) calendar days after the date of the termination of the Resnick/Zilkha Members rights under this Section 7.6(b); provided, however, that GCE may not sell any of the offered Membership Interest to any third party on terms which are more favorable than those offered to the Resnick/Zilkha Members under the GCE ROFR Notice or GCE ROFO Notice, as applicable, without again complying with the provisions of this Section 7.6(b).

7.7 Reciprocal Right to Purchase Membership Interests.

(a) Initiation of Purchase Offer. At any time after the third anniversary of the date hereof, either all of the Zilkha Members and the Resnick Trust collectively or GCE (the Offering Member(s)) may notify the other (the Other Member(s)) by written notice (the Notice) that the Offering Member(s) elects to purchase all, but not less than all, of the Membership Interest owned by the Other Member(s) specifying in the Notice the purchase price at which the Offering Member(s) elects to purchase such Membership Interest for cash (the Purchase Price).

(b) Option in Favor of Other Member(s). Immediately upon its receipt of the Notice and for a period of thirty (30) calendar days thereafter, the Other Member(s) shall have an option to purchase all, but not less than all, of the Membership Interest owned by the Offering Member(s) at the Purchase Price. If, within such thirty (30) calendar day period, the Other Member(s) notifies the Offering Member(s) in writing that it elects to exercise its option to purchase all of the Membership Interest owned by the Offering Member(s), as aforesaid, the Offering Member(s) shall be obligated to sell all of said Membership Interest to the Other Member(s), and the Other Member(s) shall be obligated to purchase all of said Membership Interest, at the Purchase Price.

(c) Non-Exercise of Reciprocal Option. If, within such thirty (30) calendar day period, the Other Member(s) does not notify the Offering Member(s) in writing that it elects to exercise its option to purchase all of the Membership Interest owned by the Offering Member(s), as aforesaid, the Offering Member(s) shall purchase all of the Membership Interest owned by the Other Member(s), and the Other Member(s) shall sell all of said Membership Interest to the Offering Member(s), for the Purchase Price.

(d) No Challenge. Each of the Members agrees to be bound by and to sell its Membership Interest in accordance with this Section 7.7 and specifically waives any rights to challenge or otherwise contest the sufficiency or adequacy of the consideration to be paid for such Membership Interest pursuant to this Section 7.7.

7.8 Consummation of Sale. Unless the parties involved mutually agree otherwise, delivery to the selling Member and the purchasing Members of the Membership Interest to be sold to a Member under this ARTICLE VII or Section 5.3 and payment of the purchase price therefor shall take place at a closing (the Closing) to be held at the principal office of the Company at 10:00 a.m. within thirty (30) calendar days following the election to purchase or sell pursuant to Section 5.3, 7.6, or 7.7, or, if later, the determination of the applicable purchase price. At the Closing, (a) the transferring Member shall deliver to the purchasing Members a bill of sale and assignment effecting the transfer of the Membership Interest to be sold, in form and substance satisfactory to the purchasing Members, and shall deliver, in addition, any other documents reasonably requested by the purchasing Members to effectuate the purposes of this Agreement, (b) the purchasing Members shall pay the purchase price in immediately available funds and, (c) if the transferring Members are the Resnick Trust or the Zilkha Members, AGC shall pay in full to the Resnick Trust and the Zilkha Trust all principal, accrued interest and other amounts payable under the Land Acquisition Loans. Subject to the foregoing, title to the Membership Interest shall pass to the purchasing Members as of the date of the repurchase event free and clear of any liens or encumbrances.

7.9 Enforcement. The Transfer restrictions contained in this Agreement are of the essence of the ownership of a Membership Interest or an Economic Interest. Upon application to any court of competent jurisdiction, either the Company or any of its Members shall be entitled to a decree against any Person violating or about to violate such restrictions, requiring their specific performance, including those requiring a Member to sell all or part of its Membership Interest to the other Members, requiring a Member to purchase the Membership Interest of other Members or prohibiting a Transfer of all or part of a Membership Interest. No election by a Member to purchase, or not to purchase, all or any part of an Membership Interest shall affect in any manner the rights or remedies of the Company or the Members, whether pursuant to this Agreement, at law or in equity, relating to a breach of this Agreement by the Transferring Member.

ARTICLE VIII

CONSEQUENCES OF MEMBERSHIP TERMINATION EVENTS

8.1 No Dissolution of Company. The occurrence of a Membership Termination Event as to any Member other than the last and only remaining Member shall not dissolve the Company. Upon the occurrence of a Membership Termination Event as to the last and only remaining Member or as otherwise provided by law, the Company shall dissolve unless the personal representative or other successor-in-interest of the last and only remaining Member consents in writing within ninety (90) days of that Membership Termination Event to the continuation of the Company and to the admission of such personal representative or other successor-in-interest, or its designee or nominee, as a Member.

8.2 Admission, Conversion or Purchase. Upon the occurrence of a Membership Termination Event with respect to a Member under circumstances where the Company does not dissolve, the remaining Members shall determine which one of the following shall occur and give written notice thereof to the Member who suffered the Membership Termination Event (the Former Member):

(a) the Former Member's personal representative or other successor-in-interest shall be admitted as a Member of the Company in the place and stead of the Former Member to the extent of the Former Member's Membership Interest (the Former Member's Interest);

(b) the Former Member's Interest shall be converted to a bare Economic Interest, and the Former Member's representative or other successor-in-interest shall become the owner of that Economic Interest; or

(c) Subject to the rights set forth in Article VII, the remaining Members shall purchase the Former Member's Interest for a purchase price determined in accordance with Section 5.3(d).

8.3 Closing of Purchase of Former Member's Interest. The closing of the sale of a Former Member's Interest shall be held no later than thirty (30) days after the determination of the purchase price. At such closing, the Former Member or the Former Member's legal representative shall deliver to the purchasers a bill of sale and assignment effecting the transfer of the Membership Interest to be sold, in form and substance satisfactory to the purchasing Members, and shall deliver, in addition, any other documents reasonably requested by the purchasing Members to effectuate the purposes of this Agreement, and the purchasers shall execute and deliver to the Former Member or the Former Member's legal representative, a promissory note in the amount of the purchase price secured by a pledge of the Membership Interest being purchased. The promissory note shall provide for thirty-six (36) equal monthly payments of principal and interest, with interest computed on a 360 day year and at the then mid-term applicable federal rate provided in the Code for the month in which the Closing occurs, but the purchasers shall have the right to prepay in full or in part at any time without penalty. The Former Member or the Former Member's legal representative and the purchasers shall do all things and execute and deliver all papers necessary to consummate the transaction in accordance with the provisions of this Agreement. Title to the Former Member's Interest shall pass to the purchasers as of the date of the Membership Termination Event.

ARTICLE IX

ACCOUNTING, RECORDS, REPORTING BY MEMBERS

9.1 Books and Records. The books and records of the Company shall be kept, and the financial position and the results of its operations recorded, in accordance with generally accepted accounting principles. The books and records of the Company shall reflect all the Company transactions and shall be appropriate and adequate for the Company's business. Board Members, and, as long as a Member's Percentage Interest is at least ten percent (10%), then such Member and its duly authorized representative, shall have complete access to all such books and records at any time.

9.2 Bank Accounts; Invested Funds. All funds of the Company shall be deposited in such account or accounts of the Company as may be determined by the Board and withdrawals may be made upon checks signed by such persons and in such manner as the Board may determine. Temporary surplus funds of the Company may be invested in commercial paper, time deposits, short-term government obligations or other investments determined by the Board.

9.3 Tax Matters for the Company Handled by Board and Tax Matters Partner.

(a) Tax Elections. The Board shall from time to time cause the Company to make such tax elections as it deems to be in the best interests of the Company and the Members.

(b) Designation of Tax Matters Partner. GCE shall be the Tax Matters Partner. If no person shall be serving as Tax Matters Partner, the Person meeting the requirements for a tax matters partner under Code Section 6231(a)(7) and designated by vote of Management Committee shall become the Tax Matters Partner. The Tax Matters Partner may resign upon thirty (30) days prior written notice to the other Members.

(c) Powers. The Tax Matters Partner has all of the powers and authority of a tax matters partner under the Code. The Tax Matters Partner shall represent the Company in connection with all administrative and/or judicial proceedings instituted by the Internal Revenue Service or any taxing authority involving any tax return of the Company. This representation shall be at the Company's expense. The Tax Matters Partner may expend the Company's funds for professional services and costs associated with any administrative and/or judicial proceedings instituted by the Internal Revenue Service or any taxing authority involving any tax return of the Company. The Tax Matters Partner shall provide to the Members prompt notice of any communication to or from or agreements with a federal, state or local taxing authority regarding any tax return of the Company (including a summary of the communication).

9.4 Accounting Matters. All decisions as to accounting matters shall be made by the Board; provided, however, that the Board may at any time request the Manager to provide its recommendation as to any accounting matter. At any time or upon request of the Manager, the Board shall review and approve the accounting procedures that will be implemented by the Manager.

9.5 Confidentiality. All books, records, financial statements, tax returns, budgets, business plans and projections of the Company, all other information concerning the business, affairs and properties of the Company and all of the terms and provisions of this Agreement shall be held in confidence by the Manager, Board Members and the Members and their respective Affiliates, subject to any obligation to comply with (a) any applicable law, (b) any rule or regulation of any legal authority or securities exchange or (c) any subpoena or other legal process to make information available to the Persons entitled thereto. Such confidentiality shall be maintained to the same degree as each Manager, Board Member and Member maintains its own confidential information and shall be maintained until such time, if any, as any such confidential information either is, or becomes, published or a matter of public knowledge.

ARTICLE X

DISSOLUTION AND WINDING UP

10.1 Dissolution. The Company shall be dissolved, its assets disposed of and its affairs wound up upon (and only upon) the first to occur of the following:

- (a) the expiration of the term of the Company specified in the Certificate of Formation or any other event of dissolution specified in the Certificate of Formation;
- (b) the unanimous vote of the Members;
- (c) the vote of the Preferred Members following their receipt of a written notice from GCE in accordance with Section 5.3(e) stating GCE's desire to dissolve the Company;
- (d) the occurrence of a Membership Termination Event as to the last and only remaining Member if the Board and that Member's personal representative or other successor-in-interest fail to consent to the continuation of the Company in accordance with Section 8.1 within ninety (90) days after the occurrence of that event;
- (e) the Company's Bankruptcy;
- (f) the occurrence of an event which makes it unlawful for the business of the Company to be continued; or
- (g) as otherwise required by law.

10.2 Date of Dissolution. Dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until the assets of the Company have been liquidated and distributed as provided herein. Notwithstanding the dissolution of the Company, prior to the termination of the Company the business of the Company and the rights and obligations of the Members, as such, shall continue to be governed by this Agreement.

10.3 Winding Up. Upon the occurrence of any event specified in Section 10.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors. The Board shall be responsible for overseeing the winding up and liquidation of the Company, shall take full account of the liabilities and assets of the Company, shall cause its assets either to be sold or distributed, as they may determine, and shall cause the proceeds therefrom, to the extent sufficient, to be applied and distributed as provided in Section 10.5; provided, however, that at the request of the Resnick Trust or the Zilkha Members, any real property owned directly or indirectly by the Company shall be distributed in kind to such Members subject to Section 10.4; provided, however, that if such distribution in kind would result in the Resnick Trust or the Zilkha Members receiving greater distributions than they would otherwise be entitled to under Section 10.5, such Members shall refund such excess distributions in cash to the Company. The Persons winding up the affairs of the Company shall give written notice of the commencement of winding up by mail to all known creditors and claimants whose addresses appear on the records of the Company.

10.4 Distributions in Kind. Any non-cash asset distributed to one or more Members shall first be valued at its Fair Market Value to determine the Net Profit or Net Loss that would have resulted if that asset had been sold for that value, the Net Profit or Net Loss shall then be allocated pursuant to ARTICLE VI, and the Members Capital Accounts shall be adjusted to reflect those allocations. The amount distributed and charged to the Capital Account of each Member receiving an interest in the distributed asset shall be the Fair Market Value of the interest (net of any liability secured by the asset that the Member assumes or takes subject to). The Fair Market Value of that asset shall be determined by the Board.

10.5 Order of Payment of Proceeds Upon Dissolution

(a) Liquidating Distributions. After determining that all known debts and liabilities of the Company, including, without limitation, the Land Acquisition Loans and other debts and liabilities to Members who are creditors of the Company, have been paid or adequately provided for, the remaining assets shall promptly be distributed to the Members in accordance with their positive Capital Account balances, after taking into account income and loss allocations for the Company's taxable year during which the liquidation occurs.

(b) No Liability. No Member shall have any liability to the Company, any Member or any creditor of the Company on account of any deficit balance in its Capital Account.

10.6 Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, each Member shall be entitled to look only to the assets of the Company for the return of that Member's positive Capital Account balance and shall have no recourse for its Capital Contributions and/or share of Net Profits (upon dissolution or otherwise) against the Manager or any other Member.

10.7 Certificate of Cancellation. Upon completion of the winding up of the Company's affairs, the Board shall cause a Certificate of Cancellation to be filed with the Delaware Secretary of State.

10.8 Compensation for Services. The Persons winding up the affairs of the Company shall be entitled to reasonable compensation from the Company for their services.

ARTICLE XI

INDEMNIFICATION

11.1 Indemnification. The Company shall indemnify and hold harmless each of the Members and the Manager, and each of their respective officers, directors, shareholders, partners, members, trustees, beneficiaries, employees, agents, heirs, assigns, successors-in-interest and Affiliates, (collectively, Indemnified Persons) from and against any and all losses, damages, liabilities and expenses, (including costs and reasonable attorneys fees), judgments, fines, settlements and other amounts (collectively Liabilities) reasonably incurred by any such Indemnified Person in connection with the defense or disposition of any civil, administrative or investigative action, suit or other proceeding, whether and whether threatened, pending or completed (collectively a Proceeding), in which any such Indemnified Person may be involved or with which any such Indemnified Person may be threatened, with respect to or arising out of any act performed by the Indemnified Person or any omission or failure to act if the performance of the act or the omission or failure was done in good faith and within the scope of the authority conferred upon the Indemnified Person by this Agreement or by the Act, except for acts of fraud, deceit, reckless or intentional misconduct, gross negligence, embezzlement, breach of a fiduciary duty, knowing violations of law, acts which constituted breaches of this Agreement (whether committed knowingly, negligently or otherwise) or acts from which such Indemnified Person derived an improper personal benefit. The Company's indemnification obligations hereunder shall apply not only with respect to any Proceeding brought by the Company or a Member but also with respect to any Proceeding brought by a third party. As a condition to the indemnification and other rights granted to an Indemnified Person pursuant to this Article, however, that Indemnified Person may not settle any action, suit or proceeding without the written consent of the Board.

11.2 Contract Right; Expenses. The right to indemnification conferred in this ARTICLE XI shall be a contract right and shall include the right to require the Company to advance the expenses incurred by the Indemnified Person in defending any such Proceeding in advance of its final disposition; provided, however, that, if the Act so requires, the payment of such expenses in advance of the final disposition of a Proceeding shall be made only upon receipt by the Company of an undertaking, by or on behalf of the indemnified Person, to repay all amounts so advanced if it shall ultimately be determined that such Person is not entitled to be indemnified under this ARTICLE XI or otherwise.

11.3 Indemnification of Officers and Employees. The Company may, to the extent authorized from time to time by the Board, grant rights to indemnification and to advancement of expenses to any officer, employee or agent of the Company to the fullest extent of the provisions of this ARTICLE XI with respect to the indemnification and advancement of expenses of Members and the Manager.

11.4 Insurance. The Company may purchase and maintain insurance on behalf of any Person who is or was an agent of the Company against any liability asserted against that Person and incurred by that Person in any such capacity or arising out of that Person's status as an agent, whether or not the Company would have the power to indemnify that Person against liability under the provisions of Section 11.1 or under applicable law.

ARTICLE XII

INVESTMENT REPRESENTATIONS

Each Member represents and warrants to the other Members and the Company as follows:

12.1 Preexisting Relationship or Experience. (a) The Member has a preexisting personal or business relationship with the Company or its Manager, officers or control persons or (b) by reason of the Member's business or financial experience, or by reason of the business or financial experience of the Member's financial advisor who is unaffiliated with and who is not compensated, directly or indirectly, by the Company or any Affiliate or selling agent of the Company, the Member is capable of evaluating the risks and merits of an investment in its Membership Interest and of protecting the Member's own interests in connection with the investment.

12.2 Access to Information. The Member has had an opportunity to review all documents, records and books pertaining to this investment and has been given the opportunity to consult with counsel of his or her choice with respect to all aspects of this investment and the Company's proposed business activities. Such Member has personally met with the Manager and has been provided with such information as may have been requested and has at all times been given the opportunity to obtain additional information necessary to verify the accuracy of the information received and the opportunity to ask questions of and receive answers from the Manager concerning the terms and conditions of the investment and the nature and prospects of the Company's business.

12.3 Economic Risk. The Member is financially able to bear the economic risk of an investment in its Membership Interest, including the total loss thereof.

12.4 Investment Intent. The Member is acquiring its Membership Interest for investment purposes and for the Member's own account only and not with a view to, or for sale in connection with, any distribution of all or any part of its Membership Interest. Except for the partners or members of the Member, no other Person will have any direct or indirect beneficial interest in, or right to, its Membership Interest.

12.5 Consultation with Attorney. The Member has been advised to consult with its own attorney regarding all legal and tax matters concerning an investment in its Membership Interest and has done so to the extent it considers necessary.

12.6 Purpose of Entity. If the Member is a corporation, partnership, limited liability company, trust or other entity, it was not organized for the specific purpose of acquiring its Membership Interest.

12.7 No Advertising. The Member has not seen, received or been solicited by any leaflet, public promotional meeting, newspaper or magazine article or advertisement, radio or television advertisement or any other form of advertising or general solicitation with respect to the sale of its Membership Interest.

12.8 Membership Interest is Restricted Security. The Member understands that its Membership Interest is a restricted security under the Securities Act of 1933 in that the Membership Interest will be acquired from the Company in a transaction not involving a public offering, that its Membership Interest may be resold without registration under the Securities Act of 1933 only in certain limited circumstances and that otherwise its Membership Interest must be held indefinitely.

12.9 No Registration of Membership Interest. The Member acknowledges that its Membership Interest has not been registered under the Securities Act of 1933 or qualified under any state securities law in reliance, in part, upon its representations, warranties and agreements herein.

ARTICLE XIII

MISCELLANEOUS

13.1 Amendments. No amendment to this Agreement may be made without the consent of all Members. All amendments to this Agreement must be in writing.

13.2 Offset Privilege. Any monetary obligation owing from the Company to any Member or Manager may be offset by the Company against any monetary obligation then owing from that Member or Manager to the Company.

13.3 Arbitration.

(a) General. In the event of any dispute, claim or controversy among the parties (other than a claim for equitable relief) arising out of or relating to this Agreement or the Certificate of Formation, whether in contract, tort, equity or otherwise, and whether relating to the meaning, interpretation, effect, validity, performance or enforcement of this Agreement or the Certificate of Formation, such dispute, claim or controversy shall be resolved by and through an arbitration proceeding to be conducted under the auspices and the commercial arbitration rules of the American Arbitration Association (or any like organization successor thereto) at Los Angeles, California. The arbitrability of the dispute, claim or controversy shall likewise be determined in the arbitration. The arbitration proceeding shall be conducted in as expedited a manner as is then permitted by the commercial arbitration rules (formal or informal) of the American Arbitration Association. Both the foregoing agreement of the parties to arbitrate any and all such disputes, claims and controversies, and the results, determinations, findings, judgments and/or awards rendered through any such arbitration shall be final and binding on the parties and may be specifically enforced by legal proceedings in any court of competent jurisdiction.

(b) Governing Law. The arbitrator(s) shall follow any applicable federal law and Delaware state law (with respect to all matters of substantive law) in rendering an award.

(c) Costs of Arbitration. The cost of the arbitration proceeding and any proceeding in court to confirm or to vacate any arbitration award, as applicable (including, without limitation, each party's attorneys fees and costs), shall be borne by the unsuccessful party or, at the discretion of the arbitrator(s), may be prorated between the parties in such proportion as the arbitrator(s) determines to be equitable and shall be awarded as part of the arbitrator's award.

13.4 Remedies Cumulative. Except as otherwise provided herein, the remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Person may be lawfully entitled.

13.5 Notices. Any notice to be given to the Company or any Member in connection with this Agreement must be in writing, signed by the sender, and will be deemed to have been given and received when delivered to the address specified by the party to receive the notice by courier or other means of personal service, when received if sent by facsimile, portable document format or other form of electronic transmission (as defined in the Act) or three (3) days after deposit of the notice by first class mail, postage prepaid, or certified mail, return receipt requested. Any such notice must be given to the Company at its principal place of business, and to any Member at the address specified in Exhibit A. Any party may, at any time by giving five (5) days prior written notice to the other parties, designate any other address as the new address to which notice must be given. In the case of notice by facsimile, portable document format or other form of electronic transmission, a copy thereof shall be personally delivered or sent by registered or certified mail, in the manner specified above, within three (3) Business Days thereafter.

13.6 Attorney's Fees. In the event that any dispute between the Company, the Manager and/or the Members should result in litigation or arbitration, the prevailing party in that dispute shall be entitled to recover from the other party all reasonable fees, costs and expenses of enforcing any right of the prevailing party, including without limitation, reasonable attorneys fees and expenses, subject, however to the provisions of Section 13.3(c).

13.7 Jurisdiction. Each Member and the Manager consents to the exclusive jurisdiction of the state and federal courts sitting in Los Angeles, California in any action on a claim arising out of, under or in connection with this Agreement or the transactions contemplated by this Agreement, provided such claim is not required to be arbitrated pursuant to Section 13.3. Each Member and the Manager further agrees that personal jurisdiction over it may be effected by service of process by registered or certified mail addressed as provided in Section 13.5 and that when so made shall be as if served upon it personally.

13.8 Complete Agreement. This Agreement and the Certificate of Formation constitute the complete and exclusive statement of agreement among the Members with respect to their respective subject matters and supersede all prior written and oral agreements or statements by and among the Members. No representation, statement, condition or warranty not contained in this Agreement or the Certificate of Formation shall be binding on the Members or have any force or effect whatsoever. To the extent that any provision of the Certificate of Formation conflicts with any provision of this Agreement, the Certificate of Formation shall control.

13.9 Binding Effect. Subject to the provisions of this Agreement relating to Transferability, this Agreement shall be binding upon and inure to the benefit of the Members and their respective successors and assigns.

13.10 Section Headings. All Section headings are inserted only for convenience of reference and are not to be considered in the interpretation or construction of any provision of this Agreement.

13.11 Interpretation. In the event any claim is made by any Member relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular Member or that Member's counsel.

13.12 Severability. If any provision of this Agreement or the application of that provision to any person or circumstance shall be held invalid, the remainder of this Agreement or the application of that provision to persons or circumstances other than those to which it is held invalid shall not be affected.

13.13 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, all of the Members and the Manager of GCE MEXICO I, LLC, a Delaware limited liability company, have executed this Agreement, effective as of the date first written above.

Members

GLOBAL CLEAN ENERGY HOLDINGS, INC.

By:

Richard Palmer, President and CEO

STEWART A. RESNICK, AS TRUSTEE OF THE STEWART AND LYND
RESNICK REVOCABLE TRUST, DATED DECEMBER 27, 1988, AS AMENDED

LYNDA RAE RESNICK, AS TRUSTEE OF THE STEWART AND LYND
RESNICK REVOCABLE TRUST, DATED DECEMBER 27, 1988, AS AMENDED

SELIM ZILKHA, AS TRUSTEE OF THE SELIM K. ZILKHA TRUST

MICHAEL ZILKHA, AS TRUSTEE OF THE DMZ 2000 TRUST

MICHAEL ZILKHA, AS TRUSTEE OF THE LLZ 2000 TRUST

NADIA Z. WELLISZ, AS TRUSTEE OF THE JW 2000 TRUST

NADIA Z. WELLISZ, AS TRUSTEE OF THE DW 2000 TRUST

Manager

GLOBAL CLEAN ENERGY HOLDINGS, INC.

By:

Richard Palmer, President and CEO

EXHIBIT A

CAPITAL CONTRIBUTIONS, ADDRESSES AND PERCENTAGE INTERESTS

OF MEMBERS AS OF

April 23, 2008

Preferred Members:

<u>Preferred Member s Name</u>	<u>Preferred Member s Address</u>	<u>Preferred Member s Capital Contribution Obligation</u>	<u>Preferred Units</u>	<u>Preferred Percentage</u>
Stewart Resnick and Lynda Resnick as trustees of the Stewart and Lynda Resnick Revocable Trust dated December 27, 1988 as amended	11444 West Olympic Boulevard, 10 th Floor Los Angeles, CA 90064	\$1,116,312	500	50%
Selim Zilkha, as trustee of the Selim K. Zilkha Trust	750 Lausanne Road, Los Angeles, CA 90077	\$1,116,312	500	50%

Common Members:

<u>Common Member s Name</u>	<u>Common Member s Address</u>	<u>Common Member s Capital Contribution Obligation</u>	<u>Common Units</u>	<u>Percentage Interest</u>
Global Clean Energy Holdings, Inc. 11444 W. Olympic Blvd. 10 th Floor Los Angeles, CA 90064	6033 W. Century Blvd. Suite 1090 Los Angeles, CA 90045	\$ 0	500	50%
Stewart Resnick and Lynda Resnick as trustees of the Stewart and Lynda Resnick Revocable Trust dated December 27, 1988 as amended	11444 West Olympic Boulevard, 10 th Floor Los Angeles, CA 90064	\$ 0	250	25%
Michael Zilkha, as trustee of the LLZ 2000 Trust,	750 Lausanne Road, Los Angeles, CA 90077	\$ 0	62.5	6.25%
Nadia Z. Wellisz, as trustee of the JW 2000 Trust	750 Lausanne Road, Los Angeles, CA 90077	\$ 0	62.5	6.25%
Nadia Z. Wellisz, as trustee of the DW 2000 Trust	750 Lausanne Road, Los Angeles, CA 90077	\$ 0	62.5	6.25%
Michael Zilkha, as trustee of the DMZ 2000 Trust	750 Lausanne Road, Los Angeles, CA 90077	\$ 0	62.5	6.25%

EXHIBIT B

BUDGET

{022663.10}

Exhibit B - Operating Budget - GCE Mexico I, LLC - Tizimin Ranch

Updated: 04-22-08

	April 08	May 08	June 08	July 08	Aug 08	Sept 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	March 09	Year Total
Fixed Costs													
Depreciation	\$ 62,028	\$ 96,486	\$ 44,108	\$ 14,720	\$ 42,232	\$ 14,720	\$ 14,720	\$ 17,220	\$ 14,720	\$ 14,720	\$ 14,720	\$ 14,720	\$ 184,347
Cap Management	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 5,496
Corp Overhead	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 39,204
Direct Management	\$ 15,004	\$ 15,004	\$ 15,004	\$ 10,084	\$ 10,084	\$ 10,084	\$ 10,084	\$ 10,084	\$ 10,084	\$ 10,084	\$ 10,084	\$ 10,084	\$ 126,487
TOTAL Fixed Costs	\$ 80,957	\$ 122,517	\$ 71,145	\$ 38,442	\$ 62,942	\$ 38,442	\$ 38,442	\$ 38,942	\$ 38,442	\$ 38,442	\$ 38,442	\$ 38,442	\$ 469,814
Variable Costs													
Direct Labor	\$ 49,112	\$ 44,142	\$ 44,142	\$ 46,816	\$ 58,132	\$ 58,132	\$ 61,266	\$ 59,781	\$ 62,714	\$ 62,714	\$ 26,077	\$ 26,077	\$ 599,889
Sub-Contractors	\$ 137,247	\$ 166,494	\$ 90,984	\$ 129,794	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 84,429
Professional Fees (Legal, SRG insurance)	\$ 79,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,298
Consumables													
Seed Stock/Dampten, Fertilizer, Fuel	\$ 12,641	\$ 18,618	\$ 28,375	\$ 38,026	\$ 25,742	\$ 33,328	\$ 33,067	\$ 33,067	\$ 33,067	\$ 33,067	\$ 33,067	\$ 33,067	\$ 385,146
Utilities	\$ 958	\$ 958	\$ 1,307	\$ 1,307	\$ 1,775	\$ 1,775	\$ 2,184	\$ 2,184	\$ 2,592	\$ 2,592	\$ 3,001	\$ 3,001	\$ 23,744
TOTAL VARIABLE COSTS	\$ 279,256	\$ 220,216	\$ 184,880	\$ 216,912	\$ 88,899	\$ 94,486	\$ 97,788	\$ 96,282	\$ 99,423	\$ 99,023	\$ 63,394	\$ 63,394	\$ 1,591,609
TOTAL BUDGET	\$ 368,313	\$ 352,832	\$ 226,046	\$ 252,453	\$ 150,841	\$ 130,927	\$ 134,207	\$ 135,203	\$ 136,065	\$ 136,065	\$ 99,836	\$ 99,836	\$ 2,332,623
Cumulative Cash Required	\$ 368,313	\$ 721,145	\$ 957,191	\$ 1,208,644	\$ 1,360,485	\$ 1,491,412	\$ 1,623,619	\$ 1,759,822	\$ 1,898,987	\$ 2,032,952	\$ 2,132,787	\$ 2,232,623	
Quarterly Funding \$	\$ 917,191	\$ -	\$ -	\$ 334,231	\$ 405,475	\$ -	\$ -	\$ -	\$ 235,735	\$ -	\$ -	\$ -	

EXHIBIT C
FORM OF PROMISSORY NOTE

{022663.10}

PAGARE

PROMISSORY NOTE

Suma Principal - Principal Amount: EUD \$2, 051,282.00

Fecha de Vencimiento - Maturity Date: April 23, 2018

1. Por este Pagaré (este Pagaré) y por valor recibido, el Suscriptor promete incondicionalmente pagar a la orden de Selim Zilkha como fiduciario del Fideicomiso Selim K. Zilkha, (el "Fideicomiso Zilkha") y Stewart A. Resnick y Lynda Rae Resnick, como Fiduciarios del Fideicomiso Revocable Stewart y Linda Resnick de fecha 27 de diciembre de 1988, reformado (el "Fideicomiso Resnick" y el Fideicomiso Resnick y el Fideicomiso Zilkha serán denominados conjuntamente como los "Acreedores") y cualesquier sucesores o cesionarios subsecuentes de los Acreedores como titulares del presente Pagaré (los "Titulares") en 11444 West Olympic Boulevard, 10th Floor, Los Angeles, California 90064 o en cualquier otro lugar que los Titulares de este Pagaré designen eventualmente, la suma principal de EUD\$2,051,282 (Dos Millones cincuenta y un mil doscientos ochenta y dos mil de Dólares Estadounidenses) más intereses ordinarios sobre el saldo de principal no pagado, insoluto eventualmente, al 12% (doce por ciento) anual, compuesto anualmente desde el 1 de Enero de cada año, prorrateado en periodos fraccionales, calculados sobre la base de 1 año de 360 días comprendiendo los mismos meses de 30 días cada uno, con ningún interés acumulable desde el día en que se otorga el préstamo, pero con intereses acumulables para el día en que el préstamo sea pagado. Los intereses diariamente acumulables y serán pagados quincenalmente el primer día de cada quincena a partir del 1 de mayo de 2008; siempre que el Suscriptor y GCE Mexico (tal y como se define en los párrafos siguientes) no cuenten con los fondos suficientes para realizar cualquier pago de interés, cuando éstos sean pagaderos, tal y como determine el Consejo de Administración (tal y como se define en el Contrato LLC) de GCE Mexico, en seguimiento

1. For value received and by this Promissory Note (this "Note"), the Undersigned, unconditionally promises to pay to Selim Zilkha, as trustee of the Selim K. Zilkha Trust ("Zilkha Trust") and Stewart A. Resnick and Lynda Rae Resnick, as Trustees of the Stewart and Lynda Resnick Revocable Trust, dated December 27, 1988, as amended (the "Resnick Trust", and the Resnick Trust and the Zilkha Trust shall be referred to as the "Lenders") and any subsequent successors or assigns of the Lenders as holders of this Note (the "Holders"), at 11444 West Olympic Boulevard, 10th Floor, Los Angeles, California 90064, or at such other place as the Holders of this Note may from time to time designate, the principal sum of Two Million Fifty one Thousand two hundred and eighty two Dollars (2, 051,282), with interest on the unpaid principal balance from time to time outstanding at twelve percent (12%) per annum, compounded annually on January 1 of each year, prorated for fractional periods, computed on the basis of a computational year of 360 days comprised of equal months of 30 days each, with no interest accruing for the day on which the loan is made, but with interest accruing for the day on which the loan is paid. Interest shall accrue daily and shall be paid quarterly on the first day of each quarter commencing on May 1, 2008; provided that if the Undersigned and GCE Mexico (defined below) do not have sufficient funds to make any interest payment when due, as determined by the Board (as defined in the LLC Agreement) of GCE Mexico in accordance with the LLC Agreement (defined below), then the

al Contrato LLC (el cual se definen en los párrafos siguientes), entonces el Suscriptor llevará a cabo el pago de los intereses tan pronto como sea posible obtener efectivo, en seguimiento a las determinaciones de el Consejo de Administración of GCE Mexico de conformidad con el Contrato LLC. El saldo total principal de este Pagaré junto con todos los intereses acumulados no pagados, vencerán y serán pagaderos a más tardar el 23 de abril de 2018. Cualquier importe pagado por el Suscrito a fin de cumplir con sus obligaciones conforme a este Pagaré, será pagado en forma prorrateada a cada uno de los Acreedores, para que cada uno del Fideicomiso Resnick y del Fideicomiso Zilkha deberán recibir el cincuenta por ciento (50%) de cualquier pago.

