

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 March 31, 2012

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

87-0407858
(IRS Employer Identification No.)

100 West Broadway, Suite 650
Long Beach, California 90802
(Address of principal executive offices)
(310) 641-4234

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 April 26, 2012, the issuer had 293,683,502 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 March 31, 2012

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>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,018,289	\$ 676,780
Accounts receivable	308	2,279
Inventory	137,249	104,782
Other current assets	<u>377,084</u>	<u>327,701</u>
Total Current Assets	1,532,930	1,111,542
PROPERTY AND EQUIPMENT, NET	13,296,411	11,905,182
INVESTMENT HELD FOR SALE	297,133	291,031
DEFERRED GROWING COST	3,412,206	2,780,871
OTHER NONCURRENT ASSETS	<u>11,457</u>	<u>10,814</u>
TOTAL ASSETS	<u>\$ 18,550,137</u>	<u>\$ 16,099,440</u>
LIABILITIES AND EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 1,367,583	\$ 1,363,217
Accrued payroll and payroll taxes	1,071,312	1,046,763
Deferred revenue	-	152,732
Capital lease liability - current portion	59,949	56,257
Notes payable to shareholders	26,000	26,000
Convertible notes payable	-	193,200
Total Current Liabilities	<u>2,524,844</u>	<u>2,838,169</u>
LONG-TERM LIABILITIES		
Accrued interest payable	1,550,812	1,684,186
Accrued return on noncontrolling interest	3,361,676	2,907,678
Capital lease liability - long term portion	22,925	31,258
Convertible notes payable	567,000	567,000
Mortgage notes payable	<u>5,110,189</u>	<u>5,110,189</u>
Total Long Term Liabilities	<u>10,612,602</u>	<u>10,300,311</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 issued and outstanding	285,062	285,062
Additional paid-in capital	24,277,632	24,260,628
Accumulated deficit	(26,303,330)	(26,662,294)
Accumulated other comprehensive loss	(4,909)	(21,996)
Total Global Clean Energy Holdings, Inc. Stockholders' Deficit	<u>(1,745,532)</u>	<u>(2,138,587)</u>
Noncontrolling interests	<u>7,158,223</u>	<u>5,099,547</u>
Total equity (deficit)	<u>5,412,691</u>	<u>2,960,960</u>
TOTAL LIABILITIES AND EQUITY (DEFICIT)	<u>\$ 18,550,137</u>	<u>\$ 16,099,440</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	
	March 31,	
	2012	2011
Revenue	\$ 153,935	\$ 88,224
Subsidy Income	465,586	172,000
Total Revenue	619,521	260,224
Operating Expenses		
General and administrative	627,467	570,529
Plantation operating costs	172,437	108,231
Total Operating Expenses	799,904	678,760
Loss from Operations	(180,383)	(418,536)
Other Income (Expenses)		
Other income	19,662	19
Interest expense	(192,800)	(139,796)
Gain on settlement of liabilities	514,473	-
Foreign currency transaction gain	-	2,440
Net Other Income (Loss)	341,335	(137,337)
Income (Loss) from Continuing Operations	160,952	(555,873)
Loss from Discontinued Operations	(2,038)	(22,793)
Net Income (Loss)	158,914	(578,666)
Less Net Loss Attributable to the Noncontrolling Interest	200,050	374,190
Net Income (Loss) attributable to Global Clean Energy Holdings, Inc.	\$ 358,964	\$ (204,476)
Amounts attributable to Global Clean Energy Holdings, Inc. common shareholders:		
Income (Loss) from Continuing Operations	\$ 361,002	\$ (181,683)
Income (Loss) from Discontinued Operations	(2,038)	(22,793)
Net Income (Loss)	\$ 358,964	\$ (204,476)
Basic Income (Loss) per Common Share:		
Income (Loss) from Continuing Operations	\$ 0.0013	\$ (0.0007)
Income (Loss) from Discontinued Operations	(0.0000)	(0.0001)
Net Income(Loss) per Common Share	\$ 0.0013	\$ (0.0008)
Basic Weighted-Average Common Shares Outstanding	285,062,812	270,464,478
Diluted Income (Loss) per Common Share:		
Income (Loss) from Continuing Operations	\$ 0.0012	\$ (0.0007)
Income (Loss) from Discontinued Operations	(0.0000)	(0.0001)
Net Income(Loss) per Common Share	\$ 0.0012	\$ (0.0008)
Diluted Weighted-Average Common Shares Outstanding	308,586,480	270,464,478

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 COMPREHENSIVE INCOME
(Unaudited)

	For the Three Months Ended	
	March 31,	
	2012	2011
Net Income (Loss)	\$ 158,914	\$ (578,666)
Other Comprehensive Income - foreign currency translation adjustment	<u>1,198,522</u>	<u>296,394</u>
Comprehensive Income (loss)	1,357,436	(282,272)
Add net loss attributable to the noncontrolling interest	200,050	374,190
Less other comprehensive income attributable to noncontrolling interest	(1,181,435)	(296,799)
Comprehensive Income (Loss) attributable to Global Clean Energy Holdings, Inc.	<u>\$ 376,051</u>	<u>\$ (204,881)</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 CHANGES IN EQUITY (DEFICIT)
For the Periods Ended March 31, 2011 and 2012