2. Este Pagaré se otorga en relación con la Hipoteca de la misma fecha de este documento (la "Hipoteca") otorgada por el Suscriptor a favor de los Acreedores, constituida en la Escritura Pública número 390 de fecha 23 de abril de 2008 otorgada ante la fe del Notario Público Alvaro Roberto Baquero Caceres, Notario número 55 de la ciudad de Mérida, Estado de Yucatán, Estados Unidos Mexicanos, y que se definen más particularmente en la hipoteca (la "Propiedad").

3. El Suscriptor acuerda que el tiempo es esencial y que en caso de falta del pago principal adeudado en el presente Pagaré, el balance pendiente del adeudo principal aquí mencionado deberá inmediatamente devengar intereses en una tasa anual igual a 2% (dos por ciento) sobre la tasa de interés, la cual esta estipulada en este documento, en tanto el incumplimiento de lo establecido en el presente Pagaré continúe.

4. Todos los contratos entre el Suscriptor y los Titulares con respecto a la materia de este Pagaré están expresamente limitados, por lo que bajo ninguna contingencia o evento de cualquier tipo, ya sea en razón del anticipo del producto del mismo, aceleración o vencimiento del saldo principal no pagado, o de otra forma, no se pagará el importe o



Undersigned shall make such interest payment as soon as cash is available, as determined by the Board of GCE Mexico in accordance with the LLC Agreement. The entire principal balance of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on or before April 23, 2018. Any amount paid by the Undersigned in satisfaction of its obligations under this Note shall be paid pro rata to each of the Lenders so that each of the Resnick Trust and the Zilkha Trust shall receive fifty percent (50%) of any such payments.

2. This Note is secured by a Mortgage of even date herewith (the "Mortgage") executed by the Undersigned in favor of the Lenders, granted in Public Deed number 390 dated April 23, 2008 granted before Alvaro Roberto Baquero Caceres Notary Public number 55 of the City of Merida, State of Yucatan, United Mexican State, as more particularly defined in the Mortgage (the "Property").

3 The Undersigned agrees that time is of the essence and that in the event payment of principal or interest due under this Note is not made when due, the outstanding principal balance hereof shall immediately bear interest at the rate of two percent (2%) per annum above the interest rate which is otherwise provided herein, for so long as such event of default continues.

4. All agreements between the Undersigned and the Holders with respect to the subject matter of this Note are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance, or otherwise, shall the amount paid or agreed to be paid to the Holders hereof for the

se acordará pagarlo a los Titulares de este Pagaré para su uso, reducción o retención de dinero anticipado conforme a este Pagaré que exceda la tasa legal máxima permisible conforme a la ley que un tribunal de jurisdicción competente estime aplicable al mismo. Cuando por cualquier tipo de circunstancias, el cumplimiento con alguna disposición de este Pagaré o cualquier instrumento que garantice el Pagaré, a la fecha en que venza el cumplimiento con dicha disposición, se exceda el límite de validez establecido por la ley y que un tribunal de jurisdicción competente considere aplicable al mismo, entonces, la obligación que debe cumplirse será reducida al límite de dicha validez y cuando bajo cualquier circunstancias los Titulares hayan recibido intereses sobre el importe que excedería los intereses, serán aplicados a la reducción del saldo principal no pagado vencido conforme a este Pagaré y no al pago de intereses. Esta disposición regirá cualquier otra disposición de todos los contratos celebrados entre el Suscriptor y los Titulares con respecto a la materia de este Pagaré.

use, forbearance or detention of money advanced hereunder exceed the highest lawful rate permissible under any law which a court of competent jurisdiction may deem applicable hereto. If, from any circumstances whatsoever, fulfillment of any provision hereof or any instrument securing this Note or any other agreement referred to herein, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances the Holders shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due hereunder and not to the payment of interest. This provision shall control every other provision of all agreements between the Undersigned and the Holders with respect to the subject matter of this Note.

5. En caso de incumplimiento en el pago total y puntual de la cantidad principal bajo el presente Pagaré, la suma principal íntegra del mismo, más los intereses correspondientes hasta la fecha de pago, serán exigibles y pagaderos de inmediato, a elección y requerimiento de los Tenedores de este documento.

5. Upon default in the prompt and complete payment of any amount under this Note, whether of principal or interest, or any other amount, the entire unpaid principal amount hereof and interest thereon to the date of payment, shall become due and payable at the option and upon demand of the Holders.

6. Este Pagaré vencerá y deberá pagarse de inmediato, sin necesidad de aviso o requerimiento y sin necesidad de ninguna acción o elección de los Titulares, cuando ocurra en cualquier momento cualquiera de los siguientes eventos:

6. This note shall automatically become due and payable, without notice or demand and without the need for any action or election by the Holders, upon the occurrence at any time of any of the following events:

(i) La venta, transmisión, transferencia o disposición la creación de cualquier gravamen por parte del Suscriptor o respecto de la Propiedad o cualquier parte de la misma o cualquier interés en ella, ya sea voluntaria o involuntariamente o de otra manera.

(i) The sale, conveyance, transfer or disposition by the Undersigned of the Property, or any part thereof, or any interest therein, whether voluntarily, involuntarily or otherwise.

(ii) En caso de que Global Clean Energy, Inc. ("GCE") ejerza cualquier derecho de compra de Intereses de Membresía (tal como se define en el Contrato LLC) en el Fideicomiso Resnick o en el Fideicomiso Zilkha (tal como se define en el Contrato LLC) conforme al Contrato de Sociedad de Responsabilidad Limitada de GCE México I, LLC (el "Contrato de LLC") celebrado entre Resnick Trust, Zilkha Trust, DMZ 2000 GST Trust, LLZ 2000 GST Trust, Julian 2000 GST Trust, Daniela 2000 GST Trust y GCE

(iii) En caso de cesión a beneficio de acreedores por cualquier parte responsable del pago de este Pagaré, ya sea como otorgante, endosante, avalista, fiador o de otra forma, o nombramiento voluntario (a solicitud de dicha parte o con su consentimiento) de un síndico de quiebras, custodio, liquidador o fiduciario de quiebra de los bienes de dicha parte, o ésta presente una declaración de concurso mercantil u otro procedimiento similar conforme a cualquier ley de desagravio de deudores.

(iv) Cuando se presente contra cualquier parte response del pago de este Pagaré, ya sea como otorgante, endosante, avalista, fiador o de otra forma un procedimiento de concurso mercantil o un procedimiento similar conforme a la ley de desagravio de deudores, o se nombre involuntariamente un síndico de quiebras, custodio, liquidador o fiduciario de quiebra para los bienes de dicha parte, y dicho procedimiento o nombramiento no se desestime o anule en un plazo de 60 (sesenta) días naturales después de que se inicie o haga el nombramiento.

7. La suerte principal de este Pagaré podrá ser prepagada en todo o en parte, en el entendido, sin embargo de que todos los intereses acumulados sobre el importe que será prepagado y todos los intereses moratorios que deban pagarse conforme al presente Pagaré, también deberán pagarse en esa fecha.

8. El importe principal de este Pagaré y los

(ii) The exercise by Global Clean Energy, Inc. ("GCE") of any right to purchase the Membership Interests (as defined in the LLC Agreement) of the Resnick Trust or any of the Zilkha Members (as defined in the LLC Agreement) pursuant to the Limited Liability Company Agreement of GCE Mexico I, LLC ("GCE Mexico"), by and among the Resnick Trust, the Zilkha Trust, DMZ 2000 Trust, LLZ 2000 Trust, JW 2000 Trust, DW 2000 Trust and GCE (the "LLC Agreement").

(iii) The making of an assignment for the benefit of creditors by any party liable for the payment of this Note, whether as maker, endorser, guarantor, surety, or otherwise, or the voluntary appointment (at the request of any such party or with the consent of any such party) of a receiver, custodian, liquidator or trustee in bankruptcy of any such party's property or the filing by any such party of a petition in bankruptcy or other similar proceeding under any law for the relief of debtors.

(iv) The filing against any party liable for the payment of this Note, whether as maker, endorser, guarantor, surety, or otherwise, of a petition in bankruptcy or other similar proceeding under any law for the relief of debtors, or the involuntary appointment of a receiver, custodian, liquidator or trustee in bankruptcy of the property of any such party, and such petition or appointment is not vacated or discharged within sixty (60) calendar days after the filing or making thereof.

7. The principal of this Note may be prepaid in whole or in part; provided however that all accrued interest on the amount to be prepaid and all late charges payable hereunder are also paid at such time.

8. The principal amount of this Promissory

intereses sobre el mismo, si los hubiera, serán pagados por el Suscriptor Avalista libres y sin ninguna deducción por concepto de cualquiera o todos los impuestos presentes o futuros, tributos, contribuciones, deducciones, cargos, retenciones, cualesquiera intereses, recargos, multas, sanciones y otros cargos fiscales de cualquier clase respecto a los mismos sin embargo, de que en caso de que el Suscriptor de este pagaré deba hacer conforme a la Ley Mexicana alguna retención respecto del pago de intereses, el Suscriptor pagará a los Tenedores de este Pagaré las cantidades adicionales que sean necesarias con objeto de que los Tenedores del mismo reciba la misma cantidad de intereses que de otra forma hubiera recibido si no se hubieran hecho las retenciones sobre los intereses.

9. Cuando cualquier pago de este Pagaré deba declararse vencido en un día que no sea día hábil, dicho pago deberá hacerse el día hábil inmediato siguiente y dicha extensión de tiempo deberá ser incluida dentro del computo de días para el pago de intereses del presente Pagaré.

10. Para todo lo relativo al presente Pagaré, el Suscriptor señalan como su domicilio: Calle 32, 200 A, Departamento 12, Colonia García Gineres, C.P. 97070, Mérida, Yucatán, México.

(i) Este Pagaré estará, en todo respecto, sujeto e interpretado de acuerdo con las leyes del Estado de California, excepto en la medida en que la ley federal de los Estados Unidos permita que los Titulares contraten, carguen o reciban un importe de intereses superior, en el entendido sin embargo, de que para el caso de cualquier acción o procedimiento ejercitado en los Estados Unidos Mexicanos para solicitar el cumplimiento de este Pagaré, este Pagaré se interpretará y regirá conforme a las leyes de los Estados Unidos Mexicanos.

(ii). Para la interpretación, ejecución y cumplimiento de este Pagaré y para el requerimiento judicial del pago de su importe, el

Note and the interest thereon, if any, shall be paid by the Undersigned free and clear of and without deduction of any and all present or future taxes, levies, imposts, deductions, charges, withholdings, any interest, surcharges, fines, penalties, or other assessments of any kind whatsoever with respect thereto, provided, however, that in the event the Undersigned is obliged by Mexican law to withhold any amount on interest payments, the Undersigned shall pay to the Holders of this Note such additional amounts necessary so that the Holders of this Note receive the same amounts on account of interest payments as if such withholding had not been made.

9. Whenever any payment on this Note shall be stated to be due on a day, which is not a business day, such payment shall be made on the next succeeding business day and such extension of time shall be included in the computation of the payment of interest of this Note.

10. For all matters relating to this Note, the Undersigned stipulate as its domiciles: Street 32, 200 A, Department 12, Garcia Gineres, Zip Code 97070, Merida, Yucatan, Mexico.

(i) this Note shall, in all respects, be governed by and construed in accordance with the laws of the State of California, except to the extent United States federal law permits the Holders to contract for, charge or receive a greater amount of interest; provided however that in any action or proceeding brought in the United Mexican States to enforce this Note, this Note shall be construed and governed under the laws of the United Mexican States.

(ii) for the interpretation, execution, compliance and performance of this Note the Undersigned expressly submit to the jurisdiction of: (i) any

Suscriptor se somete expresamente a la jurisdicción de (i) cualquier tribunal del Estado o Federal ubicado en la Ciudad de Los Angeles, Estado de California y (ii) cualquier tribunal o tribunales competente en la Ciudad de México; México, y mediante la suscripción y entrega de este Pagaré el Suscriptor se somete a dicha jurisdicción, renunciando expresamente a cualquier otro fuero al que tenga derecho o llegue a tenerlo en el futuro, en virtud de cualquier razón.

11. El ejercicio único o parcial de cualquier facultad conforme a este Pagaré o cualquier hipoteca, contrato de fideicomiso, contrato de garantía u otro contrato que garantice este Pagaré no impedirá otro o un futuro ejercicio de dicha facultad o ejercicio de cualquier otra facultad. Los Titulares en todo momento tienen derecho a proceder en contra de una parte e la garantía conforme a este Pagaré en cualquier orden y forma que los Titulares estimen conveniente, sin renunciar a cualesquier derechos respecto de otra garantía. La demora u omisión por parte de los Titulares para ejercer cualquier derecho conforme a este Pagaré no operará como renuncia de dicho derecho o de cualquier otro conforme a este Pagaré. La liberación de cualquier parte responsable de este Pagaré no operará como liberación de cualquier otra parte responsable del mismo. La aceptación de cualquier importe adeudado y que deba pagarse conforme a este Pagaré no operará como renuncia con respecto a cualquier otro importe adeudado en ese momento y no pagado.

12. En este acto todas las partes, ya sea el Suscriptor, principal, fiador, avalista o endosante de este Pagaré renuncian a la presentación, demanda, protesta, avisos de protesta, incumplimiento o falta de pago de este Pagaré y todos los avisos de cualquier tipo, excepto por lo dispuesto en el Pagaré. En la medida permitida por la ley aplicable, el Suscriptor en este acto renuncia a la defensa del estatuto de limitaciones.

13. En caso de que este Pagaré o cualquier

state or federal court located in the City of Los Angeles, State of California, and (ii) any competent court or courts in Mexico City, Mexico, and by the execution and delivery of this Note, the Undersigned hereby submits to such jurisdiction expressly waiving any other jurisdiction to which the Undersigned may now or in the future be entitled for any reason whatsoever.

11. No single or partial exercise of any power hereunder or under any mortgage, deed of trust, security agreement or other agreement securing this Note shall preclude other or further exercise thereof or the exercise of any other power. The Holders shall at all times have the right to proceed against any portion of the security held herefor in any such order and in any such manner as the Holders may deem fit, without waiving any rights with respect to any other security. No delay or omission on the part of the Holders in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note. The release of any party liable on this Note shall not operate to release any other party liable hereon. The acceptance of any amount due and payable hereunder shall not operate as a waiver with respect to any other amount then owing and unpaid.

12. Presentment, demand, protest, notices of protest, dishonor and nonpayment of this Note and all notices of every kind are hereby waived by all parties to this Note, whether the Undersigned, principal, surety, guarantor or endorser, except as provided herein. To the extent permitted by applicable law, the defense of the statute of limitations is hereby waived by the Undersigned.

13. If this Note or any installment of principal

parcialidad de principal o intereses no sea pagada a su vencimiento, sea por vencimiento o aceleración, el Suscriptor promete pagar todos los costos de cobranza, incluyendo de manera enunciativa mas no limitativa honorarios razonables de abogados y todos los gastos en que incurra el titular del mismo a cuenta de dicha cobranza.

or interest is not paid when due, whether at maturity or by acceleration, the Undersigned promises to pay all costs of collection, including without limitation, reasonable attorneys' fees, and all expenses incurred by the holder hereof on account of such collection.

14. La suerte principal e intereses documentados por este Pagaré, son pagaderos únicamente en moneda de curso legal en los Estados Unidos.

14. Principal and interest evidenced hereby are payable only in lawful money of the United States.

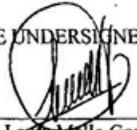
15. Este Pagaré se suscribe en versiones en idioma inglés y español, y ambas obligarán al Suscriptor, pero ambas constituirán un único y mismo instrumento; quedando establecido, sin embargo, que en caso de discrepancia prevalecerá el texto en inglés.

15. This Note is executed in English and Spanish versions both of which shall bind the Undersigned but both of which shall constitute one and the same instrument; provided, however, that in case of a discrepancy, the English text shall prevail.

16. Este Pagaré que se contiene en siete (7) páginas escritas únicamente en el anverso, se suscribe y entrega en Mérida, Yucatán, el 23 de abril de 2008.

16. This Note consisting of seven (7) pages print in the front of the pages only, is made and delivered in Merida, State of Yucatán, on April 23, 2008.

THE UNDERSIGNED



Por/By: Laura Mello González

On behalf/en representación de: Asideros Globales Corporativo, S. de R.L. de C.V.

Puesto/Title: Attorney in fact

Fecha/Date: April 23, 2008

Lugar/Place: Merida, State of Yucatán, Mexico

EXHIBIT D
MORTGAGE

NOTARY PUBLIC NO. 55

Name PADILLA ACEVEDO JORGE ALBERTO Y COOP.

Document type CANCELLATION OF THE RESERVATION OF OWNERSHIP RIGHT

Document No. 388/2008/4BC

Date APRIL 23, 2008

Book 219 Volume D Folio

UNDER THE RESPONSIBILITY OF

Atty. Alvaro R. Baqueiro Caceres

Atty. Enna Baqueiro Rodriguez

Merida, Yucatan, Mexico.

Calle 16 No. 110 x 27 y 29, Col. Mexico
Tel. 926 6668 with 6 lines. Fax: 927 4734

DOCUMENT NUMBER: THREE HUNDRED EIGHTY EIGHT.

In the City of Merida, Capital of the State of Yucatan, Mexico, on the twenty third day of April two thousand eight the following individuals appeared before me, Attorney ALVARO ROBERTO BAQUEIRO CACERES, Notary Public Number Fifty five of the State, currently in effect and with residence in this City:

I. JORGE PREISSER, as General Director of the company known as CONSORCIO GANADERO PREISSER, a Share Corporation with Variable Capital.

AND THEY (sic) SAID: The first indicated, with the legal standing noted, stated that he is here to formalize the CANCELLATION OF THE RESERVATION OF OWNERSHIP RIGHT on seven rural properties, in favor of JORGE ALBERTO PADILLA ACEVEDO and EMILIO ALBERTO LORET DE MOLA GOMORY, all in accordance with the recitals and clauses set forth as follows:

RECITALS

I. JORGE PREISSER PEREZ declares that in Public Document No. Five Thousand Two Hundred Fifty Eight which was executed on December twenty ninth two thousand seven before Attorney Ernesto Luque Feregrino, Notary Public No. Thirty of the City of Santiago de Queretaro, State of Queretaro, his client, CONSORCIO GANADERO PREISSER, a Share Corporation with Variable Capital, sold the reservation of ownership right to JORGE ALBERTO PADILLA ACEVEDO and EMILIO ALBERTO LORET DE MOLA GOMORY, on the following rural properties:

I. Rural property known as Chumucbe, located in the Municipality of Tizimin and State of Yucatan, with a surface area of four hundred thirty eight hectares and forty ares of land, and with the following boundaries: to the North, the lands of Yokdzonot; to the East, the lands of Vasa; and to the West, the communal farm of Sucopó.

II. Rural property known as SAN JORGE, identified as Cadastre No. Two Thousand Three Hundred Thirty Nine, in the Town of Sucopo and Municipality of Tizimin, State of Yucatan, with a surface area of one hundred twenty hectares seventy ares of land; which is located approximately nine kilometers from the municipal head of the town of Sucopo, approximately twenty kilometers to the East of and two kilometers from the closest public road; Boundaries: on the North, the ranch San Fernando; to the South, the country property San Jose; to the East, the country property Santa Elena; and to the West, the country property El Girasol.

III. Rural property known as SAN JOSE, formerly known as San Juan Sahcabchen near the Town of Sucopo, Municipality of Tizimin, State of Yucatan, with a surface area of four hundred forty hectares and twelve ares of land, located twenty kilometers from the closest public road, one kilometer; boundaries: On the North: the rural property San Fernando; on the South the lands of Chumucbe; on the East the lands of Yocchachich; and on the West the rural property of Yaaxche.

IV. Rural property known as SAN ROMAN-YOOCH-HA-CHICH which constitutes the lot of lands with Cadastre No. One Thousand One Hundred Forty Two, currently known as SANTA EULALIA, corresponding to the Town of Sucopo and Municipality and District of Tizimin, State of Yucatan, with a surface area of three hundred sixty two hectares, apt for the cultivation of grains and for the extraction of chicle and hardwoods. Distances: eleven kilometers to the East of the town of Sucopo; twenty one kilometers from the municipal and district seat and from the closest train station which is Tizimin. The closest public road crosses the rural property. Boundaries: to the North the lands of San Francisco and unimproved lands; to the South, lands of the Uesa property and part of the property Chumube; to the East, lands of the rural property of San Pedro or Cadastre Property No. One Thousand One Hundred Ninety One; and to the West thelands of the Hacienda Sahcabchen.

V. Rural property known as SANTA NAZARIA, according to the Cadastre Certificate SAN PEDRO, with Cadastre No. One Thousand One Hundred Ninety One, corresponding to the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, with a surface area of three hundred hectares of land apt for the cultivation of grains and grasses, located in the northeast quadrant and eleven kilometers from the Town of Sucopo and municipal seat of the district, approximately twenty one kilometers form the closest train station which is in Tizimin, and the closest public road crosses it. Its health conditions are good and all other data required by law are lacking. It has the following boundaries: to the North, the national lands of Dzonot Ake; to the South, national lands which are already occupied; to the East the lands of Yaaxcheku; and to the West, the lands of the rural property Yooc-ha-chich.

VI. Rural property known as SAN FERNANDO, with Cadastre No. One Thousand Forty Nine, in the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, with a surface area of one hundred twenty hectares, seventy ares, zero centiares, located nine kilometers from the Town of Sucopo, the Municipal and district seat and twenty kilometers form the closest train station, Tizimin, two kilometers from the closest public road; and with the following boundaries: to the North, the communal farm of Tizimin; to the South the rural property El Girasol; to the East the rural property El Naranjo, and to the West the communal farm of Sucopo.

VII. The rural property known as EL GIRASOL with Cadastre No. Two Thousand Three Hundred Thirty Eight, in the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, with a surface area of one hundred twenty eight hectares, seventy ares, zero centiares, located nine kilometers from the Town of Sucopo, twenty kilometers from the Municipal and District seat and the closest train station which is Tizimin, and two kilometers from the closest public road, and with the following boundaries: to the North, the San Fernando Ranch; to the South the rural property San Jose; to the East the communal farm of Sucopo; and to the West with the rural property San Fernando.

That the deeds of sale with reservation of ownership right are recorded at electronic folios 814573 (eight hundred fourteen thousand five hundred seventy three) 806175 (eight hundred six thousand one hundred seventy five); 814505 (eight hundred fourteen thousand five hundred five); 802587 (eight hundred two thousand five hundred eighty seven); 802596 (eight hundred two thousand five hundred ninety six), 720085 (seven hundred twenty thousand eighty five); 719259 (seven hundred nineteen thousand two hundred fifty nine); and entry number 864821 (eight hundred sixty four thousand eight hundred twenty one); 864790 (eight hundred sixty four thousand seven hundred ninety); 864804 (eight hundred sixty four thousand eighty four); 864811 (eight hundred sixty four thousand eight hundred eleven); 864818 (eight hundred sixty four thousand eight hundred eighteen); 864852 (eight hundred sixty four thousand eight hundred fifty two), respectively; and the Reservation of ownership right is recorded under entry number 197077 (one hundred ninety seven thousand seventy seven); 197058 (one hundred ninety seven thousand fifty eight); 197071 (one hundred ninety seven thousand seventy one); 197066 (one hundred ninety seven thousand sixty six); 197068 (one hundred ninety seven thousand sixty eight); 197078 (one hundred ninety seven thousand seventy eight) and 197080 (one hundred ninety seven thousand eighty).

II. JORGE PREISSER PEREZ continued declaring that the stipulations and requirements of said transaction included a stipulation that the purchase price for the seven properties is the amount of TEN MILLION FIVE HUNDRED THOUSAND MEXICAN PESOS, which the purchaser would pay to the seller on the fifteenth day of April this year. And inasmuch as effective today JORGE ALBERTO PADILLA ACEVEDO and EMILIO ALBERTO LORET DE MOLA GOMORY have paid the full amount in the correct time and form to his client CONSORCIO GANADERO PREISSER, a Share Capital with Variable Capital, and do not owe any amount of any kind, he appears here to CANCEL THE RESERVATION OF OWNERSHIP RIGHT that encumbers said real properties.

Wherefore, in light of the foregoing recitals, the affiant now formalizes the CANCELLATION OF THE RESERVATION OF OWNERSHIP RIGHT which encumbers the seven rural properties located in the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, which are described in Recital 1 (One) above, which is understood to be transcribed here in order to avoid unnecessary repetitions; all in accordance with the following:

C L A U S E S

ONE. JORGE PREISSER PEREZ as General Director of the company known as CONSORCIO GANADERO PREISSER, a Share Corporation with Variable Capital, declares that inasmuch as JORGE ALBERT PADILLA ACEVEDO and EMILIO ALBERTO LORET DE MOLA GOMORY have paid the full amount of TEN MILLION FIVE HUNDRED THOUSAND MEXICAN PESOS to his client, CONSORCIO GANADERO PREISSER, a Share Corporation with Variable Capital, as the amount that was owed by them for the purchase with Reservation of ownership right of the properties which are described in Recital I (one) above and which is understood to be as though transcribed here; and inasmuch as effective this date the purchasers do not owe his client any amounts to his client for any concept, including interest or for any other concept, he is here with the legal standing noted, to CANCEL THE RESERVATION OF OWNERSHIP RIGHT which encumbers the real properties known as CHUMUCBE; SAN JORGE identified as Cadastre No. Two Thousand Three Hundred Thirty Nine; SAN JOSE; previously San Juan Sahcabchen; SAN ROMAN-YOOCH-HA-CHICH which constitutes the lot of lands identified as Cadastre No. One Thousand Forty Two, currently known as SANTA EULALIA; SANTA NAZARIA according to the Cadastre record known as SAN PEDRO, with Cadastre No. One Thousand One Hundred Ninety One; SAN FERNANDO, with Cadastre No. One Thousand Forty Nine; and EL GIRASOL with Cadastre No. Two Thousand Three Hundred thirty Eight, all located in the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan; with the surface areas, measurements and boundaries described in Recital I (one) above and which are understood to be transcribed here. He therefore requests the respective Recorder of Deeds and Commerce of the State to make the corresponding margin notes of the cancelation, under the terms of this document.

TWO. In accordance with the above clause, the affiant formalized this CANCELLATION OF RSRVE OF DOMAIN under the terms set forth in the above clauses.

THREE. JORGE PREISSER PEREZ declares that his client, CONSORCIO GANADERO PREISSER, a Share Corporation with Variable Capital, cancels and annuls and leaves with no legal effect the condition precedent of the assignment of the rights granted in the licenses for the use of National Waters which were granted by the National Water commission, all in accordance with Clauses Two and Thirteen of Chapter Two of Public Document No. Five Thousand Two Hundred Fifty Eight dated December twenty ninth two thousand seven, which was certified by Attorney Ernesto Luque Feregrino, Notary Public No. Thirty of the City of Santiago de Queretaro, State of Queretaro. And inasmuch as effective today JORGE ALBERTO PADILLA ACEVEDO and EMILIO ALBERTO LORET DE MOLA GOMORY do not owe any amount to his client, the provisions contained in said Chapter Two of said Public Document No. Five Thousand Two Hundred Fifty Eight dated December twenty ninth two thousand seven, take full force and effect.

FOUR. JORGE ALBERTO PADILLA ACEVEDO and EMILIO ALBERTO LORET DE MOLA GOMORY shall be responsible for and pay all costs, taxes, duties and fees that are caused by this cancellation.

FIVE. The affiant declares that he accepts this Cancellation of the Reservation of ownership right under the terms set forth in the above clauses.

LEGAL STANDING

JORGE PREISSER PEREZ appears here as the president of the Board of Directors of the legal entity known as CONSORCIO GANADERO PREISSER, A SHARE CORPORATION WITH VARIABLE CAPITAL, a Mexican entity with legal offices in this city. He accredited the legal existence, legal standing and the powers with which he appears here by exhibiting Public Document No. Thirty Four Thousand Three Hundred dated June third nineteen ninety four, which was certified by Attorney Leopoldo Espinosa Rivera, Notary Public attached to the Notary Office No. Ten of the City of Queretaro, Queretaro, a certified copy of which I attach hereto as due proof. And he stated that the legal standing with which he appears here has not been limited or revoked in any way and that the legal standing and powers with which he appears here have not been revoked or limited in any way as of today.

GENERAL

I. JORGE PREISSER PEREZ declares that he was born in Queretaro, Queretaro on September fifteen nineteen sixty nine; he is thirty eight years of age, unmarried, a Cattleman with domicile at Palma de Mallorca No. Four, Fraccionamiento Bosques del Aqueducto in the City of Santiago Queretaro, Queretaro, and a visitor in this city.

The affiant adds that he is a Mexican citizen by birth and the son of Mexican citizens, legally capable of entering into and binding himself to contracts, and I know nothing otherwise. He identified himself to me, the Notary Public, I swear; and he stated that he and his client are current in their payments of income tax, although he did not prove same, and I made the corresponding legal warnings.

And I, the Notary Public certifying this document declare that I complied with the provisions of Article Forty Five of the Notary Act currently in effect, in witness whereof they signed and swore before me. I swear.

[Illegible signature] [Stamp] Mexico; State of Yucatan; Atty. Alvaro R. Baqueiro Caceres; Notary Public No. 55.

NOTARY PUBLIC NO. 55

Name ASIDEROS GLOBALES CORPORATIVO S. DE R.L. DE C.V.

Document type PURCHASE AND ASSIGNMENT OF RIGHTS

Document No. 389/2008/ABC

Date APRIL 23, 2008

Book 219 Volume D Folio

UNDER THE RESPONSIBILITY OF

Atty. Alvaro R. Baqueiro Caceres

Atty. Enna Baqueiro Rodriguez

Merida, Yucatan, Mexico.

Calle 16 No. 110 x 27 y 29, Col. Mexico
Tel. 926 6668 with 6 lines. Fax: 927 4734

DOCUMENT NUMBER: THREE HUNDRED EIGHTY NINE.

In the City of Merida, Capital of the State of Yucatan, Mexico, on the twenty third day of April two thousand eight the following individuals appeared before me, Attorney ALVARO ROBERTO BAQUEIRO CACERES, Notary Public Number Fifty five of the State, currently in effect and with residence in this City:

I. JORGE ALBERTO PADILLA ACEVEDO, appearing herein in his own name and stead and who shall hereinafter be referred to as THE SELLER and later THE ASSIGNOR.

II. EMILIO ALBERTO LORET DE MOLA GOMORY, appearing herein in his own name and stead and who shall hereinafter be referred to as THE SELLER and later THE ASSIGNOR.

IV (sic). LAURA MELLO GONZALEZ as Special Representative of the company known as ASIDEROS GLOBALES CORPORATIVO, a Limited Liability Corporation with Variable Capital, hereinafter referred to as the PURCHASER and later the ASSIGNEE.

AND THEY DECLARE that the first and second party named appear here to formalize a PURCHASE AND SALE AGREEMENT AND ASSIGNMENT OF RIGHTS in favor of the last named, in accordance with the following recitals and clauses:

R E C I T A L S

ONE. JORGE ALBERTO PADILLA ACEVEDO and EMILIO ALBERTO LORET DE MOLA GOMORY declare that they are co-owners in fee simple with possession of the rural properties described as follows:

I. Rural property known as Chumucbe, located in the Municipality of Tizimin and State of Yucatan, with a surface area of four hundred thirty eight hectares and forty ares of land, and with the following boundaries: to the North, the lands of Yokdzonot; to the East, the lands of Vasa; and to the West, the communal farm of Sucopó.

II. Rural property known as SAN JORGE, identified as Cadastre No. Two Thousand Three Hundred Thirty Nine, in the Town of Sucopo and Municipality of Tizimin, State of Yucatan, with a surface area of one hundred twenty hectares seventy ares of land; which is located approximately nine kilometers from the municipal head of the town of Sucopo, approximately twenty kilometers to the East of and two kilometers from the closest public road; Boundaries: on the North, the ranch San Fernando; to the South, the country property San Jose; to the East, the country property Santa Elena; and to the West, the country property El Girasol.

III. Rural property known as SAN JOSE, formerly known as San Juan Sahcabchen near the Town of Sucopo, Municipality of Tizimin, State of Yucatan, with a surface area of four hundred forty hectares and twelve ares of land, located twenty kilometers from the closest public road, one kilometer; boundaries: On the North: the rural property San Fernando; on the South the lands of Chumucbe; on the East the lands of Yocchachich; and on the West the rural property of Yaaxche.

IV. Rural property known as SAN ROMAN-YOOCH-HA-CHICH which constitutes the lot of lands with Cadastre No. One Thousand One Hundred Forty Two, currently known as SANTA EULALIA, corresponding to the Town of Sucopo and Municipality and District of Tizimin, State of Yucatan, with a surface area of three hundred sixty two hectares, apt for the cultivation of grains and for the extraction of chicle and hardwoods. Distances: eleven kilometers to the East of the town of Sucopo; twenty one kilometers from the municipal and district seat and from the closest train station which is Tizimin. The closest public road crosses the rural property. Boundaries: to the North the lands of San Francisco and unimproved lands; to the South, lands of the Uesa property and part of the property Chumube; to the East, lands of the rural property of San Pedro or Cadastre Property No. One Thousand One Hundred Ninety One; and to the West thelands of the Hacienda Sahcabchen.

V. Rural property known as SANTA NAZARIA, according to the Cadastre Certificate SAN PEDRO, with Cadastre No. One Thousand One Hundred Ninety One, corresponding to the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, with a surface area of three hundred hectares of land apt for the cultivation of grains and grasses, located in the northeast quadrant and eleven kilometers from the Town of Sucopo and municipal seat of the district, approximately twenty one kilometers from the closest train station which is in Tizimin, and the closest public road crosses it. Its health conditions are good and all other data required by law are lacking. It has the following boundaries: to the North, the national lands of Dzonot Ake; to the South, national lands which are already occupied; to the East the lands of Yaaxcheku; and to the West, the lands of the rural property Yooc-ha-chich.

VI. Rural property known as SAN FERNANDO, with Cadastre No. One Thousand Forty Nine, in the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, with a surface area of one hundred twenty hectares, seventy ares, zero centiares, located nine kilometers from the Town of Sucopo, the Municipal and district seat and twenty kilometers from the closest train station, Tizimin, two kilometers from the closest public road; and with the following boundaries: to the North, the communal farm of Tizimin; to the South the rural property El Girasol; to the East the rural property El Naranjo, and to the West the communal farm of Sucopo.

VII. The rural property known as EL GIRASOL with Cadastre No. Two Thousand Three Hundred Thirty Eight, in the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, with a surface area of one hundred twenty eight hectares, seventy ares, zero centiares, located nine kilometers from the Town of Sucopo, twenty kilometers from the Municipal and District seat and the closest train station which is Tizimin, and two kilometers from the closest public road, and with the following boundaries: to the North, the San Fernando Ranch; to the South the rural property San Jose; to the East the communal farm of Sucopo; and to the West with the rural property San Fernando.

The real properties described above shall hereinafter be referred to for all purposes of this agreement, as THE PROPERTIES, and shall together be understood to be as located and described whenever they are referred to herein.

TWO. The seller then declared that said real properties were acquired in equal shares by purchase with reservation of ownership right, granted to them by CONSORCIO GANADERO PREISSER, a share corporation with variable capital, in Public Document No. Five Thousand Two Hundred Fifty Eight dated December twenty ninth two thousand seven, which was executed before Atty. Ernesto Luque Feregrino, Notary Public No. Thirty of the City of Santiago de Queretaro, State of Queretaro, which documents are respectively recorded at Electronic folios 814573 (eight hundred fourteen thousand five hundred seventy three); 806174 (eight hundred six thousand one hundred seventy five); 814505 (eight hundred fourteen thousand five hundred five); 802587 (eight hundred two thousand five hundred eighty seven); 802596 (eight hundred two thousand five hundred ninety six); 720085 (seven hundred twenty thousand eighty five); 719259 (seven hundred nineteen thousand two hundred fifty nine); and entry number 864821 (eight hundred sixty four thousand eight hundred twenty one); 864790 (eight hundred sixty four thousand seven hundred ninety); 864804 (eight hundred sixty four thousand eight hundred four); 864811 (eight hundred sixty four thousand eight hundred eleven); 864818 (eight hundred sixty four thousand eight hundred eighteen); 864852 (eight hundred sixty four thousand eight hundred fifty two), respectively; and the Reservation of ownership right is recorded under entry number 197077 (one hundred ninety seven thousand seventy seven); 197058 (one hundred ninety seven thousand fifty eight); 197071 (one hundred ninety seven thousand seventy one); 197066 (one hundred ninety seven thousand sixty six); 197068 (one hundred ninety seven thousand sixty eight); 197078 (one hundred ninety seven thousand seventy eight) and 197080 (one hundred ninety seven thousand eighty).

THREE. JORGE ALBERTO PADILLA ACEVEDO and EMILIO ALBERTO LORET DE MOLA GOMORY declare that they cancelled the Reservation of ownership right which encumbered the PROPERTIES in Public Document No. Three Hundred Eighty Eight which was executed by CONSORCIO GANADERO PREISSER, A SHARE CORPORATION WITH VARIABLE CAPITAL, on April twenty third this year before the undersigned Notary Public; and said document is pending recording with the Public Recorder of Deeds and Commerce of the State, due to the recent date of its execution, although the Certificate attached to this document certifies said transaction.

Wherefore, the parties hereby formalize this Purchase and Sale Agreement subject to the following:

C L A U S E S

ONE. JORGE ALBERTO PADILLA ACEVEDO and EMILIO ALBERTO LORET DE MOLA GOMORY declare that they irrevocably and permanently sell, assign and transfer to ASIDEROS GLOBALES CORPORATIVO, a Limited Liability Corporation with Variable Capital, without restriction of any kind, the rural properties known as Chumucbe, San Jorge identified with Cadastre No. Two Thousand Three Hundred Thirty Nine; San Jose, formerly known as San Juan Sahcabchen, San Roman-Yooch-HaChich, which constitute the set of lands identified with Cadastre no. One Thousand Forty Two, currently known as Santa Eulalia; Santa Nazaria which according to Cadastre Certificate is San Pedro, Cadastre No. One Thousand Forty Nine, and El Girasol, with Cadastre No. Two Thousand Three Hundred Thirty Eight, all located in the Town of Sucopo, Municipality and district of Tizimin, State of Yucatan, with the description and boundaries included in Recital One of this document which are understood to be as though transcribed here, free of encumbrances except for the restriction noted (which was cancelled in Document No. Three Hundred Eighty Eight dated today, and which is pending recording), free of any amounts for taxes and all corresponding to them by fact and by law and included within their perimeters; and the Seller transfers ownership and possession of said real properties to the purchaser with all legal ownership and usufruct, and the seller shall warrant the title and right of possession, as required and in accordance with the corresponding law.

TWO. The seller hereby formally delivers the material and legal possession of the PROPERTIES, all current in their payment of real property tax, free of any controversy, proceeding, conflict, invasion, easements, restrictions with regard to communal farms (ejidos), divisions or any other agrarian restrictions, contaminations, spills, environmental accidents, storages, recycling of any hazardous or damaging material or any other circumstance that may affect them.

THREE. This transaction has been agreed and paid for a lump sum, with no special estimated for parts and measurements, for the total, lump sum and only price of \$21,000,000.00 (TWENTY ONE MILLION MEXICAN PESOS) with the price of \$3,000,000.00 (THREE MILLION MEXICAN PESOS) corresponding to the sales for each real property. The seller declares that it has received the total amount from the purchaser, in good bills from the Banco de Mexico, counted and reviewed to their full satisfaction, with no right to later claim of any kind; and the purchaser therefore gives the broadest receipt and release allowed by law for all corresponding legal effects.

FOUR. This sale is not rescindable as a result of harm, inasmuch as the price was fixed in accordance with the appraisal made by a certified appraiser, named by mutual agreement of the parties. The appraised value stated in that report is the same amount as the sales price previously stated herein, with which the parties agreed.

FIVE. Both parties declare that said real properties have all the rights for use and enjoyment of national waters, which are accredited by the licenses, a certified copy of which is attached hereto; and the acquiring party declares that it is satisfied, and both parties release the Notary Public certifying this document from any responsibility with respect to this concept.

SIX. The Purchaser shall be solely and exclusively responsible for and pay all costs, taxes, duties and fees incurred by reason of this document except for Income Tax which shall be paid by the Seller; and the parties declare that said tax was incurred and reported in the full amount of \$2,351,693.00 (TWO MILLION THREE HUNDRED FIFTY ONE THOUSAND SIX HUNDRED NINETY THREE MEXICAN PESOS), incurred as follows: for Chumucbe said tax is incurred and reported in the amount of \$219,407.00 (Two Hundred Nineteen Thousand Four Hundred Seven Mexican Pesos); the property San Jorge identified with Cadastre No. two thousand three hundred thirty nine, the amount of \$588,830.00 (Five Hundred Eighty Eight Thousand Eight Hundred thirty Mexican Pesos); SAN JOSE, formerly San Juan Sahcabchen, reports the amount of \$69,163.00 (Sixty Nine Thousand One Hundred Sixty Three Mexican Pesos); SAN ROMAN-YOOCH-HA-CHICH which is constituted of the set of lands with Cadastre No. One Thousand One Hundred Forty Two currently known as SANTA EULALIA reports the amount of \$304,658.00 (Three Hundred Four Thousand Six Hundred Fifty Eight Mexican pesos); SANTA NAZARIA which according to the cadaster certificate is known as SAN PEDRO, with Cadastre No. One Thousand One Hundred Ninety One; SAN FERNANDO with Cadastre No. One Thousand Forty Nine and EL GIRASOL with Cadastre No. Two Thousand Three Hundred Thirty Eight report the amount of \$389,910.00 (Three Hundred Eighty Nine Thousand Nine Hundred Ten Mexican Pesos) each. The undersigned Notary Public therefore authorizes the withholding of said amounts.

The undersigned Notary Public informs the transferor that it is his obligation to advise the SAT (Mexican Tax Administration System) of this transfer.

SEVEN. The company known as ASIDEROS GLOBALES CORPORATIVO, a Limited Liability Corporation with Variable Capital, by and through its representative herein, declares that the real properties described and with the boundaries noted in Recital One of this document shall be used for purposes established in its corporate purpose.

EIGHT. LAURA MELLO GONZALEZ declares that due to the fact that her client, ASIDEROS GLOBALES CORPORATIVO, a Limited Liability Corporation with Variable Capital, was just recently constituted, it is pending recording with the Public Recorder of Deeds and Commerce of the State of Yucatan.

NINE. In accordance with the provisions of Article Thirty Four of the Foreign Investment Act, the undersigned Notary Public requested that ASIDEROS GLOBALES CORPORATIVO, a Limited Liability Corporation with Variable Capital, present its Certificate of Inscription with the National Foreign Investment Registry, and its representative stated that due to the recent nature of its constitution it is still in the registration process.

TEN. The purchaser declares that the rural properties known as Chumucbe; San Jorge identified with Cadastre No. Two Thousand Three Hundred Thirty Nine; San Jose, formerly known as San Juan Sahcabchen, San Roman-Yooch-Ha-Chich, which constitute the set of lands identified with Cadastre no. One Thousand Forty Two, currently known as Santa Eulalia; Santa Nazaria which according to Cadastre Certificate is San Pedro, Cadastre No. One Thousand Forty Nine, and El Girasol, with Cadastre No. Two Thousand Three Hundred Thirty Eight, all located in the Town of Sucopo, Municipality and district of Tizimin, State of Yucatan, are just land, and therefore are not subject to Value Added Tax under the terms of Article Nine of the Value Added Tax Act and Article Twenty One of its Regulation.

ELEVEN. The affiants declare to the extent corresponding to each of them, that they accept the deed under the terms set forth in the above clauses.

Wherefore the affiants, who shall hereinafter be referred to as the ASSIGNORS and the ASSIGNEE, respectively, hereby formalize the following

ASSIGNMENT OF RIGHTS

TWELVE. THE ASSIGNORS declare that they are legitimate owners of the following licenses:

I. License No. 12YUC106385/32ISGR98, issued by the National Water Commission through it Regional Manager in the Peninsula of Yucatan, Carlos M. Estrada Cañedo, which was issued for the use of 461,600 four hundred sixty one thousand six hundred cubic meters per year from the Yucatan watershed, the Yucatan Peninsula aquifer. Said license was granted on August 25, 1998 for a period of ten years beginning July 31, 1998, and is registered with the Public Water Rights Registry as Registry No. 12YUC102668 of Folio 1, Volume A-R12, page 167 dated September 2, 1998. The extension of said License was authorized in Document No. BOO.00.R13.04.02 000738 dated April first two thousand eight, issued by the National Water Commission which authorizes the extension for ten years beginning July thirty first this year, and remains pending registry with the Public Water Rights Registry due to its recent nature.

II. License No. 12YUC106419/32ISGR98, issued by the National Water Commission through it Regional Manager in the Peninsula of Yucatan, Carlos M. Estrada Cañedo, which was issued for the use of 2,845,600 two million eight hundred forty five thousand six hundred cubic meters per year from the Yucatan watershed, the Yucatan Peninsula aquifer. Said license was granted on August 25, 1998 for a period of ten years beginning July 31, 1998, and is registered with the Public Water Rights Registry as Registry No. 12YUC102698 of Folio 1, Volume A-R12, page 169 dated September 2, 1998. The extension of said License was authorized in Document No. BOO.00.R13.04.02 000732 dated April first two thousand eight, issued by the National Water Commission which authorizes the extension for ten years beginning July thirty first this year, and remains pending registry with the Public Water Rights Registry due to its recent nature.

III. License No. 12YUC106420/32ISGR98, issued by the National Water Commission through its Regional Manager in the Peninsula of Yucatan, Carlos M. Estrada Cañedo, which was issued for the use of 1,481,800 one million four hundred eighty one thousand eight hundred cubic meters per year from the Yucatan watershed, the Yucatan Peninsula aquifer. Said license was granted on August 25, 1998 for a period of ten years beginning July 31, 1998, and is registered with the Public Water Rights Registry as Registry No. 12YUC102699 of Folio 1, Volume A-R12, page 169 dated September 2, 1998. The extension of said License was authorized in Document No. BOO.00.R13.04.02 000735 dated April first two thousand eight, issued by the National Water Commission which authorizes the extension for ten years beginning July thirty first this year, and remains pending registry with the Public Water Rights Registry due to its recent nature.

IV. License No. 12YUC106423/32ISGR98, issued by the National Water Commission through its Regional Manager in the Peninsula of Yucatan, Carlos M. Estrada Cañedo, which was issued for the use of 927,200 nine hundred twenty seven thousand two hundred cubic meters per year from the Yucatan watershed, the Yucatan Peninsula aquifer. Said license was granted on August 26, 1998 for a period of ten years beginning July 31, 1998, and is registered with the Public Water Rights Registry as Registry No. 12YUC102702 of Folio 1, Volume A-R12, page 169 dated September 2, 1998. The extension of said License was authorized in Document No. BOO.00.R13.04.02 000731 dated April first two thousand eight, issued by the National Water Commission which authorizes the extension for ten years beginning July thirty first this year, and remains pending registry with the Public Water Rights Registry due to its recent nature.

V. License No. 12YUC106421/32ISGR98, issued by the National Water Commission through its Regional Manager in the Peninsula of Yucatan, Carlos M. Estrada Cañedo, which was issued for the use of 2,049,200 two million forty nine thousand two hundred cubic meters per year from the Yucatan watershed, the Yucatan Peninsula aquifer. Said license was granted on August 26, 1998 for a period of ten years beginning August 14, 1998, and is registered with the Public Water Rights Registry as Registry No. 12YUC102700 of Folio 1, Volume A-R12, page 169 dated September 2, 1998. The extension of said License was authorized in Document No. BOO.00.R13.04.02 000734 dated April first two thousand eight, issued by the National Water Commission which authorizes the extension for ten years beginning August fourteenth first this year, and remains pending registry with the Public Water Rights Registry due to its recent nature.

VI. License No. 12YUC106422/32ISGR98, issued by the National Water Commission through its Regional Manager in the Peninsula of Yucatan, Carlos M. Estrada Cañedo, which was issued for the use of 463,600 four hundred sixty three thousand six hundred cubic meters per year from the Yucatan watershed, the Yucatan Peninsula aquifer. Said license was granted on August 26, 1998 for a period of ten years beginning July 31, 1998, and is registered with the Public Water Rights Registry as Registry No. 12YUC102701 of Folio 1, Volume A-R12, page 169 dated September 2, 1998. The extension of said License was authorized in Document No. BOO.00.R13.04.02 000733 dated April first two thousand eight, issued by the National Water Commission which authorizes the extension for ten years beginning July thirty first first this year, and remains pending registry with the Public Water Rights Registry due to its recent nature.

The six licenses, including the rights for the extensions granted shall be hereinafter referred to as THE LICENSES.

THE ASSIGNORS continue declaring that they acquired THE LICENSES by virtue of an assignment of rights subject to a condition precedent, granted by CONSORCIO GANADERO PREISSER, A SHARE CORPORATION WITH VARIABLE CAPITAL, in Public Document Five Thousand Two Hundred Fifty Eight described in Recital Two of this document, which is understood as though transcribed here.

THIRTEEN. THE ASSIGNORS continue stating that inasmuch as the authorization of the National Water Commission is required to transfer the rights granted in THE LICENSES, said licenses are still registered in the name of CONSORCIO GANADERO PREISSER A SHARE CORPORATION WITH VARIABLE CAPITAL, which originally assigned them the rights of the licenses. Consequently the parties hereto agree to carry out the acts necessary to obtain the new licenses and corresponding registries from the National Water Commission, for THE ASSIGNEE.

FOURTEEN. THE ASSIGNORS permanently and irrevocably assign and transfer to THE ASSIGNEE, without limitation, exception or reserve of any kind, the rights to use and enjoy national waters granted by virtue of THE LICENSES described in Clause Twelve hereof; and THE ASSIGNEE is therefore subrogated in everything that corresponds to THE ASSIGNORS de facto and de jure, and The Assignors jointly and severally agree to cure any harm and damages that may be caused to third parties as a result of the execution of this agreement, until the rights covered by the Licenses have been obtained from the National Water Commission.

FIFTEEN. THE ASSIGNEE accepts the rights transferred to it by THE ASSIGNORS, and is subrogated as the holder in first place, degree and priority of the rights corresponding to THE ASSIGNORS for the use or enjoyment of the national waters granted by THE LICENSES, under the terms of the clauses comprising this agreement.

SIXTEEN. In accordance with the foregoing clauses, THE ASSIGNEE is subrogated into the same place, degree and priority of THE ASSIGNORS and acquires all rights deriving from the LICENSES, including but not limited to the following: a) To use or enjoy national waters; b) to perform pertinent improvements for the use or enjoyment of national waters; c) to execute the legal acts deriving from THE LICENSES, such as transfer or waive said rights, obtain easements, extensions, file administrative processes as well as all those established by Law, regulations and current laws applicable to said matters.

SEVENTEEN. The ASSIGNORS declare that THE LICENSES are current in the payment of all taxes and duties incurred on national waters, and they have not incurred in any of the causes for full or partial termination provided by the National Waters Act and its regulation; and there is no circumstance that would hinder or impede the transmission of the rights deriving from THE LICENSES; and they are therefore required to notify the National Water Commission, in writing, of this transmission of rights.

EIGHTEEN. THE ASSIGNEE shall be responsible for and pay all duties and uses provided in the Federal National Water Rights Act, the National Waters Act, its Regulation and all applicable legislation, once the assignment of rights to it has been authorized by the National Waters Commission. Meanwhile THE ASSIGNORS shall remain required to continue to inform said Commission of the volume of water extracted from the wells under current legislation; until the day that THE LICENSES are delivered to the name of THE ASSIGNEE; and they are further required to pay the duties for all renewals, extensions, transmissions and other costs deriving from THE LICENSES.

NINETEEN. THE ASSIGNORS shall be responsible for and pay all costs, duties, fees and taxes incurred by reason of this document.

TWENTY. The parties accept this agreement to the extent that it applies to each of them, and agree to comply with all parts well and faithfully. They further agree that any controversy that may arise regarding the interpretation and compliance with this agreement shall be decided by the jurisdiction of the Courts and Tribunals of the City of Merida, Yucatan, Mexico, waiving any other jurisdiction to which they may have a right because of any residence they may have, now or in the future.

LEGAL STANDING

LAURA MELLO GONZALEZ, appearing herein as the Special Representative of the legal entity known as ASIDEROS GLOBALES CORPORATIVO, A LIMITED LIABILITY CORPORATION WITH VARIABLE CAPITAL, which is a Mexican entity with legal address in this city. She accredited its legal existence, legal standing and the powers with which she appears here with public documents Nos. One Hundred Thirty Two Thousand Two Hundred Twenty Seven dated March twenty eighth two thousand eight which was certified by Atty. Joaquin Humberto Caceres y Ferraez, Notary Public No. Twenty One of the Federal District, and Document No. Three Hundred Eighty Eight and Seven (sic) dated April twenty third this year, which was certified by the undersigned Notary Public. Certified copies of said documents are attached hereto as proof; and the affiant declares that the legal standing with which she appears here has not been revoked or restricted in any way as of today.

GENERAL

I. JORGE ALBERTO PADILLA ACEVEDO declares that he was born in Mexico City, the Federal District, on October eleventh nineteen sixty two; he is forty five years of age, married, an attorney at law, residing at No. Two Hundred One letter B Eighteenth St. in the Colonia Garcia Gineres of this city.

II. EMILIO ALBERTO LORET DE MOLA GOMORY declares that he was born in this city on February fourteenth nineteen sixty five; he is forty three years of age, married, a businessman, residing at No. Two Hundred One letter B Eighteenth St. in the Colonia Garcia Gineres of this city.

III. LAURA MELLO GONZALEZ declares that she was born in Mexico City, the Federal District on January sixteenth nineteen seventy; she is thirty eight years of age, married, attorney at law residing at Calle Fuente del Pescador No. One Hundred Thirty One in the Colonia Lomas de Tecamachalco in the City of Huixquilucan, State of Mexico.

The parties added that they are Mexican citizens by birth and the first two are children of Mexican citizens; the last named said that she is the daughter of a Mexican mother and an Italian father. They all have the legal capacity to bind themselves and enter into contracts, and I have seen nothing that would prove otherwise. They identified themselves to me, the Notary Public, I swear. They further declared that they are current in their payments of Income, as is the legal entity represented by the third party. They did not prove same, and I therefore made the corresponding legal warnings.

I, the certifying Notary Public, swear that I complied with the provisions of Article Forty Five of the Notary Act currently in effect, in witness whereof they swore and signed before me. I swear.

[Illegible signature] [Stamp] Mexico; State of Yucatan; Attorney Alvaro Baqueiro Caceres; Notary Public No. 55.

NOTARY PUBLIC NO. 55

Name ASIDEROS GLOBALES CORPORATIVO S. DE R.L. DE C.V.