	<u>Series B</u>		<u>Common stock</u>		<u>Additional Paid in Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Non- controlling Interests</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>					
Balance at December 31, 2010	13,000	\$ 13	270,464,478	\$ 270,464	\$23,580,630	\$ (26,933,430)	\$ (2,195)	\$ 4,241,945	\$ 1,157,427
Contributions from noncontrolling interests	-	-	-	-	-	-	-	2,051,102	2,051,102
Issuance of common stock for cash	-	-	-	-	-	-	-	-	-
Exercise of Warrants	-	-	-	-	-	-	-	-	-
Issuance of common stock for services	-	-	-	-	-	-	-	-	-
Share-based compensation from issuance of options and compensation-based warrants	-	-	-	-	48,188	-	-	-	48,188
Accrual of preferential return for the noncontrolling interests	-	-	-	-	-	-	-	(302,134)	(302,134)
Foreign currency translation gain (loss)	-	-	-	-	-	-	(405)	296,799	296,394
Net income (loss) for the year ended December 31, 2011	-	-	-	-	-	(204,476)	-	(374,190)	(578,666)
Balance at March 31, 2011	<u>13,000</u>	<u>\$ 13</u>	<u>270,464,478</u>	<u>\$ 270,464</u>	<u>\$23,628,818</u>	<u>\$ (27,137,906)</u>	<u>\$ (2,600)</u>	<u>\$ 5,913,522</u>	<u>\$ 2,672,311</u>
	<u>Series B</u>		<u>Common stock</u>		<u>Additional Paid in Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Non- controlling Interests</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>					
Balance at December 31, 2011	13,000	\$ 13	285,062,812	\$ 285,062	\$24,260,628	\$ (26,662,294)	\$ (21,996)	\$ 5,099,547	\$ 2,960,960
Contributions from noncontrolling interests	-	-	-	-	-	-	-	1,531,290	1,531,290
Issuance of common stock for cash	-	-	-	-	-	-	-	-	-
Exercise of Warrants	-	-	-	-	-	-	-	-	-
Issuance of common stock for services	-	-	-	-	-	-	-	-	-
Share-based compensation from issuance of options and compensation-based warrants	-	-	-	-	17,004	-	-	-	17,004

Accrual of preferential return for the noncontrolling interests	-	-	-	-	-	-	-	(453,999)	(453,999)
Foreign currency translation gain (loss)	-	-	-	-	-	-	17,087	1,181,435	1,198,522
Net income (loss) for the year ended March 31, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>358,964</u>	<u>-</u>	<u>(200,050)</u>	<u>158,914</u>
Balance at March 31, 2012	<u>13,000</u>	<u>\$ 13</u>	<u>285,062,812</u>	<u>\$ 285,062</u>	<u>\$24,277,632</u>	<u>\$ (26,303,330)</u>	<u>\$ (4,909)</u>	<u>\$ 7,158,223</u>	<u>\$ 5,412,691</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 CASH FLOWS
(Unaudited)

	For the Three Months Ended	
	March 31,	
	2012	2011
Cash Flows From Operating Activities		
Net Income (loss)	\$ 158,914	\$ (578,666)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Foreign currency transaction gain	-	(2,440)
Gain on settlement of liabilities	(514,473)	-
Share-based compensation	17,004	48,188
Depreciation	68,743	66,241
Changes in operating assets and liabilities:		
Accounts receivable	-	(11,008)
Inventory	(23,010)	(424)
Other current assets	(37,655)	(41,763)
Deferred growing costs	(382,771)	(493,774)
Accounts payable and accrued expenses	202,837	119,918
Deferred revenue	(152,732)	-
Net Cash Used in Operating Activities	<u>(663,143)</u>	<u>(893,728)</u>
Cash Flows From Investing Activities		
Plantation development costs	(474,084)	(606,558)
Purchase of property and equipment	(85,583)	(164,900)
Net Cash Used in Investing Activities	<u>(559,667)</u>	<u>(771,458)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of preferred membership in GCE Mexico I, LLC	1,531,290	2,051,102
Payments on capital leases and notes payable	(12,206)	(11,448)
Net Cash Provided by Financing Activities	<u>1,519,084</u>	<u>2,039,654</u>
Effect of exchange rate changes on cash	<u>45,235</u>	<u>20,671</u>
Net Increase in Cash and Cash Equivalents	<u>341,509</u>	<u>395,139</u>
Cash and Cash Equivalents at Beginning of Period	<u>676,780</u>	<u>1,096,618</u>
Cash and Cash Equivalents at End of Period	<u>\$ 1,018,289</u>	<u>\$ 1,491,757</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ 2,220	\$ 30,624
Noncash Investing and Financing activities:		
Accrual of return on noncontrolling interest	\$ 453,999	\$ 302,135

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 originally incorporated under the laws of the State of Utah on November 20, 1991. Until 2007, the Company was a developmental-stage bio-pharmaceutical company engaged in the research, validation, and development of two drug candidates. In 2007, the Company decided to change its business and focus its efforts and resources on the emerging alternative energy fuels market. Accordingly, on September 7, 2007, we acquired certain trade secrets, know-how, business plans and relationships relevant to the cultivation and production of Jatropha. In 2008 we changed our name to “Global Clean Energy Holdings, Inc.” to reflect our energy agricultural business. In November 2009, we sold our remaining legacy bio-pharmaceutical assets to Curadis GmbH.

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.

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, 2011, as filed with the Securities and Exchange Commission. The results of operations for the three months ended March 31, 2012, may not be indicative of the results that may be expected for the year ending December 31, 2012.

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

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.

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.

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. The company has included on its financial statements comprehensive income with this quarter ended March 31, 2012.

Note 2 - Earnings per share information

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.