Document type UNILATERAL MORTGAGE

Document No. 390/2008/ABC

Date APRIL 23, 2008

Book 219 Volume D Folio

UNDER THE RESPONSIBILITY OF

Atty. Alvaro R. Baqueiro Caceres

Atty. Enna Baqueiro Rodriguez

Merida, Yucatan, Mexico.

Calle 16 No. 110 x 27 y 29, Col. Mexico
Tel. 926 6668 with 6 lines. Fax: 927 4734

DOCUMENT NUMBER: THREE HUNDRED NINETY.

In the City of Merida, Capital of the State of Yucatan, Mexico, on April twenty third two thousand eight the following individual appeared before me, Attorney ALVARO ROBERTO BAQUEIRO CACERES, Notary Public No. Fifty Five of this State, currently in effect and with residence in this City:

I. LAURA MELLO GONZALEZ, acting in the name and stead of ASIDEROS GLOBALES CORPORATIVO, a Limited Liability Corporation with Variable Capital, which was constituted under the laws of Mexico, hereinafter referred to as the MORTGAGE BORROWER, appearing herein to constitute a UNILATERAL SENIOR MORTGAGE in favor of the Irrevocable Trust that was created by Stewart and Lynda Resnick on December 27 (twenty seventh) 1998 (nineteen ninety eight), as amended (the "Resnick Trust"), and the Trust of Selim K. Zilkha (the "Zilkha Trust"), which two trusts will hereinafter be referred to as the Lenders or the Mortgage Lenders.

B A C K G R O U N D

I. The affiant demonstrated Public Document No. Three Hundred Eighty Nine that was executed today before the undersigned Notary Public, the first certified copy of which is currently in the registry process with the Public Recorder of Deeds of the State, by virtue of which the Mortgage Borrower acquired the lots of land identified as Chumucbe, San Jorge identified as Cadastre No. Two Thousand Three Hundred Thirty Nine; SAN JOSE formerly San Juan Sahcabchen; SAN ROMAN-YOOCH-HA-CHICH which is constituted of the lot of lands with Cadastre No. One Thousand One Hundred Forty Two currently known as SANTA EULALIA; SANTA NAZARIA with the cadaster name of SAN PEDRO, with Cadastre No. One Thousand One Hundred Ninety One; SAN FERNANDO with Cadastre No. One Thousand Forty Nine, and EL GIRASOL with Cadastre No. Two Thousand Three Hundred Thirty Eight, all located in the Town of Sucono, Municipality and District of Tizimin, State of Yucatan, Mexico; all of which shall hereinafter be referred to as the PROPERTIES.

II. The properties are described as follows:

a) Rural property known as Chumucbe, located in the Municipality of Tizimin and State of Yucatan, with a surface area of four hundred thirty eight hectares and forty ares of land, and with the following boundaries: to the North, the lands of Yokdzonot; to the East, the lands of Vasa; and to the West, the communal farm of Sucono.

b) Rural property known as SAN JORGE, identified as Cadastre No. Two Thousand Three Hundred Thirty Nine, in the Town of Sucono and Municipality of Tizimin, State of Yucatan, with a surface area of one hundred twenty hectares seventy ares of land; which is located approximately nine kilometers from the municipal head of the town of Sucono, approximately twenty kilometers to the East of and two kilometers from the closest public road; Boundaries: on the North, the ranch San Fernando; to the South, the country property San Jose; to the East, the country property Santa Elena; and to the West, the country property El Girasol.

- c) Rural property known as SAN JOSE, formerly known as San Juan Sahcabchen near the Town of Sucopo, Municipality of Tizimin, State of Yucatan, with a surface area of four hundred forty hectares and twelve ares of land, located twenty kilometers from the closest public road, one kilometer; boundaries: On the North: the rural property San Fernando; on the South the lands of Chumucbe; on the East the lands of Yocchachich; and on the West the rural property of Yaaxche.
- d) Rural property known as SAN ROMAN-YOOCH-HA-CHICH which constitutes the lot of lands with Cadastre No. One Thousand One Hundred Forty Two, currently known as SANTA EULALIA, corresponding to the Town of Sucopo and Municipality and District of Tizimin, State of Yucatan, with a surface area of three hundred sixty two hectares, apt for the cultivation of grains and for the extraction of chicle and hardwoods. Distances: eleven kilometers to the East of the town of Sucopo; twenty one kilometers from the municipal and district seat and from the closest train station which is Tizimin. The closest public road crosses the rural property. Boundaries: to the North the lands of San Francisco and unimproved lands; to the South, lands of the Uesa property and part of the property Chumube; to the East, lands of the rural property of San Pedro or Cadastre Property No. One Thousand One Hundred Ninety One; and to the West thelands of the Hacienda Sahcabchen.
- e) Rural property known as SANTA NAZARIA, according to the Cadastre Certificate SAN PEDRO, with Cadastre No. One Thousand One Hundred Ninety One, corresponding to the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, with a surface area of three hundred hectares of land apt for the cultivation of grains and grasses, located in the northeast quadrant and eleven kilometers from the Town of Sucopo and municipal seat of the district, approximately twenty one kilometers from the closest train station which is in Tizimin, and the closest public road crosses it. Its health conditions are good and all other data required by law are lacking. It has the following boundaries: to the North, the national lands of Dzonot Ake; to the South, national lands which are already occupied; to the East the lands of Yaaxcheku; and to the West, the lands of the rural property Yooc-ha-chich.
- f) Rural property known as SAN FERNANDO, with Cadastre No. One Thousand Forty Nine, in the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, with a surface area of one hundred twenty hectares, seventy ares, zero centiares, located nine kilometers from the Town of Sucopo, the Municipal and district seat and twenty kilometers from the closest train station, Tizimin, two kilometers from the closest public road; and with the following boundaries: to the North, the communal farm of Tizimin; to the South the rural property El Girasol; to the East the rural property El Naranjo, and to the West the communal farm of Sucopo.
- g) The rural property known as EL GIRASOL with Cadastre No. Two Thousand Three Hundred Thirty Eight, in the Town of Sucopo, Municipality and District of Tizimin, State of Yucatan, with a surface area of one hundred twenty eight hectares, seventy ares, zero centiares, located nine kilometers from the Town of Sucopo, twenty kilometers from the Municipal and District seat and the closest train station which is Tizimin, and two kilometers from the closest public road, and with the following boundaries: to the North, the San Fernando Ranch; to the South the rural property San Jose; to the East the communal farm of Sucopo; and to the West with the rural property San Fernando.

The affiant declares that given the recent date of the purchase operation, the properties are still recorded with the Public Recorder at electronic folios 814573 (eight hundred fourteen thousand five hundred seventy three) 806175 (eight hundred six thousand one hundred seventy five); 814505 (eight hundred fourteen thousand five hundred five); 802587 (eight hundred two thousand five hundred eighty seven); 802596 (eight hundred two thousand five hundred ninety six), 720085 (seven hundred twenty thousand eighty five); 719259 (seven hundred nineteen thousand two hundred fifty nine); and entry number 864821 (eight hundred sixty four thousand eight hundred twenty one); 864790 (eight hundred sixty four thousand seven hundred ninety); 864804 (eight hundred sixty four thousand eighty four); 864811 (eight hundred sixty four thousand eight hundred eleven); 864818 (eight hundred sixty four thousand eight hundred eighteen); 864852 (eight hundred sixty four thousand eight hundred fifty two), respectively.

III. The Properties are free of encumbrances and liens of all kinds, except for the reservation of ownership right which is set forth in the certificate of encumbrances which is attached hereto, and which was cancelled in Public Document No. Three Hundred Eighty Eight which was executed today before the undersigned Notary Public, and which inasmuch as it was executed only recently remains in the process of recording with the Public Recorder of Deeds and Commerce of the State, and which was registered today with Registry No. 197077 (one hundred ninety seven thousand seventy seven); 197058 (one hundred ninety seven thousand fifty eight); 197071 (one hundred ninety seven thousand seventy one); 197066 (one hundred ninety seven thousand sixty six); 197068 (one hundred ninety seven thousand sixty eight); 197078 (one hundred ninety seven thousand seventy eight) and 197080 (one hundred ninety seven thousand eighty), respectively.

IV. That the properties are current in payments of real estate tax, as accredited by the certificate showing them as free of all debts which was issued by the City of Tizimin, Yucatan, and which is attached hereto.

RECITALS

ONE. The representative of the Mortgage Borrower declares that as of the date of this document, the Mortgage Borrower is current in its payments and is not subject to any tax, labor or other claims which could constitute a preferential lien on the senior mortgage that will be created by virtue of and under the terms of this document. The representative of the Mortgage Borrower further declares that the mortgage to be created by virtue of this document shall be recorded with the Public Recorder of Deeds and Commerce of the State of Yucatan, as a senior mortgage.

TWO. The representative of the Mortgage Borrower declares that the Mortgage Lenders today granted a loan (the Loan) to the Mortgage Borrower in the amount of USD\$2,051,282.00 (Two Million Fifty One Thousand Two Hundred Eight Two Dollars, currency of the United States of America), which will be used by the Mortgage Borrower to acquire the Properties described above; and to document the Loan the Mortgage Borrower signed a payment note (the Payment Note) dated April twenty third two thousand eight, payable to the Mortgage Lenders in the full amount of the Loan.

The undersigned Notary Public attaches a copy of the Payment Note to this document, and a copy of same shall be attached to certified copies which may be issued of this document.

THREE. The representative of the Mortgage Borrower declares that:

(a) Pursuant to the Payment Note the Mortgage Borrower agrees to pay the principal amount of USD\$2,051,282.00 (Two Million Fifty One Thousand Two Hundred Eighty Two Dollars, currency of the United States of America), i.e. the Loan, to the Mortgage Lenders, with ordinary interest accrued on the unpaid capital balance during each Interest Period, all as described in the Payment Note.

(b) Pursuant to the Payment Note and the Limited Liability Agreement by and between GCE Mexico I, LLC (the "Limited Liability Agreement"), the Zilkha Trust and Global Clean Energy Holdings, Inc. ("GCE"), payment of the Loan by the Mortgage Borrower will be guaranteed by a senior mortgage granted by the Mortgage Borrower to the Mortgage Lenders and constituted on the Properties.

The undersigned Notary Public attaches a copy of the Payment Note to this document, and a copy of said document will be attached to each copy that will be issued of this document.

FOUR. The representative of the Mortgage Borrower declares that the Mortgage Borrower has signed the Payment Note dated April twenty third two thousand eight, to the order of the Mortgage Lenders for the full amount of the Loan.

FIVE. The representative of the Mortgage Borrower declares that the Mortgage Borrower has opted to create a senior mortgage on the Properties in order to guarantee: I. Payment of the Loan, as well as compliance with each and all of obligations undertaken by the Mortgage Borrower under the terms of the Payment Note; II. Compliance with each and all of the obligations related to the Loan, in favor of the Mortgage Borrowers under the terms of the Limited Liability Agreement; and III. Compliance with each and all of the obligations deriving from the other documents deriving from or related to said loan (jointly referred to as the Guaranteed Obligations), all under the terms of this Document.

WHEREFORE, the Mortgage Borrower agrees as follows:

C L A U S E S

ONE. The Mortgage Borrower hereby acknowledges that it received a loan from the Mortgage Lenders, as of the date of this document, in the principal amount of USD\$2,051,282.00 (Two Million Fifty One Thousand Two Hundred Eighty Two US Dollars), which was used to pay the seller to pay the purchase price for the Properties described in the Document mentioned in Recital I, as well as the costs, duties and fees incurred for the Properties.

TWO. The Mortgage Borrower hereby voluntarily constitutes a senior mortgage on the Properties in favor of the Mortgage Lenders, to guarantee payment and compliance with each and all of the Guaranteed Obligations as of the effective date (either by maturity, acceleration or any other form), including but not limited to payment of interest, delinquent interest, fees, costs and accessory amounts which become due at the expiration of the Payment Note, which includes (i) the Properties described in Recital Two (II) above, with the description, measurements and boundaries which are understood as though transcribed here; (ii) buildings and improvements built on said Properties or which may be built in the future; and (iii) installations and other goods that may be incorporated either now or in the future on said lot of land, buildings and improvements, which cannot be removed from the Properties without damaging the value of the lot of land, the buildings and improvements (jointly referred to as the Mortgage).

The Mortgage constituted herein by the Mortgage Borrower in favor of the Mortgage Lenders, is created in accordance with the terms of Articles 2076 and 2082 of the Civil Code for the State of Yucatan, and correlative Articles of the Civil Code for the Federal District.

The Mortgage includes, in addition to the above, natural accessories of the Properties, goods which may form a part of the Properties either de facto or de jure, easements and rights of way which may be on the Properties, and the goods which may in the future be destined by the Mortgage Borrower as utilities to the Properties and which may be incorporated to same, except for automotive vehicles.

In the event of execution of the Mortgage, the product of said execution shall be used first to pay all amounts owed to the Mortgage Borrowers under the terms of the Payment Note, and second to pay costs deriving from execution of the Mortgage and other amounts owed by the Mortgage Borrower or any other person to the Mortgage Lenders under the terms of the Payment Note.

THREE. The mortgage placed hereunder by the Mortgage Borrower on the Properties guarantees compliance with all of the Guaranteed Obligations, without limitation of any kind. Consequently none of the Properties shall be released from the Mortgage lien except as provided in the Payment Note, until the Guaranteed Obligations have been fulfilled, independently of whether the Mortgage Borrower or any other entity guarantees that the Mortgage Borrowers comply with all or part of the Guaranteed Obligations, now or in the future, by virtue of other mortgages, pledges or any other form. Consequently the Mortgage Borrower by and through its representative herein, hereby waives the provisions of Articles 2058 and 2059 of the Civil Code in effect for the State of Yucatan, in favor of the Lenders.

FOUR. Without prejudice to the provisions of the foregoing Clauses, the Mortgage guarantees payment of the principal amount of the Loan up to the amount of USD\$2,051,282.00 (Two Million Fifty One Thousand Two Hundred Eighty Two US Dollars), plus ordinary and delinquent interest accrued on said amount, including interest for more than three years WHICH SHALL BE DULY RECORDED WITH THE PUBLIC RECORDER OF DEEDS AND COMMERCE FOR THE STATE OF YUCATAN.

FIVE. The Mortgage Borrower will not have the right to release any part of the Properties from the encumbrance of the Mortgage Borrower, until all the Guaranteed Obligations have been paid in full.

The Mortgage Borrower likewise cannot constitute any other encumbrance, lien or restriction of any kind on the Properties, and further shall not have the right to sell the Properties or to assign rights to said Properties to third parties until the Guaranteed Obligations have been paid in full, unless previously authorized by the Lenders, in writing.

SIX. In the event the Mortgage Lenders decide to exercise the rights granted them by virtue of this document, the following shall apply:

- a) The Mortgage Lenders shall have the right to determine the goods to be added to the properties covered by this mortgage, without having to submit to the provisions of Article 1395 of the Commercial Code and applicable provisions of the Code of Civil Procedures;
- b) The Mortgage Lenders or the depositor named by the Mortgage Lenders can immediately take possession of the properties attached; and
- c) The depository named by the Mortgage Lenders shall pay all interest accrued on the Guaranteed Obligations from the product of the Properties and the attached goods, with no need for a Court order.

If the Mortgage Lenders exercise the rights granted them by virtue of this document, then the Mortgage Borrower expressly waives the right to be named as depository of the Properties and the attached goods.

SEVEN. The Mortgage shall remain in full force and effect until the date that all the Guaranteed Obligations have been paid or covered unconditionally and in full.

EIGHT. The failure of the Mortgage Borrower to make any of the amounts payable pursuant to the Payment Note, principal or interest, or any other amount that may be due under the terms of the Payment Note, shall give the Mortgage Lenders the right to execute the Mortgage constituted by virtue hereof.

Likewise in the event that GCE acquires all or part of the Membership Interests (as defined in the Limited Liability Agreement) of the Resnick Trust and the Zilkha Trust, and GCE does not satisfy the Guaranteed Obligations in full, then the Mortgage Lenders shall have the right to exercise the Mortgage constituted by virtue hereof.

NINE. While the Mortgage remains in effect, the Properties cannot be subdivided or modified in any way without the prior written consent of the Mortgage Lenders, understanding that the Mortgage on the Properties shall prevail over all of the Properties, regardless of whether said Property has been subdivided or modified.

TEN. The Mortgage Borrower shall obtain Broad Coverage Civil Liability Insurance within the thirty days following the date of execution of this document and if and when this mortgage remains in effect, as well as any other insurances that may be appropriate to insure the Properties. Said insurances shall be purchased from an insurer with a good reputation, in an amount that is equal to minimum the value of the properties according to the appraisal attached hereto, in the form customarily used to insure properties similar to the Properties. The corresponding insurance policy shall list the Mortgage Lenders as beneficiaries of the policy, and shall show that the Properties are subject to a mortgage in favor of the Mortgage Lenders under the terms of this public document. In the event that there is a breach of this obligation within said period of three days (sic), the Mortgage Borrower hereby irrevocably authorizes the Mortgage Lenders to acquire the corresponding insurance policy, and charge the amount of the first premium to the Mortgage Borrower, together with delinquent interest accrued at the delinquent rate stated in the Payment Note, and all the amounts stated above shall be payable by the Mortgage Borrower to the Mortgage Lenders at the time that they are requested.

ELEVEN. The Mortgage Borrower agrees to pay all taxes, duties and other tax charges due on the Properties, in a timely manner. The Mortgage Borrower shall, at the request of the Mortgage Lenders, provide the Mortgage Lenders with proof that it is current in payment of said taxes, duties and other fiscal charges, and shall provide the Mortgage Lenders with certified copies of the corresponding payment receipts, duly sealed by the competent government bodies, for said purpose.

TWELVE. The Mortgage Borrower will assume and pay all costs deriving from the preparation, execution and delivery of this document, including all taxes, duties, costs and fees incurred by virtue of execution of this document and its recording with the Public Recorder of Deeds corresponding to the first certified copy of this document.

THIRTEEN. The signing of this document does not constitute the novation, amendment, payment, compliance or extinguishment of any of the Guaranteed Obligations.

FOURTEEN. Any failure or delay on the part of the Mortgage Lenders to exercise their rights, powers or recourses under the terms of this document shall not constitute a waiver of said rights, powers or recourses; and the exercise of only one or part of said rights, powers or recourses shall not preclude the exercise of the other rights, powers or recourses under the terms hereof.

FIFTEEN. Any provisions contained herein which may be considered to be illegal or unenforceable, now or in the future, in any jurisdiction, shall be considered as invalid in said jurisdiction under the terms of said prohibition or invalidity, but shall not invalidate the other provisions of this document, and not affect the validity or enforceability of said provision in any other jurisdiction.

SIXTEEN. All notices, applications, requests, instructions, authorizations and other communications to be made or sent under the terms of this document shall be made in writing and sent by fax or by mail (with return receipt requested), shall be sent to the corresponding party at the domicile or fax number stated at the foot of this instrument or with respect to any of the parties shall be sent to any other domicile which may have been stated by the other parties, in a written notice to the other parties. Notices shall be considered to be received when sent by fax at the time of receipt of confirmation of the transmission, and when personally delivered at the time of delivery according to the corresponding receipt; and if sent by mail, at the time that there is proof of delivery to the corresponding addressee. The Mortgage Borrower states that its domicile is Thirty Second St., No. Two Hundred Letter A, Apartment Twelve, in the Colonia Garcia Gineres in this City of Merida, Yucatan Mexico; the Mortgage Lenders Stewart and Lynda Resnick state that their domicile is at Eleven Thousand Four Hundred Forty Four West Olympic Boulevard, Tenth, in the City of Los Angeles, California, zip code ninety thousand seventy seven; and the domicile of Selim K. Zilkha is at Seven Hundred Fifty Lausanne Road in the City of Los Angeles, California, zip code Ninety Thousand Sixty Four.

SEVENTEEN. All notices, communications and other documents delivered under the terms of this document, unless presented in English, shall be provided with a translation in English.

EIGHTEEN. The Mortgage Borrower agrees that it is subject to the Laws of the State of Yucatan, Mexico.

NINETEEN. The Mortgage Borrower expressly submits to the jurisdiction of the competent Courts of the place where the Properties are located, or to the Courts and Tribunals of Mexico City, Mexico, in accordance with the complaint, for anything related to the interpretation and compliance with this mortgage; and it expressly waives any other jurisdiction to which it may have a right by virtue of its current or future domicile, or for any other reason.

TWENTY. All costs, taxes, duties and fees which may be incurred by reason of this document as well as the cancellation which may be granted, attorneys, prosecutors and notary public fees incurred by the Mortgage Lenders for judicial or extrajudicial collection of the loan guaranteed here, shall be the sole and exclusive responsibility of the debtor.

TWENTY ONE. The parties hereto declare with regard to each statement corresponding to them, that they accept this agreement under the clauses set forth in the foregoing clauses.

LEGAL STANDING

LAURA MELLO GONZALEZ declares that she was born in Mexico City, the Federal District, on January sixteenth nineteen seventy; she is thirty eight years of age, married, attorney at law residing at Calle Fuente del Pescador No. One Hundred thirty One in the Colonia Lomas de Tecamachalco in the City of Huixquilucan, State of Mexico.

She added that she is a Mexican citizen by birth and the daughter of a Mexican mother and an Italian father, legally capable of binding herself and entering into contracts, and I have seen nothing that would prove otherwise. She identified herself, the Notary Public, I swear; and she declared that she and her client are current in their payments of Income, but they did not prove same, and I therefore made the corresponding legal warnings

I, the Notary Public certify: That I complied with the provisions of Article Forty Five of the Notary Act currently in effect, in witness whereof they declare and sign with me at twelve thirty today, as proof. I swear.

[Illegible signature] [Stamp] Mexico; State of Yucatan; Atty. Alvaro R. Baqueiro Caceres; Notary Public No. 55.

EXHIBIT E

FORM OF CONSENT

The undersigned acknowledges as follows:

a. The undersigned has read the foregoing Limited Liability Company Agreement (the Agreement), understands the contents of the Agreement, and is aware that by the provisions of the Agreement, the undersigned s spouse or registered domestic partner agrees to certain restrictions and requirements relating to the sale or other transfer of his/her Membership Interest in the Company, including the undersigned s community property or other ownership interest therein (if any) and any interest of the undersigned pursuant to the non-marital laws of contract or palimony. THE UNDERSIGNED HAS HAD THE RIGHT TO CONSULT WITH COUNSEL OF HIS OR HER CHOOSING IN CONNECTION WITH THIS CONSENT AND HE OR SHE HAS HAD AMPLE OPPORTUNITY TO DO SO. IF THE UNDERSIGNED HAS NOT CONSULTED WITH COUNSEL IN CONNECTION HEREWITH, THE UNDERSIGNED HAS KNOWINGLY AND WILLINGLY ELECTED NOT TO DO SO.

b. The undersigned (i) consents to any such restrictions and requirements, (ii) agrees to be bound by the Agreement and join therein to the extent (if any) that his or her agreement and/or joinder may be necessary, (iii) agrees that the undersigned s spouse or registered domestic partner shall have the sole and exclusive management power with respect to the Membership Interest subject to the Agreement, (iii) agrees that the undersigned will not effect or attempt to effect any sale or other transfer of such Membership Interest, or of any interest therein, (iv) agrees that the undersigned will take no action at any time to hinder the operation of the Agreement on such Membership Interest, including the undersigned s community property or other ownership interest therein (if any) and any interest of the undersigned pursuant to the non-marital laws of contract or palimony, and (v) agrees that the undersigned s spouse or registered domestic partner may join in any future amendment or modification without any further signature, acknowledgement, agreement, or consent on the part of the undersigned.

c. Should the spouse or the registered domestic partner of the undersigned die and bequeath to the undersigned any interest in the Membership Interest covered by the Agreement in such a manner that no probate is required with respect thereto, or should the applicable probate laws relating to the community property or other ownership interest (if any) of the undersigned or any interest of the undersigned pursuant to the non-marital laws of contract or palimony in such Membership Interest provide, upon the death of the undersigned s spouse or registered domestic partner, as the case may be, that the undersigned is entitled to a portion of the Membership Interest without such portion being subject to probate, or should the undersigned acquire any interest in the Membership Interest during the undersigned s spouse s or registered domestic partner s life by reason of any agreement, court order, judgment or decree, or for any other reason whatsoever, then the undersigned further agrees that the undersigned shall perform all of the obligations of the undersigned s spouse or registered domestic partner, as the case may be, imposed thereunder.

d. The undersigned shall perform any further acts and execute and deliver any further documents or procure any court orders which may be reasonably necessary to carry out the provisions of this Consent.

7

Name: _____,

Spouse or Registered Domestic
Partner of _____

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SALE AND PURCHASE AGREEMENT

AMONG

GLOBAL CLEAN ENERGY HOLDING, INC.

AND

MDI ONCOLOGY, INC.

AND

CURADIS GMBH

**Dated
November 16, 2009**

SALE AND ASSET PURCHASE AGREEMENT

This Sale and Asset Purchase Agreement (this "**Agreement**", which term is intended to include all exhibits, schedules and other documents attached hereto or referred to herein) is made and entered into as of November 16, 2009 (the "**Effective Date**") by and between Global Clean Energy Holdings, Inc., a Utah corporation formerly known as Medical Discoveries, Inc. ("GCEH"), and MDI Oncology, Inc., a Delaware corporation ("MDI" and collectively with GCEH, "Sellers"), whose principal places of business are located 6033 West Century Blvd., Suite 895 Los Angeles, CA 90045, and Curadis GmbH ("Curadis"), whose principal place of business is Henkestr. 91, 91052 Erlangen, Germany. Individually GCEH, MDI and Curadis shall be referred to as a "Party" and collectively as the "Parties."

RECITALS

GCEH and MDI purchased substantially all of the intellectual property assets of Savetherapeutics AG a German company in liquidation pursuant, to an agreement with its liquidator, dated March 11, 2005 (the "**Savetherapeutics Contract**"), as a result of which Sellers own, among other things, patents, patent applications, pre-clinical study data and ancillary clinical trial data concerning "SaveCream", a developmental topical aromatase inhibitor cream (the "**Product**").

The Parties have entered into a letter, dated August 25, 2009, regarding the acquisition by Curadis of all of Sellers' rights under the Savetherapeutics Contract, and all intellectual property and other rights owned by Sellers, whether subsequently acquired or developed by or through the efforts of Sellers or otherwise, which are related to the Product.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

For purposes of this Agreement, the following definitions shall apply unless specifically stated otherwise:

1.1 "**Affiliate**" shall mean, with respect to any Person, any other Person controlling, controlled by or under direct or indirect common control with such Person. A Person shall be deemed to control a corporation (or other entity) if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation (or other entity), whether through the ownership of voting securities, by contract or otherwise.

1.2 "**Agreement**" shall have the meaning set forth in the heading of this document.

1.3 "**Assigned Contracts**" shall have the meaning set forth in Section 3.2(a) of this Agreement.

1.4 "**Australian Patent**" shall mean the patent granted to Sellers (Pub. No. AU 751040) in Australia. The Parties acknowledge that the Australian Patent has lapsed and that Curadis has agreed to use its good faith efforts to cause the Australian Patent to be re-instated.

1.5 "**Closing**" shall have the meaning set forth in Section 4.1(b).

1.6 "**Co-Development Contract**" shall mean that certain Definitive Master Agreement, dated July 29, 2006, entered into between MDI and Eucodis Forschungs-und Entwicklungs GmbH.

1.7 "**Collateral**" shall have the meaning set forth in Section 2.5 of this Agreement.

1.8 “**Confidential Information**” shall have the meaning set forth in Section 8.1 of this Agreement.

1.9 “**Covered Product**” shall mean (a) the Product, and (b) any other cosmetic, pharmaceutical, diagnostic, therapeutic or other product that cannot be manufactured, used, sold, offered for sale without infringing one or more valid claims under the Patents Rights, whether or not such product is manufactured, used, distributed or sold by Curadis or any of its Affiliate.

1.10 “**Curadis**” shall have the meaning set forth in the heading of this Agreement.

1.11 “**Effective Date**” shall have the meaning set forth in the heading of this Agreement.

1.12 “**Encumbrance**” shall mean any title defect, mortgage, assignment, pledge, hypothecation, security interest, lien, charge, option, claim of others or encumbrance of any kind.

1.13 “**First Commercial Sale**” shall mean the first sale of any Covered Product.

1.14 “**GCEH**” shall have the meaning set forth in the heading of this Agreement.

1.15 “**MDF**” shall have the meaning set forth in the heading of this Agreement.

1.16 “**Net Sales**” shall mean the gross amount received on sales by Curadis or any of its Affiliates and or licensees of Covered Products, less the following: (a) amounts repaid or credited by reason of rejection or return; (b) to the extent separately stated on purchase orders, invoices, or other documents of sale, any taxes or other governmental charges levied on the production, sale, transportation, delivery, or use of a Covered Product which is paid by or on behalf of Curadis, its Affiliates or any licensees; and (c) outbound transportation costs prepaid or allowed and costs of insurance in transit.

In any transfers of Covered Products between Curadis and an Affiliate or a licensee, Net Sales shall be calculated based on the final sale of the Covered Product to an independent third party. In the event that Curadis or an Affiliate or a licensee receives non-monetary consideration for any Covered Products, Net Sales shall be calculated based on the fair market value of such consideration.

In the case of sales of a product that contains a Covered Product component and at least one other essential functional component (“**Combination Products**”), Net Sales means the gross amount billed or invoiced on sales of the Combination Product.

1.17 “**Parties**” shall have the meaning set forth in the heading of this Agreement.