	For the Three Months Ended	
	March 31,	
	2012	2011
Net Income (loss)	\$ 358,964	\$ (204,476)
Basic Weighted-Average Common Shares Outstanding	285,062,812	270,464,478
Effect of dilutive securities		
Warrants	14,078,448	-
Options	9,445,220	-
Diluted Weighted-Average Common Shares Outstanding	308,586,480	270,464,478
Basic Income (loss) Per Common Share		
Net Income (loss)	0.0013	(0.0008)
Diluted Income (loss) Per Common Share		
Net Income (loss)	0.0012	(0.0008)

The Following 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 March 31, 2012 and 2011, as follows:

	March 31,	
	2012	2011
Convertible notes	18,900,000	19,028,671
Convertible preferred stock - Series B	11,818,181	11,818,181
Warrants	10,507,214	26,475,662
Compensation-based stock options and warrants	65,036,263	68,831,483
	106,261,658	126,153,997

Note 3 – 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 generated income from continuing operations applicable to its common shareholders of \$160,952 for the three-months ended March 31, 2012 and a loss of \$778,544 during the year ended December 31, 2011. The Company has an accumulated deficit applicable to its common shareholders of \$26,303,330 at March 31, 2012. The Company also used cash in operating activities of \$663,143 and \$2,933,448 during the three-month period ended March 31, 2012 and for the year ended December 31, 2011, respectively. At March 31, 2012, the Company has negative working capital of \$991,914 and a stockholders' deficit attributable to its stockholders of \$1,745,532. 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 \$15,471,558 in capital contributions from the preferred membership interest in GCE Mexico I, LLC, and has issued mortgages in the total amount of \$5,110,189 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. In order to fund its new operations, the Company entered into an agreement with investors in order to form GCE Mexico I, LLC. These investors have made capital contributions as preferred members in GCE Mexico I, LLC equal to \$15,471,558, and have loaned GCE Mexico I, LLC \$5,110,189 which was used to fund the acquisition of land owned by the Asideros entities. The capital contributions provided by the investors fund the ongoing costs of developing and operating the Asideros farms, and also fund a portion of the Company's overhead. However, the assets (including cash) belonging to GCE Mexico I, LLC and the Asideros entities can not be used by the Company to settle its obligations. As of March 31, 2012, the Company reports Cash and Cash Equivalents of \$1,018,289, however this includes \$884,087 that is allocable to GCE Mexico, I, LLC and the Asideros entities. The ability of the Company to continue as a going concern is dependent on the Company's ability to generate new sources of revenues and to attract new equity investors. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 4 – 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.

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

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.

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 March 31, 2012 and December 31, 2011. 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.

GCE Mexico I, LLC and Subsidiaries

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.

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

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 are secured by a mortgage on the land and related improvements. The notes, plus any related accrued interest, were due on July 15, 2011 and have been extended until August 15, 2012.

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

Note 5 - 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 March 31, 2012 and at December 31, 2011; the promissory notes are netted against the net assets. The Net Assets, measured at fair value as of March 31, 2012 were \$565,473 Belize Dollars (US \$297,133 based on exchange rates in effect at March 31, 2012).

Note 6 – Property and Equipment

Property and equipment are as follows:

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
Land	\$ 4,588,456	\$ 4,217,604
Plantation development costs	7,888,809	6,945,617
Plantation equipment	1,370,301	1,199,503
Office equipment	<u>114,414</u>	<u>110,031</u>
Total cost	13,961,980	12,472,755
Less accumulated depreciation	<u>(665,569)</u>	<u>(567,573)</u>
Property and equipment, net	<u>\$ 13,296,411</u>	<u>\$ 11,905,182</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 Jatropha 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 7 – 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>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
Accrued payroll, vacation, and related payroll taxes for current officers	\$ 990,495	\$ 965,946
Other former officers and directors	77,750	77,750
Accrued payroll taxes on accrued compensation to former officers and directors	<u>3,067</u>	<u>3,067</u>
Accrued payroll and payroll taxes	<u>\$ 1,071,312</u>	<u>\$ 1,046,763</u>

Note 8 – Debt**Notes Payable to Shareholders**

The Company has notes payable to certain shareholders in the aggregate amount of \$26,000 at March 31, 2012 and December 31, 2011. The notes originated between 1997 and 1999, bear interest at 12%, are unsecured, and are currently in default. Accrued interest on the notes totaled \$55,725 and \$46,415 at March 31, 2012 and December 31, 2011, respectively.

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 \$276,634 based on exchange rates in effect at March 31, 2012), 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 promissory notes matured on July 15, 2011, and were extended to August 15, 2012.

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. These notes have been extended to September 2013. Interest accrues on the convertible notes at a rate of 5.97% per annum, and is payable quarterly in cash, in arrears, on each three-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.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
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The warrants have been exercised in the quarter ending March 31, 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.

Mortgage Notes Payable

Two investors holding the preferred membership units of GCE Mexico also directly funded the purchase by Asideros 1 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 1 and Asideros 1 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 4,500 acres, and a second parcel by Asideros 2 of approximately 600 acres of land adjacent to the land owned by Asideros 1 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.

In October 2011, these two investors also directly funded the purchase by Asideros 3 of approximately 5,600 acres for a total \$2,095,525. The land was acquired in the name of Asideros 3 and Asideros 3 issued mortgages in the amount of \$2,095,525 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 October 2021.

Settlement of Liabilities

The Company has settled certain liabilities previously carried on the consolidated balance sheet, which settlements resulted in significant gains. The total gain on settlement of liabilities for the three months ended March 31, 2012 was \$514,473 and the year ended December 31, 2011 was \$1,024,076. This gain was primarily from the settlement or expiration of historic liabilities primarily incurred by prior management in connection with the discontinued pharmaceutical operations that had been on the Company's records for several years. In addition, the Company determined that certain liabilities had been extinguished with the passage of time for collection under the laws.

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

Note 9 – Stock Options and Warrants

Stock Options and Compensation-Based Warrants

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 March 31, 2012, and changes during the three 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, 2011	74,731,483	\$ 0.03	4.7 years	\$ 192,033
Granted	-	-		
Exercised	-	-		-
Expired	(250,000)	0.10		
Outstanding at March 31, 2012	74,481,483	0.03	4.4 years	\$ 206,882
Exercisable at March 31, 2012	<u>55,156,483</u>	\$ 0.03	2.9 years	\$ 186,807

At March 31, 2012, 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. No options or warrants were issued in the three-month periods ended March 31, 2012 and 2011. 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 March 31, 2012 closing price of \$0.022 per share.

GLOBAL CLEAN ENERGY HOLDINGS, INC. AND SUBSIDIARIES
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Share-based compensation from all sources recorded during the three months ended March 31, 2012 and 2011 was \$17,004 and \$48,188, respectively, and is reported as general and administrative expense in the accompanying condensed consolidated statements of operations. As of March 31, 2012, there is approximately \$173,532 of unrecognized compensation cost related to stock-based payments that will be recognized over a weighted average period of approximately .92 years.

Stock Warrants

A summary of the status of the warrants outstanding at March 31, 2012, and changes during the three months then ended is presented in the following table:

	Shares Under <u>Warrant</u>	Weighted Average Exercise <u>Price</u>	Weighted Average Remaining Contractual Life	Aggregate Intrinsic <u>Value</u>
Outstanding at December 31, 2011	24,585,662	\$ 0.01	1.75 years	\$ 457,550
Issued	-	-		
Exercised	-	-		\$ -
Expired	-	-		
Outstanding at March 31, 2012	<u>24,585,662</u>	\$ 0.01	1.50 years	\$ 314,184

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 bio-pharmaceutical business as discontinued operations. For the three-month period ended March 31, 2012 and year ended December 31, 2011, 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 April 2012 the Company issued 8,620,690 shares, at a share price of \$.029 per share, to an accredited investor for cash proceeds paid to the Company of \$250,000. The proceeds from this sale were used for general corporate purposes.

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, 2011), 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 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 completed planting the second farm by the end of March 2012. In 2011, through our joint venture, we have also acquired approximately 5,600 acres that is located in Mexico near our other two farms. We intend to commence developing this land into a third Jatropha farm later 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. 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 the 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 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 the 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. To date we have received a total of \$1,388,000 in governmental subsidy payments, with additional amounts expected to be received later in 2012. These subsidies are spent in Mexico and 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 expenses and operations, since inception, for the two operating farms in the Tizimin area (through March 31, 2012) was \$15,471,558.
7. In 2011 we entered into a services agreement to provide advisory services related to the development of a Jatropha farm in the Caribbean. In the quarter ended March 31, 2012, we recognized \$153,935 of farm advisory revenues from the services related to the Caribbean development. In connection with providing these services, we leased approximately five hectares of land in the Caribbean to develop a research farm to provide these Jatropha development and evaluation services, in anticipation of a larger development for this same customer. We have also provided advisory services for companies related to potential use of Jatropha farming and the use of the products in the United States, South America and Africa.

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, 2011.

Results of Operations

Revenues. During the three-month period ended March 31, 2012 we recognized revenue of \$619,521 as compared with \$260,224 for the same period in 2011. The revenues that we generated in 2012 and 2011 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 increase in revenues compared with the same period in 2011 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 2012 and beyond. In addition, some of the Jatropha trees that we first planted three years ago 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-month period ended March 31, 2012 were \$627,467 compared to \$570,529 for the same period in 2011. 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 increase in general and administrative expenses for the three months ended March 31, 2012, compared to the prior year was principally the result of increased 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-month period and ended March 31, 2012, we recorded Plantation Operating Costs from the operations of the farms of \$172,437, as compared with \$108,231 in the same period in 2011. This increase is related to the expansion of operations

Other Income/Expense. The principal component of Other Income/Expense for the March 31, 2012 fiscal quarter was the \$514,473 gain that we recognized from the settlement of liabilities. Gain on settlement of liabilities represents gains we realized by discharging historic liabilities (most of which were incurred while this company operated as a developmental-stage bio-pharmaceutical company) at less than the accrued amount of such liabilities. There was a gain of \$514,473 due to the extinguishment of promissory notes and other obligations. Another significant component of Other Income/Expense for the current period is accrued mortgage interest. Interest expense for the three-month period ended March 31, 2012, was \$192,800, compared to \$139,796 for the three month period ended March 31, 2011, respectively. As of March 31, 2012, we owned approximately 15,000 acres of land in Mexico that is subject to interest bearing mortgages. Because we purchased additional land in the fourth quarter of 2011, we did not pay interest on the additional mortgages during the entire first quarter of 2011.

Income (Loss) from Discontinued Operations. During the three-month period ended March 31, 2012, we recognized a loss from discontinued operations of \$2,038, compared to a loss from discontinued operations of \$22,793 for the comparable period in 2011. The income or loss from discontinued operations for the three-month period ended March 31, 2012 and 2011 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 income of \$358,964 for the three-month period ending March 31, 2012, as compared to a net loss of \$204,476 for the three month period in 2011. We will continue to accrue interest on the mortgages that encumber the Tizimin, Mexico, farms. 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 March 31, 2012, we had \$1,018,289 in cash or cash equivalents and had a working capital deficit of \$991,914, as compared with \$676,780 in cash and a working capital deficit of \$1,726,627 as of December 31, 2011. Only \$98,524 of our cash/cash equivalent balances as of March 31, 2012 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 March 31, 2012 totaled \$13,137,446. 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. During the three-month period ended March 31, 2012, we received overhead reimbursements of \$84,531 from GCE Mexico I, LLC. We anticipate that our overhead reimbursements for the balance of the current fiscal year will continue at no less than the foregoing rate. In April 2012, we raised \$250,000 from the sale of share of our common stock (at a price of \$0.03 per share). In addition, we anticipate that that we will continue to receive advisory service fees in the near term. The amount of cash on hand and the anticipated cash receipts from GCE Mexico and the advisory service clients will not, however, be sufficient to fund our working capital needs for the next twelve months. Furthermore, we do not have sufficient financial resources to fund our business plan (which includes the purchase of our own Jatropha farms and other capital outlays). Accordingly, unless we enter into additional advisory service agreements or otherwise receive cash proceeds (see the description regarding the sale of the Belize property below), we will have to obtain additional funding from the sale of our securities to fund our cash needs. No assurance can be given that we will be able to raise additional capital or that such additional capital will be on terms favorable to the company and its shareholders.