1.18 “**Patent Rights**” shall mean all of Sellers’ right, title and interest in the patents and patent applications acquired under the Savetherapeutics Contract or in connection therewith, and any other patent and/or patent application listed in Exhibit 1.18 attached hereto, and any division, continuation, continuation-in-part, renewal, extension, reexamination or reissue of each such patent and any and all corresponding U.S. and foreign counterpart patent applications or patents.

1.19 “**Product**” shall have the meaning set forth in the Recitals to this Agreement.

1.20 “**Purchased Assets**” shall mean:

- (a) All of the intellectual property and all contractual and other rights, if any, acquired by Sellers pursuant to the Savetherapeutics Contract;
- (b) All of the intellectual property and all contractual and other rights acquired by Sellers pursuant to the Co-Development Contract;

(c) Any and all Patent Rights, inventions, discoveries, rights in confidential data (including know-how and trade secrets), manufacturing methods and processes, trademarks, trade names, brand names, logos, trade dress, copyrights and other intellectual property and goodwill associated with the Product, owned or under contract to acquire by Sellers, in each case whether registered or unregistered, and including without limitation all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection;

(d) Any regulatory files and data relating to the Product owned by Sellers, including without limitation marketing authorization procedures and preclinical and clinical studies; and,

(e) All rights of Sellers under the Assigned Contracts.

1.21 "**Purchase Price**" shall have the meaning set forth in Section 3.1 of this Agreement.

1.22 "**Person**" shall mean any individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

1.23 "**Russian Patent**" shall mean the patent initially granted to SW Patentverwertungs GmbH (Pub. No. RU 2225206) in Russia. The Parties acknowledge that the Russian Patent has lapsed and that Curadis has agreed to use its good faith efforts to cause the Russian Patent to be re-instated.

1.24 "**Savetherapeutics Contract**" shall mean the agreement with the liquidator of Savetherapeutics AG, a German company in liquidation, dated March 11, 2005, attached to this Agreement as Exhibit 1.24.

1.25 "**Schmidt Litigation**" shall mean the lawsuit between MDI and Dr. Alfred Schmidt currently pending before a court in Hamburg, Germany.

1.26 "**Sellers**" shall have the meaning set forth in the heading of this Agreement.

1.27 "**Transfer Documents**" shall have the meaning set forth in Section 2.5 of this Agreement.

ARTICLE 2
SALE, ASSIGNMENT AND TRANSFER OF PURCHASED ASSETS

2.1 Subject to the terms and conditions set forth in this Agreement and in reliance upon the representations and warranties of the Parties herein set forth, at the Closing Sellers shall sell, assign, transfer, and convey, as the case may be, the Purchased Assets to Curadis, and Curadis shall purchase the Purchased Assets. Title to all of the Purchased Assets shall be delivered to Curadis at the Closing.

2.2 The Purchased Assets shall be sold, assigned, transferred, conveyed and delivered to Curadis free of any and all liabilities, obligations and encumbrances except only for those listed in Exhibit 2.2.

2.3 Upon the Closing, all of the Purchased Assets and all non-publicly available information relating thereto shall be considered to be Confidential Information belonging to Curadis, and the Sellers shall no longer have any rights thereto or therein, except to the extent set forth in the Security Agreement.

2.4 Sellers shall be responsible for all sales, use, transfer, value added and other related taxes, imposed by the United States government, if any, arising out of the sale by Sellers of the Purchased Assets to Curadis pursuant to this Agreement, and Curadis shall be responsible for all other sales, use, transfer, value added and other related taxes arising out of the sale by Sellers of the Purchased Assets to Curadis pursuant to this Agreement.

2.5 Until the Purchase Price (as set forth in 3.1 below) is fully paid, Curadis shall not, without the Sellers' prior written consent, sell, transfer or convey, as the case may be, the Purchased Assets to a third party, except for licensing in the ordinary course of business, or create or permit to be created an Encumbrance over the Purchased Assets, except for the security interest granted under Section 2.6 of this Agreement and encumbrances for taxes, assessments or government charges or claims the payment of which is not at the time required and imposed by law.

2.6 As collateral security for the prompt and complete payment of the Purchase Price when due, at the Closing Curadis shall grant to the Sellers a security interest in all of right, title and interest in all of the Purchased Assets (the "**Collateral**"). The security interest granted will be senior to all other liens with respect to the Collateral, except to the extent otherwise required by law. The grant of the security interest shall be effected by a security agreement (the "**Security Agreement**"), the form of which is set forth in Exhibit 2.6 attached to this Agreement. The foregoing security interest will be released upon payment in full of the Final Payment (as defined in Section 3.1(c) below).

ARTICLE 3
PURCHASE PRICE; TIMING OF PAYMENTS; DISCHARGE OF CERTAIN DEBTS

3.1 The purchase price for the Purchased Assets (the "**Purchase Price**") and the rights under the this Agreement shall be 4,200,000 euros, subject to reduction as set forth below. The Purchase Price shall be payable as follows:

- (a) Deposit Payment - 50,000 euros, which amount was delivered to Sellers on September 8, 2009 following the execution and delivery of the August 25, 2009 letter agreement. Sellers hereby acknowledge receipt of the 50,000 euros payment.
- (b) Closing Payment – 300,000 euros to be delivered at the Closing by bank transfer to GCEH on behalf of Sellers.
- (c) Final Payment - 2.0 Million euros (the "**Final Payment**"). The Final Payment shall be paid from the following sources:
 - (i) Curadis will pay Sellers a royalty based on of 2% of Net Sales derived from direct commercialization of Covered Products by Curadis or one of its Affiliates.
 - (ii) In the event that Curadis grants a license to a product that constitutes a Covered Product or which otherwise includes a license to any of the intellectual property rights transferred as part of the Purchased Assets, Sellers will receive the following:
 - a. Curadis will pay Sellers 5% from any "up front license fee," "milestone payment" or other lump sum payment that Curadis receives from time to time from such licensor.
 - b. if the license agreement between Curadis and a licensee provides that the licensee is obligated to pay a royalty equal to 4% of Net Sales or less, then Curadis shall pay to Sellers one half (50%) of the royalties that such licensee is required to pay under the license (the other 50% of such royalty shall be payable to Curadis).

- c. if the license agreement between Curadis and a licensee provides that the licensee is obligated to pay a royalty of more than 4% of Net Sales, then Curadis shall ensure that the licensee pays to Sellers 2% of the Net Sales generated by the licensee (any excess royalty shall be paid to Curadis).

After Sellers have received an aggregate amount of 2 Million euros under this Section 3.1(c) equal to the Final Payment, all future income and/or royalty payments shall be made to, and belong to Curadis.

Notwithstanding the foregoing, the amount of the Final Payment may be reduced as follows: (i) If before the later of December 31, 2010 or the date of the First Commercial Sale the Russian Patent is not re-instated, the Final Payment shall be reduced by 100,000 euros; (ii) If before the later of December 31, 2010 or the date of the First Commercial Sale the Australian Patent is not re-instated, the Final Payment shall be reduced by 100,000 euros. Curadis may pre-pay the Final Payment, in whole or in part, at any time without any penalty.

- (d) Obtaining the full release of the Sellers' obligations to pay the liquidator of Savetherapeutics AG, any future payments, including the remaining 1,850,000 euro unpaid portion of the purchase price under the Savetherapeutics Contract.

3.2 In addition to the foregoing payments of the Purchase Price, on the Closing, Curadis shall assume and shall be financially responsible for:

(a) Sellers' actual or potential obligation to Marc Kessemeyer under the Consulting Agreement between Marc Kessemeyer and Sellers or otherwise, provided that Curadis shall not be responsible for any amount over 21,000 euros.

(b) Sellers' actual or potential obligation to Prof. Dr. Wieland, provided that Curadis shall not be responsible for any amount over 205,000 euros.

(c) The financial obligations of Sellers arising under the assigned contracts attached to this Agreement as Exhibit 3.2(a); *provided, however*, that the benefits of each of such assigned contracts (the "**Assigned Contracts**") has been validly assigned to Curadis in accordance with the terms thereof.

(d) To the extent not paid by Curadis prior to the Closing, all fees and costs arising after August 25, 2009 related to (i) the prosecution and maintenance of any of the patents or patent applications included in the Purchased Assets (including the payment of all patent filing and maintenance fees payable to any U.S., European or other patent office, and all legal fees payable to patent lawyers, whether or not engaged by Sellers), and (ii) the Schmidt Litigation, including all legal fees and costs to be owed to Huschke-Rechtsanwaelte.

ARTICLE 4 CONDITIONS TO THE CLOSING; CLOSING

4.1. Closing. The Closing of the transactions contemplated hereby shall occur on or before November __, 2009 (the "**Closing Date**"), or such other date as the Parties may mutually agree to in writing.

4.2. Conditions Precedent to Curadis' Closing Obligations. Each of the following shall be a condition to the obligation of Curadis to consummate the transactions contemplated by this Agreement, except to the extent that Curadis may elect to waive any of such conditions in writing:

(a) The liquidator of Savetherapeutics shall have consented in writing to the assignment and transfer of the Savetherapeutics Contract and the Purchased Assets to Curadis, and shall have consented to the other transactions contemplated by this Agreement, to the extent such consent is necessary.

(b) Curadis shall have received executed copies of all patent assignments, bills of sale and other documents and instruments necessary to sell, transfer and assign to Curadis all of the Purchased Assets.

(c) Curadis shall have received a certificate, executed by the Chief Executive Officer of each Seller, confirming that (i) each of the representations and warranties made by such Seller in this Agreement is true and correct in all material respects on and as of the Closing as though such representation or warranty was made on and as of the Effective Date, as well as on and as of the Closing, and (ii) such Seller has performed and complied with, in all material respects, each agreement, covenant and obligation required by this Agreement to be so performed or complied with by such Seller at or before the Closing.

(d) The Assigned Contracts listed in Exhibit 3.2(a) have been validly assigned to Curadis in accordance with the terms thereof.

4.3 Conditions Precedent to Sellers' Closing Obligations Each of the following shall be a condition to the obligation of Sellers to consummate the transactions contemplated by this Agreement, except to the extent that Sellers may elect to waive any of such conditions in writing:

(a) The liquidator of Savetherapeutics shall have consented in writing to the assignment and transfer of the Savetherapeutics Contract and the Purchased Assets, and shall have consented to the other transactions contemplated by this Agreement, to the extent such consent is necessary.

(b) Curadis shall have executed the Security Agreement.

(c) Sellers shall have received an instrument, in form and substance reasonably satisfactory to Sellers, in which the liquidator of Savetherapeutics fully releases Sellers from any and all obligations and liabilities under the Savetherapeutics Contract, including all the obligations to pay the liquidator the remaining 1,850,000 euro unpaid portion of the purchase price under the Savetherapeutics Contract.

(d) Sellers shall have received one or more instruments, in form as provided in Exhibit 4.3 (d); executed by the parties to the Assigned Contracts, in which Curadis assumes all of the obligations of Sellers under the Assigned Contracts, and Sellers are released from all obligations under the Assigned Contracts.

(e) Sellers shall have received evidence, reasonably satisfactory to Sellers, that all fees, costs and other obligations required to be paid and satisfied by Curadis under Section 3.2(b) have been paid or otherwise satisfied in full.

(f) Sellers shall have received a certificate, executed by the Managing Director of Curadis, confirming that (i) each of the representations and warranties made by Curadis in this Agreement is true and correct in all material respects on and as of the Closing as though such representation or warranty was made on and as of the Closing, and (ii) Curadis has performed and complied with, in all material respects, each agreement, covenant and obligation required by this Agreement to be so performed or complied with by Curadis at or before the Closing.

4.4 Closing Deliveries of Sellers At or prior to the Closing, each Seller shall execute and deliver to Curadis:

(a) Patent assignments, bills of sale and other such assignment instruments, in form and substance reasonably satisfactory to Curadis, covering the Purchased Assets and the Assigned Contracts, and otherwise effecting the full sale and conveyance of the Purchased Assets to Curadis, free and clear of all liens, security interests and other encumbrances other than those listed in this Agreement.

(b) All originals, books, records, correspondence and other documents in Sellers' possession or control that evidence or relate to the Purchased Assets and the Product;

(c) The Closing certificate described above in Section 4.2(c); and

(d) Such other closing documents as Curadis may reasonably request in order to consummate the transactions contemplated by this Agreement.

4.5 Closing Deliveries of Curadis At or prior to the Closing, Curadis shall execute and deliver to Sellers:

(a) Payment, by bank transfer, of 300,000 euros;

(b) The Closing certificate described above in Section 4.3(f);

(c) The Security Agreement; and

(d) Such other closing documents as Sellers may reasonably request in order to consummate the transactions contemplated by this Agreement.

ARTICLE 5 COVENANTS AND CONTINUING OBLIGATIONS

5.1 The Parties agree to jointly use their commercially reasonable efforts to obtain the consent of the liquidator of Savetherapeutics to the sale and transfer of the Purchased Assets to Curadis under this Agreement and to the other transactions contemplated hereby. The Parties agree to cooperate in good faith in dealing with the liquidator and to persuade the liquidator to approve the proposed transactions. Notwithstanding the foregoing, nothing herein shall require any of the Parties to make any payments to, or to otherwise provide any consideration to the liquidator in order to obtain the liquidator's consent.

5.2 Sellers shall be entitled to retain one copy of any document delivered by Sellers under this Agreement, but only in their legal files for evidentiary purposes.

5.4 It is expressly understood and agreed that Curadis is not the successor to Sellers or any of their affiliates in their business affairs, and Curadis undertakes no responsibility, obligation or liability, expressed or implied, under any contract of Sellers that are not Assigned Contracts, and that such other contracts shall remain the sole responsibility of Sellers.

5.5 For the period of five (5) years from the Closing, neither of Sellers, nor any of their Affiliates shall be a party to, or assist with or undertake, either on their own, with third parties or on behalf of third parties, any research and development with respect to the Covered Product or any product which could be used in reasonable substitution thereof, nor commercialize any products based on the Covered Product, except if and as requested by Curadis.

5.6 Curadis shall keep, and shall require that its Affiliates and each licensee keep, complete and accurate books of account and records in sufficient detail to enable the expenses incurred by Curadis and its Affiliates and any licensee and the amounts payable under this Agreement to be determined. Such books and records shall be kept at the principal place of business of Curadis or its accountant, its Affiliate or such licensee, as the case may be, for at least sixty (60) months following the end of the calendar year to which such books and records pertain; provided, however, that in the event Sellers conduct an audit and a dispute arises over the accuracy of reports or payments, Curadis, its Affiliates and each licensee, as the case may be, shall retain all applicable books of account and records and continue to permit access to such books of account and records until the resolution of such dispute.

5.7 Upon reasonable prior written notice from Sellers and not more than once in each calendar year until the Final Payment referred to in Section 3.1(c) has been paid in full (unless an audit reveals inaccurate reports or payments), Curadis shall permit, and shall require its Affiliates and each licensee to permit, an independent certified public accounting firm of nationally recognized standing in the United States or Germany selected by Sellers and reasonably acceptable, as the case may be, to Curadis, its Affiliate or the licensee to have access during normal business hours to such books of account and records of Curadis, and its Affiliates and each a licensee that are relevant for calculation of the Final Payment, at such person's or entity's principal place of business, as may be reasonably necessary to verify the accuracy of the reports and payments provided by Curadis for any calendar year ending not more than sixty (60) months prior to the date of such request.

5.8 After the First Commercial Sale, Curadis shall furnish to Sellers a written report for each calendar quarter showing: (a) the aggregate amount of gross sales and other dispositions of all Covered Products (broken-out by Covered Product) sold or other disposed of by Curadis, its Affiliates and any licensees during such calendar quarter and the calculation of Net Sales from such amount, and (b) the amount of royalties which shall have accrued under this Agreement based upon such Net Sales. Reports to be provided by Curadis to Sellers under this Section 5.8 shall be due forty-five (45) days following the end of each calendar quarter. If for any quarter following the First Commercial Sale, there were no Net Sales, a report stating such fact shall be due within forty-five (45) days following the end of such quarter. A responsible financial officer of Curadis (or that officer's responsible designee) shall certify in writing that each report provided under this Section 5.8 is correct and complete. The obligation to provide reports under this Section 5.8 shall continue until the Final Payment referred to in Section 3.1(c) has been paid in full.

5.9 Curadis hereby agrees that from and after the Effective Date, Curadis shall continue to vigorously prosecute the Schmidt Litigation at the sole expense of Curadis. After the Effective Date until the Closing, Curadis shall control and direct the Schmidt Litigation, provided that Curadis shall (x) promptly inform Sellers of all instructions that it provides Huschke-Rechtsanwaelte and of all other actions that it takes with respect to such litigation, and (y) not settle or otherwise terminate the Schmidt Litigation before the final judgment is rendered without the prior written consent of Sellers. Sellers shall fully cooperate with Curadis in prosecuting the Schmidt Litigation at the sole expense of Curadis. Curadis shall advance (or if paid by Sellers, reimburse) all of the reasonably incurred out-of-pocket expenses of Sellers and their representatives (including legal fees and costs), in furnishing such assistance requested by Curadis. If Curadis elects not to step-in or take over the Schmidt Litigation in its own name, or if stepping-in/taking-over and defending the Schmidt Litigation by Curadis is not legally possible, Sellers shall continue to prosecute such litigation as instructed by Curadis, and shall not settle the claims at their own discretion unless Curadis approves such settlement in advance. However, Curadis shall be entitled to defend and settle the Schmidt Litigation at its own discretion. Notwithstanding anything herein to the contrary, Curadis shall not settle the Schmidt Litigation in a manner that results in monetary damages to Sellers without Sellers approval.

5.10 Curadis covenants and agrees with the Sellers that from and after the date of this Agreement and until the Final Payment has been paid in full, at any time and from time to time, upon the written request of the Sellers, and at the sole expense of Curadis, Curadis will promptly and duly execute and deliver any and all such further documents and take such further action as the Sellers may reasonably deem desirable to obtain the full benefits of the security interest granted in the Collateral and of the rights and powers granted in the Security Agreement, including, without limitation, the filing of any financing statements or documents under any jurisdiction with respect to the security interests granted in the Security Agreement, the filing of any other documentation as may be required to create or perfect the security interest in any jurisdiction, and the execution, delivery and recordation of such assignments of patents as may be necessary to effectuate, perfect, and record the Sellers' security interest in the Collateral.

5.11 Commencing on the Closing Date and continuing until the Final Payment has been fully satisfied, Curadis shall assume, in coordination with Sellers, full responsibility for the application, maintenance, reexamination, reissue, reinstatement, opposition and prosecution of any kind (collectively "Prosecution") relating to the Patent Rights in all jurisdictions, including, but not limited to, payment of all costs, fees and expenses related thereto. Curadis shall have the right to select counsel with respect to the responsibility assumed by Curadis in this Section 5.12, and Curadis shall diligently pursue the Prosecution of the Patent Rights. Curadis shall, at Sellers' request, provide Sellers with (i) evidence that the Patent Rights are being maintained in accordance with this Section, and (ii) copies of any and all communications with any patent authorities or patent office regarding the Prosecution of the Patent Rights. Curadis shall obtain the prior written consent of Sellers (which consent shall not be unreasonably withheld or delayed), prior to abandoning, disclaiming, withdrawing, seeking reissue or allowing to lapse any material patent, or patent application relating to the Patent Rights listed on Exhibit 5.12.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Sellers represent and warrant to Curadis as of the Effective Date and at the Closing as follows:

(a) Each Seller is a corporation duly and validly existing and in good standing under the laws of the state of its incorporation. MDI is a corporation wholly-owned by GCEH. Sellers have all requisite corporate power and authority to own their respective assets, including the Purchased Assets, and to carry on their business as presently conducted.

(b) Sellers have all requisite power and authority to execute and deliver and perform their obligations under this Agreement and to consummate the transactions contemplated by this Agreement.

(c) All acts (corporate or otherwise) required to be taken by or on the part of, and all approvals required to be obtained by, Sellers necessary to enter into this Agreement, consummate the transactions contemplated by this Agreement and perform its obligations under this Agreement have been duly and properly taken by Sellers.

(d) This Agreement has been duly and validly executed and delivered by Sellers, and constitutes the legal, valid and binding obligation of Sellers enforceable against Sellers in accordance with its terms, subject to applicable bankruptcy, moratorium, reorganization, insolvency and similar laws of general application relating to or affecting the rights and remedies of creditors generally and to general equitable principles (regardless of whether a proceeding is brought in equity or at law).

(e) The Purchased Assets do not constitute all or substantially all of the assets of Sellers, on a consolidated basis.

(f) The execution and delivery of this Agreement by Sellers, the consummation by them of the transactions contemplated by this Agreement, and the performance by them of their obligations under this Agreement does not, and will not at all relevant times (i) violate or conflict with any provision of their respective Certificates of Incorporation or By-Laws, or (ii) result in a violation by Sellers of any law to which they or any of its properties or assets are subject, or (iii) violate, or conflict with, or result in a breach of any provision of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any agreement lease, instrument, obligation, understanding or arrangement to which either of Sellers is a party or by which any of their properties or assets is subject.

(g) Except for the Schmidt Litigation, there is no litigation, proceeding, investigation, arbitration or claim pending, or, to the best of the knowledge of Sellers, threatened against Sellers, and there is, to the best of Sellers' knowledge, no reasonable basis for any such action, which affects in whole or in part Sellers' ability to consummate the transactions contemplated by this Agreement, the performance of Sellers' obligations hereunder or the ability of Curadis to fully enjoy the Purchased Assets.

(h) To the best of Sellers' knowledge, (i) the use of the Purchased Assets does not infringe intellectual property rights of third parties, except to the extent as may have been alleged in the Schmidt Litigation, (ii) the Purchased Assets are free from any liens, charges and Encumbrances or other rights of third parties, (iii) the full enjoyment of the Purchased Assets are not dependant on any rights of third parties, (iv) no fraudulent or other improper document has been filed with any third governmental agency which may invalidate any of the rights enjoyed by the Purchased Assets, and (v) the Purchased Assets are valid and enforceable against third parties, and there are no grounds for revocation, invalidation or re-examination of any of the Purchased Assets.

(i) No permit, consent, approval or authorization of, or declaration, filing or registration with, any governmental authority or other third party is or will be necessary to be made or obtained by Sellers in connection with (i) the execution and delivery by Sellers of this Agreement, (ii) the consummation by them of the transactions contemplated under this Agreement, or (iii) the performance by Sellers of their obligations under this Agreement.

(j) The Assigned Contracts are being duly assigned to Curadis at Closing and duly authorized, executed and delivered by Sellers and constitute the legal, valid and binding obligation of Sellers enforceable against Sellers in accordance with their terms, subject to applicable bankruptcy, moratorium, reorganization, insolvency and similar laws of general application relating to or affecting the rights and remedies of creditors generally and to general equitable principles (regardless of whether a proceeding is brought in equity or at law). Sellers have not terminated the Assigned Contracts, nor have Sellers received any written notice from any of the other parties to any of the Assigned Contracts that the Assigned Contracts have been breached or terminated.

(k) To the best of Sellers' knowledge, Sellers have no liability to any party to the Assigned Contracts other than the liabilities specified in the Assigned Contracts. Sellers have not received from any party to the Assigned Contracts any written notices (i) asserting any breach of the Assigned Contracts, (ii) terminating or modifying any of the Assigned Contracts, or (iii) otherwise challenging the terms and provisions of the Assigned Contracts.

(l) Sellers have not granted to any third parties any rights relating to the Product or the Covered Product or relating in any way to any of the rights acquired by Sellers pursuant to the Savetherapeutics Contract, except for third party rights that have expired or been terminated.

6.2 Curadis represents and warrants to Sellers as follows:

(a) Curadis is a company duly organized, validly existing and in good standing under the laws of Germany and has all requisite power and authority to own its assets and to carry on its business as presently conducted.

(b) Curadis has all requisite power and authority to execute and deliver and perform its obligations under this Agreement and the Security Agreement and to consummate the transactions contemplated by such agreements.

(c) All acts (corporate or otherwise) required to be taken by or on the part of, and all approvals required to be obtained by, Curadis necessary to enter into this Agreement and the Security Agreement, consummate the transactions contemplated by this Agreement and the Security Agreement, and perform its obligations under this Agreement and the Security Agreement have been duly and properly taken by Curadis.

(d) This Agreement and the Security Agreement have been duly and validly executed and delivered by Curadis and constitute the legal, valid and binding obligations of Curadis enforceable against Curadis in accordance with their terms, subject to applicable bankruptcy, moratorium, reorganization, insolvency and similar laws of general application relating to or affecting the rights and remedies of creditors generally and to general equitable principles (regardless of whether a proceedings is brought in equity or at law).

(e) The execution and delivery of this Agreement by Curadis, the consummation by it of the transactions contemplated by this Agreement, and the performance by it of its obligations under this Agreement does not, and will not at all relevant times (i) violate or conflict with any provision of its operative governing documents, (ii) result in a violation by Curadis of any law to which it or any of its properties or assets are subject, or (iii) violate, or conflict with, or result in a breach of any provision of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any agreement lease, instrument, obligation, understanding or arrangement to which Curadis is a party or by which any of its properties or assets is subject.

ARTICLE 7 INDEMNIFICATION

7.1 From and after the Closing, Sellers shall defend, indemnify and hold harmless Curadis and its officers, directors, employees, consultants and agents from and against all liabilities, claims, damages, costs and expenses (including reasonable attorney's fees) incurred by Curadis and its officers, directors, employees, consultants and agents arising from or out of (a) any breach of or inaccuracy in any representation or warranty made by Sellers in this Agreement, or (b) any breach of any covenant or agreement made by Sellers in this Agreement, (c) the Assigned Contracts, other than the agreements between Sellers and the Liquidator of Savetherapeutics AG i.L., to the extent the liability or cause for such claim was existing before or on the Effective Date, or (d) any claim against Curadis by a party to the Assigned Contracts based on Sellers' fraud or willful misconduct under such agreements.

7.2 From and after the Closing, Curadis shall defend, indemnify and hold harmless Sellers and their officers, directors, employees, consultants and agents from and against all liabilities, claims, damages, costs and expenses (including reasonable attorney's fees) incurred by Sellers and their officers, directors, employees, consultants and agents arising from or out of (a) any breach of or inaccuracy in any representation or warranty made by Curadis in this Agreement, (b) any breach of any covenant or agreement made by Curadis in this Agreement, or (c) the Assigned Contracts to the extent the liability or cause for such claim was created after the Effective Date.

7.3 No obligation of indemnification shall arise relating to a third party claim or cause of action unless the indemnified Party making such claim shall: (a) notify the indemnifying Party of such claim promptly upon becoming aware of the existence or threatened existence of any such claim giving rise to, or that may give rise to a claim of indemnification hereunder, and (b) allow the indemnifying Party full control over the defense of such claim, and (c) cooperate in the defense of such claim at the indemnifying Party's expense. Notwithstanding any contrary provision in this Article, the failure to so notify, provide information and assistance shall not relieve the indemnifying Party of its obligations to the indemnified Party hereunder unless, and then only to the extent that the indemnifying Party is materially prejudiced thereby. If the indemnifying Party does not timely acknowledge its indemnification obligation hereunder with respect to such claim, or does not defend such claim, the indemnified Party shall have the right, but not the obligation, to defend and settle such claim until such time as the indemnifying Party acknowledges in writing its indemnification obligation hereunder with respect to such claim or elects in writing to defend and settle such claim in accordance with the indemnification provisions herein. The indemnified Party shall, at its own cost, have the right to participate in any legal proceeding, settlement negotiation or other like event, and to contest and defend a claim and to be represented by legal counsel of its choosing, but shall have no right to settle a claim without the prior written approval of the indemnifying Party.

7.4 Each Party shall cooperate with and provide to the other all information and assistance which the latter may reasonably request in connection with any claim entitling any party to indemnification hereunder.

7.5 No party shall be responsible for or bound by any settlement that imposes any obligation on it that is made without its prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

7.6 For avoidance of any doubt, this Section applies to the situation when (a) all Parties are named defendants, as well as (b) any one Party is named a defendant and deems that it may have any right to recourse or indemnification against the other Party under this Agreement.

7.7 The foregoing indemnification provisions are in addition to, and not in derogation of or to the exclusion of, any statutory or common law remedy any Party may have for breach of representation, warranty, or covenant.

ARTICLE 8 CONFIDENTIALITY

8.1 For purposes of this Agreement, "**Confidential Information**" shall mean information and data in any medium, including oral, written or electronic, disclosed in connection with this Agreement, relating to the Purchased Assets or the transactions contemplated by this Agreement, along with any trade secrets, business information, technical information, or marketing information that the party disclosing the information deems confidential and has appropriately marked as such prior to disclosing such information to the receiving party. The terms and conditions of this Agreement (but not its existence) are deemed to be Confidential Information that shall not be disclosed to third parties without the written consent of the Parties, with the exception of any regulatory filings (including, without limitation, Sellers' obligation to file a report on Form 8-K with the U.S. Securities and Exchange Commission and to issue a press release in connection with the execution and delivery of this Agreement), press releases as set forth in Section 9.12, or disclosures to investors or shareholders that a Party may be required to make under either applicable laws and regulations. Irrespective of the foregoing, Confidential Information shall not include information that (a) was reported as nonconfidential by either Party in writing prior to disclosure, (b) was lawfully in the public domain prior to Closing, or becomes publicly available other than through breach of this Agreement, (c) is publicly disclosed pursuant to legal, judicial or administrative proceedings or otherwise required by law (including, without limitation, regulations promulgated by the U.S. Securities and Exchange Commission), subject to Sellers giving all reasonable prior notice and assistance to Curadis to allow it to seek protective or other court orders, (d) is approved for release in writing by Curadis, and/or (e) Curadis will use in order to exercise its rights under this Agreement, including but not limiting to, required disclosure made to regulatory and other authorities, and disclosures made pursuant to confidentiality agreements to its Affiliate(s) and potential partners and licensees. From and after the Closing, all Confidential Information relating to the Purchased Assets shall be deemed to be Confidential Information belonging to Curadis.