Our business plan 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 in the second quarter of 2012 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 \$18,833,234 as of March 31, 2012. 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 is inactive, and we are currently attempting to sell the farm. In connection with the purchase of all of the shares of TAL, we issued to the sellers, among other consideration, promissory notes in the aggregate amount of \$516,139 Belize Dollars (US \$268,682 based on exchange rates in effect at May 4, 2012), which notes are secured by a mortgage on the 400-acre farm. The new maturity date of the promissory notes currently is August 15, 2012. If we are able to sell the Belize farm before August 15, 2012 at the approximate fair market value of that land, we will receive sufficient sale proceeds to repay the TAL notes in full and will also generate additional proceeds for our working capital purposes. No assurance can be given that we will be able to sell the Belize farm. If the farm is not sold by August 15, 2012, we will have to ask the noteholders for an extension or face possible foreclosure of the loans.

We presently do not have any available credit, bank financing or other external sources of liquidity. In the absence of additional outside funding (including 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 to Curadis GmbH 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. In February 2012 Curadis GmbH informed us that it had licensed some of the ancillary patents and rights to an affiliated cosmetics company. As part of that licensing arrangement, Curadis GmbH paid us an up-front licensing fee of 15,000 Euros, and agreed to pay us a royalty of 4.5% of all net sales of products sold using the licensed technology. Curadis further agreed that if we do not receive royalty payments, on a cumulative basis, of 300,000 Euros under this cosmetics license by December 31, 2014, the licensed patents will be returned to us. Curadis has also informed us that it is hopeful that the other, non-cosmetics legacy pharmaceutical assets will be commercialized within the next two to three years. We will continue to maintain a security interest in such assets until such time as, if ever, we are paid a total of 2,000,000 Euros. While we anticipate that we will receive additional payments from Curadis under this new license, the amount and timing of such license payments are unknown and are not expected to significantly contribute in 2012 to our liquidity.

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, 2011. 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 Jatropha Farm. We currently owe the four former owners of our 400-acre farm in Belize, Central America, loans in the aggregate amount of \$516,139 Belize Dollars (US \$268,682 based on exchange rates in effect at May 4, 2012), which loans are secured by a lien on the 400-acre farm. We are currently planning an orderly disposition of this land that will enable us to repay the loans and realize a gain on our investment. The promissory notes matured on July 15, 2011, and were extended to August 15, 2012.

Agricultural Risks – General. Agricultural operations are expected to generate a large portion of our future 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. Jatropha 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 Jatropha 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.

We did not sell any shares during the three-month period ended March 31, 2012. However, on April 4, 2012, we sold 8,620,690 shares of our common stock to an accredited investor at a price of \$0.029 per share for cash proceeds of \$250,000. 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. MINE SAFETY DISCLOSURES.

Not applicable

ITEM 5. OTHER INFORMATION

In accordance with the employment term sheet we entered into on November 16, 2011, Mr. Gregory S. Cardenas' employment as our Executive Vice President and Chief Financial Officer was terminated. Richard Palmer, our Chief Executive Officer, has assumed the role as interim Chief Financial Officer until a new Chief Financial Officer is hired.

ITEM 6. EXHIBITS

- 10.1 Amended and Restated Limited Liability Company Agreement of GCE Mexico I, LLC, a Delaware Limited Liability Company, Amendment and Restatement March 28, 2011
- 31.1 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

- 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: May 7, 2012

GLOBAL CLEAN ENERGY HOLDINGS, INC.

By: /s/ RICHARD PALMER

Chief Executive Officer and interim
Chief Financial Officer

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

GCE MEXICO I, LLC

A DELAWARE LIMITED LIABILITY COMPANY

This Amended and Restated Limited Liability Company Agreement is made as of March 28, 2011, 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 Resnick Trust (defined below), the Zilkha Members (defined below) and GCE (defined below) were the initial members of the Company pursuant to that certain Limited Liability Company Agreement dated as of April 23, 2008 (the "Original Agreement").

B. The parties now desire to amend and restate the Original Agreement to make certain changes agreed to among the Members.

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 to amend and restate the Original Agreement in full as follows:

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

1.6 “Applicable Purchase Price” has the meaning specified in Section 5.3(d).

1.7 “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.

1.8 “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.

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

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

1.11 "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 current Budget approved by the Members is attached hereto as Exhibit B.

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

1.13 "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.

1.14 "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.

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

1.16 "Closing" has the meaning specified in Section 7.8.

1.17 "Code" means the Internal Revenue Code of 1986.

1.18 "Common Member" means a Member who holds Common Units.

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

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

1.21 “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.

1.22 “Company Subsidiary” means ASIDEROS GLOBALES CORPORATIVO, a wholly-owned Subsidiary of the Company formed under the laws of Mexico, ASIDEROS S. de R.L. de C.V.], a wholly-owned Subsidiary of the Company formed under the laws of Mexico and any other wholly-owned Subsidiary of the Company created or formed in the future.