8.2 Each Party shall:

(a) strictly protect and maintain the confidentiality of the Confidential Information belonging to the other Party with at least a reasonable standard of care that is no less than that which they use to protect similar confidential information of their own;

(b) not disclose, nor allow to be disclosed, the Confidential Information belonging to the other Party to any person other than to employees, consultants and counsel, on a need to know basis; *provided, however*, that such recipients of the Confidential Information are bound by obligations of confidentiality no less strict than those contained herein;

(c) unless otherwise expressly provided for in this Agreement, not use the Confidential Information belonging the other Party for any purpose other than in relation to the exercise of its rights and obligations under this Agreement; and,

(d) take all necessary precautions to restrict access of the Confidential Information belonging to any other Party to unauthorized personnel; and immediately notify the Party to which the Confidential Information belongs in the event of any unauthorized disclosure or loss of such Confidential Information.

8.3 Sellers shall not publish or otherwise disclose any Confidential Information about or in relation to the Purchased Assets generated or known to them before or after the Effective Date, without the explicit prior written approval of Curadis.

8.4 No Party shall assert that anything disclosed or discussed constitutes a waiver of attorney-client privilege or attorney work-product.

8.5 The Parties acknowledge and agree that monetary damages may not be adequate in the event of a default under this Article and that the non-defaulting Party shall be entitled, without the posting of a bond, to seek injunctive relief by a court or other body granting such relief, in which event such relief or receipt of monetary damages shall not constitute an election of remedies; and the non-defaulting Party is independently entitled to each and every remedy available by law for a default under this Article.

8.6 The provisions of this Article, from and after the Effective Date, shall supersede and fully replace any confidentiality obligations established between the Parties in relation to the Purchased Assets prior to the Effective Date.

ARTICLE 9 MISCELLANEOUS

9.1 **Notice.** All notices, requests, demands or other communications to or upon the respective Parties hereto shall be deemed to have been given or made the earlier of (a) actual receipt or refusal to accept receipt, (b) two (2) business days after deposit with a recognized overnight courier service, (c) receipt by facsimile or electronic means, when such delivery is confirmed by the recipient or his agent, or (d) five business days after mailing when deposited in the mails, registered mail or certified, return receipt requested, postage prepaid, addressed to the respective party at the following address (or to such other person or address as is specified elsewhere in this Agreement for specific purposes):

If to Curadis: Curadis GmbH
Henkestr. 91,
91052 Erlangen, Germany
Attention to: Martin Windisch

If to Global Clean Energy Holdings, Inc. (Medical Discoveries, Inc.) or MDI Oncology, Inc.:

Global Clean Energy Holdings, Inc.
6033 W. Century Blvd, Suite 895
Los Angeles, CA 90045
Attention: Richard Palmer

The above addresses for receipt of notice may be changed by any Party by notice, given as provided herein, which notice shall be effective only upon actual receipt.

9 . 2 **Entire Agreement.** This Agreement contain the entire understanding of the Parties with regard to the transactions contemplated by this Agreement, superseding in all respects any and all prior oral or written agreements or understandings pertaining to the subject matter hereof. This Agreement can be amended, modified or supplemented only by an agreement in writing which is signed by the Parties to be charged.

9.3 **Incorporation of Exhibits and Schedules.** The Exhibits, Appendices and Schedules attached to this Agreement are incorporated herein and are hereby made a part of this Agreement.

9.4 **Severability.** If and to the extent that any court of competent jurisdiction holds any provision or part of this Agreement to be invalid or unenforceable, such holding shall in no way affect the validity of the remainder of this Agreement before any other court or in any other jurisdiction.

9.5 **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the Parties.

9.6 **Assignment.** The benefits of this Agreement (but not the obligations set forth hereunder) can be assigned or otherwise transferred in whole or in part by either party without the transferring party receiving prior written consent of the other party; *provided, however*, that the rights of the non-transferring party under this Agreement remain unaffected.

9.7 **Waiver.** A waiver by any party of any of the terms and conditions of this Agreement in any instance shall not be deemed or construed to be a waiver of such term or condition for the future.

9.8 **Headings.** Headings in this Agreement are included for ease of reference only and have no legal effect.

9.9 **Counterparts.** This Agreement may be executed in two or more counterparts (the Parties intend to execute six counterparts), each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9.10 **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Germany, without regard to the principles of conflicts of law. Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the UNCITRAL Arbitration Rules, which Rules are deemed to be incorporated by reference into this clause. Any arbitration commenced pursuant to this clause shall be administered by the London Court of International Arbitration (LCIA). The appointing authority shall be the LCIA. The standard LCIA administrative procedures and schedule of costs shall apply. The number of arbitrators shall be one. The place of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English. The governing law of the contract shall be the substantive law of Federal Republic of Germany. The arbitrators shall apportion the expenses of the arbitration (including the legal fees and expenses incurred by the parties) between the parties. Any judgment of the arbitrators shall be enforceable in any court of competent jurisdiction.

9.11 **Further Assurances.** The Parties shall provide, grant and/or execute any additional documents or declarations and shall provide any other assistance that may reasonably be requested to enable Curadis to acquire and manage the Purchased Assets properly and in full. Except (a) as otherwise provided herein to the contrary, and (b) for the costs of recording any assignments to Curadis for the Patent Rights in patent offices worldwide, which cost shall be at the expense of Curadis, each of the Parties shall bear its own expenses, including without limitation the expenses relating to the duplication and delivery of documents and the expenses relating to the preparation of this Agreement, the documents referred to herein and the actions being taken (whether before or after the Effective Date) to enable such Party to comply with its representations, warranties, covenants and agreements contained herein.

9.12 **Press Release.** The Parties shall have the right to issue press releases relating to its entry into this Agreement; *provided, however*, that prior to release, the releasing Party provides the other Parties with a draft of the press release in sufficient time for the non-releasing Party to comment on the release. At no time shall any Party issue a release which places the other Parties at risk with any governmental authority as such relates to its public company position.

9.13 **Termination of Agreement.** Curadis or Sellers may terminate this Agreement as provided below:

(a) Curadis and Sellers may terminate this Agreement by mutual written consent of all three parties at any time prior to the Closing Date;

(b) Subject to Section 9.13(f) below, Curadis may terminate this Agreement by giving written notice to Sellers at any time prior to the Closing Date in the event Sellers are in breach, and Sellers may terminate this Agreement by giving written notice to Curadis at any time prior to the Closing Date in the event Curadis is in breach, of any material representation, warranty, or covenant contained in this Agreement in any material respect; provided, however, that the party in breach shall have ten calendar days to cure such breach;

(c) Curadis may terminate this Agreement by giving written notice to Sellers at any time prior to the Closing Date if the Closing shall not have occurred on or before the 30th day following the date of this Agreement by reason of the failure of any condition precedent under Section 4.2 above (unless the failure results primarily from Curadis itself breaching any representation, warranty, or covenant contained in this Agreement);

(d) Sellers may terminate this Agreement by giving written notice to Curadis at any time prior to the Closing Date if the Closing shall not have occurred on or before the 30th day following the date of this Agreement by reason of the failure of any condition precedent under Section 4.3 (unless the failure results primarily from Sellers breaching any representation, warranty, or covenant contained in this Agreement);

(e) In the event of a termination of this Agreement by Curadis or Sellers pursuant to this Section 9.13 (other than pursuant to Section 9.13(b)), all obligations of the parties hereunder shall terminate without liability of any party to any other party. The termination of this Agreement by either party shall not adversely affect any right that a party may have against another party for breach of contract.

SIGNATURE PAGE

In Witness Whereof, the Parties have caused this Agreement to be duly executed in their respective names and on their behalf, on the date first above written.

Curadis GmbH

By: /s/ CURADIS GMBH

Title: _____

Global Clean Energy Holdings, Inc

By: /s/ GLOBAL CLEAN ENERGY HOLDINGS, INC.

Title: _____

MDI Oncology, Inc.

By: /s/ MDI ONCOLOGY, INC.

Title: _____

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("Agreement") is made and entered into as of March 29, 2010 between Global Clean Energy Holdings, Inc., a Utah corporation ("Corporation"), and the purchasers listed on the signature page of this Agreement (each an "Investor" and collectively, the "Investors"). In consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties hereby agree as follows:

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act (as defined below), the Corporation desires to issue and sell to the Investors, and the Investors desire to acquire from the Corporation, shares of the Corporation's common stock, no par value per share ("Common Stock").

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties hereby agree as follows:

- Purchase and Sale.** Subject to the terms and conditions of this Agreement, at the Closing (as defined below), the Corporation agrees to issue and sell to Investors, and Investors hereby agree to purchase from the Corporation, an aggregate of Twenty Five Million (25,000,000) shares of the Corporation's Common Stock ("Shares"), at a price of \$0.02 per share, for an aggregate purchase price of \$500,000. The number of Shares to be purchased by each Investor is set forth below the Investor's name on the signature page hereof. The obligations of each of the Investors hereunder are several and not joint, and the sale of the Shares to each of the Investors is a separate transaction; provided, however, that the Corporation shall not be obligated to consummate the sale of any of the Shares unless all of the Shares are sold.
- Closing.** The consummation of the purchase and sale of the Shares provided for herein ("Closing") will take place at the offices of the Corporation at 6033 W. Century Boulevard, Suite 895, Los Angeles, CA 90045 on March 30, 2010, or at such other date, time and place upon which the Corporation and the Investors shall agree ("Closing Date"). At the Closing, the Corporation will deliver to each Investor a certificate representing the Shares being purchased by that Investor hereunder against delivery to the Corporation by each Investor of the full amount of the purchase price of such Shares by a check payable to the Corporation's order or in cash or wire transfer.
- Representations, Warranties and Agreements of Investor.** As a material inducement to the Corporation to sell and issue the Shares to Investors, each Investor hereby represents and warrants on its own behalf to the Corporation, and agrees with the Corporation, as follows:

3.1 Authorization; Enforceability. Such Investor has all requisite power and authority to enter into this Agreement and to purchase the Shares listed under the Investor's name on the signature page of this Agreement. This Agreement has been duly executed and delivered by such Investor.

3.2 Purchase for Own Account. Such Investor is acquiring the Shares solely for its own account, for investment purposes only and not with a view to, or for resale in connection with, any distribution or public offering of the Shares within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). Such Investor has no present intention to sell, offer to sell, or otherwise dispose of or distribute any of the Shares. Such Investor will hold the entire legal and beneficial interest in and to the Shares and does not presently intend to divide or share such interest with any other person or entity.

3.3 Restrictions on Transfer. Such Investor understands and has been advised by the Corporation that the Shares have not been registered under the Securities Act or qualified under the California Corporate Securities Law of 1968, as amended (the "Law"), in reliance on exemptions from the registration and/or qualification requirements of such laws, and that consequently the Shares cannot be offered, sold or otherwise transferred, and must be held indefinitely by the Investor, unless and until they are registered with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Act, qualified under the Law, or until exemptions from such registration and qualification requirements are available.

3.4 Rule 144. Such Investor is familiar with SEC Rule 144 promulgated under the Securities Act, which permits certain limited sales of unregistered securities in specified circumstances, and, in any event, requires that the Shares be held for a minimum of six months (and in some cases longer) after they have been purchased and paid for (within the meaning of Rule 144) before they may be resold under Rule 144.

3.5 Legends. Such Investor understands and agrees that all certificate(s) evidencing the Investor's Shares (and any securities issued in respect of the Shares upon any stock split, stock dividend, merger, reorganization or recapitalization) will be imprinted with a legend that reads substantially as set forth below, together with any other legends that, in the opinion of legal counsel to the Corporation, are required by the Securities Act or by other federal or state securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

3.6 Stop Transfer Instructions. Such Investor agrees that, in order to ensure compliance with and to enforce the restrictions on transfer referred to in this Agreement the Corporation may refuse to transfer the Shares and may issue appropriate "stop transfer" instructions to its transfer agent, if any.

3.7 Suitability and Investment Experience. Such Investor is an "accredited investor" as defined in SEC Rule 501 and has: (a) a pre-existing personal and/or business relationship with the Corporation, or its officers or directors, such that Investor is aware of the character, business acumen and general business and financial circumstances of such persons; and/or (b) such knowledge and experience in business and financial matters that it is capable of evaluating the merits and risks of this investment in the Shares and is capable of protecting its own interests in connection with this investment in the Shares.

3.8 Access to Data. Such Investor has had an opportunity to discuss the Corporation's business, management and financial affairs with the Corporation's management and has received or has had full access to all the information it considers necessary to make an informed investment decision with respect to the Shares to be purchased. The Investor understands that such discussions, as well as any written information issued by the Corporation, were intended to describe certain aspects of the Corporation's business and prospects but were not a thorough or exhaustive description.

3.9 Brokers or Finders. All negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by the Investors, or their respective agents, in connection with the transactions contemplated by this Agreement, and no Investor nor any of their respective agents has incurred any obligation (on behalf of any of the Investors or the Corporation) to pay any brokerage or finder's fee or other commission in connection with the transactions contemplated by this Agreement.

4. **Representations, Warranties and Agreements of the Corporation**. As a material inducement to the Investors to purchase the Shares, the Corporation hereby represents and warrants to each Investor, and agrees with each Investor, as follows:

4.1 Authorization; Enforceability. The Corporation has all requisite power and authority to enter into this Agreement and to sell and issue the Shares. This Agreement has been duly executed and delivered by the Corporation and constitutes the legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with its terms.

4.2 Organization and Standing. The Corporation is a corporation duly organized and existing under, and by virtue of, the laws of the State of Utah and is in good standing under such laws. The Corporation has requisite corporate power and authority to own and operate its properties and assets and to carry on its business as presently conducted and as proposed to be conducted.

4.3 Validity of Shares. The Shares have been duly authorized and, when issued and paid for in accordance with the terms hereof, will be duly and validly issued, and free of any liens or encumbrances, other than any liens or encumbrances created by the holders; provided, however, that the Shares will be subject to restrictions on transfer under state or federal securities laws. The issuance of the Shares is not subject to any preemptive rights or rights of first refusal.

4.4 SEC Reports; Financial Statements. The Corporation has filed all reports, forms or other information required to be filed by it under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the 24 months preceding the date hereof (the foregoing materials being collectively referred to herein as the “SEC Reports”). As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Corporation included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto, and fairly present in all material respects the financial position of the Corporation and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

4.5 Material Changes. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in the SEC Reports, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a material adverse effect on the results of operations, assets, business or condition (financial or otherwise) of the Corporation or any of its subsidiaries (“Material Adverse Effect”), (ii) the Corporation has not incurred any liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses and other liabilities incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Corporation’s financial statements pursuant to GAAP or required to be disclosed in filings made with the SEC, (iii) the Corporation has not altered its method of accounting or the identity of its auditors, (iv) the Corporation has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, (v) the Corporation has not sold any assets, individually or in the aggregate, in excess of \$100,000 outside of the ordinary course of its business, and (vi) the Corporation has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Corporation stock option plans and consistent with past practice. The Corporation does not have pending before the SEC any request for confidential treatment of information.

4.6 Litigation. There is no action or proceeding pending which (i) adversely affects or challenges the legality, validity or enforceability of any of this Agreement, or (ii) would, if there were an unfavorable decision, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect. Neither the Corporation nor any of its subsidiaries, nor any director or officer thereof (in his or her capacity as such), is or has been the subject of any action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Corporation, there is not pending any investigation by the SEC involving the Corporation or any current or former director or officer of the Corporation (in his or her capacity as such). The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Corporation or any subsidiary under the Exchange Act or the Securities Act.

4.7 Brokers or Finders. All negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by the Corporation, or its agents, in connection with the transactions contemplated by this Agreement, and neither the Corporation nor any of its agents has incurred any obligation (on behalf of any of the Investors or the Corporation) to pay any brokerage or finder's fee or other commission in connection with the transactions contemplated by this Agreement.

5 Miscellaneous Provisions.

5.1 Modification; Waiver. No modification or waiver of any provision of this Agreement or consent to departure therefrom shall be effective unless executed in writing by all of the parties hereto.

5.2 Successors and Assigns. Except as otherwise stated herein, all covenants and agreements of the parties contained in this Agreement shall be binding upon and inure to the benefit of their respective successors and assigns.

5.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding that body of law pertaining to conflict of laws or choice of law.

5.4 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

5.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, whether oral or written, with respect to such subject matter.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives effective as of the date and year first above written.

INVESTOR:

/s/ Michael Zilkha _____

By: Michael Zilkha
Shares purchased: 12,500,000
Purchase Price: \$ 250,000.00

INVESTOR:

Roll Energy Investments LLC

By /s/ _____
Shares purchased: 12,500,000
Purchase Price: \$ 250,000.00

CORPORATION:

GLOBAL CLEAN ENERGY HOLDINGS, INC.
a Utah corporation

By /s/Richard Palmer _____
Richard Palmer, President & CEO

OFFICE LEASE

ADLER REALTY INVESTMENTS, INC.

100 W, BROADWAY

DANARI BROADWAY, LLC

a Delaware Limited Liability Company,

as Landlord,

and

GLOBAL CLEAN ENERGY HOLDINGS, INC.; a Utah Corporation,

as Tenant.

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100 W. BROADWAY

OFFICE LEASE

This Office Lease (the "Lease"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "Summary"), below, is made by and between DANARI BROADWAY, LLC, a Delaware Limited Liability Company ("Landlord"), and GLOBAL CLEAN ENERGY HOLDINGS, INC., a Utah corporation ("Tenant").

SUMMARY OF BASIC LEASE INFORMATION

TERMS Of _____ DESCRIPTION

1. Date: May 24, 2010

2. Premises:

2.1 Building: That certain SIX (6)-story office building (the "Building") containing 194,184 rentable square feet of space and located at 100 W. BROADWAY, LONG BEACH, CA 90802.

2.2 Premises:

2000 rentable square feet of space located on the Sixth (6th) floor of the Building and commonly known as Suite 650, as further set forth in Exhibit A to the Office Lease.

2.3 Project:

The Building is part of a ONE-building office project known as "100 W. Broadway," as further set forth in Section 1.1, 1.2 of this Lease.

3. Lease Term

(Article 2):

3.1 Length of Term: Two (2) years and Two (2) months.

3.2 Lease

Commencement Date:

Twenty-Six (26) months from the Lease Commencement Date, which is anticipated to be August 31, 2012.

3.3 Lease Expiration

Date:

One (1) three (3)-year option(s) to renew, as more particularly set forth in Section 2.2 of this Lease.

3.4 Option Term(s):

4. Base Rent (Article 3):

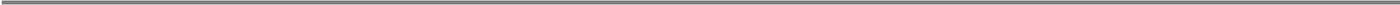
Base Rent*	Annual	Monthly Installment of Base Rent*	Annual Rental Rate per Rentable Square Foot*
2 — 3	\$ 3,400.00	\$ 3,400.00	\$1.70
4-12	0.00	\$0.00	\$0.00
13 - 26	\$30,600.00	\$3,400.00	\$1.70
	\$49,000.00	\$3,500.00	\$1.75

The initial Annual Base Rent (and Monthly Installment of Base Rent) was calculated by multiplying the initial Monthly Rental Rate per Rentable Square Foot by the number of rentable square feet of space in the Premises.

5. Base Year

Calendar year 2010.

(Article 4):



6. Tenant's Share (Article 4): Approximately 1.03%.
7. Permitted Use (Article 5): Tenant shall use the Premises solely for general office use and uses incidental thereto (the "Permitted Use"); provided, however, that notwithstanding anything to the contrary set forth hereinabove, and as more particularly set forth in the Lease, Tenant shall be responsible for operating and maintaining the Premises pursuant to, and in no event may Tenant's Permitted Use violate, (A) Landlords "Rules and Regulations," as that term is set forth in Article 5 of this Lease, (B) all "Applicable Laws," as that term is set forth in Article 24 of this Lease, (C) all applicable zoning, building codes and any "CC&Rs," as that term is set forth in Article 5 of this Lease, and (D) the character of the Project as a first-class office building Project.
8. Security Deposit (Article 21): \$ 3,500.00.
9. Parking Passes Ratio (Article 28): Three (3) unreserved parking spaces for every 1,000 rentable square feet of the Premises. The current rates for parking are \$65.00 per single unreserved pass per month and \$110.00 per single reserved pass per month.
10. Address of Tenant (Section 29.11): 6033 W. Century Boulevard Suite 895 Los Angeles, CA 90045
Attention: Bruce Nelson, CFO
(Prior to Lease Commencement Date) and
100 W. Broadway, Suite 650 Long Beach, CA 90802
Attention: Bruce Nelson, CFO
(Mier Lease Commencement Date)
11. Address of Landlord (Section 29.12): DANARI BROADWAY, LLC, A DELAWARE LIMITED LIABILITY COMPANY
do Adler Realty Investments, Inc.
20951 Burbank Blvd., Suite B
Woodland Hills, CA 91367
Attention: Asset Management
12. Broker(s) (Section 29.10):
Representing Landlord:
Phil Brodtkin, CBRE
990 West 190th Street, Suite 100 Torrance, CA 90502-1025
Representing Tenant:
Tom Sheets, Cushman &
Wakefield 3760 Kilroy Airport
Way, Suite 250 Long Beach, CA
90806
Landlord, at Landlord's sole cost and expense, shall install a sink and lower cabinets (not to exceed six (6) feet) in Premises in mutually agreeable location.
13. Tenant Improvement Allowance:
(Exhibit B):
-

ARTICLE 1

PREMISES, BUILDING, PROJECT, AND COMMON AREAS

1.1 Premises, Building, Project and Common Areas.

1.1.1 The Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "Premises"). The outline of the Premises is set forth in Exhibit A attached hereto and each floor or floors of the Premises has the number of rentable square feet as set forth in Section 2.2 of the Summary. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions (the "TCCs") herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such TCCs by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of Exhibit A is to show the approximate location of the Premises in the "Building," as that term is defined in Section 1.1.2, below, only, and such exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "Common Areas," as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the "Project," as that term is defined in Section 1.1.2, below. Except as specifically set forth in this Lease, Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in good and sanitary order, condition and repair.

1.1.2 The Building and The Project. The Premises are a part of the building set forth in Section 2.1 of the Summary (the "Building"). The Building is part of an office project known as "100 West Broadway." The term "Project," as used in this Lease, shall mean (i) the Building and the Common Areas, (ii) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building and the Common Areas are located.

1.1.3 Common Areas. Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "Common Areas"). The Common Areas shall consist of the "Project Common Areas" and the "Building Common Areas." The term "Project Common Areas," as used in this Lease, shall mean the portion of the Project designated as such by Landlord. The term "Building Common Areas," as used in this Lease, shall mean the portions of the Common Areas located within the Building designated as such by Landlord. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time, provided that such rules, regulations and restrictions do not unreasonably interfere with the rights granted to Tenant under this Lease and the permitted use granted under Section 5.1, below. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas; provided that no such changes shall be permitted which materially reduce Tenant's rights or access hereunder. Except when and where Tenant's right of access is specifically excluded in this Lease, Tenant shall have the right of access to the Premises, the Building, and the Project parking facility twenty-four (24) hours per day, seven (7) days per week during the "Lease Term," as that term is defined in Article 2, below,

1.2 Stipulation of Rentable Square Feet of Premises. For purposes of this Lease, the "rentable square feet" of the Building and Premises shall be deemed as set forth in Section 2.1 and Section 2.2 of the Summary, respectively.

ARTICLE 2

LEASE TERM; OPTION TERM

2.1 Initial Lease Term. The TCCs and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "Lease Term") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "Lease Commencement Date"), and shall terminate on the date set forth in Section 3.3 of the Summary (the "Lease Expiration Date") unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term provided, however, that the first Lease Year shall commence on the Lease Commencement Date and end on the last day of the month in which the first anniversary of the Lease Commencement Date occurs, and the second and each succeeding Lease Year shall commence on the first day of the next calendar month,

2.2 Option Term.

2.2.1 **Option Right.** Landlord hereby grants the Original Tenant and any Permitted Transferee, one (1) option to extend the Lease Term for the entire Premises by a period of three (3) years (the "**Option Term**"). Such option shall be exercisable only by written notice delivered by Tenant to Landlord as provided below, provided that, as of the date of delivery of such notice, (i) Tenant is not then in default under this Lease (beyond any applicable notice and cure periods), (ii) Tenant has not been in default under this Lease (beyond any applicable notice and cure periods) more than once during the prior twelve (12) month period, (iii) Tenant has not been in default under this Lease (beyond any applicable notice and cure periods) more than three (3) times during the Lease Term, and (iv) Tenant's financial condition has not suffered a material, adverse change during the immediately preceding twenty-four (24) month period. Upon the proper exercise of such option to extend, and provided that, as of the end of the initial Lease Term, (A) Tenant is not in default under this Lease (beyond any applicable notice and cure periods), (B) Tenant has not been in default under this Lease (beyond any applicable notice and cure periods) more than once during the prior twelve (12) month period, (C) Tenant has not been in default under this Lease (beyond any applicable notice and cure periods) more than three (3) times during the Lease Term, and (D) Tenant's financial condition has not suffered a material, adverse change during the immediately preceding twenty-four (24) month period, then the Lease Term, as it applies to the entire Premises, shall be extended for a period of five (5) years. The rights contained in this Section 2.2 shall only be exercised by the Original Tenant or its Affiliate (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) if Original Tenant and/or its Permitted Transferee is in occupancy of the entire then-existing Premises.

2.2.2 **Option Rent.** The "Rent," as that term is defined in Section 4.1 of this Lease, payable by Tenant during the Option Term (the "**Option Rent**") shall be equal to the rent, including all escalations, at which tenants, as of the commencement of the Option Term, are leasing non-sublease, non-encumbered, non-equity space comparable in size, location and quality to the Premises for a term of three (3) years, which comparable space is located in the downtown Long Beach office market, taking into consideration only the following concessions: (i) rental abatement concessions, if any, being granted such tenants in connection with such comparable space, and (ii) tenant improvements or allowances provided or to be provided for such comparable space, taking into account, and deducting the value of, the existing improvements in the Premises, such value to be based upon the age, quality and layout of the improvements and the extent to which the same could be utilized by Tenant based upon the fact that the precise tenant improvements existing in the Premises are specifically suitable to Tenant.

2.2.3 **Exercise of Option.** The option contained in this Section 2.2 shall be exercised by Tenant, if at all, only in the manner set forth in this Section 2.2.3. Tenant shall deliver written notice (the "**Intent Notice**") to Landlord not more than twelve (12) months nor less than six (6) months prior to the expiration of the initial Lease Term, stating that Tenant is interested in exercising its option. On or before the date which is the later to occur of (i) thirty (30) days following its receipt of such Intent Notice, or (ii) the date which is five (5) months prior to the expiration of the initial Lease Term, Landlord shall deliver to Tenant a written notice (the "**Option Rent Notice**") to Tenant, setting forth Landlord's determination of the Option Rent. Within ten (10) business days of its receipt of the Option Rent Notice, Tenant may, at its option, either (A) deliver written notice (the "**Exercise Notice**") to Landlord, which Exercise Notice shall state that Tenant is exercising its option and accepting the Option Rent, or (B) otherwise elect not to so exercise such option. If Tenant does not timely and affirmatively exercise the option contained in this Section 2.2 by delivering the Exercise Notice pursuant to the TCCs of the foregoing sentence, Tenant shall be deemed *not* to have exercised such option, and the option shall terminate and be of no further force or effect.

ARTICLE 3

BASE RENT

3.1 **In General.** Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. The Base Rent for the first full month of the Lease Term which occurs after the expiration of any free rent period shall be paid at the time of Tenant's execution of this Lease. If any payment of Rent is for a period which is shorter than one month, the Rent for any such fractional month shall accrue on a daily basis during such fractional month and shall total an amount equal to the product of (1) a fraction, the numerator of which is the number of days in such fractional month and the denominator of which is the actual number of days occurring in such calendar month, and (ii) the then-applicable Monthly Installment of Base Rent. All other payments or adjustments required to be made under the TCCs of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 **Rent Abatement.** Provided that the Tenant is not then in default of the Lease (as hereby amended) and is then in occupancy of the entire Premises, then during the period beginning on second (2^d) month of the Lease Term and ending after the third (3rd) month of the Lease Term (the "**Rent Abatement Period**"), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Premises for such Rent Abatement Period (the "**Rent Abatement**"). Tenant acknowledges and agrees that during such Rent Abatement Period, such abatement of Base Rent shall have no effect on the calculation of any future increases in Base Rent, Operating Costs or Landlord's Taxes payable by Tenant pursuant to the terms of this Lease, which increases shall be calculated without regard to such abatement of Base Rent. The foregoing Rent Abatement has been granted to Tenant as additional consideration for entering into this Agreement, and for agreeing to pay the rent and performing the terms and conditions otherwise required under the Lease, as amended. If Tenant shall be in economic default or material non-economic default under the Lease and shall fail to cure such economic default or material non-economic default within notice and cure period, if any, permitted for cure pursuant to the Lease, then Landlord may at its option, by notice to Tenant, elect, in addition to any other remedies Landlord may have under the Lease, one or both of the following remedies: (i) that Tenant shall immediately become obligated to pay to Landlord all Base Rent abated hereunder during the Rent Abatement Period, with interest as provided pursuant to the Lease from the date such Base Rent would have otherwise been due but for the abatement provided herein, or (ii) that the dollar amount of the unapplied portion of the Rent Abatement as of such default shall be converted to a credit to be applied to the Base Rent applicable to the Premises at the end of the Second Extended Term and Tenant shall immediately be obligated to begin paying Base Rent for the Premises in full.