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 all 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 Member’s 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 Loans” 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 a 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 Company Subsidiaries, 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 100 West Broadway, Suite 650, Long Beach, California 90802 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 has made Capital Contributions in the aggregate amount set forth on [Exhibit A](#) attached hereto. 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. Each Preferred Member shall have the option to 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 that the Preferred Members are not obligated to make such Capital Contribution and shall elect to do so in such Preferred Member's sole and absolute discretion.

(iii) Additional Capital Contributions. No Member shall be required to make any Capital Contributions. 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. Company Subsidiaries have borrowed \$1,396,967 from each of Resnick Trust and the Zilkha Trust to purchase land for the Project (“Current Loans”). A Company Subsidiary may in the future borrow additional funds from the Resnick Trust and the Zilkha Trust, to buy additional land for the Project (“Future Loans” and, together with the Current Loans the “Land Acquisition Loans”). Future Loans to a Company Subsidiary may be made by the Resnick Trust and the Zilkha Trust in their sole and absolute discretion and only if the following conditions are satisfied: (a) the Board has authorized the Company Subsidiary to execute and deliver an agreement for the acquisition of real estate for the Project in form and substance satisfactory to the Resnick Trust and the Zilkha Trust, and (b) the Company Subsidiary has executed and delivered to the Resnick Trust and the Zilkha Trust a promissory note in the form attached hereto as Exhibit C (the “Promissory Note”) and a mortgage in the form attached hereto as Exhibit D. The Promissory Note shall contain the following terms: (i) the interest payable under such Land Acquisition Loan 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) 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 Loan.

(b) Treatment of Loans. To the fullest extent permitted by law, all principal, interest, costs and expenses due and payable by the Company or a Company Subsidiary 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 or a Company Subsidiary 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 or a Company Subsidiary 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 outside 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(e). 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 with 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 Jatropha 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.

(e) 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 the Company Subsidiaries to pay to the Resnick Trust and the Zilkha Trust at the Closing all principal, accrued interest and other amounts payable under all 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 the Company Subsidiaries to pay to the Resnick Trust and the Zilkha Trust at the Closing all principal, accrued interest and other amounts payable under all 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)(i)(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)(i)(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 the Company Subsidiaries to pay to the Resnick Trust and the Zilkha Trust at the Closing all principal, accrued interest and other amounts payable under all Land Acquisition Loans.

7.5 Member Transfer Rights.

(a) The 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 of the Original Agreement. After the third anniversary of the date of the Original Agreement, 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) The 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 Trust/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 Trust/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 Trust/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 Resnick Trust/Zilkha Members do not elect to purchase the entire balance of the offered Membership Interest, then the Resnick Trust/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 Trust/Zilkha Members do not elect to purchase all of the offered Membership Interest, the Resnick Trust/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 Trust/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 Trust/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, the Company Subsidiaries shall pay in full to the Resnick Trust and the Zilkha Trust all principal, accrued interest and other amounts payable under all 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
LYNDA RESNICK REVOCABLE TRUST, DATED DECEMBER 27,
1988 AS AMENDED

LYNDA RAE RESNICK, AS TRUSTEE OF THE STEWART AND
LYNDA 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

March 28, 2011

Preferred Members:

Preferred Member's Name	Preferred Member's Address	Preferred Member's Capital Contribution	Preferred Units	Preferred Percentage
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	\$5,479,980	500	50%
Selim Zilkha, as trustee of the Selim K. Zilkha Trust	750 Lausanne Road, Los Angeles, CA 90077	\$5,479,980	500	50%

Common Members:

Common Member's Name	Common Member's Address	Common Member's Capital Contribution	Common Units	Percentage Interest
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%

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EXHIBIT B

BUDGET

Exhibit B - Operating Budget - GCE-Mexico - GCE-Mexico 1, LLC - Tizimin Ranch

Updated: 04-22-08

	<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>	<u>Year 1 Total</u>
Fixed Costs													
Equipment	\$ 62,028	\$ 95,548	\$ 44,136	\$ 14,733	\$ 42,233	\$ 14,733	\$ 14,733	\$ 17,233	\$ 14,733	\$ 14,733	\$ 14,733	\$ 14,733	\$ 364,347
Corp Management	\$ 8,458	\$ 8,458	\$ 8,458	\$ 5,456	\$ 5,456	\$ 8,458	\$ 8,458	\$ 8,458	\$ 8,458	\$ 8,458	\$ 8,458	\$ 8,456	\$ 101,500
Corp Overhead	\$ 3,157	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 3,167	\$ 38,000
Dirtrict management	\$ 15,404	\$ 15,404	\$ 15,404	\$ 10,084	\$ 10,084	\$ 10,084	\$ 10,084	\$ 10,064	\$ 10,064	\$ 10,064	\$ 10,084	\$ 10,084	\$ 136,967
Total Fixed													
Coast	\$ 89,057	\$ 122,617	\$ 71,145	\$ 36,442	\$ 63,942	\$ 36,442	\$ 36,442	\$ 38,442	\$ 36,442	\$ 36,442	\$ 36,442	\$ 36,442	\$ 640,814
Variable													
Coast Direct Labor	\$ 49,112	\$ 44,145	\$ 44,145	\$ 46,816	\$ 58,132	\$ 58,132	\$ 61,255	\$ 59,781	\$ 62,714	\$ 62,714	\$ 26,077	\$ 26,077	\$ 599,089
Sub-Contractors	\$ 137,247	\$ 146,494	\$ 90,994	\$ 129,794	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,260	\$ 1,250	\$ 1,250	\$ 1,250	\$ 534,529
Professional Fees (Legal Use Industry)	\$ 79,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,298
Consumables													
Seed Stock Companies, Fertilizer, Fuel	\$ 12,641	\$ 18,618	\$ 28,375	\$ 38,035	\$ 25,742	\$ 33,328	\$ 33,067	\$ 35,067	\$ 33,067	\$ 33,067	\$ 33,067	\$ 33,057	\$ 355,140
Liabilities	\$ 958	\$ 958	\$ 1,367	\$ 1,367	\$ 1,775	\$ 1,775	\$ 2,184	\$ 2,184	\$ 2,592	\$ 2,592	\$ 2,001	\$ 3,001	\$ 23,754
TOTAL VARIABLE COST													
TOTAL BUDGET	\$ 348,313	\$ 362,832	\$ 235,046	\$ 252,453	\$ 150,641	\$ 130,827	\$ 134,207	\$ 135,203	\$ 135,065	\$ 136,065	\$ 99,836	\$ 99,836	\$ 2,232,623
Cumulative Cash													
Required	\$ 348,313	\$ 721,145	\$ 957,191	\$ 1,209,644	\$ 1,300,445	\$ 1,491,412	\$ 1,625,619	\$ 1,760,822	\$ 1,696,667	\$ 2,032,952	\$ 2,132,787	\$ 2,232,623	\$
Quarterly funding	\$ 957,191			\$ 634,221			\$ 405,475			\$ 335,736			
	O1			O2			O3			O4			

{043308.2}

EXHIBIT C

FORM OF PROMISSORY NOTE

P A G A R E
PROMISSORY NOTE

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

Fecha de Vencimiento- Maturity Date: April 23, 2018

1. Por este Pagare (este Pagare) 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 seran denominados conjuntamente como los "Acreedores")y cualesquier sucesores o cesionarios subsecuentes de los Acreedores como titulares del presente Pagare (los "Titulares") en 11444 West Olympic Boulevard, 10th Floor, Los Angeles, California 90064 o en cualquier otro lugar que los Titulares de este Pagare designen eventualmente, la suma principal de EUD\$2,051,282 (Dos Millones cincuenta y un mil doscientos ochenta y dos mil de Dolares Estadounidenses) mas 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 ano, prorrateado en periodos fraccionales, calculados sobre la base de 1 ano de 360 doas comprendiendo los mismos meses de 30 dias cada uno, con ningun interes acumulable desde el die en que se otorga el prestamo, pero con intereses acumulables pare el dia en que el prestamo sea pagado. Los intereses diariamente acumulables y seran pagados quincenalmente el primer dia de cada quincena a partir del 1 de mayo de 2008; siempre que el Suscriptor y GCE Mexico (tal y come se define en los parrafos siguientes) no cuenten con los fondos suficientes pare realizar cualquier page de interes, cuando *estos* sean pagaderos, tal y como determine el Consejo de Administracion (tal y como se define en el Contrato LLC) de GCE Mexico, en seguimiento al Contrato LLC (el cual se definen en los parrafos siguientes), entonces el Suscriptor llevara a cabo el page de los interese tan pronto come sea posible obtener efectivo, en seguimiento a las determinaciones de el Consejo de Administracion of GCE Mexico de conformidad con el Contrato LLC. El saldo total principal de este Pagare junto con todos los intereses acumulados no pagados, venceran y seran pagaderos a mas tardar el 23 de abril de 2018. Cualquier importe pagado por el Suscrito a fin de cumplir con sus obligaciones conforme a este Pagare, sera pagado en forma prorrateada a cada uno de los Acreedores, para que cada uno del Fideicomiso Resnick y del Fideicomiso Zilkha deberan recibir el cincuenta por ciento (50%) de cualquier pago.
 1. For value received and by this Promissory Note (this "Note"), the Undersigned. unconditionally promises to pay 10 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 "Holder?"). at 11444 West Olympic Boulevard, le 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 Tu. Million Filly one Thousand two hundred and eighty two Dollars (2, 051282), 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 I, 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 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 he 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 filly percent (50%) of any such payments.
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2. Este Pagare se otorga en relacion 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 Publica numero 390 de fecha 23 de abril de 2008 otorgada ante la fe del Notario Publico Alvaro Roberto Baquero Caceres, Notario numero 55 de la ciudad de Merida, Estado de Yucatan, Estados Unidos Mexicanos, y que se definen mas 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 Pagare, el balance pendiente del adeudo principal aqua mencionado debera inmediatamente devengr intereses en una tasa anual igual a 2% (dos por ciento) sobre la tasa de interes, la cual esta estipulada en este documento, en tanto el incumplimiento de lo establecido en el presente Pagare continue.

4. Todos los contratos entre el Suscriptor y los Titulares con respecto a la materia de este Pagare estan expresamente limitados, por lo que bajo ninguna contingencia o evento de cualquier tipo, ya sea en razon del anticipo de producto del mismo, aceleracion o vencimiento del saldo principal no pagado, o de otra forma, no se pagara el importe o se acordara pagarlo a los Titulares de este Pagare para su uso, reduccion o retencion de dinero anticipado conforme a este Pagare que exceda la tasa legal maxima permisible conforme a la Ley que un tribunal de jurisdiccion competente estime aplicable al mismo. Cuando por cualquier tipo de circunstancias el cumplimiento con alguna disposicion de este Pagare o cualquier instrumento que garantice el Pagare, a la fecha en que venza el cumplimiento con dicha disposicion se exceda el Limite de validez establecido por la ley y que un tribunal de jurisdiccion competente considere aplicable al mismo, entonces, la obligacion que debe cumplirse sera reducida al Limite de dicha validez y cuando bajo cualquier circunstancias los Titulares hayan recibido intereses sobre el importe que excederia los intereses, seran aplicados a la reduccion del saldo principal no pagado vencido conforme a este Pagare y no al pago de intereses. Esta disposicion regira cualquier otra disposicion de todos los contratos celebrados entre el Suscriptor y los Titulares con respecto a la materia de este Pagare.