ARTICLE 4

ADDITIONAL RENT

4.1 General Terms. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "**Tenant's Share**" of the annual "**Direct Expenses**," as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease, respectively, which are in excess of the amount of Direct Expenses applicable to the "Base Year," as that term is defined in Section 4.2.1, below; provided, however, that in no event shall any decrease in Direct Expenses for any Expense Year below Direct Expenses for the Base Year entitle Tenant to any decrease in Base Rent or any credit against sums due under this Lease. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the TCCs of this Lease, are hereinafter collectively referred to as the "**Additional Rent**," and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent; provided, however, the parties hereby acknowledge that the first monthly installment of Tenant's Share of any "Estimated Excess," as that term is set forth in, and pursuant to the terms and conditions of, Section 4.4.2 of this Lease, shall first be due and payable for the calendar month occurring immediately following the expiration of the Base Year. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 Definitions of Key Terms Relating to Additional Rent. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Base Year**" shall mean the period set forth in Section 5 of the Summary.

4.2.2 "**Direct Expenses**" shall mean "Operating Expenses" and "Tax Expenses."

4.2.3 "**Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 "**Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management,

maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof, in accordance with sound real estate management and accounting principles, consistently applied. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities (other than the cost of electricity, the payment for which shall be made in accordance with the TCCs of Section 6.1.2 of this Lease), the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a governmentally mandated transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord in connection with the Project; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) costs incurred in connection with the parking areas servicing the Project; (vi) fees and other costs, including management fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Project;

(vii) payments under any equipment rental agreements and the fair rental value of any management office space;

(viii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons (other than persons generally considered to be higher in rank than the position of Project manager) engaged in the operation, maintenance and security of the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Building; (xi) the cost of janitorial services to the Common Areas and the cost of alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof (which amortization calculation shall include interest at the "Interest Rate," as that term is set forth in Article 25 of this Lease); (xiii) the cost of capital improvements or other costs incurred in connection with the Project (A) which are intended to effect economies in the operation or maintenance of the Project, or any portion thereof, (B) that are required to comply with present or anticipated conservation programs, (C) which are replacements or modifications of nonstructural items located in the Common Areas required to keep the Common Areas in good order or condition, or (D) that are required under any governmental law or regulation by a federal, state or local governmental agency, except for capital repairs, replacements or other improvements to remedy a condition existing prior to the Lease Commencement Date which an applicable governmental authority, if it had knowledge of such condition prior to the Lease Commencement Date, would have then required to be remedied pursuant to then-current governmental laws or regulations in their form existing as of the Lease Commencement Date and pursuant to the then-current interpretation of such governmental laws or regulations by the applicable governmental authority as of the Lease Commencement Date; provided, however, that any capital expenditure shall be shall be amortized with interest at the Interest Rate over the shorter of (X) seven (7) years, or (Y) its useful life as Landlord shall reasonably determine in accordance with sound real estate management and accounting principles; (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section

4.2.5, below; and (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building.

Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include:

(a) costs, including marketing costs, legal fees, space planners' fees, advertising and promotional expenses, and brokerage fees incurred in connection with the original construction or development, or original or future leasing of the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for new tenants initially occupying space in the Project after the Lease Commencement Date or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project (excluding, however, such costs relating to any common areas of the Project or parking facilities);

(b) except as set forth in items (xii), (xiii), and (xiv) above, depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest;

(c) costs for which the Landlord is reimbursed by any tenant or occupant of the Project or by insurance by its carrier or any tenant's carrier or by anyone else, and electric power costs for which any tenant directly contracts with the local public service company;

(d) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(e) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Project (which shall specifically

include, but not be limited to, accounting costs associated with the operation of the Project). Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord include costs of partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants, and Landlord's general corporate overhead and general and administrative expenses;

(f) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-a-vis time spent on matters unrelated to operating and managing the Project; provided, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Project manager;

(g) amount paid as ground rental for the Project by the Landlord;

(h) overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Project to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(I) any compensation paid to clerks, attendants or other persons in commercial concessions operated by the Landlord, provided that any compensation paid to any concierge at the Project shall be includable as an Operating Expense; rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing janitorial services to the Common Area (or similar services to the Project) and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project;

(k) all items and services for which Tenant or any other tenant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(l) costs, other than those incurred in ordinary maintenance and repair, for sculpture, paintings, fountains or other objects of art;

(m) any costs expressly excluded from Operating Expenses elsewhere in this Lease;

(n) rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the Comparable Buildings in the vicinity of the Building, with adjustment where appropriate for the size of the applicable project;

(o) costs arising from the gross negligence or willful misconduct of Landlord or its agents, employees, vendors, contractors, or providers of materials or services; and

(p) costs incurred to comply with laws relating to the removal of hazardous material (as defined under applicable law) which was in existence in the Building or on the Project prior to the Lease Commencement Date, and was of such a nature that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions that it then existed in the Building or on the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto; and costs incurred to remove, remedy, contain, or treat hazardous material, which hazardous material is brought into the Building or onto the Project after the date hereof by Landlord or any other tenant of the Project and is of such a nature, at that time, that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions, that it then exists in the Building or on the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto.

If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Project is not at least ninety-five percent (95%) occupied during all or a portion of the Base Year or any Expense Year, Landlord may elect to make an appropriate adjustment to the components of

Operating Expenses for such year to determine the amount of Operating Expenses that would have been incurred had the Project been ninety-five percent (95%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year. Operating Expenses for the Base Year shall not include market-wide cost increases due to extraordinary circumstances, including, but not limited to, Force Majeure, boycotts, strikes, conservation surcharges, embargoes or shortages, or amortized costs relating to capital improvements. In no event shall the components of Direct Expenses for any Expense Year related to Project utility, services, or insurance costs be less than the components of Direct Expenses related to Project utility, services, or insurance costs in the Base Year. Landlord shall not (i) make a profit by charging items to Operating Expenses that are otherwise also charged separately to others and (ii) subject to Landlord's right to adjust the components of Operating Expenses described above in this paragraph, collect Operating Expenses from Tenant and all other tenants in the Building in an amount in excess of what Landlord incurs for the items included in Operating Expenses.

4.2.5 Taxes.

4.2.5.1 "Tax Expenses" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof.

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax. Tax Expenses shall also include any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; and (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises.

4.2.5.3 Any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are paid. Except as set forth in Section 4.2.5.4, below, refunds of Tax Expenses shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as Additional Rent under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord upon demand Tenant's Share of any such increased Tax Expenses included by Landlord as Building Tax Expenses pursuant to the TCCs of this Lease. Notwithstanding anything to the contrary contained in this Section 4.2.8 (except as set forth in Section 4.2.8.1, above), there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, and (iii) any items paid by Tenant under Section 4.5 of this Lease.

4.2.5.4 Notwithstanding anything to the contrary set forth in this Lease, the amount of Tax Expenses for the Base Year and any Expense Year shall be calculated without taking into account any decreases in real estate taxes and, therefore, the Tax Expenses in the Base Year and/or an Expense Year may be greater than those actually incurred by Landlord, but shall, nonetheless, be the Tax Expenses due under this Lease; provided that (i) any costs and expenses incurred by Landlord in securing any Tax Expense reduction shall not be included in Direct Expenses for purposes of this Lease, and (ii) tax refunds shall not be deducted from Tax Expenses, but rather shall be the sole property of Landlord.

4.2.6 "Tenant's Share" shall mean the percentage set forth in Section 6 of the Summary.

4.3 Allocation of Direct Expenses. The parties acknowledge that the Building is a part of a multi-building project and that the costs and expenses incurred in connection with the Project (i.e. the Direct Expenses) should be shared between the tenants of the Building and the tenants of the other buildings in the Project. Accordingly, as set forth in Section 4.2 above, Direct Expenses (which consists of Operating Expenses and Tax Expenses) are determined annually for the Project as a whole, and a portion of the Direct Expenses, which portion shall be determined by Landlord on an equitable basis, shall be allocated to the tenants of the Building (as opposed to the tenants of any other buildings in the Project) and such portion shall be the Direct Expenses for purposes of this Lease. Such portion of Direct Expenses allocated to the tenants of the Building shall include all Direct Expenses attributable solely to the Building and an equitable portion of the Direct Expenses attributable to the Project as a whole.

4.4 Calculation and Payment of Additional Rent. If for any Expense Year ending or commencing within the Lease Term, Tenant's Share of Direct Expenses for such Expense Year exceeds Tenant's Share of Direct Expenses applicable to the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, an amount equal to the excess (the "Excess").

4.4.1 Statement of Actual Building Direct Expenses and Payment by Tenant. Landlord shall give to Tenant following the end of each Expense Year, a statement (the "Statement") which shall state in general major categories the Building Direct Expenses incurred or accrued for the Base Year or such preceding Expense Year, as applicable, and which shall indicate the amount of the Excess. Landlord shall use commercially reasonable efforts to deliver such Statement to Tenant on or before May 1 following the end of the Expense Year to which such Statement relates. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, if an Excess is present, Tenant shall pay, within thirty (30) days after receipt of the Statement, the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Excess," as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Excess than the actual Excess, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Building Direct Expenses for the Expense Year in which this Lease terminates, if an Excess is present, Tenant shall, within thirty (30) days after receipt of the Statement, pay to Landlord such amount, and if Tenant paid more as Estimated Excess than the actual Excess, Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the immediately preceding sentence, Tenant shall not be responsible for Tenant's Share of any Building Direct Expenses attributable to any Expense Year which are first billed to Tenant more than two (2) calendar years after the Lease Expiration Date, provided, however, that Tenant shall nevertheless remain responsible for Tenant's Share of Direct Expenses levied by any governmental authority or by any public utility companies at any time following the Lease Expiration Date which are attributable to any Expense Year.

4.4.2 Statement of Estimated Building Direct Expenses. In addition, Landlord shall give Tenant a yearly expense estimate statement (the "Estimate Statement") which shall set forth in general major categories Landlord's reasonable estimate (the "Estimate") of what the total amount of Building Direct Expenses for the then-current Expense Year shall be and the estimated excess (the "Estimated Excess") as calculated by comparing the Building Direct Expenses for such Expense Year, which shall be based upon the Estimate, to the amount of Building Direct Expenses for the Base Year. Landlord shall use commercially reasonable efforts to deliver such Estimate Statement to Tenant on or before May 1 following the end of the Expense Year to which such Estimate Statement relates. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Additional Rent under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Excess theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, within thirty (30) days after receipt of the Estimate Statement, a fraction of the Estimated Excess for the then-current Expense Year (reduced by any amounts paid pursuant to the second to last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant. Throughout the Lease Term Landlord shall maintain books and records with respect to Building Direct Expenses in accordance with generally accepted real estate accounting and management practices, consistently applied.

4.5 Taxes and Other Charges for Which Tenant Is Directly Responsible.

4.5.1 Tenant shall be liable for and shall pay ten (10) days before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.5.2 If the tenant improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which tenant improvements conforming to Landlord's "building standard" in other space in the Building are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 4.5.1, above.

4.5.3 Notwithstanding any contrary provision herein, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project, including the Project parking facility; or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.6 Landlord's Books and Records. Upon Tenant's written request given not more than ninety (90) days after Tenant's receipt of a Statement for a particular Expense Year, and provided that Tenant is not then in default under this Lease beyond the applicable cure period provided in this Lease, Landlord shall furnish Tenant with such reasonable supporting documentation in connection with said Building Direct Expenses as Tenant may reasonably request. Landlord shall provide said information to Tenant within sixty (60) days after Tenant's written request therefor. Within one hundred eighty (180) days after receipt of a Statement by Tenant (the "Review Period"), if Tenant disputes the amount of Additional Rent set forth in the Statement, an independent certified public accountant (which accountant (A) is a member of a nationally or regionally recognized accounting firm, and (B) is not working on a contingency fee basis), designated and paid for by Tenant, may, after reasonable notice to Landlord and at reasonable times, inspect Landlord's records with respect to the Statement at Landlord's offices, provided that Tenant is not then in default under this Lease (beyond any applicable notice and cure periods) and Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, as the case may be. In connection with such inspection, Tenant and Tenant's agents must agree in advance to follow Landlord's reasonable rules and procedures regarding inspections of Landlord's records, and shall execute a commercially reasonable confidentiality agreement regarding such inspection. Tenant's failure to dispute the amount of Additional Rent set forth in any Statement within the Review Period shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement. If after such inspection, Tenant still disputes such Additional Rent, a determination as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "Accountant") selected by Landlord and subject to Tenant's reasonable approval; provided that if such determination by the Accountant proves that Direct Expenses were overstated by more than five percent (5%), then the cost of the Accountant and the cost of such determination shall be paid for by Landlord. Tenant hereby acknowledges that Tenant's sole right to inspect Landlord's books and records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 4.6, and Tenant hereby waives any and all other rights pursuant to applicable law to inspect such books and records and/or to contest the amount of Direct Expenses payable by Tenant.

ARTICLE 5

USE OF PREMISES

Tenant shall use the Premises solely for the "Permitted Use," as that term is defined in Section 7 of the Summary, and Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion. Tenant covenants and agrees that it shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the rules and regulations promulgated by Landlord from time to time ("Rules and Regulations"), or in violation of the laws of the United States of America, the State of California or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Building, or in a manner otherwise inconsistent with the character of the Project as a first-class office building Project. Tenant shall faithfully observe and comply with the Rules and Regulations, the current set of which (as of the date of this Lease) is

attached to this Lease as **Exhibit D**; provided, however, Landlord shall not enforce, change or modify the Rules and Regulations in a discriminatory manner and Landlord agrees that the Rules and Regulations shall not be unreasonably modified or enforced in a manner which will unreasonably interfere with the normal and customary conduct of Tenant's business.

ARTICLE 6

SERVICES AND UTILITIES

6.1 **Standard Tenant Services.** Landlord shall provide the following services and utilities.

6.1.1 Subject to reasonable change implemented by Landlord and all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating and all conditioning when necessary for normal comfort for normal office use in the Premises ("**HVAC**") from Monday through Friday from 8:00 a.m. to 7:00 p.m., and on Saturday from 8:00 a.m. to 1:00 p.m. (collectively, the "**Building Hours**"), except for the date of observation of locally and nationally recognized holidays (collectively, the "**Holidays**"). The daily time periods identified hereinabove are sometimes referred to as the "**Business Hours**." Landlord shall make available HVAC at other times at Tenant's expense, provided that such HVAC usage will be separately metered and billed to Tenant at the hourly rate charged by Landlord for after hours HVAC usage. Tenant shall install, operate and maintain, at its expense, such additions or modifications to HVAC Equipment as may be reasonably determined by Landlord to be necessary in order to maintain building HVAC standards or to correct temperature imbalance resulting from Tenant's installation and operation of lights, machines, computer or electronic data processing equipment or other special equipment or facilities placing a greater burden on HVAC Equipment than would general office use.

6.1.2 Landlord shall provide adequate electrical wiring and facilities and power for normal general office use as determined by Landlord. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises. Building standard electrical power to the Premises shall be sufficient for operation under normal business conditions of building standard office lighting (approximately 3 watts per square foot of Usable Area) and receptacles (approximately 1 watt per square foot of Usable Area), Tenant shall not install or use or permit installation or use in the Premises of any electronic data processing equipment, special lighting in excess of building standard office lighting, or any other item of electrical equipment which singly consumes more than 0.25 kilowatts per hour at rated capacity or requires a voltage other than 120 volts single phase without Landlord's prior written consent. In no event shall Tenant's use of electric current ever exceed the capacity of the Building standard feeders, risers or wiring to the Building or Premises.

6.1.3 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes.

6.1.4 Landlord shall provide janitorial services five (5) days per week, except the date of observation of the Holidays, in and about the Premises and window washing services in a manner consistent with other comparable buildings in the vicinity of the Project

6.1.5 Landlord shall provide nonexclusive, non-attended automatic passenger elevator service during the Building Hours, shall have one elevator available at all other times, except on the Holidays.

6.2 **Electricity; Janitorial Service; Above Standard Tenant Services.**

6.2.1 **Electricity.** Notwithstanding anything to the contrary set forth in Section 4 or this Article 6, Tenant shall directly pay for all electricity attributable to its use of the entire Premises (i.e., subject to any equitable adjustments for any over-standard use more particularly identified in Section 6.3, below, Tenant's Share of the cost of electricity for the Building). Tenant's payment of such amounts shall be made (i) concurrently with its monthly payment of Base Rent to the extent Landlord has previously delivered a "monthly estimate" notification, or (ii) within ten (10) days after demand (inclusive of any reconciliation statements), in either event as Additional Rent under this Lease. Given Tenant's direct payment obligations set forth hereinabove, the cost of electricity for the Building shall be excluded from Operating Expenses.

6.2.2 **Above-Standard Tenant Services.** Notwithstanding anything to the contrary set forth in Section 4 or this Article 6, Tenant shall directly pay to Landlord one hundred percent (100%) of the cost of all services required by Tenant to be provided by Landlord which are in excess of the services set forth in Section 6.1, above (collectively, the "**Above-Standard Tenant Service**"), including, but not limited to, (i) twenty-four (24) hour security services, (ii) twenty-four (24) hour porter service, (iii) any over-standard use more particularly identified in Section 6.3, below.

6.3 Overstandard Tenant Use. Tenant shall not, without Landlord's prior written consent, use heat-generating machines, machines other than normal fractional horsepower office machines, or equipment or lighting other than Building standard lights in the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the water normally furnished for the Premises by Landlord pursuant to the terms of Section 6.1 of this Lease. If such consent is given, Landlord shall have the right to install supplementary air conditioning units or other facilities in the Premises, including supplementary or additional metering devices, and the cost thereof, including the cost of installation, operation and maintenance, increased wear and tear on existing equipment and other similar charges, shall be paid by Tenant to Landlord upon billing by Landlord. If Tenant uses water, electricity, heat or air conditioning in excess of that supplied by Landlord pursuant to Section 6.1 of this Lease, Tenant shall pay to Landlord, upon billing, the cost of such excess consumption, the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the cost of the increased wear and tear on existing equipment caused by such excess consumption; and Landlord may install devices to separately meter any increased use and in such event Tenant shall pay the increased cost directly to Landlord, on demand, at the rates charged by the public utility company furnishing the same, including the cost of such additional metering devices. Tenant's use of electricity shall never exceed the capacity of the feeders to the Project or the risers or wiring installation. Tenant shall not install or use or permit the installation or use of any computer or electronic data processing equipment in the Premises, without the prior written consent of Landlord. If Tenant desires to use heat, ventilation or air conditioning during hours other than those for which Landlord is obligated to supply such utilities pursuant to the terms of Section 6.1 of this Lease, Tenant shall give Landlord such prior notice, if any, as Landlord shall from time to time establish as appropriate, of Tenant's desired use in order to supply such utilities, and Landlord shall supply such utilities to Tenant at such hourly cost to Tenant (which shall be treated as Additional Rent) as Landlord shall from time to time establish.

6.4 Interruption of Use. Except as otherwise expressly provided in this Lease, Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for Tenant's failure to obtain, or for any failure to furnish or delay in furnishing, any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building after reasonable effort to do so, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease, except as otherwise expressly provided in this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to Tenant's failure to obtain, or for any failure to furnish any of the services or utilities as set forth in this Article 6. Rent Abatement. If (i) Landlord fails to perform the obligations required of Landlord under the TCCs of this Lease, (ii) such failure causes all or a portion of the Premises to be untenantable and unusable by Tenant, and (iii) such failure relates to (A) the nonfunctioning of the heat, ventilation, and air conditioning system in the Premises, the electricity in the Premises, the nonfunctioning of the elevator service to the Premises, or (B) a failure to provide access to the Premises, Tenant shall give Landlord notice (the "Initial Notice"), specifying such failure to perform by Landlord (the "Landlord Default"). If Landlord has not cured such Landlord Default within five (5) business days after the receipt of the Initial Notice (the "Eligibility Period"), Tenant may deliver an additional notice to Landlord (the "Additional Notice"), specifying such Landlord Default and Tenant's intention to abate the payment of Rent under this Lease. If Landlord does not cure such Landlord Default within five (5) business days of receipt of the Additional Notice, Tenant may, upon written notice to Landlord, immediately abate Rent payable under this Lease for that portion of the Premises rendered untenantable and not used by Tenant, for the period beginning on the date five (5) business days after the Initial Notice to the earlier of the date Landlord cures such Landlord Default or the date Tenant recommences the use of such portion of the Premises. Such right to abate Rent shall be Tenant's sole and exclusive remedy at law or in equity for a Landlord Default. Except as provided in this Section 6.4, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

ARTICLE 7

REPAIRS

Tenant shall, at Tenant's own expense, keep the Premises, including all improvements, fixtures, equipment, window coverings, and furnishings therein, in good order, repair and condition at all times during the Lease Term. In addition, Tenant shall, at Tenant's own expense but under the supervision and subject to the prior approval of Landlord, and within any reasonable period of time specified by Landlord, promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and appurtenances; provided however, that, at Landlord's option, or if Tenant fails to make such repairs, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building) sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements forthwith upon being billed for same. Notwithstanding the foregoing, Landlord shall be responsible for repairs to the exterior walls, foundation and roof of the Building, the structural portions of the floors of the Building, and the systems and equipment of the Building (collectively, the "**Base Building**"), except to the extent that such repairs are required due to the negligence or willful misconduct of Tenant; provided, however, that if such repairs are due to the negligence or willful misconduct of Tenant, Landlord shall nevertheless make such repairs at Tenant's expense, or, if covered by Landlord's insurance, Tenant shall only be obligated to pay any deductible in connection therewith. Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements and additions to the Premises or to the Building or to any equipment located in the Building as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree; provided, however, except for (i) emergencies, (ii) repairs, alterations, improvements or additions required by governmental or quasi-governmental authorities or court order or decree, or (iii) repairs which are the obligation of Tenant hereunder, any such entry into the Premises by Landlord shall be performed in a manner so as not to materially interfere with Tenant's use of, or access to, the Premises; provided that, with respect to items (ii) and (iii) above, Landlord shall use commercially reasonable efforts to not materially interfere with Tenant's use of, or access to, the Premises.

ARTICLE 8

ADDITIONS AND ALTERATIONS

Tenant may not make any improvements, alterations, additions or changes to the Premises during the Lease Term without the consent of Landlord, which consent may be granted, withheld or conditioned in the sole and absolute discretion of Landlord. Landlord and Tenant hereby acknowledge and agree that (i) all Alterations, improvements, fixtures, equipment and/or appurtenances which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and shall be and become the property of Landlord, and (ii) the Tenant Improvements to be constructed in the Premises pursuant to the TCCs of the Tenant Work Letter shall, upon completion of the same, be and become a part of the Premises and the property of Landlord; provided, however, that notwithstanding the foregoing, Tenant may remove any Alterations, improvements, fixtures and/or equipment which Tenant can substantiate to Landlord have not been paid for with any Tenant improvement allowance funds provided to Tenant by Landlord, provided Tenant repairs any damage to the Premises and Building caused by such removal and returns the affected portion of the Premises to a building standard tenant improved condition as determined by Landlord.

ARTICLE 9

COVENANT AGAINST LIENS

Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon the Building or Premises, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant covenants and agrees to cause it to be immediately released and removed of record. Notwithstanding anything to the contrary set forth in this Lease, in the event that such lien is not released and removed on or before the date notice of such lien is delivered by Landlord to Tenant, Landlord, at its sole option, may immediately take all action necessary to release and remove such lien, without any duty to investigate the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be deemed Additional Rent under this Lease and shall immediately be due and payable by Tenant.

ARTICLE 10

INSURANCE

10.1 Indemnification and Waiver. To the extent not prohibited by law, Landlord, its members, partners and their respective officers, agents, servants, employees, and independent contractors (collectively, "Landlord Parties") shall not be liable for any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect, and hold harmless Landlord Parties from any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from (i) any cause in, on or about the Premises, and (ii) any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, its partners, and their respective officers, agents, servants, employees, and independent contractors (collectively, the "Tenant Parties"), in, on or about the Project, in either event either prior to, during, or after the expiration of the Lease Term, provided that the terms of the foregoing indemnity shall not apply to the gross negligence or willful misconduct of Landlord. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability occurring prior to such expiration or termination. Notwithstanding anything to the contrary contained in this Lease, nothing in this Lease shall impose any obligations on Tenant or Landlord to be responsible or liable for, and each hereby releases the other from all liability for, consequential damages other than those consequential damages incurred by Landlord in connection with a holdover of the Premises by Tenant after the expiration or earlier termination of this Lease or incurred by Landlord in connection with any repair, physical construction or improvement work performed by or on behalf of Tenant in the Project, but Tenant shall not be responsible for any direct or consequential damages resulting from Landlord's or contractor's acts in connection with the completion by Landlord of the tenant improvements in the Premises pursuant to the Tenant Work Letter.

10.2 Tenant's Compliance with Landlord's Fire and Casualty Insurance. Tenant shall, at Tenant's expense, comply as to the Premises with all insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies, then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 Tenant's Insurance. Tenant shall maintain Commercial/Comprehensive General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities (covering the performance by Tenant of its indemnity agreements) including a Broad Form endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease, for limits of liability not less than \$1,000,000.00 for each occurrence and \$2,000,000.00 annual aggregate, with 0% Insured's participation. In addition, Tenant shall carry Property Insurance covering all office furniture, trade fixtures, office equipment, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the full replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include a vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage coverage. Furthermore, Tenant shall maintain (A) Worker's Compensation or other similar insurance pursuant to all applicable state and local statutes and regulations, and Employer's Liability Insurance or other similar insurance pursuant to all applicable state and local statutes and regulations, with a waiver of subrogation endorsement and with minimum limits of One Million and No/100 Dollars (\$1,000,000.00) per employee and One Million and No/100 Dollars (\$1,000,000.00) per occurrence, and (B) Comprehensive Automobile Liability Insurance covering all owned, hired, or non-owned vehicles with the following limits of liability: One Million Dollars (\$1,000,000.00) combined single limit for bodily injury and property damage.

10.4 Form of Policies. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) name Landlord, and any other party it so specifies, as an additional insured; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of California; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord, the identity of whom has been provided to Tenant in writing. Tenant shall deliver said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least thirty (30) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, after written notice to Tenant and Tenant's failure to obtain such insurance within five (5) days thereafter, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent within five (5) days after delivery to Tenant of bills therefor.

10.5 Subrogation. Landlord and Tenant agree to have their respective insurance companies issuing property damage insurance waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be, so long as the insurance carried by Landlord and Tenant, respectively, is not invalidated thereby. Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant hereby waive any right that either may have against the other on account of any loss or damage to their respective property to the extent such loss or damage is insurable under policies of insurance for fire and all risk coverage, theft, public liability, or other similar insurance.

• 10.6 Additional Insurance Obligations. Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10, and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord. Notwithstanding the foregoing, Landlord's request shall only be considered reasonable if such increased coverage amounts and/or such new types of insurance are consistent with the requirements of a majority of Comparable Buildings, and Landlord shall not so increase the coverage amounts or require additional types of insurance during the first five (5) years of the Lease Term and thereafter no more often than one time in any five (5) year period.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.1 Repair of Damage to Premises by Landlord. If the Premises or any common areas of the Building serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the base, shell and core of the Premises and such common areas. Such restoration shall be to substantially the same condition of the base, shell and core of the Premises and common areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building, or any other modifications to the common areas deemed desirable by Landlord, which are consistent with the character of the Project, provided access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Notwithstanding any other provision of this Lease, upon the occurrence of any damage to the Premises, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance carried under Section 10.3 of this Lease, and Landlord shall repair any injury or damage to the tenant improvements installed in the Premises and shall return such tenant improvements to their original condition; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's repair of the damage. In connection with such repairs and replacements, Tenant shall, prior to the commencement of construction, submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or common areas necessary to Tenant's occupancy, and the Premises are not occupied by Tenant as a result thereof, then during the time and to the extent the Premises are unfit for occupancy, the Rent shall be abated in proportion to the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease bears to the total rentable square feet of the Premises; provided, however, the foregoing abatement shall not apply to the extent such damage is not the result of the willful misconduct of Tenant or Tenant's employees, contractors, licensees, or invitees.

11.2 Landlord's Option to Repair. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises and/or Building and instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of such damage, such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be completed within one hundred eighty (180) days of the date of discovery of damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt; or (iii) the damage is not fully covered, except for deductible amounts, by Landlord's insurance policies. In addition, in the event that the Premises or the Building is destroyed or damaged to any substantial extent during the last twelve (12) months of the Lease Term, then notwithstanding anything contained in this Article 11, Landlord shall have the option to terminate this Lease by giving written notice to Tenant of the exercise of such option within thirty (30) days after the date of such damage or destruction, in which event this Lease shall cease and terminate as of the date of such notice. Upon any such termination of this Lease pursuant to this Section 11.2, Tenant shall pay the Base Rent and Additional Rent, properly apportioned up to such date of termination, and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except as provided for in provisions of this Lease which by their terms survive the expiration or earlier termination of the Lease Term.

11.3 **Waiver of Statutory Provisions.** The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or any other portion of the Project, and any statute or regulation of the state in which the Building is located, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or any other portion of the Project.

ARTICLE 12

NONWAIVER

No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy on account of the violation of such provision, even if such violation shall continue or be repeated subsequently, any waiver by Landlord of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

ARTICLE 13

CONDEMNATION

If the whole or any material part of the Premises or Building shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises or Building, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, this Lease shall terminate upon notice by either Landlord or Tenant to the other party. Landlord shall be entitled to receive the entire award or payment in connection therewith.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 **Transfers.** Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors. In connection with any such transfer contemplated by Tenant, Tenant shall submit a written request for consent notice to Landlord, together with any information reasonably required by Landlord which will enable Landlord to determine (i) the financial responsibility, character, and reputation of the proposed transferee, (ii) the nature of such transferee's business, (iii) the proposed use of the

applicable portion of the Premises, and (iv) any other reasonable consent parameters. Any transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed transfer, Tenant shall pay Landlord's review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord, within thirty (30) days after written request by Landlord.

14.2 Landlord's Consent. Landlord shall not unreasonably withhold its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply: (1) transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project; (ii) transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the transfer on the date consent is requested; (iii) transferee intends to use the applicable portion(s) of the Premises for purposes which are not permitted under this Lease; (iv) transferee is either a governmental agency or instrumentality thereof; or (v) the proposed transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease. Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed transferee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all Applicable Laws, on behalf of the proposed Transferee. Tenant shall indemnify, defend and hold harmless Landlord from any and all liability, losses, claims, damages, costs, expenses, causes of action and proceedings involving any third party or parties (including without limitation Tenant's proposed subtenant or assignee) who claim they were damaged by Landlord's wrongful withholding or conditioning of Landlord's consent,

14.3 Transfer Premium. If Landlord consents to a proposed transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such transferee in connection with the transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the transfer (on a per rentable square foot basis if less than all of the Premises is transferred); provided, however, such Transfer Premium shall also include, but not be limited to, key money, bonus money or other cash consideration paid by transferee to Tenant in connection with such transfer, and any payment in excess of fair market value for services rendered by Tenant to transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to transferee in connection with such Transfer.

14.4 Landlord's Option as to Subject Space. Notwithstanding anything to the contrary contained in this Article 14, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of Tenant's written request for consent to so transfer, to recapture the corresponding portion of the Premises. Such recapture notice shall cancel and terminate this Lease with respect to such portion of the Premises as of the effective date of the proposed transfer. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the subject space under this Section 14.4, then, provided Landlord has consented to the proposed transfer, Tenant shall be entitled to proceed to transfer the subject space to the proposed transferee, subject to provisions of this Article 14.

14.5 Effect of Transfer. If Landlord consents to a transfer, (i) the TCCs of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further transfer by either Tenant or a transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the subject space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than two percent (2%), Tenant shall pay Landlord's costs of such audit.

14.6 **Occurrence of Default.** Any transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any transfer, Landlord shall have the right to: (1) treat such transfer as cancelled and repossess the subject space by any lawful means, or (ii) require that such transferee attorn to and recognize Landlord as its landlord under any such transfer. If Tenant shall be in default under this Lease, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any transferee to make all payments under or in connection with the transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.7 **Non-Transfers.** Notwithstanding anything to the contrary contained in this Article 14, (i) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant), (ii) an assignment of the Premises to an entity which acquires all or substantially all of the assets or interests (partnership, stock or other) of Tenant, or (iii) an assignment of the Premises to an entity which is the resulting entity of a merger or consolidation of Tenant, shall not be deemed a Transfer under this Article 14, provided that Tenant notifies Landlord of any such assignment or sublease and promptly supplies Landlord with any documents or information requested by Landlord regarding such assignment or sublease or such affiliate, and further provided that such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease or otherwise effectuate any "release" by Tenant of such obligations. The transferee under a transfer specified in items (i), (ii) or (iii) above shall be referred to as a "**Permitted Transferee.**" "**Control,**" as used in this Section 14.8, shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity.

ARTICLE 15

OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises.** No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated.

15.2 **Removal of Tenant Property by Tenant.** Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and damage from casualty excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the 'Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term hereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Rent shall be payable at a monthly rate equal to the product of (i) the Rent applicable during the last rental period of the Lease Term under this Lease, and (ii) a percentage equal to one hundred fifty percent (150%) during the first two (2) months immediately following the expiration or earlier termination of the Lease Term, and two hundred percent (200%) thereafter. Such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom.

ARTICLE 17

ESTOPPEL CERTIFICATES

Within ten (10) days following a request in writing by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of Exhibit C, attached hereto, (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Failure of Tenant to timely execute and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

ARTICLE 18

SUBORDINATION

This Lease is subject and subordinate to all present and future ground or underlying leases of the Project and to the lien of any mortgages or trust deeds, now or hereafter in force against the Project and the Building, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages or trust deeds, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage, or if any ground or underlying lease is terminated, to attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground or underlying lease, as the case may be, if so requested to do so by such purchaser or lessor, and to recognize such purchaser or lessor as the lessor under this Lease. Tenant shall, within five (5) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant hereby irrevocably authorizes Landlord to execute and deliver in the name of Tenant any such instrument or instruments if Tenant fails to do so, provided that such authorization shall in no way relieve Tenant from the obligation of executing such instruments of subordination or superiority. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

ARTICLE 19

DEFAULTS; REMEDIES

19.1 Events of Default. Events of Default. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due unless such failure is cured within three (3) days after notice; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event exceeding a period of time in excess of sixty (60) days after written notice thereof from Landlord to Tenant; or

19.1.3 To the extent permitted by law, a general assignment by Tenant or any guarantor of this Lease for the benefit of creditors, or the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of a proceeding filed against Tenant or any guarantor the same is dismissed within sixty (60) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any guarantor, unless possession is restored to Tenant or such guarantor within thirty (30) days, or any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

19.1.4 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than two (2) business days after notice from Landlord.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 Remedies Upon Default. Upon the occurrence of any event of default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefore; and Landlord may recover from Tenant the following: (i) the worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law. The term "rent" as used in this Section 19.2.1 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii) above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 24 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%),

19.2.2 If Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Waiver of Default.** No waiver by Landlord or Tenant of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other or later violation or breach of the same or any other of the terms, provisions, and covenants herein contained. Forbearance by Landlord in enforcement of one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. The acceptance of any Rent hereunder by Landlord following the occurrence of any default, whether or not known to Landlord, shall not be deemed a waiver of any such default, except only a default in the payment of the Rent so accepted.

ARTICLE 20

FORCE MAJEURE

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefore, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

ARTICLE 21

SECURITY DEPOSIT

Concurrent with Tenant's execution of this Lease, Tenant shall deposit with Landlord a security deposit (the "Security Deposit") in the amount set forth in Section 8 of the Summary, as security for the faithful performance by Tenant of all of its obligations under this Lease. If Tenant defaults with respect to any provisions of this Lease, including, but not limited to, the provisions relating to the payment of Rent, the removal of property and the repair of resultant damage, Landlord may, without notice to Tenant, but shall not be required to apply all or any part of the Security Deposit for the payment of any Rent or any other sum in default and Tenant shall, upon demand therefor, restore the Security Deposit to its original amount. Any unapplied portion of the Security Deposit shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within sixty (60) days following the expiration of the Lease Term. Tenant shall not be entitled to any interest on the Security Deposit.

ARTICLE 22

SUBSTITUTION OF OTHER PREMISES

Landlord shall have the right to move Tenant to other space in the Project comparable to the Premises, and all terms hereof shall apply to the new space with equal force. In such event, Landlord shall give Tenant prior notice, shall provide Tenant, at Landlord's sole cost and expense, with tenant improvements at least equal in quality to those in the Premises and shall move Tenant's effects to the new space at Landlord's sole cost and expense at such time and in such manner as to inconvenience Tenant as little as reasonably practicable. Simultaneously with such relocation of the Premises, the parties shall immediately execute an amendment to this Lease stating the relocation of the Premises.

ARTICLE 23

SIGNS

Any signs, notices, logos, pictures, names or advertisements ("Signage") to be installed in, on or about the Premises shall be subject to Landlord's prior approval, which approval may be granted, withheld or conditioned in Landlord's sole and absolute discretion. Any Signage installed in, on or about the Premises without Landlord's approval may be removed without notice by Landlord at the sole expense of Tenant.

ARTICLE 24

COMPLIANCE WITH LAW

Tenant shall not do anything or suffer anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated (collectively, "Applicable Laws"). At its sole cost and expense, Tenant shall promptly comply with all such governmental measures (including the making of any alterations to the Premises required by Applicable Laws). Should any standard or regulation now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. Landlord shall comply with all Applicable Laws relating to the Base Building, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would unreasonably and materially affect the safety of Tenant's employees or create a significant health hazard for Tenant's employees. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent consistent with the terms of Section 4.2.4, above.

ARTICLE 25

LATE CHARGES

If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) business days following Tenant's receipt of written notice from Landlord that the same was not received when due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the amount due plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid when due shall thereafter bear interest until paid at the "Interest Rate." For purposes of this Lease, the "Interest Rate" shall be an annual rate equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication G.13(415), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published), plus four (4) percentage points, and (ii) the highest rate permitted by applicable law.

ARTICLE 26

LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT

All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. If Tenant shall fail to perform any of its obligations under this Lease, within a reasonable time after such performance is required by the terms of this Lease, Landlord may, but shall not be obligated to, after reasonable prior notice to Tenant, make any such payment or perform any such act on Tenant's part without waiving its right based upon any default of Tenant and without releasing Tenant from any obligations hereunder. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, within fifteen (15) days after delivery by Landlord to Tenant of statements therefore: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of this Article 26; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Article 26 shall survive the expiration or sooner termination of the Lease Term.

ARTICLE 27

ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times and upon reasonable notice to the Tenant to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to the ground or underlying lessors; (iii) post notices of non-responsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other Applicable Laws, or for structural alterations, repairs or improvements to the Building. Notwithstanding anything to the contrary contained in this Article 27, Landlord may enter the Premises at any time to (A) perform services required of Landlord; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Any such entries shall be without the abatement of Rent (except as otherwise expressly provided in this Lease) and shall include the right to take such reasonable steps as required to accomplish the stated purposes; provided, however, except for (i) emergencies, (ii) repairs, alterations, improvements or additions required by governmental or quasi-governmental authorities or court order or decree, or (iii) repairs which are the obligation of Tenant hereunder, any such entry shall be performed in a manner so as not to unreasonably interfere with Tenant's use of the Premises and shall be performed after normal business hours if reasonably practical. With respect to items (ii) and (iii) above, Landlord shall use commercially reasonable efforts to not materially interfere with Tenant's use of, or access to, the Premises. Except as otherwise set forth in Section 6.4, Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

ARTICLE 28

TENANT PARKING

Tenant shall have the right to use, commencing on the Lease Commencement Date, the amount of parking spaces set forth in Section 10 of the Summary, on a monthly basis throughout the Lease Term, which parking spaces shall pertain to the Project parking facility. Tenant's continued right to use the parking spaces is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking spaces are located, including any sticker or other identification system established by Landlord, Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations and Tenant not being in default under this Lease. Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, close-off or restrict access to the Project parking facility for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord. The parking spaces used by Tenant pursuant to this Article 28 are provided to Tenant solely for use by Tenant's own personnel and such spaces may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval.

ARTICLE 29

MISCELLANEOUS PROVISIONS

29.1 **Terms; Captions.** The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections,

29.2 Binding Effect. Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 No Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 Modification of Lease. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) days following the request therefor.

29.5 Transfer of Landlord's Interest. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer. The liability of any transferee of Landlord shall be limited to the interest of such transferee in the Building and such transferee shall be without personal liability under this Lease, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

29.6 Prohibition Against Recording. Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant,

29.7 Landlord's Title. Landlord's title is and always shall be paramount to the title of Tenant, Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 Time of Essence. Time is of the essence of this Lease and each of its provisions.

29.11 Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 No Warranty. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same. services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 Landlord Exculpation. It is expressly understood and agreed that notwithstanding anything in this Lease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Landlord and the Landlord Parties hereunder (including any successor landlord) and any recourse by Tenant against Landlord or the Landlord Parties shall be limited solely and exclusively to an amount which is equal to the lesser of (a) the interest of Landlord in the Building or (b) the equity interest Landlord would have in the Building if the Building were encumbered by third-party debt in an amount equal to eighty percent (80%) of the value of the Building (as such value is determined by Landlord), and neither Landlord, nor any of the Landlord Parties shall have any personal liability therefore, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

29.14 **Entire Agreement.** It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease.** Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Waiver of Redemption by Tenant.** Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.17 **Notices.** All notices, demands, statements or communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, or delivered personally (i) to Tenant at the appropriate address set forth in **Section 9** of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in **Section 9** of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date it is mailed as provided in this **Section 29.17** or upon the date personal delivery is made. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant.

29.18 **Joint and Several.** If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.19 **Authority. If Tenant** is a corporation, trust or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in California.

29.20 **Attorneys' Fees.** If either party commences litigation against the other for the specific performance of this Lease, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury and, in the event of any such commencement of litigation, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred, including any and all costs incurred in enforcing, perfecting and executing such judgment.

29.21 **Governing Law.** This Lease shall be construed and enforced in accordance with the laws of the State of California.

29.22 **Submission of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.23 **Brokers.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "Brokers"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent (other than the Brokers) occurring by, through, or under the indemnifying party.

29.24 **Independent Covenants.** This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.25 **Project or Building Name and Signage.** Landlord shall have the right at any time to change the name of the Project or Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord.

29.26 **Counterparts.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.27 **Confidentiality.** Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants.

29.28 **Transportation Management.** Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

29.29 **Building Renovations.** It is specifically understood and agreed that Landlord has made no representation or warranty to Tenant and has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Tenant Work Letter. However, Tenant hereby acknowledges that Landlord is currently renovating or may during the Lease Term renovate, improve, alter, or modify (collectively, the "**Renovations**") the Project, the Building and/or the Premises including without limitation the parking structure, common areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (i) installing sprinklers in the Building common areas and tenant spaces, (ii) modifying the common areas and tenant spaces to comply with Applicable Laws, including regulations relating to the physically disabled, seismic conditions, and building safety and security, and (iii) installing new floor covering, lighting, and wall coverings in the Building common areas, and in connection with any Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Project, including portions of the common areas, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions.

29.30 **No Violation.** Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

29.31 Communications and Computer Lines. Tenant may install, maintain, replace, remove or use any communications or computer wires and cables (collectively, the "Lines") at the Project in or serving the Premises, provided that (i) Tenant shall obtain Landlord's prior written consent, use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an acceptable number of spare Lines and space for additional Lines shall be maintained for existing and future occupants of the Project, as determined in Landlord's reasonable opinion, (iii) the Lines therefor (including riser cables) shall be (x) appropriately insulated to prevent excessive electromagnetic fields or radiation, (y) surrounded by a protective conduit reasonably acceptable to Landlord, and (z) identified in accordance with the "Identification Requirements," as that term is set forth herein below, (iv) any new or existing Lines servicing the Premises shall comply with all applicable governmental laws and regulations, (v) as a condition to permitting the installation of new Lines, Tenant shall remove existing Lines located in or serving the Premises and repair any damage in connection with such removal, and (vi) Tenant shall pay all costs in connection therewith. All Lines shall be clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant's name, suite number, telephone number and the name of the person to contact in the case of an emergency (A) every four feet (4') outside the Premises (specifically including, but not limited to, the electrical room risers and other Common Areas), and (B) at the Lines' termination point(s) (collectively, the "Identification Requirements"). Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which are at any time (1) are in violation of any Applicable Laws, (2) are inconsistent with then-existing industry standards (such as the standards promulgated by the National Fire Protection Association (e.g., such organization's "2002 National Electrical Code")), or (3) otherwise represent a dangerous or potentially dangerous condition,

29.32 Development of the Project.

29.32.1 Subdivision. Landlord reserves the right to further subdivide all or a portion of the Project. Tenant agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents needed to conform this Lease to the circumstances resulting from such subdivision.

29.32.2 The Other Improvements. If portions of the Project or property adjacent to the Project (collectively, the "Other Improvements") are owned by an entity other than Landlord, Landlord, at its option, may enter into an agreement with the owner or owners of any or all of the Other Improvements to provide (i) for reciprocal rights of access and/or use of the Project and the Other Improvements, (ii) for the common management, operation, maintenance, improvement and/or repair of all or any portion of the Project and the Other Improvements, (iii) for the allocation of a portion of the Direct Expenses to the Other Improvements and the operating expenses and taxes for the Other Improvements to the Project, and (iv) for the use or improvement of the Other Improvements and/or the Project in connection with the improvement, construction, and/or excavation of the Other Improvements and/or the Project. Nothing contained herein shall be deemed or construed to limit or otherwise affect Landlord's right to convey all or any portion of the Project or any other of Landlord's rights described in this Lease.

29.32.3 Construction of Project and Other Improvements. Tenant acknowledges that portions of the Project and/or the Other Improvements may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, obstruction of access, etc. which are in excess of that present in a fully constructed project. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written,

"LANDLORD":

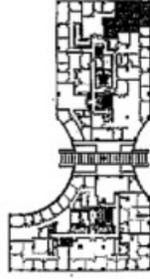
DANARI BROADWAY, LLC
a Delaware Limited Liability Company

By: _____
Its: _____
By: _____
Its: _____

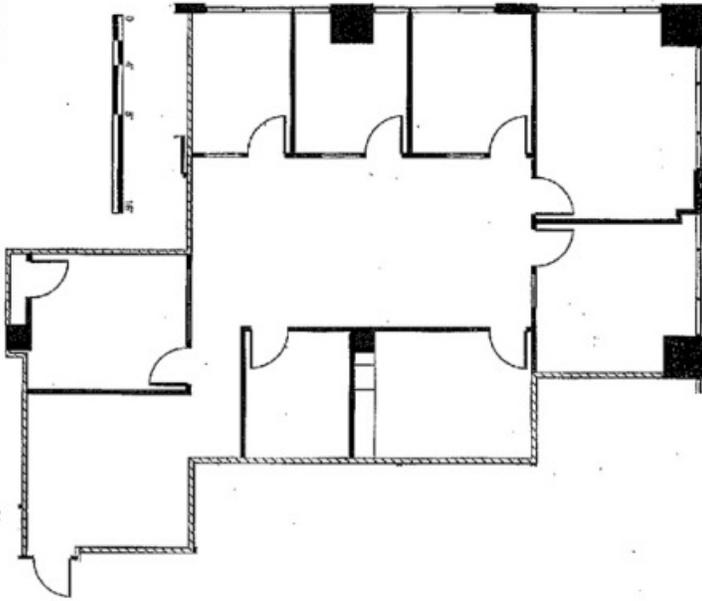
"TENANT":

GLOBAL CLEAN ENERGY HOLDINGS, INC
A Utah Corporation

By: _____
Its: _____
By: _____
Its: _____



100 W. BROADWAY
SUITE 650
2,000 RSF



AVAILABLE

Exhibit A

ADLER
RALPH ADLER, INC.

CBRE (310) 516-2460
CB RICHARD ELLIS (310) 516-2357

Empire Architects Inc., 100 Douglas Blvd., Suite 400, Long Beach, CA 90802, USA, T:562-465-7100 F:562-462-5427, info@empirearch.com

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100 Douglas Boulevard, Long Beach, CA 90802
ARCHITECTURE



EXHIBIT B

100 W. BROADWAY, LONG BEACH, CALIFORNIA 90802

TENANT WORK LETTER

This Tenant Work Letter shall set forth the terms and conditions relating to the initial improvement of the Premises for Tenant. This Tenant Work Letter is essentially organized chronologically and addresses the issues of construction, in sequence, as such issues will arise during the actual construction of the initial improvement of the Premises for Tenant. All references in this Tenant Work Letter to Articles or Sections of "this Lease" shall mean the relevant portions of Articles 1 through 29 of the Office Lease to which this Tenant Work Letter is attached as **Exhibit B**, and all references in this Tenant Work Letter to Sections of "this Tenant Work Letter" shall mean the relevant portions of Sections 1 through 6 of this Tenant Work Letter.

SECTION 1

TENANT IMPROVEMENTS

Using Building standard materials, components and finishes, Landlord shall cause the installation of lower cabinets (not to exceed six (6) feet in length) and install a sink in the Premises at a mutually agreeable location. Tenant shall make no changes, additions or modifications to the Tenant Improvements or require the installation of any "Non-Conforming Improvements" without the written consent of Landlord, which consent will not be unreasonably withheld in Landlord's sole discretion if such change or modification would directly or indirectly delay the "Substantial Completion," as that term is defined in Section 5.1 of the Tenant Work Letter of the Tenant Improvements or impose any additional costs.

SECTION 2

NON-CONFORMING IMPROVEMENTS

Notwithstanding anything to the contrary contained herein, Tenant shall be responsible for (i) the cost of any items that arise in connection with any revisions, changes or substitutions to the Tenant Improvements, and (ii) any items requiring other than Building standard materials, components or finishes (collectively, the "**Non-Conforming Improvements**"). In connection therewith, any costs which arise in connection with any such Non-Conforming Improvements shall be paid by Tenant to Landlord in cash, in advance, upon Landlord's request. Any such amounts required to be paid by Tenant shall be disbursed by Landlord prior to any Landlord provided funds for the costs of construction of the Tenant Improvements.

SECTION 3

CONTRACTOR'S WARRANTIES AND GUARANTIES

Landlord hereby assigns to Tenant all warranties and guaranties by the contractor who constructs the Tenant Improvements (the "Contractor") relating to the Tenant Improvements, and Tenant hereby waives all claims against Landlord relating to or arising out of the design and construction of the Tenant Improvements and/or Non-Conforming Improvements.

SECTION 4

TENANT'S AGENTS

Tenant hereby protects, defends, indemnifies and holds Landlord harmless for any loss, claims, damages or delays arising from the actions of Tenant's space planner/architect and or any separate contractors, subcontractors or consultants on the Premises or in the Building.

SECTION 5

COMPLETION OF THE TENANT IMPROVEMENTS;

LEASE COMMENCEMENT DATE

5.1 Ready for Occupancy. The Premises shall be deemed "Ready for Occupancy" upon the Substantial Completion of the Tenant Improvements. For purposes of this Lease, "Substantial Completion" of the Tenant Improvements shall occur upon the completion of construction of the Tenant Improvements in the Premises with the exception of any punch list items and any tenant fixtures, built-in furniture, or equipment to be installed by Tenant or under the supervision of Contractor.

5.2 Delay of the Substantial Completion of the Premises. Except as provided in this Section 5.2, the Lease Commencement Date shall occur as set forth in the Lease and Section 5.1, above. If there shall be a delay or there are delays in the Substantial Completion of the Tenant Improvements or in the occurrence of any of the other conditions precedent to the Lease Commencement Date, as set forth in the Lease, as a direct, indirect, partial, or total result of:

5.2.1 Tenant's failure to comply with the Time Deadlines;

5.2.2 Tenant's failure to timely approve any matter requiring Tenant's approval;

5.2.3 A breach by Tenant of the terms of this Tenant Work Letter or the Lease;

5.2.4 Changes in any of the Tenant Improvements after disapproval of the same by Landlord or because the same do not comply with Code or other applicable laws;

5.2.5 Tenant's request for changes in the Tenant Improvements;

5.2.6 Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the anticipated date of Substantial Completion of the Tenant Improvements, as set forth in the Lease, or which are different from, or not included in Landlord's Building standards;

5.2.7 Changes to the Base Building required by the Tenant Improvements;

5.2.8 Tenant's use of specialized or unusual improvements and/or delays in obtaining Permits due thereto; Amount; or

5.2.9 Any failure by Tenant to timely pay to Landlord any portion of the Over-Allowance

5.2.10 Any other acts or omissions of Tenant, or its agents, or employees; then, notwithstanding anything to the contrary set forth in the Lease or this Tenant Work Letter and regardless of the actual date of the Substantial Completion of the Tenant Improvements, the Lease Commencement Date shall be deemed to be the date the Lease Commencement Date would have occurred if no Tenant delay or delays, as set forth above, had occurred.

SECTION 6

MISCELLANEOUS

6.1 Tenant's Entry Into the Premises Prior to Substantial Completion. Provided that Tenant and its agents do not interfere with construction of the Tenant Improvements, Contractor shall allow Tenant access to the Premises prior to the Substantial Completion of the Tenant Improvements for the purpose of Tenant installing overstandard equipment or fixtures (including Tenant's data and telephone equipment) in the Premises. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 6.1, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Building or Premises and against injury to any persons caused by Tenant's actions pursuant to this Section 6.1.

6.2 Freight Elevator Service. Landlord shall, consistent with its obligations to other tenants of the Building, cause one (1) passenger elevator to be "padded" and otherwise prepared and ready for freight service and shall make the same reasonably available to Tenant in connection with initial decorating, furnishing and moving into the Premises.

6.3 Tenant's Representative. Tenant has designated as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

6.4 Landlord's Representative. Landlord has designated Lisa Barkemeyer as its sole representatives with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

6.5 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers retained directly by Tenant shall all be union labor in compliance with the then existing master labor agreements.

6.6 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

6.7 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease or this Tenant Work Letter, if any default by Tenant under the Lease or this Tenant Work Letter (including, without limitation, any failure by Tenant to fund any portion of the Over-Allowance Amount) occurs at any time on or before the Substantial Completion of the Tenant Improvements, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may, without any liability whatsoever, cause the cessation of construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Tenant Improvements and any costs occasioned thereby), and (ii) all other obligations of Landlord under the terms of the Lease and this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease.

EXHIBIT C

100 W. BROADWAY

FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned as Tenant under that certain Office Lease (the "Lease") made and entered into as of _____, 20____ by and between as Landlord, and the undersigned as Tenant, for Premises on the floor(s) of the office building located at _____, _____, California _____ certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modification thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on _____ and the Lease Term expires on _____, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on _____

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. Tenant shall not modify the documents contained in Exhibit A without the prior written consent of Landlord's mortgagee.

7. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is _____.

8. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder.

9. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease.

10. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

11. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

12. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

13. Other than in compliance with all Applicable Laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

14. To the undersigned's knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at _____ on the day of _____, 200 .

Global Clean Energy Holdings, Inc: a Utah Corporation

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT D

100 W. BROADWAY

RULES AND REGULATIONS

GENERAL RULES

1. Tenant shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Landlord reserves the right to refuse access to any persons Landlord in good faith judges to be a threat to the safety, reputation, or property of the Project and its occupants.
3. Tenant shall not make or permit any noise or odors that annoy or interfere with other tenants or persons having business within the Project.
4. Tenant shall not keep animals or birds within the Project, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
5. Tenant shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
6. Tenant shall not alter any lock or install new or additional locks or bolts.
7. Tenant shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
8. Tenant shall not deface the walls, partitions or other surfaces of the Premises or Project.
9. Tenant shall not suffer or permit anything in or around the Premises, Building or Project that causes excessive vibration or floor loading in any part of the Project.
10. Furniture, significant freight and equipment shall be moved into or out of the building only with the Landlord's knowledge and consent, and subject to such reasonable limitations, techniques and timing, as may be designated by Landlord. Tenant shall be responsible for any damage to the Project arising from any such activity.
11. Tenant shall not employ any service or contractor for services or work to be performed in the Building or Project, except as approved by Landlord.
12. Landlord reserves the right to close and lock the Building on Saturdays, Sundays, and Holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m.. If Tenant uses the Premises during such periods, Tenant shall be responsible for securely locking any doors it may have opened for entry.
13. Tenant shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.
14. No window coverings, shades or awnings shall be installed or used by Tenant.
15. Neither Tenant nor its employees or invitees shall go upon the roof of the Building.
16. Tenant shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Landlord or by applicable governmental agencies as non-smoking areas.
17. Tenant shall not use any method of heating or air conditioning other than as provided by Landlord.
18. Tenant shall not install, maintain or operate any vending machines upon the Premises without Landlord's written consent
19. The Premises shall not be used for lodging or manufacturing, cooking or food preparation.
20. Tenant shall comply with all safety, fire protection and evacuation regulations established by Landlord or any applicable governmental agency.
21. Landlord reserves the right to waive any one of these rules or regulations, and/or as to any particular tenant, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof of such tenant.
22. Tenant assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.
23. Landlord reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants in accordance with the terms and conditions of Article 5 of the Lease. Tenant agrees to abide by these and such other Rules and Regulations.

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles hereinafter called "Permitted Size Vehicles".
2. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenants employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Landlord for such activities.
3. Parking stickers, identification devices and/or entry cards shall be the property of Landlord and be returned to Landlord by the holder, hereof upon termination of the holder's parking privileges. Tenant will pay such deposit and/or replacement charge as is reasonably established by Landlord for the use and/or loss of such devices, as applicable.
4. Landlord reserves the right to refuse the sale of monthly identification devices to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements.

5. Landlord reserves the right to relocate all or part of parking spaces to reasonably adjacent offsite location (s), and to reasonably allocate them between compact and standard size spaces, as long as the complies with Applicable Laws, ordinances and regulations.
6. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.
7. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Landlord will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.
8. Validation, if established, will be permissible only by such method or methods as Landlord and /or its licensee may establish at rates general applicable to visitor parking.
9. The maintenance, washing, waxing or cleaning of vehicles in the parking area or Common Areas is prohibited.
10. Tenant shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.
11. Landlord reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.
12. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

**CERTIFICATIONS PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Richard Palmer, certify that:

1. I have reviewed this report on Form 10-Q of Global Clean Energy Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 9, 2011

By: /s/ RICHARD PALMER
Richard Palmer
Chief Executive Officer

**CERTIFICATIONS PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Bruce Nelson, certify that:

1. I have reviewed this report on Form 10-Q of Global Clean Energy Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 9, 2011

By: /s/ BRUCE NELSON
Bruce Nelson
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Global Clean Energy Holdings, Inc. (the “Company”) hereby certifies that, to the best of his knowledge:

- (i) The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2011 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2011

By: /s/ RICHARD PALMER
Richard Palmer
Chief Executive Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Global Clean Energy Holdings, Inc. (the “Company”) hereby certifies that, to the best of his knowledge:

- (i) The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2011 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2011

By: /s/ BRUCE NELSON
Bruce Nelson
Chief Financial Officer