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 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 Pagare, la suma principal integra del mismo, mas los intereses correspondientes hasta la fecha de pago, seran exigibles y pagaderos de inmediato, a eleccion y requerimiento de los Tenedores de este documento.
6. Este Pagare vencera y debera pagarse de inmediato, sin necesidad de aviso o requerimiento y sin necesidad de ninguna accion o eleccion de los Titulares, cuando ocurra en cualquier momento cualquiera de los siguientes eventos:
- (i) La venta, transmision, transferencia o disposicion la creacion de cualquier gravamen per parte del Suscriptor o respecto de la Propiedad o cualquier parte de la misma o cualquier interes en ella, ya sea voluntaria o involuntariamente o de otra manera.
- (ii) En caso de que Global Clean Energy, Inc. ("GCE") ejerza cualquier derecho de compra de Intereses de Membresia (tal como se define en a 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 Mexico I. LLC (el "Contrato de LLC") celebrado entre Resnick Trust, Zilkha Trust, DMZ 2000 GST Trust, LLZ 200 GST Trust, Julian 2000 GST Trust, Daniela 2000 GST Trust y GCE
- (iii) En caso de cesion a beneficio de acreedores por cualquier parte responsable del pago de este Pagare, 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 sindico de quiebras, custodio, liquidador o fiduciario de quiebra de los bienes de dicha parte, o esta presente una declaracion 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 Pagare, 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 sindico 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) dias naturales despues de que se inicie o haga el nombramiento.
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. 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) 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) 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, Julian 2000 Trust, Daniela 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
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7. La suerte principal de este Pagare podria ser pre pagada en todo o en parte, en el entendido, sin embargo de que todos los intereses acumulados sobre el importe que sera pre pagado y todos los intereses moratorios que deban pagarse conforme al presente Pagare, tambien deberan pagarse en esa fecha.
 8. El importe principal de este Pagare y los intereses sobre el mismo, si los hubiera, seran pagados por el Suscriptor Avalista libres y sin ninguna deduccion 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 pagare deba hacer conforme a la Ley Mexicana alguna retencion respecto del pago de intereses, el Suscriptor pagara a los Tenedores de este Pagare 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 Pagare deba declararse vencido en un da que no sea dia habil, dicho pago debera hacerse el dia habil inmediato siguiente y dicha extension de tiempo debera ser incluida dentro del computo de dias para el pago de intereses del presente Pagare.
 10. Para todo lo relativo al presente Pagare, el Suscriptor smalan como su domicilio: Calle 32, 200 A, Departamento 12, Colonia Garcaa Gineres, C.P. 97070, Merida, Yucatan, Mexico.

(i) Este Pagare estara, 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 accion o procedimiento ejercitado en los Estados Unidos Mexicanos para solicitar el cumplimiento de este Pagare, este Pagare se interpretara y regira conforme a las leyes de los Estados Unidos Mexicanos.

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 tare *charges* payable hereunder are also paid at such time.
8. The principal amount of this Promissory 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 he 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 dote shall be construed and governed under the laws of the United Mexican States.

(ii). Para la interpretación, ejecución y cumplimiento de este Pagare y para el requerimiento judicial del pago de su importe, el 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 a tribunales competente en In Ciudad de Mexico; Mexico, y mediante la suscripción y entrega de este Pagare 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 unico o parcial de cualquier facultad conforme a este Pagano cualquier hipoteca, contrato de fideicomiso, contrato de garantía u otro contrato que garantice este Pagare no impedira 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 Pagare 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 Pagare no operara como renuncia de dicho derecho o de cualquier otro conforme a este Pagare. La liberación de cualquier parte responsable de este Pagare no opera como liberación de cualquier otra parte responsable del mismo. La aceptación de cualquier importe adeudado y que deba pagarse conforme a este Pagare no operara 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 Pagare renuncian a la presentación, demanda, protesta, avisos de protesta, incumplimiento o falta de pago de este Pagare y todos los avisos de cualquier tipo, excepto por lo dispuesto en el Pagare. 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 Pagare a cualquier 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 manra enunciativa mas no limitativa honorarios razonables de abogados y todos los gastos en que incurra el titular del mismo a cuenta de dicta cobranza.

14. La suerte principal e intereses documentados por este Pagare, son pagaderos unicamente en moneda de curso Legal en Los Estados Unidos.

15. Este Pagare se suscribe en versiones en idioma inglés y español, y ambas obligaran al Suscriptor, Pero ambas constituyeron un unico y mismo instrumento; quedando establecido, sin embargo, que en caso de discrepancia prevalecera el texto en inglés.

16. Este Pagare que se contiene en siete (7) paginas escritas unicamente en el anverso, se suscribe y entrega en Merida, Yucatan, el 23 de abril de 2008.

(ii) for the interpretation, execution, compliance and performance of this Note the Undersigned expressly submit to the jurisdiction of: (i) any 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 here for 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 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 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. Principal and interest evidenced hereby are payable only in lawful money of the United States.

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

THE END



Por/By: Laura Mello Gonzalez

On behalf/en representation 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 Yucatan, Mexico

EXHIBIT D
FORM OF 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 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.

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 RSERVE 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:

RECITALS

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 eighty 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 its 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 its 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.

LEGALSTANDING

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.

BACKGROUND

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 Sucopo, 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 Sucopó.

b) 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.

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.

L E G A L S T A N D I N G

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.

Name:

Spouse or Registered Domestic
Partner of
ii

**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: May 7, 2012

By/s/ RICHARD PALMER

Richard Palmer
Chief Executive Officer and interim 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 March 30, 2012 (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: May 7, 2012

By/s/ RICHARD PALMER
Richard Palmer
Chief Executive Officer and interim Chief
Financial Officer
